

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 21, 2024

NEW ISSUE  
BOOK ENTRY ONLY

S&P RATING: AA

In the opinion of Kennedy & Graven, Chartered, Bond Counsel to the City, interest on the Series 2024B Bonds is subject to federal and Minnesota income taxation. See "TAXABILITY OF INTEREST" herein.



CITY OF BLOOMINGTON, MINNESOTA  
\$34,865,000\* Taxable Sales Tax Revenue Bonds, Series 2024B  
(the "Series 2024B Bonds")

<b>Dated Date</b>	Date of Delivery (anticipated to be November 26, 2024)
<b>Sale Date</b>	Monday, October 28, 2024 (the "Sale Date") until 10:00 A.M., Central Time
<b>Consideration of Award</b>	City Council meeting commencing at 6:30 P.M., Central Time on the Sale Date
<b>Security</b>	The Series 2024B Bonds will be special, limited obligations of the City and shall not constitute a debt for which the full faith and credit or taxing powers of the City will be pledged. The Series 2024B Bonds and Additional Bonds (hereinafter defined) will be secured by and are payable from a 0.5% tax on the gross receipts from sales at retail sourced within the City limits which are taxable under the Minnesota sales and use tax laws and rules and local use on the storage, use, distribution or consumption of goods or services sourced within the limits of the City that are taxable under Minnesota sales and use tax laws and rules and any earnings and other amounts on hand in any of the funds and accounts established under the resolution awarding the sale of the Series 2024B Bonds (the "Sales and Use Tax Revenues"). The pledge of the 0.5% of the sales and use tax shall be in place for a period of 20 years or until the Series 2024B Project (hereinafter defined) is paid for, whichever comes first. See "Authority and Security" herein. The Sales and Use Tax Revenues may also be pledged to the payment of Additional Bonds authorized by the Special Law (hereinafter defined). The Series 2024B Bonds and such Additional Bonds are referred to herein as the "Bonds." The Sales and Use Tax Revenues must be used by the City to pay the costs of collecting and administering the tax and paying for the Series 2024B Project and the other Designed Projects (as defined herein) in the City, including securing and paying debt service on obligations secured therewith, which were issued to finance all or part of the Designated Projects.
<b>Authorization</b>	The Series 2024B Bonds are being issued pursuant to Minnesota Statutes, Chapter 475, as amended, Laws of Minnesota 2023, Chapter 64, Section 27 (the "Special Law"), and a City ordinance. In addition, a majority of voters voting in the November 7, 2023 election approved the pledge of the sales and use tax to the payment of the Series 2024B Bonds. See "Authority and Security" herein.
<b>Purpose</b>	The proceeds of the Series 2024B Bonds, along with previously collected sales tax receipts funds, will be used to (i) finance infrastructure repairs and renovation of the Bloomington Ice Garden (the "Series 2024B Project"), (ii) finance the debt service reserve fund for the Series 2024B Bonds, (iii) pay costs associated with issuing the Series 2024B Bonds. See "Authority and Security" herein.
<b>Principal and Interest Payments</b>	Principal will be paid annually on February 1, beginning February 1, 2026. Interest will be payable semiannually on February 1 and August 1, beginning August 1, 2025.
<b>Redemption Provisions</b>	The City may elect on February 1, 2034, and on any day thereafter, to redeem Series 2024B Bonds due on or after February 1, 2035. The Series 2024B Bonds may be issued as term bonds at the discretion of the Underwriter (as hereinafter defined) and, in such case, will be subject to mandatory sinking fund redemption.
<b>Book Entry</b>	The Series 2024B Bonds will be issued only as fully registered obligations, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See Appendix B - "Book Entry".
<b>Denominations</b>	The Series 2024B Bonds are being issued in the denomination of \$5,000 or integral multiple thereof.
<b>Registrar and Paying Agent</b>	The Chief Financial Officer of the City (the "Registrar" and "Paying Agent").
<b>Bidding Information</b>	Interested bidders should review the Terms of Proposal for additional instructions. See Appendix F herein.

The information contained in this Preliminary Official Statement is deemed by the City to be final as of the date hereof; however, the pricing and underwriting information is subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\*Preliminary, subject to change.

MATURITY SCHEDULE  
(Base CUSIP(1) \_\_\_\_\_)

<u>Maturity</u> <u>(February 1)</u>	<u>Principal(2)</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP(1)</u>
2026	\$ 740,000				
2027	\$1,110,000				
2028	\$1,165,000				
2029	\$1,220,000				
2030	\$1,280,000				
2031	\$1,340,000				
2032	\$1,410,000				
2033	\$1,480,000				
2034	\$1,555,000				
2035	\$1,630,000				
2036	\$1,715,000				
2037	\$1,805,000				
2038	\$1,900,000				
2039	\$2,000,000				
2040	\$2,110,000				
2041	\$2,220,000				
2042	\$2,345,000				
2043	\$2,475,000				
2044	\$2,610,000				
2045	\$2,755,000				

(1) CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data (including CUSIP identifiers and related descriptive data) contained herein is provided by CUSIP Global Services (“CGS”), which is operated on behalf of the ABA by FactSet Research Systems Inc. CUSIP data is the valuable intellectual property of the ABA and the inclusion of CUSIP data herein is not intended to create a database and does not serve in any way as a substitute for any CUSIP Service provided by CGS. CUSIP data herein is provided for convenience of reference only. Neither the City, the Municipal Advisor, the Underwriter nor their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2024B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2024B Bonds.

(2) Preliminary subject to change. The City reserves the right to adjust individual maturity amounts to achieve its financial objectives.

The Series 2024B Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Kennedy & Graven, Chartered of Minneapolis, Minnesota, Bond Counsel to the City. The Series 2024B Bonds are expected to be available for delivery to DTC, in New York, New York on or about November 26, 2024.

In connection with this offering the underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Series 2024B Bonds offered hereby at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, salesperson, or other person has been authorized by the City to give any information or to make any representations with respect to the Series 2024B Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness or accuracy. The information and expressions of opinion in the Preliminary Official Statement and the Final Official Statement are subject to change, and neither the delivery of the Preliminary Official Statement nor the Final Official Statement nor any sale made under either such document shall create any implication that there has been no change in the affairs of the City since the respective date thereof. However, upon delivery of the securities, the City will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Series 2024B Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Series 2024B Bonds, the City and the merits and risks of the investment opportunity.

## **FORWARD-LOOKING STATEMENTS**

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The City does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

## **CITY CONTACT INFORMATION**

Additional information regarding the City may be obtained by contacting Lori Economy-Scholler, Chief Financial Officer, City of Bloomington, 1800 West Old Shakopee Road, Bloomington, Minnesota 55431-3027, phone: (952) 563-8791, email: [leconomy@bloomingtonmn.gov](mailto:leconomy@bloomingtonmn.gov).

**CITY OF BLOOMINGTON, MINNESOTA**

**CITY COUNCIL**

Tim Busse	Mayor
Jenna Carter	Council Member
Victor Rivas	Council Member
Lona Dallessandro	Council Member
Dwayne Lowman	Council Member
Chao Moua	Council Member
Shawn Nelson	Council Member

**ADMINISTRATION**

James D. Verbrugge	City Manager
Elizabeth Tolzmann	Assistant City Manager for Internal Services
Kathy Hedin	Assistant City Manager for External Services
Melissa Manderschied	City Attorney
Lori Economy-Scholler	Chief Financial Officer
Booker T Hodges	Chief of Police
Ulysses Seal	Fire Chief

**MUNICIPAL ADVISOR**

Baker Tilly Municipal Advisors, LLC  
Saint Paul, Minnesota

**BOND COUNSEL**

Kennedy & Graven, Chartered  
Minneapolis, Minnesota

**REGISTRAR AND PAYING AGENT**

Chief Financial Officer of the City  
Bloomington, Minnesota

**UNDERWRITER**

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**OFFICIAL STATEMENT**

**\$34,865,000\***

**CITY OF BLOOMINGTON, MINNESOTA  
TAXABLE SALES TAX REVENUE BONDS, SERIES 2024B**

**PURPOSE OF THE ISSUE AND USE OF FUNDS**

**PURPOSE OF THE SERIES 2024B BONDS**

The proceeds of the Series 2024B Bonds, along with previously collected sales tax receipts funds, will be used to (i) finance infrastructure repairs and renovation of the Bloomington Ice Garden (the "Series 2024B Project"), (ii) finance the debt service reserve fund for the Series 2024B Bonds, and (iii) pay costs associated with issuing the Series 2024B Bonds.

**SOURCES AND USES OF FUNDS**

Sources of Funds:	
Principal Amount	\$ _____
[Net] Reoffering [Premium][Discount]	_____
Sales and Use Tax Revenues Collected	_____
Total Sources of Funds	\$ _____
Uses of Funds:	
Deposit to Series 2024B Construction Fund	\$ _____
Deposit to Series 2024B Debt Service Fund	_____
Deposit to Series 2024B Reserve Fund	_____
Costs of Issuance(1)	_____
Underwriter's Compensation	_____
Total Uses of Funds	\$ _____

(1) Includes fees for bond counsel, municipal advisor, rating, and other miscellaneous expenses.

**INVESTMENT OF FUNDS**

The proceeds of this issue are to be invested in accordance with the laws of the State of Minnesota (the "State") relating to the depositing, holding, securing, or investing of public funds. The City shall direct the investment of proceeds of the Series 2024B Bonds.

**DESCRIPTION OF THE SERIES 2024B BONDS**

**INTEREST CALCULATION**

Interest on the Series 2024B Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2025. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months.

**REGISTRATION AND EXCHANGE FEATURES**

Each registered Series 2024B Bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the "Registrar" and "Paying Agent," the Chief Financial Officer, at the written request of the registered owner thereof or his attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

\*Preliminary; subject to change.



**BOOK ENTRY**

When issued, the Series 2024B Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests in the Bonds will be made in book-entry-only form. See Appendix B- “Book Entry.”

**PROVISIONS FOR PAYMENT**

The principal on the Series 2024B Bonds shall be payable by check or draft of the City, acting as its own Registrar and Paying Agent, or any successor depository. All payments of interest on the Series 2024B Bonds shall be paid to the registered owners as the names appear as of the Record Date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or any successor depository. Payments on the Series 2024B Bonds shall be made in lawful money of the United States of America which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Series 2024B Bonds, principal and interest on the Series 2024B Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners (hereinafter defined) of the Series 2024B Bonds will be the responsibility of the DTC Participants and Indirect Participants.)

**NOTICE OF REDEMPTION**

Mailed notice of redemption shall be given to the registered owner(s) of the Series 2024B Bonds in accordance with the requirements of DTC which currently requires no less than twenty (20) days nor more than sixty (60) days prior to the redemption date. Failure to give such written notice to any registered owner of the Series 2024B Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Series 2024B Bonds. All Series 2024B Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are deposited at the place of payment.

**OPTIONAL REDEMPTION**

The City may elect on February 1, 2034, and on any day thereafter, to redeem Series 2024B Bonds due on or after February 1, 2035. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all the Series 2024B Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine, by lot, the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

**MANDATORY REDEMPTION**

The Series 2024B Bonds maturing on February 1, \_\_\_\_\_ [and \_\_\_\_\_] (the “Term Bonds”) are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on the mandatory dates and in the principal amounts as follows:

<u>Year</u>	[ <u>    </u> ] Term Bond <u>Amount</u>	<u>Year</u>	[ <u>    </u> ] Term Bond <u>Amount</u>
[first year]	\$ <u>          </u>	[first year]	\$ <u>          </u>
[second/last year]*	\$ <u>          </u>	[second/last year]*	\$ <u>          </u>

\* *Final Maturity.*

The principal amount of the Term Bonds may be reduced through the earlier optional redemption, with any partial optional redemptions of the Term Bonds credited against future mandatory redemption requirements for such Term Bonds in such order as the City shall determine.

