

## MEMORANDUM

**TO:** Randy Yoder, EDA President  
Ben Martig, City Administrator

**FROM:** Nick Anhut, Senior Municipal Advisor

**DATE:** August 14, 2025

**SUBJECT:** Sale Results - EDA Lease Revenue Bonds, Series 2025B

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Throughout 2024 and 2025, the Northfield Economic Development Authority (the “EDA”) and the City of Northfield (the “City”) have been in discussions about financing the costs to acquire, construct and equip a new municipal ice arena facility within the City (the “Project”). The parties agreed to enter into a lease-purchase agreement whereby the City takes responsibility to manage the construction and operation of the facility and make rental payments to the EDA as the owner of the facility. Upon approval by the City, the EDA would use its authority under Minnesota Statutes, Sections 469.090 to 469.1082 to issue Lease Revenue Bonds and pledge the revenues received from the lease to secure financing for the Project.

### Presale Review and Authorization

On June 23, 2025, the EDA Board reviewed the City’s partnership framework, forms of the proposed lease and other financing documents, and a presale estimate of the potential financing provided by Ehlers. The presale estimates assumed the bonds, together with funds deposited with the city consisting of approximately \$1.2 million in Northfield Hockey Association donations and proceeds of \$1 million from the sale of the old arena, would be sized to provide funding for the approximately \$25 million Project. A summary of the presale estimates follows:

Presale Estimates	
Principal Amount:	\$22,930,000
Other Sources:	\$2,271,002
Underwriter’s Discount Allowance:	\$275,160
Costs of Issuance:	\$162,000
Net Proceeds for Project:	\$24,763,842
True Interest Cost:	5.1415%
Total 20-yr Net Principal & Interest:	\$37,659,576

  

Average Annual Debt Service:	\$1,882,979
Partnership Contribution (Northfield Schools):	\$200,000
Partnership Contribution (Dundas):	\$204,032
City of Northfield Contribution:	\$1,478,947

After review, the EDA Board adopted Resolution #2025-004 approving the form of lease documents and providing authorization for the sale of the bonds subject to review and approval by a designated pricing committee consisting of the President of the EDA, City Administrator, and the Assistant Treasurer of the EDA/City Finance Director. The Pricing Committee was authorized

to award the sale of the Bonds on behalf of the EDA as long as the financing satisfies certain parameters: aggregate principal amount not to exceed \$23,000,000, a True Interest Cost not to exceed 6.25% and final maturity not later than February 1, 2046.

## Bond Sale

In preparation for the potential bond sale, a draft Preliminary Official Statement was prepared for the proposed bond issuance and a credit rating discussion scheduled with Standard and Poor's Global Ratings ("S&P"). After its review of the proposed financing, S&P assigned a "AA-" rating on the bonds. This rating was only one notch below the "AA" rating assigned by S&P to the City's General Obligation unlimited tax pledge, and is the highest that could be expected based on the presence of annual appropriation risk associated with the more limited lease revenue pledge.

Upon confirmation that the intended Ice Arena property had been conveyed to the City and market conditions supported the financing parameters, a bond sale date was scheduled August 12<sup>th</sup> for the Pricing Committee to review competitive proposals for the purchase of the Bonds. Three bids were received for the purchase of the bonds, with Keybanc Capital Markets, Incorporated coming in with the lowest indicated interest rate at 4.3%, 0.71% points lower than the presale estimate. The bids were presented to the Pricing Committee, who awarded the sale to Keybanc based on the lowest interest cost proposal.

Sale Results	
Adjusted Principal Amount:	\$21,700,000
Other Sources:	\$2,271,002
Reoffering Premium:	\$1,103,610
Underwriter's Discount Allowance:	\$173,600
Costs of Issuance:	\$138,480
Net Proceeds for Project:	\$24,762,532
True Interest Cost:	4.4355%
Total 20-yr Net Principal & Interest:	\$35,199,678

  

Average Annual Debt Service:	\$1,761,984
Partnership Contribution (Northfield Schools):	\$200,000
Partnership Contribution (Dundas):	\$189,313
City of Northfield Contribution:	\$1,370,671

The sale results show a \$120,995 reduction to the average annual debt service cost from the presale estimates, which accumulates to over \$2.4 million less in total principal and interest expense over the 20-year term. Both the City of Dundas and Northfield can now expect a 9.2% reduction to their planned annual contribution amounts based on the favorable results. The Bonds, together with the NHA donations and prior arena's sale proceeds, will still deliver funding of \$24.7 million for the ice arena project and are scheduled to close September 4, 2025.

The bid tabulation, sale results and final debt service schedules are included in the attached "Ehlers Sale Day Report."

