



## **REQUEST FOR ACTION**

### **Sale of General Obligation Sales Tax Revenue Bonds, Series 2026A and Providing for their Issuance**

**MEETING DATE:**

July 6, 2026

**ORIGINATING DEPT:**

Finance Department

**AGENDA SECTION:**

Consent Agenda

**PRESENTER:**

Brian Anderson

**Action Requested:**

Adopting a Resolution authorizing the sale of general obligation sales tax revenue bonds, series 2026A, subject to certain parameters, for the construction of the Regional Sports and Recreational Complex.

**Report Narrative:**

In July 2023, the Common Council initiated the process by approving State legislative authority and calling for a special election to extend the existing sales tax, originally in place since 1983 and last renewed in 2012. The proposed 24-year extension will fund four initiatives including economic vitality, street reconstruction, flood control, and a Regional Sports and Recreation Complex. Voters approved the extension in November 2023, enabling continued revenue collection beyond the expiration of prior obligations in 2024.

Annual sales tax receipts began partway through the year 2024 and totaled \$7.75 million and are projected to grow at about one percent annually, eventually reaching nearly \$18.7 million by 2047, resulting in a cumulative revenue estimate of about \$394.5 million. The City of Rochester's sales tax model currently outlines the four major initiatives funded through local option sales tax revenues. Together these projects total a principal amount of \$205 million, with the Regional Sports and Recreation Complex representing the largest financial commitment at \$65 million and the only project proposed to be financed through general obligation sales tax revenue bonds.

Bond repayment for the Regional Sports and Recreation Complex is projected at approximately \$101.5 million over the 20-year debt schedule, compared with pay as you go funding for the other three initiatives. This equates to total sales tax use of approximately \$241.5 million for these projects, including debt service. Over the full projection period, the cumulative net fund balance of sales tax will reach an estimated \$152.98 million, reflecting the combined impact of steady revenue growth, pay as you go spending, and the bond financed obligations tied to the Regional Sports and Recreation Complex.

At their June 1, 2026, Council meeting, the Common Council approved Resolution to set the sale date for the competitive negotiated sale of the general obligation sales tax revenue bonds, series 2026A for July 6, 2026. The Common Council is now being asked to approve a Parameters Resolution to execute

the sale of the bonds. The City has used parameter resolutions in the past as they are used when the Common Council provides flexibility and efficiency of the bond sale and authorizes a bond issuance while minimizing the risk that may delay the process and could prevent the City from taking advantage of favorable market conditions.

Within the Parameters Resolution, as prepared by the City's bond counsel, the Council would be approving the key financial parameters of the transaction, including the maximum principal amount at \$65,000,000, maximum interest rate at 5.0%, maturity date not to exceed 120 days from approval of the Resolution, and designating the authorized officials or Pricing Committee to complete the sale as the City Administrator and Director of Finance. Again, this process allows the Council to establish and approve the policy framework for the financing while delegating the ministerial authority necessary to execute the transaction when market conditions are appropriate.

### **Priorities & Foundational Principles:**

Fiscal Responsibility & Sustainability  
Economic Vibrancy & Growth Management

### **Policy Considerations & DEI Impact:**

The Common Council has made it a priority to advance the City's sustainability effort and financially supporting this project will provide an inclusive space where all residents can participate, stay active, and connect with their community.

### **Prior Legislative Actions & Community Engagement:**

February 6, 2023: Council Meeting - Agreement with ISG for Professional Services to Further Inform the RSRC Local Option Sales Tax Proposed Project Approved.  
March - June 2023 - Community Working Group Process.  
July 24, 2023: Council Meeting - Gaps Analysis, Community Engagement, Preliminary Design Program, and Projected Future Operations and Maintenance for the RSRC report.  
July 24, 2023: Council Meeting - Adopted the sales tax extension ballot language.  
November 7, 2023 - City Special Election (Voter Passage of Local Sales Tax)  
January 29, 2024: Council Study Session - Local Sales Tax Update provided to City Council  
February 21, 2024: Council Meeting - First Reading for Local Sales Tax Implementation  
March 4, 2024: Council Meeting -Request for Proposals (RFP) for operations and programming planning activities for the RSRC.  
March 18, 2024: Council Meeting - Local Sales Tax Renewal Implementation  
May 20, 2024: Council Meeting - Approval of Operator Planning Professional Services  
June 10, 2024: Council Meeting - Executive Session - Property sites for RSRC project discussed.  
August 2024: Council Meeting - Request for Proposals (RFP) for Design professional services  
August 5, 2024: Council Meeting - Assignment and Assumption of Purchase Agreements for the three properties under consideration for the RSRC approved.  
September 23, 2024: Council Meeting - Request for Qualifications (RFQ) / Request for Proposals (RFP) for Construction Manager at Risk (CMAR) professional services.  
October 14, 2024: Executive Session - Property sites for RSRC project discussed.  
October 21, 2024: Council Meeting - Approval of Design Services  
November 18, 2024: Council Meeting - Approval of CMAR Services  
February 3, 2025: Real Estate Purchase and Design Direction  
March - May 2025 - RSRC Community Working Group Process  
June 2, 2025 - Rezoning and Annexation of RSRC Property  
July 7, 2025 - Council Meeting - Schematic Design Review  
July 28, 2025 - Study Session - Operating Model Discussion

October 6, 2025 - Council Meeting - Authorizing Bid Award  
November 17, 2025 - RCTC meeting  
November 18, 2025 - Neighborhood Information Meeting  
December 8, 2025 - Approved RSRC Operator Agreement  
June 1, 2026 - Approved Resolution to Set Sale of General Obligation Sales Tax Revenue Bonds

**Fiscal & Resource Impact:**

The Regional Sports and Recreation Complex is proposed to be financed by general obligation sales tax revenue bonds for a principal amount of \$65 million, resulting in cumulative bond repayment costs of approximately \$101.5 million paid over a 20-year period that will be fully supported by the City's sales tax receipts.

**Alternative Action(s):**

No alternative actions suggested at this time.

**Prepared By:**

Brian Anderson

**Attachments:**

[Resolution - Authorizing General Obligation Sales Tax Revenue Bonds, Series 2026A, Subject to Certain Parameters](#)