

# **HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA**

**REPORT TO THE COMMISSIONERS**

**DATE: OCTOBER 15, 2025**

**REGARDING: RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF  
CONDUIT REVENUE REFUNDING BONDS, UNDER MINNESOTA  
STATUTES, SECTIONS 469.152 THROUGH 469.1655, FOR THE  
TWIN CITIES GERMAN IMMERSION SCHOOL PROJECT, 1031  
COMO AVENUE AND APPROVING RELATED DOCUMENTS  
DISTRICT 10, WARD 5**

## **Requested Board Action**

The requested action includes a public hearing and approval for the HRA to issue up to \$10,000,000 in conduit lease revenue and refunding bonds for the Twin Cities German Immersion School Building Company, a nonprofit corporation (“Borrower”) for the benefit of the Twin Cities German Immersion School (“School”).

## **Background**

The School is a Minnesota Charter School founded in 2005 with Kindergarten and Grade 1 and added grades each year and now currently serves grade K through 8 with a current enrollment of 550. The school building is located at 1031 Como Avenue (a map is **attached**). The School’s authorizer is St. Thomas University.

In 2013, the HRA issued \$8,545,000 in conduit lease revenue bonds to finance the acquisition and renovation of an existing school building and church building and the construction of an approximate 29,400 square foot to the existing buildings (the “Prior Bonds”). The current outstanding balance is \$6,815,000.

Additionally, following the original bond issuance in 2013, the School completed added renovations and in 2019, the HRA issued \$7,155,000 in conduit lease revenue bonds to finance the demolition of the renovated church building and the construction of an approximately 23,500 square foot addition to their existing school facility (the “2019 Bonds”). The 2019 Bonds are not included in this refinancing.

The School applied to the HRA to issue up to \$10,000,000 in conduit lease revenue refunding bonds to refinance the Prior Bonds (the “2025 Bonds”). The 2019 bonds will remain in place.

### **Budget Action**

**This is a conduit bond issue.** The 2025 Bonds shall not constitute an indebtedness, liability, general or moral obligation, or pledge of the faith or credit or taxing power of the HRA, City of Saint Paul, or any agency or political subdivision thereof, and shall not constitute indebtedness of any of the foregoing within the meaning of any constitutional, statutory, or charter provision, nor be a charge against their respective general assets, credit or taxing powers, and do not grant the owners or holders of the 2019 Bonds any right to have the HRA, City of Saint Paul or any agency or political subdivision thereof to levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Principal and interest on the 2025 Bonds are payable solely out of the revenues and other sources pledged to the payment thereof as described in the bond documents.

### **Future Action**

The City Council will be considering a companion resolution on this same date.

### **Financing Structure**

The 2025 Bonds will be issued in an amount not to exceed \$10,000,000 and will be sold as a Public Offering with Piper Sandler serving as underwriter, in minimum bond denominations consistent with PED’s conduit bond policy which will depend on the credit rating. The underwriter will apply to Standard & Poor’s (S&P) for a credit rating and expects to receive a rating of BB (the current rating on the Prior Bonds), requiring minimum bond denominations of \$25,000. They are planning a small taxable series of bonds to be issued along with the tax-exempt series and the total estimated cost of the Project is \$8,145,333 as shown below:

<b>Sources of Funds</b>	<b>Amount</b>
Series 2025A Bonds (Tax-Exempt)	\$7,120,000
Series 2025B Bonds (Taxable)	270,000
Prior Bonds Reserve Fund	566,750
Prior Bonds Bond Fund Transfer	188,583
<b>Total Sources of Funds</b>	<b>\$8,145,333</b>

<b>Uses of Funds</b>	<b>Amount</b>
Refund Prior Bonds	\$6,939,942
Fund DSRF	822,937
Underwriter Discount	129,325
Costs of Issuance/Rounding	253,129
<b>Total Uses of Funds</b>	<b>\$8,145,333</b>

The final maturity for the 2025 Bonds will be 7/1/2065, which is a 21-year extension from the Prior Bonds final maturity (7/1/2044). The annual debt service will be reduced by approximately \$55,000.

### **PED Credit Committee Review**

The PED Credit Committee reviewed the proposal for conduit bonds on September 23, 2025, and found it to be consistent with PED's conduit bond policy.

### **Compliance**

The proceeds from the 2025 Bonds will not be used for construction, therefore vendor outreach and labor standards will not apply. The Borrower is required to comply with AA/EEO and will need to register an Affirmative Action Plan with the City.

### **Green/Sustainable Development**

N/A

### **Environmental Impact Disclosure**

N/A

### **Historic Preservation**

N/A

### **Public Purpose/Comprehensive Plan Conformance**

Twin Cities German Immersion School provides educational opportunities to 550 students in pre-K through grade 8 and employs 115 persons. The proposed conduit bond refinancing will reduce debt service payments on behalf of the School.

**Statement of Chairwoman (for Public Hearing)**

“Being duly authorized by the Board of Commissioners to conduct this Public Hearing, the hearing is now open. This is a Public Hearing called for the purpose of approving the issuance of approximately \$10,000,000 in conduit revenue refunding bonds by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA) for the Twin Cities German Immersion School Project. Notice of time, place, and purpose of this hearing was published in the Pioneer Press the official newspaper of the Authority on the 4<sup>th</sup> of October 2025. The Affidavit of Publication of the Notice of Public Hearing will be made a part of these proceedings. Is there anyone who wishes to be heard on this matter? If not, the Chair will declare this Public Hearing adjourned.”

**Recommendation:**

The HRA Executive Director recommends approval of the resolution which authorizes the issuance of up to \$10,000,000 in conduit lease revenue refunding bonds for the Twin Cities German Immersion School Project and the execution of related documents.

**Sponsored by: Commissioner Kim**

**Staff:** Jenny Wolfe, 266-6680

**Attachment:**

- Map