August 13, 2025

SALE DAY REPORT FOR:

# Northfield Economic Development Authority, Minnesota

**\$21,700,000 Lease Revenue Bonds (City of  
Northfield, Minnesota Ice Arena Lease), Series 2025B**



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Prepared by:

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Schane Rudlang,  
Associate Municipal Advisor

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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

# Competitive Sale Results

**PURPOSE:** To finance the costs of acquisition, construction and equipping of a new municipal ice arena subject to a lease purchase agreement between the Northfield EDA and the City of Northfield.

**RATING:** S&P Global Ratings "AA-" / Stable outlook

**NUMBER OF BIDS:** 3

**LOW BIDDER:** KeyBanc Capital Markets Incorporated, Cleveland, Ohio

## COMPARISON FROM LOWEST TO HIGHEST BID: (TIC as bid)

**LOW BID:\*** 4.4310%

**HIGH BID:** 4.5433%

Summary of Sale Results:		
	Presale Estimates:	Final Results:
Principal Amount*:	\$22,930,000	\$21,700,000
Other Sources:	\$2,271,002	\$2,271,002
Reoffering Premium:	\$0	\$1,103,610
Underwriter's Discount:	(\$275,160)	(\$173,600)
Costs of Issuance:	(\$162,000)	(\$138,480)
Net Proceeds for Construction:	\$24,763,842	\$24,762,532
True Interest Cost:	5.1415%	4.4355%
Yield:	3.850%-5.550%	2.480%-5.000%
Total Net P&I	\$37,659,576	\$35,199,678

**NOTES:** Zions Bancorporation, National Association, Chicago, Illinois will serve as Trustee / Paying Agent on the Bonds.

The Bonds maturing February 1, 2036 and thereafter are callable February 1, 2035 or any date thereafter.

\* Subsequent to bid opening, the issue size was decreased to \$21,700,000.

**CLOSING DATE:** September 4, 2025

**DESIGNATED OFFICIAL ACTION:** Award the sale of \$21,700,000 Lease Revenue Bonds (City of Northfield, Minnesota Ice Arena Lease), Series 2025B

## SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- Final Sources and Uses of Funds
- Final Bond Debt Service Schedules

## BID TABULATION

**\$22,930,000\* Lease Revenue Bonds (City of Northfield, Minnesota Ice Arena Lease), Series 2025B**

**Northfield Economic Development Authority, Minnesota**

**SALE:** August 13, 2025

**AWARD:** KEYBANC CAPITAL MARKETS INCORPORATED

**Rating:** S&P Global Ratings "AA-" / Stable

Tax Exempt - Non-Bank Qualified

NAME OF INSTITUTION	MATURITY (February 1)	COUPON RATE	REOFFERING YIELD	PRICE	TRUE INTEREST RATE
KEYBANC CAPITAL MARKETS INCORPORATED Cleveland, Ohio				\$23,919,137.25	4.4310%
	2027	5.000%	2.480%		
	2028	5.000%	2.530%		
	2029	5.000%	2.580%		
	2030	5.000%	2.680%		
	2031	5.000%	2.840%		
	2032	5.000%	3.010%		
	2033	5.000%	3.180%		
	2034	5.000%	3.310%		
	2035	5.000%	3.500%		
	2036	5.000%	3.720%		
	2037	5.000%	3.890%		
	2038	5.000%	4.040%		
	2039	5.000%	4.180%		
	2040	5.000%	4.310%		
	2041	5.000%	4.450%		
	2042	4.500%	4.700%		
	2043	4.625%	4.800%		
	2044	4.750%	4.900%		
	2045 <sup>1</sup>	5.000%	5.000%		
	2046 <sup>1</sup>	5.000%	5.000%		

\* Subsequent to bid opening the issue size was decreased to \$21,700,000.

Adjusted Price: \$22,630,010.45      Adjusted Net Interest Cost: \$12,569,667.27      Adjusted TIC: 4.4355%

<sup>1</sup> \$3,270,000 Term Bond due 2046 with mandatory redemption in 2045.

NAME OF INSTITUTION	TRUE INTEREST RATE
MESIROW FINANCIAL, INC. Chicago, Illinois	4.4866%
BAIRD Milwaukee, Wisconsin	4.5433%

# Northfield EDA, Minnesota

\$21,700,000 Lease Revenue Bonds, Series 2025B  
(City of Northfield, Minnesota Ice Arena Lease)

## Sources & Uses

Dated 09/04/2025 | Delivered 09/04/2025

### Sources Of Funds

Par Amount of Bonds	\$21,700,000.00
Reoffering Premium	1,103,610.45
City Property Sale Proceeds	1,016,643.00
Cash Donations	1,254,359.00

<b>Total Sources</b>	<b>\$25,074,612.45</b>
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### Uses Of Funds

Total Underwriter's Discount (0.800%)	173,600.00
Costs of Issuance	138,480.00
Deposit to Project Construction Fund	24,762,532.45