## **AUTHORITY AND SECURITY**

### **AUTHORITY**

The Series 2024B Bonds are being issued pursuant to Minnesota Statutes, Chapter 475, as amended, Laws of Minnesota 2023, Chapter 64, Section 27 (the “Special Law”), and a City ordinance. In addition, a majority of voters voting in the November 7, 2023 election approved the pledge of the sales and use tax (the “Sales and Use Tax”) to the payment of the Series 2024B Bonds and the Additional Bonds (hereinafter defined). The Series 2024B Bonds and the Additional Bonds are referred to herein collectively as the “Bonds.”

The Special Law provided that general obligation or revenue bonds may be issued in a principal amount of up to \$35,000,000, plus an amount to be applied to the payment of costs of issuance of bonds, and that the bonds may be paid from or secured by any funds available to the City, including the Sales and Use Tax, to finance the Series 2024B Project.

On November 7, 2023, a majority of the voters voting in the general election approved the ballot question relating to the imposition of the Sales and Use Tax of one-half of one percent (0.50%) for twenty (20) years or until the Series 2024B Project and the other Designated Projects (hereinafter defined) are paid for, whichever comes first, to finance the Series 2024B Project and the other Designated Projects. The Sales and Use Tax was imposed by City ordinance with an effective date of April 1, 2024, and applies to sales and purchases made on or after April 1, 2024.

### **SECURITY AND SOURCES OF PAYMENT**

The Series 2024B Bonds will be special, limited obligations of the City and shall not constitute a debt for which the full faith and credit or taxing powers of the City will be pledged.

The Series 2024B Bonds will be secured by and are payable from a 0.5% tax on the gross receipts from sales sourced within the City limits which are taxable under the Minnesota sales and use tax laws and rules and local use on the storage, use, distribution or consumption of goods or services sourced within the limits of the City that are taxable under Minnesota sales and use tax laws and rules and any earnings and other amounts on hand in any of the funds and accounts established under the resolution awarding the sale of the Series 2024B Bonds. The pledge of the 0.5% of the sales and use tax shall be in place for a period of 20 years or until the Project and the other Designated Projects (hereinafter defined) are paid for, whichever comes first.

The revenues derived from the sales and use tax (the “Sales and Use Tax Revenues”) must be used by the City to pay the costs of collecting and administering the tax and paying for designed projects in the City, including securing and paying debt service on bonds issued to finance all or part of the projects.

### **ADDITIONAL SALES AND USE TAX SUPPORTED PROJECTS AND DEBT**

On November 7, 2023, Bloomington voters approved two additional projects to be financed with the Sales and Use Tax Revenues. Construction of a new Community Health and Wellness Center may be issued in a principal amount of up to \$100,000,000, plus an amount to be applied to the payment of costs of issuance of bonds. Restoration of the Nine Mile Creek Corridor, including Moir and Central Parks may be issued in a principal amount of up to \$20,000,000, plus an amount to be applied to the payment of costs of issuance of bonds. These projects along with the Series 2024B Project make up the “Designated Projects.”

The bonds to be issued to finance the other Designated Projects are referred to herein as the “Additional Bonds.”) Such Additional Bonds may be issued on a parity basis as the Series 2024B Bonds and payable solely from the Sales and Use Tax Revenues net costs of collection (the “Net Sales and Use Tax Revenues”) and secured by a debt service reserve fund (the “Senior Bonds”) or on a subordinate basis to the Series 2024B Bonds and other Senior Bonds and payable primarily from the Net Sales and Use Tax Revenues but also secured by the general obligation pledge of the City (the “Subordinate Bonds”).

The Additional Bonds to be issued for the purpose of funding the Community Health and Wellness Center project (a Designated Project) are expected to be issued in summer of 2025. Such Additional Bonds are proposed to be issued as a combination of Senior Bonds and Subordinate Bonds.

The Additional Bonds to be issued for the purpose of funding the Nine Mile Creek project (a Designated Project) are expected to be issued in calendar year 2026 as Subordinate Bonds.

## **FUNDS AND ACCOUNTS**

The following funds will be created pursuant to the resolution awarding the sale of the Series 2024B Bonds to be adopted by the City Council of the City on October 28, 2024 (the "Resolution") for the administration and accounting of the Sales and Use Tax and are applicable to all Bonds: the Revenue Fund and the Surplus Fund. The Resolution also creates the following funds for the Series 2024B Bonds with respect to the payment of the Series 2024B Bonds only: the Series 2024B Debt Service Fund, the Series 2024B Construction Fund, and the Series 2024B Reserve Fund. The City will create additional funds and accounts in connection with the issuance of Additional Bonds.

### Revenue Fund

The City shall credit to the Revenue Fund, promptly upon receipt, all Net Sales and Use Tax Revenues. Amounts on deposit in the Revenue Fund shall be disbursed as necessary by the City to the Series 2024B Debt Service Fund, the Series 2024B Reserve Fund, and the Surplus Fund as set forth herein. Any City Resolutions authorizing the issuance of Additional Bonds will set forth the disbursement of amounts on deposit in the Revenue Fund to the debt service funds or reserve funds, if any, created for the Additional Bonds.

### Series 2024B Debt Service Fund

To the Series 2024B Debt Service Fund there is hereby pledged and irrevocably appropriated and there will be credited from the Revenue Fund the following: (i) on or before January 25 and July 25 of each year, commencing on July 25, 2025, Net Sales Tax Revenues in an amount equal to the amount of interest due on the next Interest Payment Date; (ii) on or before January 25 of each year, commencing on January 25, 2025, Net Sales Tax Revenues in an amount equal to the amount of principal (including mandatory sinking fund installments, if any) due on the next Principal Payment Date; and (iii) if the Series 2024B Bonds are Outstanding, following April 1, 2044, which is the last day on which the Sales and Use Tax will be collected, amounts from the Series 2024B Reserve Fund required to pay the final installments of principal of and interest on the Series 2024B Bonds. As described under the heading "Series 2024B Reserve Fund," amounts on hand in the Series 2024B Reserve Fund may also be used to redeem the Series 2024B Bonds if called for redemption prior to maturity. In addition, there is hereby pledged and irrevocably appropriated and there will be credited to the Series 2024B Debt Service Fund the following: (a) capitalized interest financed from proceeds of the Series 2024B Bonds, if any; (b) amounts over the minimum purchase price of the Series 2024B Bonds paid by the Purchaser, to the extent designated for deposit in the Series 2024B Debt Service Fund in accordance with the Resolution; and (c) any and all other funds which are properly available and are appropriated by the City thereto. In the event the funds on deposit in the Series 2024B Debt Service Fund at any time are insufficient to pay principal of or interest on the Series 2024B Bonds when due, the City may transfer sufficient money from the Surplus Fund and the Series 2024B Reserve Fund, in that order, to the Series 2024B Debt Service Fund.

### Series 2024B Construction Fund

Moneys in the Series 2024B Construction Fund shall be used to pay costs of the Series 2024B Project and the costs of issuance of the Series 2024B Bonds. Any moneys remaining in the Series 2024B Construction Fund after completion of the Series 2024B Project and the payment of all costs therefor, may be used for any other purpose authorized by law, including without limitation payment of principal and interest from time to time on the Series 2024B Bonds.

### Series 2024B Reserve Fund

To secure the payment of the Series 2024B Bonds, the City is required to deposit an amount equal to \$ \_\_\_\_\_\* to the Series 2024B Reserve Fund (the "Reserve Requirement"). While not required due to the taxable nature of the Series 2024B Bonds, the Reserve Requirement is an amount equal to the least of (i) ten percent (10%) of the original principal amount of the Series 2024B Bonds; (ii) one hundred percent (100%) of the maximum annual principal and interest payable on the Series 2024B Bonds; or (iii) one hundred twenty-five percent (125%) of the average annual principal and interest payable on the Series 2024B Bonds. For any Additional Bonds issued by the City that are Senior Bonds secured by a reserve fund, a separate Reserve Requirement will be calculated for such series of Additional Bonds.

Upon delivery of the Series 2024B Bonds, the City shall credit proceeds of the Series 2024B Bonds in the amount of the Reserve Requirement for the Series 2024B Bonds to the Series 2024B Reserve Fund. Money held in the Series 2024B Reserve Fund shall be used only to pay maturing principal and interest when money in the Series 2024B Debt Service Fund is insufficient therefor; provided, however, that the amount on hand in the Series 2024B Reserve Fund may be used to redeem the Series 2024B Bonds if called for redemption prior to maturity and/or pay the principal of and interest on the Series 2024B Bonds after April 1, 2044, which is the last date that the Sales and Use Tax will be collected. If on any date on which principal or interest is due on the Series 2024B Bonds the balance then on hand in the Series 2024B Debt Service Fund is not sufficient to pay such principal and interest in full, the City shall immediately transfer from the Surplus Fund and the Series 2024B Reserve Fund, in that order, to the Series 2024B Debt Service Fund an amount equal to such deficiency.

If the balance in the Series 2024B Reserve Fund is ever less than the Reserve Requirement for the Series 2024B Bonds, all Net Sales and Use Tax Revenues remaining in the Surplus Fund and the Revenue Fund, in that order, after the required credits to the Series 2024B Bonds shall be credited to the Series 2024B Reserve Fund until the balance therein equals the Reserve Requirement for the Series 2024B Bonds.

If at any time the balance in the Series 2024B Reserve Fund exceeds the Reserve Requirement for the Series 2024B Bonds, the City will transfer such excess to the Surplus Fund.

The Series 2024B Reserve Fund only secures the Series 2024B Bonds. If the City issues Additional Bonds that are Senior Bonds, the City will create a separate debt service reserve fund for such series of Additional Bonds pursuant to a separate resolution authorizing the issuance of such series of Additional Bonds. A separate Reserve Requirement will be calculated for such series of Additional Bonds.

### Surplus Fund

Any Net Sales and Use Tax Revenues remaining in the Revenue Fund following the required transfers to the Series 2024B Debt Service Fund and the Series 2024B Reserve Fund and any other funds or accounts established for Additional Bonds pursuant to separate resolutions of the City shall be deposited and credited to the Surplus Fund. Amounts in the Series 2024B Reserve Fund in excess of the Reserve Requirement for the Series 2024B Bonds may be transferred to the Surplus Fund.

Amounts on hand in the Surplus Fund may be used by the City for the following purposes: (i) to pay project costs for the Designated Projects to the extent amounts available in the Series 2024B Construction Fund or construction funds established for Additional Bonds pursuant to separate resolutions of the City are not sufficient to pay project costs; (ii) to make up deficiencies in the Series 2024B Debt Service Fund or debt service funds established for Additional Bonds pursuant to separate resolutions of the City; (iii) to make up deficiencies in the Series 2024B Reserve Fund or reserve funds established for Additional Bonds pursuant to separate resolutions of the City; and (iv) to redeem outstanding Bonds.

## **ADDITIONAL BONDS**

Pursuant to the Resolution, Additional Bonds may be issued and made payable from Net Sales and Use Tax Revenues.

