



PMATM
SECURITIES

July 14, 2025

ISD 492 Austin Public Schools

Lease-Purchase Agreement

Sale Summary

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Lease-Purchase Agreement

- ▶ Purpose:
 - ▶ Tennis court reconstruction project at Austin High School.
- ▶ Mechanism
 - ▶ Lease-Purchase Agreement
- ▶ Authority
 - ▶ Minnesota Statutes, Section 465.71 and 126c.40



Direct Placement

- ▶ Direct Placement
 - ▶ Private sale of securities offered to a limited number of investors identified by the issuer.
- ▶ Purchaser
 - ▶ Old National Bank (Bremer Bank)
- ▶ Interest Rate
 - ▶ 4.36%



Sale Summary

	March 24, 2025 Prelim Estimates	Pre-sale Finance Plan	Final
Principal Amount	\$620,000	\$575,000	\$575,000
Interest Rate	5.00%	4.36%	4.36%
Total Principal & Interest	\$821,656	\$736,586	\$736,586
Deposit to Construction	\$588,608	\$547,400	\$549,400

Lease Structure

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/05/2025	-	-	-	-	-
08/01/2026	-	-	24,791.44	24,791.44	-
02/01/2027	35,000.00	4.360%	12,535.00	47,535.00	72,326.44
08/01/2027	-	-	11,772.00	11,772.00	-
02/01/2028	50,000.00	4.360%	11,772.00	61,772.00	73,544.00
08/01/2028	-	-	10,682.00	10,682.00	-
02/01/2029	55,000.00	4.360%	10,682.00	65,682.00	76,364.00
08/01/2029	-	-	9,483.00	9,483.00	-
02/01/2030	55,000.00	4.360%	9,483.00	64,483.00	73,966.00
08/01/2030	-	-	8,284.00	8,284.00	-
02/01/2031	55,000.00	4.360%	8,284.00	63,284.00	71,568.00
08/01/2031	-	-	7,085.00	7,085.00	-
02/01/2032	60,000.00	4.360%	7,085.00	67,085.00	74,170.00
08/01/2032	-	-	5,777.00	5,777.00	-
02/01/2033	60,000.00	4.360%	5,777.00	65,777.00	71,554.00
08/01/2033	-	-	4,469.00	4,469.00	-
02/01/2034	65,000.00	4.360%	4,469.00	69,469.00	73,938.00
08/01/2034	-	-	3,052.00	3,052.00	-
02/01/2035	70,000.00	4.360%	3,052.00	73,052.00	76,104.00
08/01/2035	-	-	1,526.00	1,526.00	-
02/01/2036	70,000.00	4.360%	1,526.00	71,526.00	73,052.00
Total	\$575,000.00	-	\$161,586.44	\$736,586.44	-



Sources and Uses

Sources Of Funds

Par Amount of Bonds	\$575,000.00
Total Sources	\$575,000.00

Uses Of Funds

Deposit to Project Construction Fund	549,400.00
Bond Counsel (Dorsey & Whitney)	15,000.00
Financial Advisor (PMA Securities)	10,600.00
Total Uses	\$575,000.00



Tax Impact

- ▶ No growth assumed in District net tax capacity.

Lease Amount
Term of Lease
Payment
District NTC Value (Pay 25)
Additional NTC Tax Rate

Lease Levy
\$575,000
10
\$72,326
29,388,052
0.25%

Property Type Est. Market Value

Estimated Annual Tax Increase

Residential Homestead	\$100,000	\$2
	125,000	2
	150,000	3
	175,000	4
	200,000	4
	250,000	6
	300,000	7

Commercial - Industrial	\$100,000	\$4
	250,000	10
	500,000	23
	1,000,000	47

Agricultural Homestead*	\$/acre	
	\$4,000	\$0.05
	5,000	0.06
	6,000	0.07
	7,000	0.09

* Homestead land limited to first \$3,800,000 in value. All additional land taxed like Ag non-homestead land.

Agricultural Non Homestead	\$4,000	\$0.10
	5,000	0.12
	6,000	0.15
	7,000	0.17



Calendar

Date	Action Item
February 2025	Submit application for lease levy approval
March 2025	Bids out for Tennis Courts
Spring 2025	Bid Awarded
April 14, 2025	Board Considers Parameters Resolution
July 9, 2025	Lease Pricing (Interest Rates Locked)
July 14, 2025	Board Considers Ratifying Resolution
August 5, 2025	Lease Closing



Next Steps

- ▶ Funds will be available to draw as project expenditures come due
- ▶ Proceeds will be invested so that funds are available based on construction draw schedules
- ▶ Investment earnings can be used to enhance the project budget
- ▶ PMA will help monitor for compliance with IRS Arbitrage/Rebate regulations



Contact Us



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