<b>Total Uses</b>	<b>\$25,074,612.45</b>
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# Northfield EDA, Minnesota

\$21,700,000 Lease Revenue Bonds, Series 2025B  
(City of Northfield, Minnesota Ice Arena Lease)

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/04/2025	-	-	-	-	-
08/01/2026	-	-	970,786.93	970,786.93	-
02/01/2027	255,000.00	5.000%	534,378.13	789,378.13	1,760,165.06
08/01/2027	-	-	528,003.13	528,003.13	-
02/01/2028	705,000.00	5.000%	528,003.13	1,233,003.13	1,761,006.26
08/01/2028	-	-	510,378.13	510,378.13	-
02/01/2029	740,000.00	5.000%	510,378.13	1,250,378.13	1,760,756.26
08/01/2029	-	-	491,878.13	491,878.13	-
02/01/2030	775,000.00	5.000%	491,878.13	1,266,878.13	1,758,756.26
08/01/2030	-	-	472,503.13	472,503.13	-
02/01/2031	815,000.00	5.000%	472,503.13	1,287,503.13	1,760,006.26
08/01/2031	-	-	452,128.13	452,128.13	-
02/01/2032	855,000.00	5.000%	452,128.13	1,307,128.13	1,759,256.26
08/01/2032	-	-	430,753.13	430,753.13	-
02/01/2033	900,000.00	5.000%	430,753.13	1,330,753.13	1,761,506.26
08/01/2033	-	-	408,253.13	408,253.13	-
02/01/2034	945,000.00	5.000%	408,253.13	1,353,253.13	1,761,506.26
08/01/2034	-	-	384,628.13	384,628.13	-
02/01/2035	990,000.00	5.000%	384,628.13	1,374,628.13	1,759,256.26
08/01/2035	-	-	359,878.13	359,878.13	-
02/01/2036	1,040,000.00	5.000%	359,878.13	1,399,878.13	1,759,756.26
08/01/2036	-	-	333,878.13	333,878.13	-
02/01/2037	1,090,000.00	5.000%	333,878.13	1,423,878.13	1,757,756.26
08/01/2037	-	-	306,628.13	306,628.13	-
02/01/2038	1,145,000.00	5.000%	306,628.13	1,451,628.13	1,758,256.26
08/01/2038	-	-	278,003.13	278,003.13	-
02/01/2039	1,205,000.00	5.000%	278,003.13	1,483,003.13	1,761,006.26
08/01/2039	-	-	247,878.13	247,878.13	-
02/01/2040	1,265,000.00	5.000%	247,878.13	1,512,878.13	1,760,756.26
08/01/2040	-	-	216,253.13	216,253.13	-
02/01/2041	1,330,000.00	5.000%	216,253.13	1,546,253.13	1,762,506.26
08/01/2041	-	-	183,003.13	183,003.13	-
02/01/2042	1,395,000.00	4.500%	183,003.13	1,578,003.13	1,761,006.26
08/01/2042	-	-	151,615.63	151,615.63	-
02/01/2043	1,455,000.00	4.625%	151,615.63	1,606,615.63	1,758,231.26
08/01/2043	-	-	117,968.75	117,968.75	-
02/01/2044	1,525,000.00	4.750%	117,968.75	1,642,968.75	1,760,937.50
08/01/2044	-	-	81,750.00	81,750.00	-
02/01/2045	1,595,000.00	5.000%	81,750.00	1,676,750.00	1,758,500.00
08/01/2045	-	-	41,875.00	41,875.00	-
02/01/2046	1,675,000.00	5.000%	41,875.00	1,716,875.00	1,758,750.00
<b>Total</b>	<b>\$21,700,000.00</b>	<b>-</b>	<b>\$13,499,677.72</b>	<b>\$35,199,677.72</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$275,585.83
Average Life	12.700 Years
Average Coupon	4.8985383%
Net Interest Cost (NIC)	4.5610716%
True Interest Cost (TIC)	4.4355344%
Bond Yield for Arbitrage Purposes	4.3000241%
All Inclusive Cost (AIC)	4.5028011%

## IRS Form 8038

Net Interest Cost	4.3535931%
Weighted Average Maturity	12.486 Years

Series 2025B EDA Lease Re | SINGLE PURPOSE | 8/13/2025 | 11:07 AM





## Northfield EDA, Minnesota

\$21,700,000 Lease Revenue Bonds, Series 2025B  
(City of Northfield, Minnesota Ice Arena Lease)

Contribution Calculation	<u>Pay 2025 Net Tax Capacity</u>	
Dundas:	3,401,388	12.12%
Northfield:	<u>24,655,300</u>	<u>87.88%</u>
	28,056,688	100.00%