### Senior Bonds

Senior Bonds (i.e., one or more series of Additional Bonds issued on a parity with the lien with the Series 2024B Bonds and payable solely from the Net Sales and Use Tax Revenues and secured by a reserve fund) may be issued by the City if and only if the Net Sales and Use Tax Revenues for the audited fiscal year of the City immediately preceding the issuance of such Additional Bonds were not less than one hundred sixty percent (160%) of the average annual principal and interest due on all outstanding Series 2024B Bonds, on the other Senior Bonds, and on the Additional Bonds to be issued as Senior Bonds, during the remaining term of the outstanding Bonds.

### Subordinate Bonds

Subordinate Bonds (i.e., one or more series of Additional Bonds issued on a subordinate basis to the Series 2024B Bonds and other Senior Bonds and payable primarily from the Net Sales and Use Tax Revenues and secured by the general obligation pledge of the City) may be issued by the City if and only if the Net Sales and Use Tax Revenues for the audited fiscal year immediately preceding the issuance of such Additional Bonds were not less than one hundred percent (100%) of the average annual principal and interest due on all outstanding Bonds, during the remaining term of the outstanding Bonds.

## **SALES AND USE TAX INFORMATION**

### **GENERAL**

In May 2023, the City received legislative authorization to present voters with a referendum to fund the investments included in the Bloomington Forward plan via a half-percent local sales tax.

The plan supports three major community projects for better health, wellness, athletics and recreation:

- \$100 million for construction of a community health and wellness center.
- \$35 million for infrastructure repairs and renovation at Bloomington Ice Garden (the Series 2024B Project).
- \$20 million for improvements to the Nine Mile Creek corridor and Moir/Central parks.

The 0.5% sales and use tax took effect in Bloomington on April 1, 2024.

According to research by the University of Minnesota, in 2022 66% of the sales taxes in Bloomington were paid by nonresidents and there were 2,572 sales tax generators in the City. Furthermore, there were 16 industry groups contributing sales revenues.

**SALES AND USE TAX BY INDUSTRY**

<u>Category</u>	<u>2022 Total Taxable Retail and Service Sales</u>
Construction/Manufacturing/Transportation & Other	18.18%
Eating Drinking Establishments	13.43%
Accommodations	10.41%
Retail (Non-Store) & Other	9.84%
Furniture Stores, Electronics, Appliances	8.58%
General Merchandise	7.34%
Leisure Goods & Misc.	6.41%
Building Materials	5.22%
Vehicles and Parts	4.64%
Food and Groceries	4.11%
Apparel/Clothing	3.15%
Personal Services/Laundry	3.12%
Repair & Maintenance	1.97%
Health and Personal Items	1.82%
Amusement & Rec.	1.00%
Gas/Convenience Stores	0.79%
	100.00%

**COLLECTIONS OF SALES AND USE TAX**

The State, on behalf of the City, began collecting the Sales and Use Tax in April of 2024 with remittance to the City occurring approximately three months after the activity occurs. To-date, the City has received net collections of the Sales and Use Tax as shown below:

<u>Payment Date</u>	<u>Revenue Month</u>	<u>Net Revenue Amount Paid</u>
7/10/2024	May for April	\$1,041,277
8/9/2024	June for May	1,155,252
9/10/2024	July for June	1,310,2560
10/10/2024	August for July	<u>1,412,849</u>
TOTAL		\$4,919,639

The City anticipates Sales and Use Tax collections of approximately \$12.5 million annually. This is based on an annualization of the lowest month of collections to-date. The City cannot guarantee or otherwise provide assurances that actual collections of Sales and Use Tax will be substantially similar to this approximation.

As part of the City’s commitment to transparency, monthly sales tax information can be found on the City’s website at <https://www.bloomingtonmn.gov/investors>. The City is not obligated to maintain this information on a monthly basis.

## HISTORICAL SALES TAX INFORMATION

<u>Calendar Year</u>	<u>Taxable Sales</u>
2022	\$2,885,152,514
2021	2,485,633,465
2020	1,990,476,616
2019	3,092,905,260
2018	3,128,805,866
2017	3,189,147,657
2016	3,219,797,673
2015	3,219,004,475
2014	3,048,068,534
2013	2,902,686,681

## PROJECTED COVERAGE OF SERIES 2024B BONDS

<u>Year (2/1)</u>	<u>Revenues (1)</u>	<u>Estimated Bonds D/S</u>	<u>Coverage</u>
2025	\$4,166,667	-	-
2026	12,500,000	\$2,912,075	4.29x
2027	12,500,000	2,912,875	4.29x
2028	12,500,000	2,914,040	4.29x
2029	12,500,000	2,912,538	4.29x
2030	12,500,000	2,913,368	4.29x
2031	12,500,000	2,911,288	4.29x
2032	12,500,063	2,915,628	4.29x
2033	12,500,000	2,915,128	4.29x
2034	12,500,000	2,915,388	4.29x
2035	12,500,000	2,911,083	4.29x
2036	12,500,000	2,912,138	4.29x
2037	12,500,000	2,912,958	4.29x
2038	12,500,000	2,913,195	4.29x
2039	12,500,000	2,912,495	4.29x
2040	12,500,000	2,915,495	4.29x
2041	12,500,000	2,911,555	4.29x
2042	12,500,148	2,915,565	4.29x
2043	12,503,600	2,915,418	4.29x
2044	12,501,160	2,911,818	4.29x
2045	8,118,991	2,910,658	2.79x
<b>Total</b>	<b>\$249,790,628</b>	<b>\$58,264,700</b>	<b>-</b>

1) Values are net of City contribution at closing of the Series 2024B Bonds.

The City anticipates Sales and Use Tax collections of approximately \$12.5 million annually. This is based on an annualization of the lowest month of collections to-date. The City cannot guarantee or otherwise provide assurances that actual collections of Sales and Use Tax will be substantially similar to this approximation.

## **RATING**

S&P Global Ratings (“S&P”), 55 Water Street, New York, New York has assigned a rating of “\_\_\_\_\_” to the Series 2024B Bonds. Such rating reflects only the view of S&P and any explanation of the significance of such rating may only be obtained from S&P.

The rating is not a recommendation to buy, sell or hold the Series 2024B Bonds, and such rating may be subject to revision or withdrawal at any time by S&P. Any revision or withdrawal of the rating may have an adverse effect upon the market price of the Series 2024B Bonds.

The City has not applied to any other rating service for a rating on the Series 2024B Bonds.

## **RISK FACTORS**

Prospective purchasers of the Series 2024B Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the City to meet the debt service requirements of the Series 2024B Bonds is subject to various risks and uncertainties which are discussed throughout this Official Statement. Certain of such investment considerations are set forth below.

### **SPECIAL, LIMITED OBLIGATION OF CITY**

The obligation of the City to pay the principal of and interest on the Series 2024B Bonds is a special, limited obligation. The full faith and credit and taxing powers of the City are not pledged to pay the principal and interest on the Series 2024B Bonds and the City has not pledged ad valorem property taxes to pay the principal and interest on the Series 2024B Bonds. As further described elsewhere herein, the Series 2024B Bonds will be secured by and are payable from the Sales and Use Tax Revenues. The Series 2024B Bonds are also secured by the Series 2024B Reserve Fund.

### **SUFFICIENCY OF SALES AND USE TAX PROCEEDS**

The amount and timing of receipts by the City of Sales and Use Tax Revenues depends upon various economic factors and conditions over which the City does not have any control. These economic factors include all of those elements which determine whether the United States economy and the State and Minneapolis-St. Paul Metropolitan Area economies are expanding, are stable or are in a recession. Thus, the amount of Sales and Use Tax Revenues available for payment of the principal of and interest on the Series 2024B Bonds is uncertain and not predictable with a high degree of accuracy.

### **MAINTENANCE OF RATING**

S&P has assigned a rating to the Series 2024B Bonds. While the City does not anticipate any material changes in the future, no assurance can be given that the Series 2024B Bonds will maintain their original ratings. If the rating on the Series 2024B Bonds decreases or is withdrawn, the Series 2024B Bonds may lack liquidity in the secondary market in comparison with other such municipal obligations. See “Rating” herein.

### **SECONDARY MARKET**

While the purchaser of the Series 2024B Bonds may expect, insofar as possible, to maintain a secondary market in the Series 2024B Bonds, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the purchasers or others, and prospective purchasers of the Series 2024B Bonds should therefore be prepared, if necessary, to hold their Series 2024B Bonds to maturity or prior redemption, if any.



## **FUTURE CHANGES IN LAW**

Prospective purchasers of the Series 2024B Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the Series 2024B Bonds.

Legislation affecting municipal bonds is considered from time to time by the Minnesota legislature and Executive Branch. It is possible that legislation enacted after the date of the Series 2024B Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Series 2024B Bonds.

The City cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the City.

## **LIMITATIONS ON REMEDIES AVAILABLE TO OWNERS OF THE SERIES 2024B BONDS**

No Acceleration. There is no provision for acceleration of maturity of the principal of the Series 2024B Bonds in the event of a default in the payment of principal or interest on the Series 2024B Bonds. Consequently, the owners of the Series 2024B Bonds may have to enforce available remedies.

No Trustee. There is no bond trustee or similar person or entity to monitor or enforce the provisions of the Resolution on behalf of the owners of the Series 2024B Bonds, and therefore the owners should be prepared to enforce such provisions themselves if the need to do so ever arises.

## **POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS**

The City's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics. The City cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the City, including but not limited to the payment of debt service on any of its outstanding debt obligations.

## **ADDITIONAL BONDS**

Additional Bonds may be issued by the City pursuant to the Special Law and as authorized in the Resolution. While coverage tests apply to any such Additional Bonds, the issuance of such Additional Bonds could increase the amount of indebtedness having a claim on the Sales and Use Tax or increase the amount of funds that the City may expend for purposes currently authorized under the Special Law.

## **INSOLVENCY**

State law specifically authorizes a statutory mechanism for municipalities such as the City to declare bankruptcy. Although the possibility is very remote, insolvency or bankruptcy proceedings in the future involving the City and equity principles could delay or otherwise adversely affect the enforcement of registered owners' rights or collection of the principal or interest on the Series 2024B Bonds. Such an event, although a remote possibility, could impose significant risks of delay, limitation or modification of the rights of owner rights against the City.

## **CYBERSECURITY**

The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact. To reduce the risk of a cyberattack, the City employs staff who have implemented the following programs and controls to help prevent breaches such as those that have occurred in other cities.

Security controls are in place to safeguard office and email activities. In addition to new employee onboarding security training, the City also performs internal email phishing campaigns to identify risks and educate employees. Vulnerability management controls include procedures to detect and remediate system and network vulnerabilities, as well as advanced end-point protection to detect and prevent malware and ransomware. Identity and access management controls include complex passwords and two factor authentication for external access to City resources such as email and network.

Redundancy is built into City systems in the event of an attack or breach. Network security controls include network segmentation, controlled third party and vendor access to restrict access to required resources only, and network access controls to prevent unauthorized devices from connecting to the network. In addition to in-house forensics tools and capabilities for investigating incidents, the City leverages security event and incident management for log correlation, analysis, and investigations. Additionally, the City's security staff has been trained and certified in information security and staff has developed and cultivated relationships with public and private sector security resources to stay abreast of threats and countermeasures.

The City has cybersecurity insurance in place.

