

April 13, 2022

SALE DAY REPORT FOR:

## **Independent School District No. 2683 (Greenbush-Middle River), Minnesota**

**\$150,000 General Obligation Tax Abatement Bonds,  
Series 2022A**



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# Competitive Sale Results

**PURPOSE:** To finance the costs of parking lot improvements.

**NUMBER OF BIDS:** 3

**LOW BIDDER:** Citizens State Bank, Roseau, Minnesota

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

**LOW BID:** 2.4500%

**HIGH BID:** 3.0000%

**INTEREST  
DIFFERENCE:** \$2,840

Summary of Sale Results:	
Principal Amount:	\$150,000
True Interest Cost:	2.4500%
Capitalized Interest:	\$2,644
Costs of Issuance:	\$11,045
Total Net P&I:	\$161,270

**NOTES:** The True Interest Cost of 2.45% is than the 3.00% estimated in the Pre-Sale Report presented to the School Board on March 21, 2022. As a result, total payments (principal and interest) are \$3,125 less than estimated in the Pre-Sale Report.

**CLOSING DATE:** May 12, 2022

**SCHOOL BOARD  
ACTION:** Adopt the resolution awarding the sale of \$150,000 General Obligation Tax Abatement Bonds, Series 2022A

## SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- Updated Sources and Uses of Funds
- Updated Debt Service Schedule
- Tax Impact Schedule
- Bond Resolution (Distributed Separately)

## BID TABULATION

**\$150,000 General Obligation Tax Abatement Bonds, Series 2022A**

**Independent School District No. 2683 (Greenbush-Middle River), Minnesota**

**SALE:** April 13, 2022

**AWARD:** CITIZENS STATE BANK

**MN Credit Enhancement Rating:** Moody's Investor's Service "Aa2"

**Underlying Rating:** Non-Rated

Tax Exempt - Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	PRICE	NET INTEREST COST
CITIZENS STATE BANK Roseau, Minnesota	2024	2.450%	\$150,000.00	\$13,913.96
	2025	2.450%		
	2026	2.450%		
	2027	2.450%		
	2028	2.450%		
CITIZENS ALLIANCE BANK Howard Lake , Minnesota		2.95%	\$150,000.00	\$16,753.54
NORTHVIEW BANK Finlayson, Minnesota		3.00%	\$150,000.00	\$17,037.50

## RESULTS OF BOND SALE

### Greenbush - Middle River, ISD 2683

April 13, 2022

#### Estimated Sources and Uses of Funds

Abatement Bond Issue Amount	<b>\$150,000</b>
<b>Sources of Funds</b>	
Par Amount of Bonds	150,000
Investment Earnings*	0
Total Sources	150,000
<b>Uses of Funds</b>	
Capitalized Interest **	2,644
Legal and Fiscal Costs #	11,045
<b>Net Available for Project Costs</b>	<b>136,311</b>
Total Uses	150,000

\* Investment earnings estimate are negligible due to the timing of the project.

\*\* The first year's interest payment will be financed with bond proceeds.

# Includes fees for municipal advisor, bond counsel, and paying agent.

## RESULTS OF BOND SALE

### **Greenbush - Middle River, ISD 2683**

April 13, 2022

#### **Abatement Bond Debt Service Schedule**

Principal Amount:	\$150,000
Estimated Dated Date:	5/12/2022
Years of Abatements:	5
Yrs/Term of Bond Issue:	6
True Interest Cost:	2.45%

#### ***Estimated Debt Service***

Year Taxes Payable		Initial Debt Service			
Fiscal Year		Principal	Interest	Total Payments	Levies (P & I at 105%)
2021	2022	\$0	\$0	\$0	\$0
2022	2023	0	2,644	2,644	0*
2023	2024	28,000	3,675	31,675	33,259
2024	2025	29,000	2,989	31,989	33,588
2025	2026	30,000	2,279	32,279	33,892
2026	2027	31,000	1,544	32,544	34,171
2027	2028	32,000	784	32,784	34,423
2028	2029	0	0	0	0
		\$150,000	\$13,914	\$163,914	\$169,334

\* Due to timing of the property tax levy process, the district will not be eligible to make a levy for the payments due in fiscal year 2023. Those payments will be made from bond proceeds.

# RESULTS OF BOND SALE

## Greenbush - Middle River, ISD 2683

April 13, 2022

### Analysis of Tax Impact for Potential Abatement Bond

Bond Issue Amount	\$150,000
Average Interest Rate	2.45%
Number of Tax Levies	5

Type of Property	Estimated Market Value	Estimated Impact on Annual Taxes Payable in 2023*
Residential Homestead	\$70,000	\$4
	80,000	5
	90,000	6
	100,000	7
	125,000	10
	150,000	13
	175,000	16
	200,000	19
	300,000	30
	400,000	41
Commercial/ Industrial	\$50,000	\$8
	100,000	15
	250,000	44
	500,000	95
Agricultural Homestead** (average value per acre of land & buildings)	\$1,000	\$0.02
	2,000	0.03
	3,000	0.05
	4,000	0.06
Agricultural Non-Homestead** (average value per acre of land & buildings)	\$1,000	\$0.03
	2,000	0.06
	3,000	0.09
	4,000	0.12

\* Estimated tax impact includes principal and interest payments on the new bonds. The amounts in the table are based on school district taxes for bonded debt levies only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the homeowner's Homestead Credit Refund ("Circuit Breaker") program. Owners of homestead property may qualify for a refund, based on their income and total property taxes. This will decrease the net effect of the proposed bond issue for those property owners.

\*\* For all agricultural property, estimated tax impact for 2023 includes a 70% reduction due to the School Building Bond Agricultural Credit. Average value per acre is the total estimated market value of all land & buildings divided by total acres. If the property includes a home, then the tax impact on the house, garage, and one acre of land will be calculated in addition to the taxes per acre, on the same basis as a residential homestead or non-homestead property. If the same property owner owns more than \$1.9 million of agricultural homestead land and buildings, a portion of the property will be taxed at the higher non-homestead rate.