### Debt Service and Lease / Contribution Schedule

Lease Revenue Bonds, Series 2025B Annual Debt Service							Less:		12.12%	87.88%
Date	Principal	Coupon	Interest	Total P+I	Annual Trustee Fee	Net New D/S	School Lease Revenue	Subtotal	City of Dundas Contribution	Net to City of Northfield
02/01/2026	-	-	-	-	-	-	-	-	-	-
02/01/2027	255,000.00	5.000%	1,505,165.06	1,760,165.06	2,000.00	1,762,165.06	200,000.00	1,562,165.06	189,334.41	1,370,830.65
02/01/2028	705,000.00	5.000%	1,056,006.26	1,761,006.26	2,000.00	1,763,006.26	200,000.00	1,563,006.26	189,436.36	1,371,569.90
02/01/2029	740,000.00	5.000%	1,020,756.26	1,760,756.26	2,000.00	1,762,756.26	200,000.00	1,562,756.26	189,406.06	1,371,350.20
02/01/2030	775,000.00	5.000%	983,756.26	1,758,756.26	2,000.00	1,760,756.26	200,000.00	1,560,756.26	189,163.66	1,369,592.60
02/01/2031	815,000.00	5.000%	945,006.26	1,760,006.26	2,000.00	1,762,006.26	200,000.00	1,562,006.26	189,315.16	1,370,691.10
02/01/2032	855,000.00	5.000%	904,256.26	1,759,256.26	2,000.00	1,761,256.26	200,000.00	1,561,256.26	189,224.26	1,370,032.00
02/01/2033	900,000.00	5.000%	861,506.26	1,761,506.26	2,000.00	1,763,506.26	200,000.00	1,563,506.26	189,496.96	1,372,009.30
02/01/2034	945,000.00	5.000%	816,506.26	1,761,506.26	2,000.00	1,763,506.26	200,000.00	1,563,506.26	189,496.96	1,372,009.30
02/01/2035	990,000.00	5.000%	769,256.26	1,759,256.26	2,000.00	1,761,256.26	200,000.00	1,561,256.26	189,224.26	1,370,032.00
02/01/2036	1,040,000.00	5.000%	719,756.26	1,759,756.26	2,000.00	1,761,756.26	200,000.00	1,561,756.26	189,284.86	1,370,471.40
02/01/2037	1,090,000.00	5.000%	667,756.26	1,757,756.26	2,000.00	1,759,756.26	200,000.00	1,559,756.26	189,042.46	1,368,713.80
02/01/2038	1,145,000.00	5.000%	613,256.26	1,758,256.26	2,000.00	1,760,256.26	200,000.00	1,560,256.26	189,103.06	1,369,153.20
02/01/2039	1,205,000.00	5.000%	556,006.26	1,761,006.26	2,000.00	1,763,006.26	200,000.00	1,563,006.26	189,436.36	1,371,569.90
02/01/2040	1,265,000.00	5.000%	495,756.26	1,760,756.26	2,000.00	1,762,756.26	200,000.00	1,562,756.26	189,406.06	1,371,350.20
02/01/2041	1,330,000.00	5.000%	432,506.26	1,762,506.26	2,000.00	1,764,506.26	200,000.00	1,564,506.26	189,618.16	1,372,888.10
02/01/2042	1,395,000.00	4.500%	366,006.26	1,761,006.26	2,000.00	1,763,006.26	200,000.00	1,563,006.26	189,436.36	1,371,569.90
02/01/2043	1,455,000.00	4.625%	303,231.26	1,758,231.26	2,000.00	1,760,231.26	200,000.00	1,560,231.26	189,100.03	1,369,131.23
02/01/2044	1,525,000.00	4.750%	235,937.50	1,760,937.50	2,000.00	1,762,937.50	200,000.00	1,562,937.50	189,428.03	1,371,509.48
02/01/2045	1,595,000.00	5.000%	163,500.00	1,758,500.00	2,000.00	1,760,500.00	200,000.00	1,560,500.00	189,132.60	1,369,367.40
02/01/2046	1,675,000.00	5.000%	83,750.00	1,758,750.00	2,000.00	1,760,750.00	200,000.00	1,560,750.00	189,162.90	1,369,587.10
<b>Total</b>	<b>\$21,700,000.00</b>	<b>-</b>	<b>\$13,499,677.72</b>	<b>\$35,199,677.72</b>	<b>\$40,000.00</b>	<b>\$35,239,677.72</b>	<b>\$4,000,000.00</b>	<b>\$31,239,677.72</b>	<b>\$3,786,248.94</b>	<b>\$27,413,428.78</b>
<b>Averages:</b>						<b>1,761,983.89</b>	<b>200,000.00</b>	<b>1,561,983.89</b>	<b>189,312.45</b>	<b>1,370,671.44</b>

### Significant Dates

Dated	9/04/2025
First Coupon Date	8/01/2026