## **CLIMATE CHANGE**

In 2018, City Council adopted the Hennepin County All-Hazards Mitigation Plan. The plan outlines some of the consequences expected with climate change for cities in Hennepin County. These hazards include:

- Less reliable and more dangerous lake ice.
- More periods of bare/snow-free ground, allowing frost to penetrate to great depths during cold outbreaks.
- Expansion of the heavy rainfall season, leading to enhanced peak stream flows, and altered timing of normal flow regimes.
- Increased runoff and flash-flooding as the largest events intensify and become more common.
- Water infrastructure damage from intense rainfall events.
- Agricultural stress, from shifting crop ranges, heat, drought, extreme rainfall.
- More days with high water vapor content and heat index values.
- Greater summer cooling costs, more days requiring cooling.
- New invasive species, both terrestrial and aquatic, especially those acclimated to warmer climates or those that were cold weather limited.
- "Hyper-seasonality" as warm conditions develop during the "off-season," leading to bouts of heavy rainfall or severe weather, followed by wintry conditions.
- Increase in frequency of freeze-thaw cycles, as winter is increasingly infiltrated by warm conditions.

Future changes to the climate, such as those listed above, may produce ecological, environmental, and economic impacts on the State and the City. Climate change as a result of greenhouse gas emissions may also produce ecological, environmental, and economic impacts on the State and the City, and additional federal and State regulations to fight climate change.

## **SUMMARY**

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Series 2024B Bonds. In order for potential investors to identify risk factors and make an informed decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

## **PURCHASER/UNDERWRITING**

The Series 2024B Bonds are being purchased by \_\_\_\_\_ (the “Underwriter”) [and its syndicate] at a purchase price of \$\_\_\_\_\_, which is the par amount of the Series 2024B Bonds of \$\_\_\_\_\_, less the Underwriter’s discount of \$\_\_\_\_\_, plus the [net] original issue premium/discount of \$\_\_\_\_\_, plus accrued interest \$\_\_\_\_\_.

The Underwriter intends to offer the Series 2024B Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Series 2024B Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Series 2024B Bonds.

## **CONTINUING DISCLOSURE**

In order to assist the Purchaser in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof (the “Rule”), pursuant to the Resolution, at closing the City will enter into an undertaking (the “Undertaking”) for the benefit of holders including Beneficial Owners of the Series 2024B Bonds to provide certain financial information and operating data relating to the City to the Electronic Municipal Market Access system (“EMMA”) annually, and to provide notices of the occurrence of certain events enumerated in the Rule to EMMA or the Municipal Securities Rulemaking Board (the “MSRB”). The specific nature of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, is set forth in the Continuing Disclosure Certificate to be executed and delivered at the time the Series 2024B Bonds are delivered in substantially the form attached hereto as Appendix D.

The City believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule. A failure by the City to comply with the Undertaking will not constitute an event of default on the Series 2024B Bonds or under any provisions of the Resolution (although holders will have any other available remedy at law or in equity subject to certain limitations). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2024B Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2024B Bonds and their market price.

## **FUTURE FINANCING**

As discussed under the heading “Additional Sales and Use Tax Supported Projects and Debt,” the City anticipates issuing the Additional Bonds to finance the other Designated Projects in calendar years 2025 and 2026. The Sales and Use Tax supported debt may be issued as a combination of Senior Bonds and Subordinate Bonds. In calendar year 2025, the City plans to issue an additional \$36.5 million of general obligation bonds and may issue \$75 million of tax increment revenue bonds to fund infrastructure improvements associated with the Mall of America waterpark project.

## **LITIGATION**

To the knowledge of the officers for the City, there is no litigation pending, or threatened, against the City, which in any way questions or affects the validity of the Series 2024B Bonds, or any proceedings or transactions relating to the issuance, sale, or delivery thereof.

The officers for the City will certify at the time of delivery of the Series 2024B Bonds that there is no litigation pending or in any way threatened questioning the validity of the Series 2024B Bonds, or any of the proceedings relating to the authorization, issuance and sale of the Series 2024B Bonds that would result in a material adverse impact on the financial condition of the City.

### **LEGAL MATTERS**

The Series 2024B Bonds are subject to approval as to certain matters by Kennedy & Graven, Chartered of Minneapolis, Minnesota, as Bond Counsel to the City. Bond Counsel has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto. A legal opinion in substantially the form set out in Appendix C herein will be delivered at closing.

### **TAXABILITY OF INTEREST**

In the opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel, under existing laws as presently enacted and construed, interest on the Series 2024B Bonds is includable in gross income for purposes of federal income taxation and is includable in taxable net income of individuals, estates or trusts for purposes of Minnesota income taxation.

Purchasers of the Series 2024B Bonds are encouraged to consult with their personal tax advisors regarding the impact of the foregoing on their individual tax liabilities.

### **MUNICIPAL ADVISOR**

The City has retained Baker Tilly Municipal Advisors, LLC (the "Municipal Advisor" or "BTMA") as municipal advisor in connection with certain aspects of the issuance of the Series 2024B Bonds. BTMA is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. BTMA is a subsidiary of Baker Tilly Advisory Group, LP ("BTAG") which is indirectly owned by (a) H&F Waterloo Holdings, L.P., an affiliate of Hellman & Friedman LLC ("H&F"), an investment adviser registered with the Securities and Exchange Commission (the "SEC"), (b) Valeas Capital Partners Fund I Waterloo Aggregator LP, an affiliate of Valeas Capital Partners Management LP ("Valeas"), an investment adviser registered with the SEC, and (c) individuals who are principals of BTAG. None of these parties own a majority interest in BTAG, or indirectly, BTMA. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International, Ltd. Baker Tilly US, LLP ("BTUS") is a licensed CPA firm providing assurance services to its clients. BTAG and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

BTMA has been retained by the City to provide certain municipal advisory services to City and, in that capacity, has assisted the City in preparing this Official Statement. The information contained in the Official Statement has been compiled from the sources stated or, if not otherwise sourced, from records and other materials provided by the City. The Municipal Advisor makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Official Statement, and its assistance in preparing this Official Statement should not be construed as a representation that it has independently verified such information.

The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the City, and it has no secondary obligations or other responsibility. The Municipal Advisor's fees are expected to be paid from proceeds of the Bonds. BTMA provides certain specific municipal advisory services to the City but is neither a placement agent to the City nor a broker/dealer.

*Other Financial Industry Activities and Affiliations:*

Baker Tilly Wealth Management, LLC (“BTWM”), an SEC registered investment adviser, and Baker Tilly Capital, LLC (“BTC”), a broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority (“FINRA”), are controlled subsidiaries of BTAG. Both H&F and Valeas, are registered with the SEC as investment advisers and serve as managers of, or advisers to, certain private investment funds, some of which indirectly own BTAG.

BTWM and other subsidiaries of BTAG may provide advisory services to the clients of BTMA. BTMA has no other activities or arrangements that are material to its municipal advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

**MISCELLANEOUS**

The information contained in this Official Statement has been compiled from the City officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2024B Bonds, the security for the payment of the Series 2024B Bonds and the rights and obligations of the owners thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2024B Bonds.

**CERTIFICATION**

The City has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Series 2024B Bonds and a Final Official Statement following award of the Series 2024B Bonds. The City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the City and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

GENERAL INFORMATION OF THE CITY

CITY PROPERTY VALUES

Trend of Values

Assessment/ Collection Year	Assessor's Estimated Market Value	Sales Ratio(1)	Economic Market Value(2)	Market Value Homestead Exclusion	Taxable Market Value	Adjusted Taxable Net Tax Capacity
2023/24	\$17,684,661,400	95.13%	\$18,650,346,872	\$167,848,864	\$17,464,500,836	\$202,722,254
2022/23	17,110,031,100	93.84	18,302,350,785	177,188,168	16,884,846,332	195,222,513
2021/22	15,010,645,700	92.58	16,271,551,896	249,857,709	14,719,300,384	167,984,085
2020/21	14,695,644,300	95.52	15,441,183,148	285,417,204	14,370,757,133	167,302,024
2019/20	14,348,825,000	97.81	14,721,565,258	293,645,381	14,018,542,987	163,408,311

- (1) Sales Ratio Study for the year of assessment as posted by the Minnesota Department of Revenue, <https://www.revenue.state.mn.us/economic-market-values> and <https://www.revenue.state.mn.us/economic-market-values-reports>.
- (2) Economic market values for the year of assessment as posted by the Minnesota Department of Revenue, <https://www.revenue.state.mn.us/economic-market-values> and <https://www.revenue.state.mn.us/economic-market-values-reports>.

Source: Hennepin County, Minnesota, April 2024, except as otherwise noted.

**2023/24 Adjusted Taxable Net Tax Capacity: \$202,722,254(1)**

Real Estate:		
Commercial/Industrial, Railroad, and Public Utility	\$103,682,282	44.78%
Residential Homestead	100,535,174	43.42
Residential Non-Homestead, Agriculture, and Other	26,571,137	11.48
Personal Property	<u>731,922</u>	<u>0.32</u>
2023/24 Net Tax Capacity	\$231,520,515	100.00%
Less: Captured Tax Increment	(13,624,797)	
Contribution to Fiscal Disparities	(28,392,429)	
Plus: Distribution from Fiscal Disparities	<u>13,218,965</u>	
2023/24 Adjusted Taxable Net Tax Capacity	\$202,722,254	

(1) Excludes mobile home valuation of \$5,168.

Source: Hennepin County, Minnesota, April 2024.

**FUNDS ON HAND**  
**As of August 31, 2024**

Operating Funds:	
General	\$ 51,512,534
Utility	40,909,182
Recreational Facilities	3,875,023
All Others	66,721,832
Total Operating Funds	<u>\$163,018,571</u>
Capital Projects	<u>\$231,492,905</u>
Debt Service Funds:	
G.O. Tax Levy	\$432,492
G.O. Tax Increment City/HRA	2,464,832
G.O. Special Assessment	15,649,841
Taxable Lease Revenue/HRA	-
Tax Increment Revenue/Port Authority	<u>318,364</u>
Total Debt Service Funds	<u>\$ 18,865,529</u>
Total all City, HRA, and Port Authority Funds	<u>\$413,377,005</u>

**INVESTMENTS**

The City's investments are managed in accordance with an investment policy adopted by the City Council. It is the policy of the City to invest public funds in a manner that will provide the highest investment return with minimum risk while meeting the City's daily cash flow demands and conforming to all federal, state and local regulations governing the investment of public funds. The primary objectives of the City's investment activities shall be safety of principal, sufficient liquidity and market return on investments. The investment portfolio must remain sufficiently liquid to enable the City to meet all operating requirements that might reasonably be anticipated. The City may directly invest in securities maturing more than five years from the date of purchase based on certain market conditions. Directly investing in derivatives is prohibited. No more than 50% of the total investment portfolio will be invested in a single security type or with a single financial institution (with the exception of U.S. Treasury securities and authorized pools) and no more than 50% of the portfolio may be invested in a single corporation. The management of the investment program is the responsibility of the City Manager delegated to the Chief Financial Officer and is conducted in accordance with Minnesota Statutes, Chapter 118A, and the City Charter. The Chief Financial Officer is responsible for establishing written procedures for the operations of the investment program consistent with the investment policy. The Chief Financial Officer is also responsible for all investment transactions and establishing a system of controls to regulate the financial activities of the City. An investment committee, consisting of the Chief Financial Officer, Finance Manager, representatives from the HRA and the Port Authority and an Accountant meets semi-annually or as needed to review the performance of investments and investment strategy. The City's financial staff manages the investments of the City, HRA and Port Authority. They provide Investment Performance Reports on a monthly basis to the City Council, Executive staff, HRA, and Port Authority.

As of August 31, 2024, approximately \$88.7 million (35.0%) of the City's \$253.2 million investment portfolio is invested in securities that will mature at par in less than one year. An additional \$150.9 million (59.6%) of the City's operating fund investments are securities that have maturity dates within one to five years. The remaining \$13.6 million (5.4%) of investments have maturity dates between five to ten years.

**GENERAL INFORMATION CONCERNING THE CITY**

The City covers an area of approximately 38.8 square miles and is situated wholly within Hennepin County. The City has many national and international corporations within its boundaries, including Seagate Technology, The Toro Company, Thermo King/Ingersoll Rand Corporation, HealthPartners, Wells Fargo Bank, Polar Semiconductor, Inc., Ceridian Corporation, and Donaldson Company, Inc. In addition, the City, with approximately 9,635 hotel/motel rooms, many entertainment facilities, the Mall of America and proximity to the Minneapolis-Saint Paul International Airport, has become a major regional and national business and meeting center.

**Population**

The City’s population trend is shown below.

	<u>Population</u>	<u>Percent Change</u>
2023 U.S. Census Estimate	87,398	(2.9)%
2020 U.S. Census	89,987	8.6
2010 U.S. Census	82,893	(2.7)
2000 U.S. Census	85,172	(1.4)
1990 U.S. Census	86,355	5.5
1980 U.S. Census	81,831	--

Sources: United States Census Bureau, <http://www.census.gov/>.

The City’s estimated population by age group for the past five years is as follows:

<u>Data Year/ Report Year</u>	<u>0-17</u>	<u>18-34</u>	<u>35-64</u>	<u>65 and Over</u>
2023/24	17,300	18,160	34,002	20,559
2022/23	16,812	18,023	34,857	20,320
2021/22	16,874	18,330	34,710	19,678
2020/21	17,014	18,307	34,464	19,160
2019/20	16,999	18,455	34,584	18,853

Source: Claritas, LLC.

**Major Employers**

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Mall of America	Retail/entertainment	11,000
HealthPartners	Health insurance provider	3,679
Bloomington Public School District	Education	1,930
Donaldson Company	Filtration systems	1,243
Seagate Technology	Computers and manufacturing	1,203
The Toro Company	Lawn equipment, snowblowers	1,190
General Dynamics	Defense contractor	762
NCS Pearson, Inc.	Education services and assessment	666
Ziegler Inc	Heavy equipment sales and service	659
GN Resound	Hearing aids	602
Normandale Community College	Post-secondary education	591

Source: The City’s 2023 Annual Comprehensive Financial Report.



## Labor Force Data

	<u>2020</u>	<u>Annual Average</u>		<u>2023</u>	<u>August</u> <u>2024</u>
		<u>2021</u>	<u>2022</u>		
Labor Force:					
City of Bloomington	46,456	44,827	45,214	45,651	45,208
Hennepin County	715,219	694,964	701,738	708,159	702,574
Minneapolis-Saint Paul-Bloomington MSA	2,038,876	1,982,486	2,004,153	2,023,956	2,011,974
State of Minnesota	3,122,015	3,049,037	3,077,500	3,099,922	3,115,054
Unemployment Rate (%):					
City of Bloomington	7.6%	4.1%	2.6%	2.8%	3.9%
Hennepin County	6.6	3.8	2.4	2.6	3.8
Minneapolis-Saint Paul-Bloomington MSA	6.5	3.7	2.5	2.7	3.9
State of Minnesota	6.3	3.7	2.7	2.8	3.9

Source: Minnesota Department of Employment and Economic Development, <https://apps.deed.state.mn.us/lmi/laus>. 2024 data are preliminary.

## Demographic Statistics

The City's residents are employed not only in the City, but throughout the Minneapolis-Saint Paul metropolitan area. In 2023/24, 53.41% of Minneapolis-Saint Paul-Bloomington Metropolitan area households had effective buying incomes (EBIs) in excess of \$75,000; 18.34% had EBIs from \$50,000 to \$74,999; 17.78 had EBIs from \$25,000 to \$49,999; and 10.50% had EBIs less than \$25,000.

The following table shows the total retail sales and EBI figures for the Minneapolis-Saint Paul-Bloomington Metropolitan area:

<u>Data Year/</u> <u>Report Year</u>	<u>Total Retail</u> <u>Sales (\$000)</u>	<u>Total</u> <u>EBI (\$000)</u>	<u>Median</u> <u>Household EBI</u>
2023/24	\$86,752,303	\$153,163,768	\$79,950
2022/23	92,464,655	150,148,998	78,435
2021/22	81,965,661	150,002,075	77,170
2020/21	76,293,129	132,160,678	68,828
2019/20	80,102,005	128,307,012	67,378

The 2023/24 Median Household EBI for the State of Minnesota was \$73,750. The 2023/24 Median Household EBI for the United States was \$67,310.

Sources: Claritas, LLC.

## Economic Development

Growth within the City has been spurred by freeways reaching out from the metropolitan area population hub, adjacent to and through the City, and further enhanced by the City's proximity to the Minneapolis-Saint Paul International Airport.

The City's water and sewer systems were installed at the beginning of the City's development and the capital outlay programs for extensions have been planned to keep pace with expected development.

## Permits Issued

<u>Year</u>	<u>New Residential Value</u>	<u>Residential Remodel Value</u>	<u>New Commercial/Industrial Value</u>	<u>Commercial/Industrial Remodel Tenant Finish Value</u>	<u>Trade and All Other Value</u>	<u>Total</u>
2024(1)	\$2,382,823	\$19,145,209	\$45,902,468	\$68,529,379	\$46,073,875	\$182,033,754
2023	1,696,058	25,185,343	72,680,469	122,326,574	147,249,424	345,891,877
2022	1,939,353	20,034,243	169,011,699	194,985,001	177,471,911	563,442,207
2021	3,095,569	24,778,555	130,271,055	98,554,175	132,471,717	389,171,071
2020	880,158	14,190,363	176,721,615	93,387,030	165,120,643	450,299,809
2019	1,104,454	15,972,997	267,089,312	95,788,046	129,140,230	509,095,039
2018	1,710,254	16,722,013	64,163,903	157,124,426	71,845,442	311,566,038
2017	35,353,832	13,689,352	50,396,401	109,399,472	66,139,308	274,978,365
2016	9,825,934	4,780,251	30,164,200	64,049,858	76,548,140	185,368,384
2015	70,880,538	6,262,198	186,348,675	107,579,347	114,138,156	485,208,914

(1) To August 31, 2024.

Note: Other includes Electrical, Plumbing, Mechanical, Driveways (Private Only), Roofing/Siding, Pools, Demo, Foundation, Structural, Grading, Deck, Moving, Parking Lot, Commercial Roof, Commercial Siding,

Source: The City.

## Current and Pending Development

### Residential, Public and Quasi Public Development

Risor Apartments – In 2021, the City issued zoning approvals for a 146-unit senior apartment building. The project opened in 2023.

American Square - A two phase project:

- Phase I, The Ardor – In June 2020, the City issued zoning approvals for a six-story, 242-unit market rate apartment building, with underground parking at 3701 American Blvd E. In June 2021, the City approved a minor revision to reduce the total units to a 237-unit market rate apartment building. Construction is ongoing and anticipated to be completed late 2024.
- Phase II, The Quinn – In June 2020, the City issued preliminary development approval for an 86-unit workforce apartment building with 100% of the units affordable at or below the 60% area median income (AMI) and underground parking and a separate new underground 313 stall parking ramp at 6 Appletree Square. The developer is still performing due diligence on the Phase II site. The City's Port Authority is analyzing potential housing TIF assistance.

Noble Apartments – In February 2022, the City issued zoning approvals for a four-story, 149-unit apartment building at 8200 Humboldt Ave. S. with nine percent of the units (14) affordable to households making up to 50 percent of AMI at 8200 Humboldt Ave S. The Housing and Redevelopment Authority is financially assisting the project with Redevelopment TIF. Construction completed in March 2024.

Oxboro Heights – A five-story, 125-unit, senior apartment development at 600 W. 93<sup>rd</sup> Street opened for occupancy in 2024.

1801 American Blvd. W. – In 2023, the City issued zoning approvals for a four-story, 99-unit apartment building. Construction began in Spring 2024.

6701 W. 78<sup>th</sup> Street – The City issued zoning approvals for a two-phase development at 6701 W. 78<sup>th</sup> Street. Phase I is for a 190-unit apartment building. Phase II is for an approximately 11,000 square-foot daycare facility. Construction for Phase I is anticipated to begin later in 2024.

700 American Blvd. W. – Zoning approvals were issued for a City-owned property at 700 American Blvd. W. The development consists of 128 apartment units and approximately 1,500 square feet of commercial space. Construction will commence as early as fall 2024. The City issued conduit revenue bonds for the project and provided a land write-down. Metropolitan Council awarded an LCDA grant for the project. The City’s housing and redevelopment authority provided tax increment assistance for the project and a loan through the revolving loan fund.

### Mixed Use

Bloomington Central Station (BCS) – Located at 8100 34th Avenue, Bloomington Central Station (BCS) is a mixed-use transit-oriented development initially approved in 2005. The project is centered on the Bloomington Central Station, one of four Light Rail Transit stations in the City along the Blue Line, and the Bloomington Central Station Park featuring seating areas, garden rooms, water walls and fountains, paved and lighted walkways, and public placemaking features. A number of phases are now complete, most recently, in 2024 was Carbon31 – 405-unit apartment building, with approximately 15,000 sq ft of commercial space on the first level (2024).

In January 2024, the City issued zoning approvals for a fifth residential phase within BCS. The residential Phase 5 will be a five-story, 164-unit senior apartment building at 3001 American Blvd. E. Construction may begin later in 2025.

The 2023 Legislative session approved extending the BCS tax increment financing district by five years to 2044 facilitating public infrastructure funding for these projects. The 50-acre project was originally planned to have up to 2.5 million square feet of office space, 1,100 high-density residential units, 75,000 square feet of retail space, and a 300-room full-service hotel. Some of the phases are now in place as noted above, and it is somewhat likely that residential development will take the place of some of the originally planned office development due to changes in market demands. In 2023, the City issued zoning approvals for phase five, a five-story, 164-unit senior apartment building. The Port Authority is analyzing the financials and may be assisting the project with BCS TIF. Construction could start as early as 2025.

Mall of America Phase II – The Mall of America (MOA) is an international travel destination that attracts tourists to the region and generates significant income and sales tax revenues for the State of Minnesota. In a normal pre-pandemic year, the MOA welcomes about 40 million visits. In November 2006, the City Council approved a Preliminary Development Plan for subsequent phases of the Mall of America (TIF Districts 1-C and 1-G). A revised preliminary development plan was approved in early 2016. The expansion plan includes retail, hotels, office, entertainment uses, and structured parking. The Radisson Blu Hotel (Phase IB), the second component of the Mall of America expansion (in addition to IKEA), opened in early 2013. Phase IC, a \$300 million, 746,628 square-foot Mall of America expansion including a 332-room JW Marriott hotel, 271,000 square feet of retail and restaurant space, a 562-space two-level underground parking structure, 175,000 square feet of office space, and a bus/shuttle/taxi drop off area opened in 2015. The Mall of America partnered with Mortenson Development to build Phase 1C. The Shakopee Mdewakanton Sioux Community is the owner of the JW Marriot luxury hotel and the MOA owns and manages the retail and office as an integrated part of the existing mall. The 2013 Legislative session approved a TIF alternative for public improvements using the metro-area fiscal disparities program; the funding runs until 2034.

The MOA is home to Minnesota’s largest transit station, serving light rail, bus rapid transit and numerous bus lines. A major \$25 million reconstruction of the transit station was completed in early 2020.

In December 2019, the Mall of America ownership received zoning approvals to build an approximately 330,000 square-foot waterpark facility that would be connected to and integrated with the Mall of America via a bridge over Lindau Lane. Because of the COVID-19 pandemic, the City and its partners began evaluating the impact the pandemic may have on the project and the waterpark did not move forward.

In 2021, new statutory language was enacted into Minnesota law that allows cities and port authorities new flexibility for utilizing Tax Increment Financing (TIF). The purpose of flexibility is to spur economic development. The 2021 flexibility requires funds to be committed to a project by December 31, 2022, and spent by December 31, 2025. The 2021 flexibility opened new options for financing the waterpark, which the City and Port Authority advised staff to analyze.

In 2024, MOA presented an updated waterpark project of 143,000 square feet. Staff presented to the City and Port Authority a financing structure to invest up to \$160M (the potential issuance of \$75 million of Tax Increment Financing bonds for infrastructure and the use of \$85 million of equity from the Port Authority) in the waterpark project, with the developer to finance the balance of the approximately \$350 million waterpark and parking ramp project. More information on the South Loop Waterpark project is available on the City's website or upon request.

### Industrial

SICK Product & Competence Center Americas, LLC – In 2012, the City purchased three parcels as part of a settlement between Interstate Diesel and the Metropolitan Airports Commission. These parcels are adjacent to the Alpha Business Center parcels the City purchased in 2010 as part of the Lindau Lane expansion. The developable parcels are about 14 acres comprising the combination of the remaining undeveloped Alpha Site and the three Interstate Diesel properties. In 2020, the City entered into a Development Agreement with SICK, a German technology company, on a phased purchase agreement of the 14 acres for the development of over 500,000 square feet of office and production/logistics space by 2035. In 2021, the City issued zoning approvals and the Developer purchased the Phase I lot. Construction for Phase 1 is complete. In September 2023, the City issued zoning approvals for Phase II, a 144,000 square-foot office building and a parking structure, located at 8051 Winstead Way and 8051 26<sup>th</sup> Avenue E. Construction began in May 2024.

Seagate Expansion – In 2022, the City approved an 80,000 square-foot, two-level expansion of the Seagate Facility at 7850 Nord Ave. S. Construction is underway.

### Hotels, Retail, Restaurants, Institutional and Other Commercial

Hyatt House – In 2018, the City granted zoning approval for a new four-story, 151-room extended stay hotel at 2325 East Old Shakopee Road. Construction commenced in 2020 and the hotel opened in 2023.

Walser Toyota and Corporate Headquarters – In 2021, the City approved a rebuild and expansion of the Walser Toyota site to include a new three level, 122,000 square-foot dealership with Walser Corporate Headquarters being relocated to the third level. Construction on the parking ramp and principal building is nearing completion.

Fire Station #4 – In 2021, the City approved the replacement of Fire Station #4 with a new 25,000 square-foot facility. The fire station opened in 2023.

Luther Hyundai – In 2023, the City approved a 3,300 square-foot expansion of the existing auto dealership. Construction is underway and anticipated to open later in 2024.

Gyropolis Expansion – In 2022, the City issued zoning approvals for a 2,400 square-foot expansion to an existing restaurant at 2325 W. 90<sup>th</sup> Street. Construction began in spring 2024.

Southtown Shopping Center/Dick's House of Sport - In September 2024, the City Council approved a partial redevelopment of the Southtown Shopping Center. The first phase of the partial redevelopment is a 120,000 square foot Dick's House of Sport. An approximately 100,000 square foot medical office building is envisioned as a second phase.

## Education

### Public Education

The following districts serve the residents of the City:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2023/24(1) Enrollment</u>
ISD No. 271 (Bloomington)	City of Bloomington	K-12	10,294
ISD No. 272 (Eden Prairie)	City of Eden Prairie	K-12	8,963
ISD No. 273 (Edina)	City of Edina	K-12	8,609

(1) 2024/25 enrollment not yet available.

Source: Minnesota Department of Education, [www.education.state.mn.us](http://www.education.state.mn.us).

### Non-Public Education

City residents are also served by the following private schools:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2023/24(1) Enrollment</u>
Nativity of Mary	City of Bloomington	K-8	288
United Christian Academy	City of Bloomington	K-12	394
Bloomington Lutheran	City of Bloomington	K-8	219
Ramalynn Montessori	City of Bloomington	K-8	88
Hand in Hand Christian Montessori	City of Bloomington	K-12	32

(1) 2024/25 enrollment not yet available.

Source: Minnesota Department of Education, [www.education.state.mn.us](http://www.education.state.mn.us).

### Vocational/Technical Education

Vocational/technical training is available to City residents through Intermediate District No. 287. A school facility is located in the adjacent City of Eden Prairie. The Intermediate District offers Associate of Applied Science degree programs, vocational diploma programs, apprenticeship programs and other adult education services, as well as special education services, and gifted education services and early childhood programs.

### Post-Secondary Education

Normandale Community College, a two-year college, is located in the City, but has no direct affiliation with the local public school district. It is State-supported (one of several in the Minneapolis-Saint Paul metropolitan area), had a 2022-23 total enrollment of over 13,000 students, and employs a staff of over 500 full- and part-time persons. Normandale Community College has baccalaureate partnerships with post-secondary institutions Metropolitan State University, Minnesota State University - Mankato, and Southwest Minnesota State University and offers bachelor's degree programs, with most classes offered at its Partnership Center.

Northwestern Health Sciences University, located in the City, offers bachelor of science degree completion programs, as well as professional programs in chiropractic and acupuncture and Oriental medicine, and massage therapy programs. The university enrolls over 1,000 full-time undergraduate and graduate students.

City residents also have access to various community and technical colleges, colleges and universities located throughout the Minneapolis-Saint Paul metropolitan area.

## GOVERNMENTAL ORGANIZATION AND SERVICES

### Organization

The governing body, the City Council, consists of six council members and the Mayor. Four of the council members are elected by district and two of the council members and the Mayor are elected at large. The Mayor and three council members serve four-year terms, and the remaining members serve two-year terms, resulting in a return to overlapping four-year terms.

The following individuals comprise the current City Council:

		<u>Expiration of Term</u>
Tim Busse	Mayor	January 1, 2028
Jenna Carter	Council Member	January 1, 2028
Chao Moua	Council Member	January 1, 2026
Lona Dallessandro	Council Member	January 1, 2028
Dwayne Lowman	Council Member	January 1, 2026
Victor Rivas	Council Member	January 1, 2028
Shawn Nelson	Council Member	January 1, 2026

The City Manager is the Chief Administrative Officer of the City. The City Manager, James D. Verbrugge, controls and directs the administration of the City's affairs through the City's departments and divisions. The City employs approximately 637 full-time persons throughout the various City departments, programs, and teams.

### City Departments

The 2024 operating budget has 637 full-time authorized positions. In the second quarter of 2024, the City Manager initiated a significant reorganization within the City Manager's Office, creating a two-Assistant City Manager model where one Assistant is responsible for internal services and strategic initiatives, while the other Assistant is responsible for external public services.

Activities are managed through four departments and two service teams that report to the City Manager. Within each service team (internal and external services) are several departments and divisions that report to service team leaders for cross-collaborative alignment, strategic priorities, and implementing City operations and service delivery throughout the year.

The Assistant City Manager in charge of administration and strategy oversees City Clerk; Communications; Community Outreach and Engagement; Human Resources; Information Technology; and the Office of Racial Equity, Inclusion, and Belonging.

The Assistant City Manager in charge of external public services oversees Community Development, Parks & Recreation, Public Health, and Public Works. Direct reports for this position will be the City Engineer, Maintenance Superintendent, Utilities Superintendent, Public Works Administration Manager, Parks & Recreation Director, Community Development Director, and Public Health Administrator

The changes aim to accomplish three primary objectives:

- Create a structure that is going to support implementation of key organizational systems such as development of performance metrics and key performance indicators; incorporation of the lenses of equity, sustainability and health-in-all into our processes and policy development; coordination of project management charters; and organizational development that will focus on strengths-based professional growth.
- Align departments/divisions that were primarily operating independently of one another for purposes of the strategic plan and City service delivery by having coordinated direction/supervision from the City Manager's Office.
- Reduce the number of direct reports to the City Manager by roughly half, allowing more time to focus on strategic relationships and organizational leadership.

In addition to the areas reporting to the assistant city managers, the following departments continue to report directly to the City Manager:

#### Fire Department

The Fire Department has 36 full-time authorized positions and 95 paid-on-call firefighters. The department operates out of six fire stations and uses the latest in firefighting equipment including engines, ladders, and other specialty units. Fire prevention is an integral part of providing fire safety through code enforcement and education. Firefighters install battery operated smoke detectors or replace batteries in detectors for homeowner occupied homes that need them upon request.

The Fire Department responded to 7,962 calls for service in 2023. These ranged from water rescues and vehicle extrications to structural fires, medical emergencies, and hazardous materials emergencies. The response time measurement goal for an effective response force of at least 3 personnel within 7 minutes and 30 seconds of the 911 call was achieved 63% of the time in 2023. Four of the six fire stations operate duty crews with efforts to staff 3 of the stations 24 hours a day. All firefighters are required to meet training standards annually.

#### Police Department

In 2023, the authorized sworn strength of the Bloomington Police Department (BPD) increased from 124 to 128, meeting full sworn strength capacity as of December 31, 2023. The BPD employs 182 staff members, of which 166 are permanent full-time positions. 133 are sworn police officers. The authorized strength increased to 129 in January 2024. The allocation of the remaining police officers includes one dedicated to serving on a Violent Crime Task Force with the Bureau of Criminal Apprehension (BCA) with the three remaining police officers funded through public safety dollars.

The Police Department provides safety within our community and prevents crime through an easily recognizable presence. The department also engages with our community, enforces state and local laws fairly, respectfully, and aggressively, offers social services, access to therapists, and provides crime prevention programs. The Patrol Division provides 24-hour-a-day service to the community by responding to crimes, traffic accidents, medical emergencies, fires, public safety hazards, domestic disputes, providing proactive policing, and meeting other community needs. More than 165,741 emergency and non-emergency phone calls are logged into the dispatch center annually. Of these, 51,939 are emergency (911) calls coming into the dispatch center, but not all these calls result in a request for police services.

Other Police Department units include the South Loop Unit, Traffic Investigations Unit, Crime Services Unit, K-9 Unit, and Emergency Management, Police Reserves and Animal Control. In addition, the Police Department also has an Emergency Services Group, which is comprised of the Emergency Response Unit, the Bomb Squad, the Crisis Negotiators Unit, the Tactical Support Unit, and the Mobile Field Force Unit. The specialty units use already authorized staff as needed.

#### Legal Department

The Legal Department has 17 full-time employees who provide legal counsel to the City Council, Advisory Boards and Commissions, the City Manager, and other City Departments. Attorneys also prosecute non-felony criminal offenses occurring within the City.

#### Finance Department

The Finance Department employs a staff of 27 who support and coordinate various financial and administrative-related operations. These include Finance, Budget, Financial Operations, and Risk Management. The Finance Department coordinates the development of the City's program budgets for all operating budgets, the ten-year capital improvement program, the Annual Comprehensive Financial Report and the Popular Financial Report and provides financial management services. The Finance, Budget, and Financial Operations also provide support to the City's Housing and Redevelopment Authority, Port Authority and Fire Relief Association agencies.

## **Labor Contracts**

The City has five collective bargaining units that cover 32 percent of its full-time workforce. Two are represented by the American Federation of State, County and Municipal Employees (AFSCME), including the 49-member Professional/Technical unit and the 6-member Assistant City Attorneys unit. The others are the 107 police officers represented by the Bloomington Police Officers Federation (BPOF), the 23 police supervisors (Sergeants and Commanders) represented by Law Enforcement Labor Services (LELS), the 12 civilian police and fire dispatchers represented by the International Association of Fire Fighters (IAFF) and three (3) Civilian Jail Officers represented by Law Enforcement Labor Services (LELS). The City has settled contracts in place through 2024.

## **Bloomington Housing and Redevelopment Authority (HRA)**

Sarah Abe serves as the Administrator of the HRA and has served in this position since September 2024. The HRA encompasses the entire City of Bloomington. The HRA has taxing and bonding powers, but all general obligation bonds for redevelopment projects are issued by the City. The HRA concentrates its efforts on grants and loans for the improvement of low- and moderate-income housing and on both business and housing redevelopment projects. Lower-rent, multifamily housing is also receiving attention, with several projects completed and others in various stages of planning.

## **Bloomington Port Authority (Port Authority)**

Holly Masek serves as Port Authority Administrator and has served in this position since March 2023. The Port Authority was created by the City to provide a coordinated, cost-effective approach for private and public development within various development districts that may be established throughout the City. The Port Authority's boundaries encompass the entire City and the Port Authority is governed by commissioners appointed by the Mayor and confirmed by the City Council. The Port Authority has limited taxing powers, but has extensive authority to issue bonds or notes for public improvements and land development. The Port Authority may issue general obligation bonds secured by a pledge of the full faith and credit and taxing powers of the City with the consent of the City Council. The City guarantees certain Port Authority debt and manages the Port Authority's day-to-day operations.

## **Boards and Commissions**

A valuable adjunct to the City Council's decision-making process is a network of nine Boards and Commissions, including the Advisory Board of Health; Charter Commission; Creative Placemaking Commission; Human Rights Commission; Local Board of Appeal and Equalization; Merit Board; Parks, Arts and Recreation Commission; Planning Commission; and Sustainability Commission. These Boards and Commissions all report directly to the City Council.

## **City Services and Improvements**

### Current City Development

Total project valuation for all building permits issued in 2023 was \$345,891,877. Most new development continues to focus on the I-494 corridor, where excellent access to employment, improving transit service, and focused land use plans position the City well for future growth.

### Bloomington Fire Department evolves: Building a stronger response team

As the City has grown in density to 90,000 residents, along with additional commercial and industrial businesses and the Mall of America, the demand for fire services has also grown.

In 2019, the City retained an outside consulting firm to conduct a fire department services evaluation. The goal of this assessment was to identify both current deployment performance and desired service levels and then assess the City's ability to provide them. The report unequivocally recommended hiring additional career firefighters.



In 2021, insufficient staffing resulted in the Bloomington Fire Department meeting its response-time goal only 67% of the time. Fire trucks frequently arrived on calls with only one or two firefighters. To better serve the community, the department began shifting from paid-on-call, part-time staff to a mix of full-time and part-time firefighters.

In late 2022, the City was awarded a \$6.3 million Staffing for Adequate Fire and Emergency Response (SAFER) Grant that is funding 18 full-time firefighters working 24-hour shifts for three years from April 2023 through March 2026. In late 2024, the City was awarded a \$6.9 million Staffing for Adequate Fire and Emergency Response (SAFER) Grant that is funding 18 full-time firefighters working 24-hour shifts for three years from April 2025 through March 2028. To function at its best and meet the community's needs, the department set a goal to increase its staffing levels to 75 to 80 full-time firefighters and 60 to 75 part-time firefighters over the next few years.

The Department has also implemented a paramedic engine program. This is an effort to staff a paramedic in addition to two emergency medical technicians (EMTs) on our engines to provide a higher level of medical care during our EMS responses that has yielded positive results in patient care. This program is still evolving, and we will continue to improve it as we gain more experience and feedback.

#### New Fire Station 4 expands Bloomington Fire Department capabilities

The Bloomington Fire Department went through big changes in the last year. It has hired and trained a total of 24 new firefighters as it shifts its staffing model, as referenced above. It also opened the new Station 4, the City's newest fire station. To accommodate full-time firefighters, the new Station 4 is double the size of the station it replaced. The extra space accommodates living quarters, decontamination facilities, health and wellness facilities and other critical functions.

The replacement of Station 4 is part of the ongoing plan to update all six fire stations throughout the City. Station 3 was updated in 2020. The remaining four Bloomington fire stations will be replaced as part of the City's capital improvement plan.

The new, up-to-date stations, along with the change to the staffing model, increase the Bloomington Fire Department's ability to provide an increasingly higher level of service to its residents, businesses and visitors.

## **CITY FINANCIAL POLICIES AND PRACTICES**

### **Employee Pensions**

All full-time employees and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing multiple-employer retirement plans. In addition, Parttime firefighters of the Bloomington Fire Department are covered by a defined benefit plan administered by the Bloomington Firefighters Relief Association. The Plan is a single employer retirement plan and is established and administered in accordance with Minnesota Statutes, Chapter 69.

A detailed description of these plans, along with the City's required contributions to each plan, are represented in the City's Annual Comprehensive Financial Reports. See Appendix E.

### **Other Postemployment Benefits**

The City has obligations to its employees for post-employment benefits other than pensions, accounted for pursuant to the Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75). The City's OPEB liabilities and associated contributions are represented in the City's Annual Comprehensive Financial Reports. See Appendix E.

## **Cash Flow and Tax Collections**

The City uses its General Fund balance to finance operations until tax receipts come in and has not engaged in tax anticipation borrowing. Taxes flow to the City starting in July of the collection year, when it receives approximately 49% of its levy. The second settlement, also about 49% of the total levy, is received in December. The final settlement is received in January of the following year.

## **Local Lodging, Admission, and On-Sale Liquor Taxes**

The City currently imposes and collects a 7% lodging tax, a portion (2/7) of which goes to the Bloomington Convention and Visitors Bureau. As of July 31, 2024, \$6,447,154 (consisting of \$5,024,628 for lodging and \$1,422,526 for admission) represents revenues from a 3% entertainment and admissions tax and a portion (3/7) of the City's 7% lodging tax, which was recorded in the City's General Fund.

The total amount directed to the South Loop Capital Improvement Fund is comprised of the 3% on-sale liquor tax and a portion of the 7% lodging tax (2/7 or \$3,349,744 for lodging and \$1,091,388 for liquor as of July 31, 2024).

## **City Budget Process**

Budget work-up for the following two calendar years begins in March of the even numbered years and the final proposed budget and tax levy is certified by September 15 under State law. A series of notices, publications and budget meetings are then established by the City Council under State law for purposes of discussion and public input. Budget and tax levy deliberations for the following budget year are conducted between September 15 and December 20 of each year. The final levy is certified on or before five working days after December 20. The budget, as adopted, can be later modified by the City Council, but appropriations can be increased only if additional revenues can also be shown (pursuant to Section 7.08 of the City Charter). In odd numbered years budgets developed for the following year are reviewed and fine-tuned before final budgets are adopted.

## **Awards**

The City has received the Distinguished Budget Presentation Award for its Budget Document from the Government Finance Officers Association (GFOA) every year since 1997, and the Popular Annual Financial Report Award from the GFOA for the years 1998 through 2003 and since 2005. The City has also received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for its Annual Comprehensive Financial Report for over 50 years, since 1971.

## **Ten-Year Capital Improvement Plan**

The City utilizes a ten-year Capital Improvement Plan, outlining projected costs and probable sources of funding for proposed various capital improvement projects. Any unreserved fund balances of the Park Development Fund and the Facility and Park Maintenance Fund are identified for use as proposed in the Capital Improvement Plan, when and if such projects are ordered by the City Council.

The City's latest ten-year Capital Improvement Plan indicated the following totals for the ten-year period of 2024-2033:

Project Category	Estimated Amount (in millions)	Approximate Sources of Funding	
City Facilities, Parks and Park Development	\$467.6	Bonds	36%
		Local Sales Tax	33
		Grants, Other	23
		Cash on Hand	6
		Other Governments	2
Surface Transportation	275.3	PIR Bonds	37%
		Other Governments	16
		Franchise Fees	15
		Municipal State Aid	14
		Cash on Hand	9
		Tax Abatement	3
		Federal Funds	3
		Grants, Other	3
Water, Sewer, and Stormwater Facilities	140.4	Cash on Hand	82%
		Grants/Other	14
		Tax Abatement	3
		Liquor/Lodging Tax	1
Economic Development and Redevelopment	17.9	Liquor/Lodging Tax	100%
Total	\$901.2		

### Claims and Litigation

The City has no pending or threatened litigation or any claims or assessments that, in its opinion, would materially affect its ability to perform its obligations to the holders of the securities being offered, including the effects of legal proceedings on the securities being offered and on the source of payment thereof. Further, no unasserted claims or assessments are believed to have any reasonable possibility of an unfavorable effect. The City usually has at any given time, a number of lawsuits pending relating to land development, constitutionality of laws and ordinances, and municipal liability and automobile liability claims. None of these lawsuits or claims are expected to exceed the policy limits or the statutory liability limits.

The City carries the following business and property loss insurance policies and coverages:

	<u>Coverage</u>	<u>Deductible</u>
Municipal General Liability	\$2,000,000 per occurrence/ \$3,000,000 aggregate	\$100,000 per occurrence/ \$275,000 aggregate
Real and Personal Property blanket	\$373,367,769	\$50,000 per occurrence
Inland Marine	\$14,230,939	\$50,000 per occurrence
Crime	\$250,000	\$50,000 per occurrence
Faithful Performance Bond	\$1,000,000	\$50,000 per occurrence
First Party Cyber Liability	\$500,000	\$1,000 per occurrence
Commercial Auto	\$2,000,000	\$50,000 per occurrence
Worker's Compensation	Self-insured	\$500,000 catastrophic loss
Health Care Professionals	\$1,500,000 per occurrence/ \$3,000,000 aggregate	\$10,000 per claim
Liquor Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate	\$1,000 per occurrence
Equipment Breakdown	\$100,000,000	\$5,000 per occurrence

The City also had a cash balance of \$5.7 million in its Self-Insurance Fund as of August 31, 2024, from which to pay claims and expenses.

## Major General Fund Revenue Sources

<u>Revenue</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Property taxes	\$47,796,539	\$50,237,596	\$53,057,960	\$53,189,587	\$57,838,392
Lodging and admissions tax	10,500,320	3,354,406	6,414,535	9,625,118	10,193,696
Business licenses	6,875,207	6,536,353	6,021,565	8,082,182	6,675,071
Intergovernmental	3,115,263	4,579,217	5,821,918	6,173,201	11,810,044
Transfers from other funds	2,403,645	8,377,016	5,003,001	9,412,954	5,320,313
Fiscal disparities	3,274,803	3,072,584	3,473,774	4,314,509	3,698,350

Sources: City's Annual Comprehensive Financial Reports.

## Federal Financial Assistance

In recent years, the City has received significant Federal financial assistance through the American Rescue Plan (ARP) funds and the Staffing for Adequate Fire and Emergency Response (SAFER) grant.

**ARP Funds:** The American Rescue Plan Act of 2021 was signed into law on March 11, 2021 in response to the COVID 19 pandemic. The relief package provided \$350 billion of funding for state and local governments. The City received \$11.4 million and has spent \$6.6 million to date. The remaining amount will be committed by the end of December 2024 and spent by the end of December 2026.

**SAFER Grant Funds:** The SAFER grant is specifically aimed at enhancing the ability of fire departments to maintain an appropriate level of staffing to ensure the safety of firefighters and of the community. The Bloomington Fire Department is transitioning from a mainly paid-on-call model to a hybrid model of both full-time and part-time firefighters. The first SAFER grant started in April 2023 and provides funds for salaries and benefits for 18 new full-time firefighters positions for 3 years. The second SAFER grant, awarded in late 2024, begins April 2025 and will fund an additional 18 full-time firefighter positions for 3 years. The City has a plan to absorb the costs of the additional firefighters once the SAFER grant funding ends.

**BOOK ENTRY**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to City or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

## FORM OF BOND COUNSEL OPINION



Fifth Street Towers  
 150 South Fifth Street, Suite 700  
 Minneapolis, MN 55402  
 (612) 337-9300 telephone  
 (612) 337-9310 fax  
 kennedy-graven.com  
 Affirmative Action, Equal Opportunity Employer

\$ \_\_\_\_\_  
 City of Bloomington, Minnesota  
 Taxable Sales Tax Revenue Bonds  
 Series 2024B

We have acted as bond counsel to the City of Bloomington, Minnesota (the “Issuer”) in connection with the issuance by the Issuer of its Taxable Sales Tax Revenue Bonds, Series 2024B (the “Series 2024B Bonds”), originally dated November 26, 2024, and issued in the original aggregate principal amount of \$ \_\_\_\_\_. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Series 2024B Bonds have been duly authorized and executed, and are valid and binding special, limited obligations of the Issuer, enforceable in accordance with their terms.
2. The principal of and interest on the Series 2024B Bond are payable solely from revenues derived from the sales and use tax approved by a majority of voters of the Issuer on November 7, 2023, as authorized by Laws of Minnesota 2023, Chapter 64, Article 10, Section 27.
3. We express no opinion as to the status of the interest on the Series 2024B Bonds for federal or state income tax purposes.
4. The rights of the owners of the Series 2024B Bonds and the enforceability of the Series 2024B Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2024B Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated November \_\_\_, 2024 at Minneapolis, Minnesota.

## FORM OF CONTINUING DISCLOSURE UNDERTAKING

\$ \_\_\_\_\_  
 City of Bloomington, Minnesota  
 Taxable Sales Tax Revenue Bonds  
 Series 2024B

## CONTINUING DISCLOSURE CERTIFICATE

November \_\_, 2024

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Bloomington, Minnesota (the “Issuer”) in connection with the issuance of its Taxable Sales Tax Revenue Bonds, Series 2024B (the “Series 2024B Bonds”), in the original aggregate principal amount of \$ \_\_\_\_\_. The Series 2024B Bonds are being issued pursuant to resolutions adopted by the City Council of the Issuer (the “Resolutions”). The Series 2024B Bonds are being delivered to \_\_\_\_\_ (the “Purchaser”) on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Series 2024B Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Series 2024B Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Audited Financial Statements” means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

“Disclosure Certificate” means this Continuing Disclosure Certificate.

“EMMA” means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

“Final Official Statement” means the deemed Final Official Statement, dated \_\_\_\_\_, 2024, which constitutes the final official statement delivered in connection with the Series 2024B Bonds, which is available from the MSRB.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.



“Fiscal Year” means the fiscal year of the Issuer.

“GAAP” means generally accepted accounting principles for governmental units as prescribed by GASB.

“GASB” means the Governmental Accounting Standards Board.

“Holder” means the person in whose name a Series 2024B Bond is registered or a beneficial owner of such a Series 2024B Bond.

“Issuer” means the City of Bloomington, Minnesota, which is the obligated person with respect to the Series 2024B Bonds.

“Material Event” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

“Participating Underwriter” means any of the original underwriter(s) of the Series 2024B Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Series 2024B Bonds.

“Purchaser” means \_\_\_\_\_.

“Repository” means EMMA, or any successor thereto designated by the SEC.

“Rule” means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

“SEC” means Securities and Exchange Commission, and any successor thereto.

“Series 2024B Bonds” means the Taxable Sales Tax Revenue Bonds, Series 2024B, issued by the Issuer in the original aggregate principal amount of \$ \_\_\_\_\_.

### Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends December 31, 2024, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Collections of Sales and Use Tax
2. Projected Coverage of Series 2024B Bonds

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Series 2024B Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Series 2024B Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the legal defeasance, the redemption in full of all Series 2024B Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Series 2024B Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Series 2024B Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Series 2024B Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Series 2024B Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Series 2024B Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

**CITY OF BLOOMINGTON, MINNESOTA**

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Mayor

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City Manager

**2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

The City's Annual Comprehensive Financial Report for fiscal year ended December 31, 2023 may be accessed on the MSRB's EMMA website, located [here](#).

## TERMS OF PROPOSAL

THE CITY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

**\$34,865,000\***

**CITY OF BLOOMINGTON, MINNESOTA**

**TAXABLE SALES TAX REVENUE BONDS, SERIES 2024B**

**(BOOK ENTRY ONLY)**

Proposals for the above-referenced obligations (the "Bonds") will be received by the City of Bloomington, Minnesota (the "City") on Monday, October 28, 2024 (the "Sale Date") until 10:00 A.M., Central Time (the "Sale Time") at the offices of Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), 30 East 7<sup>th</sup> Street, Suite 3025, Saint Paul, MN 55101, after which time proposals will be opened and tabulated. Consideration for award of the Bonds will be by the City Council at its meeting commencing at 6:30 P.M., Central Time, of the same day.

## SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the City nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to Baker Tilly MA by email to [bids@bakertilly.com](mailto:bids@bakertilly.com), and must be received prior to the Sale Time.

**OR**

(b) **Electronic Bidding.** Proposals may also be received via PARITY<sup>®</sup>. For purposes of the electronic bidding process, the time as maintained by PARITY<sup>®</sup> shall constitute the official time with respect to all proposals submitted to PARITY<sup>®</sup>. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY<sup>®</sup> for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the City, its agents, nor PARITY<sup>®</sup> shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents, nor PARITY<sup>®</sup> shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY<sup>®</sup>. The City is using the services of PARITY<sup>®</sup> solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY<sup>®</sup> is not an agent of the City.

If any provisions of this Terms of Proposal conflict with information provided by PARITY<sup>®</sup>, this Terms of Proposal shall control. Further information about PARITY<sup>®</sup>, including any fee charged, may be obtained from:

PARITY<sup>®</sup>, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018  
Customer Support: (212) 849-5000

\*Preliminary; subject to change.

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## DETAILS OF THE BONDS

The Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2025. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will mature February 1 in the years and amounts\* as follows:

2026	\$ 740,000	2030	\$1,280,000	2034	\$1,555,000	2038	\$1,900,000	2042	\$2,345,000
2027	\$1,110,000	2031	\$1,340,000	2035	\$1,630,000	2039	\$2,000,000	2043	\$2,475,000
2028	\$1,165,000	2032	\$1,410,000	2036	\$1,715,000	2040	\$2,110,000	2044	\$2,610,000
2029	\$1,220,000	2033	\$1,480,000	2037	\$1,805,000	2041	\$2,220,000	2045	\$2,755,000

\*The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.

## BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

## REGISTRAR/PAYING AGENT

The Chief Financial Officer of the City will serve as registrar for the Bonds.

## OPTIONAL REDEMPTION

The City may elect on February 1, 2034, and on any day thereafter, to redeem Bonds due on or after February 1, 2035. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

## SECURITY AND PURPOSE

The Bonds will be special, limited obligations of the City and shall not constitute a debt for which the full faith and credit or taxing powers of the City will be pledged. The Bonds will be secured by and are payable from a 0.5% tax on the gross receipts from sales at retail sourced within the City limits which are taxable under the Minnesota sales and use tax laws and rules and local use on the storage, use, distribution or consumption of goods or services sourced within the limits of the City that are taxable under Minnesota sales and use tax laws and rules and any earnings and other amounts on hand in any of the funds and accounts established under the resolution awarding the sale of the Bonds. The pledge of the 0.5% of the

sales and use tax shall be in place for a period of 20 years or until the Project (hereinafter defined) is paid for, whichever comes first. The proceeds of the Bonds, along with available City funds, will be used to finance (i) the construction and rehabilitation of the Bloomington Ice Garden and associated infrastructure (the "Project"), (ii) a debt service reserve fund, and (iii) the costs associated with issuing the Bonds.

#### TAXABILITY OF INTEREST

The interest to be paid on the Bonds is includable in the income of the recipient for the purposes of the United States and State of Minnesota income tax.

#### BIDDING PARAMETERS

Proposals shall be for not less than \$34,516,350 (99.00%) plus accrued interest, if any, on the total principal amount of the Bonds. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater.

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth herein. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

#### GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the City in the amount of \$348,650 (the "Deposit") no later than 1:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the City nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

#### AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.



## BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

## CUSIP NUMBERS

If the Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Bonds; however, neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

## SETTLEMENT

On or about November 26, 2024, the Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Kennedy & Graven, Chartered of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Bonds has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

## CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the City will undertake, pursuant to the resolution awarding the sale of the Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Bonds.

## OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email [bids@bakertilly.com](mailto:bids@bakertilly.com).

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Bonds, together with any other information required by law. By awarding the Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated September 30, 2024

BY ORDER OF THE CITY COUNCIL  
/s/ Jamy Hanson  
City Clerk

**CITY OF BLOOMINGTON, MINNESOTA**  
**\$34,865,000\* Taxable Sales Tax Revenue Bonds, Series 2024B**

For the Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of \$\_\_\_\_\_ (which may not be less than \$34,516,350 (99.00%)) plus accrued interest, if any, to the date of delivery.

<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>	<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>
2026	_____ %	_____ %	_____ %	2036	_____ %	_____ %	_____ %
2027	_____ %	_____ %	_____ %	2037	_____ %	_____ %	_____ %
2028	_____ %	_____ %	_____ %	2038	_____ %	_____ %	_____ %
2029	_____ %	_____ %	_____ %	2039	_____ %	_____ %	_____ %
2030	_____ %	_____ %	_____ %	2040	_____ %	_____ %	_____ %
2031	_____ %	_____ %	_____ %	2041	_____ %	_____ %	_____ %
2032	_____ %	_____ %	_____ %	2042	_____ %	_____ %	_____ %
2033	_____ %	_____ %	_____ %	2043	_____ %	_____ %	_____ %
2034	_____ %	_____ %	_____ %	2044	_____ %	_____ %	_____ %
2035	_____ %	_____ %	_____ %	2045	_____ %	_____ %	_____ %

**Designation of Term Maturities**

Years of Term Maturities \_\_\_\_\_  
\_\_\_\_\_

In making this offer on the sale date of October 28, 2024, we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated October 21, 2024 including the City's right to modify the principal amount of the Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ \_\_\_\_\_

TRUE INTEREST RATE: \_\_\_\_\_ %

The Bidder  will not  will purchase municipal bond insurance from \_\_\_\_\_.

Account Members

\_\_\_\_\_  
Account Manager  
By: \_\_\_\_\_  
Phone: \_\_\_\_\_

.....  
The foregoing proposal has been accepted by the City.

Attest: \_\_\_\_\_

Date: \_\_\_\_\_

Phone: 651-223-3000

\* Preliminary; subject to change.

Email: [bids@bakertilly.com](mailto:bids@bakertilly.com)