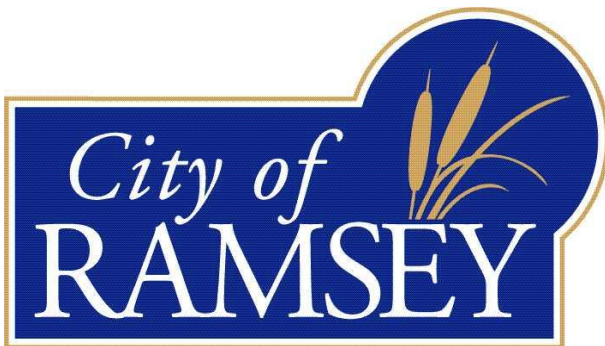


March 13, 2012

Pre-Sale Report for
\$7,420,000 Taxable General Obligation Tax
Increment Bonds, Series 2012

City of Ramsey, Minnesota



Prepared and Presented by:

Stacie Kvilvang
Executive Vice President

And

Mark Ruff
Executive Vice President

Executive Summary of Proposed Debt

Proposed Issue:	\$7,420,000 Taxable GO Tax Increment Bonds, Series 2012
Authority:	The TIF Bonds are being issued pursuant to Minnesota Statutes, Chapter 469 and 475. The Bonds will be general obligations of the City, for which its full faith, credit and taxing powers are pledged. Because tax increment from TIF District #14 is expected to equal not less than 20% of the principal amount of the Bonds, the Bonds can be a general obligation without a referendum and will not count against the City's debt limit.
Purposes/Funding Sources:	<p>The Bonds are being issued to pay for certain qualified costs related to the construction of the COR Apartments which will consist of approximately 230 rental units.</p> <p>The Bonds will be paid by tax increment generated by the project and payments to be made by the developer or the parent of the developer pursuant to the Loan Agreement, Note and Development Agreement.</p>
Discussion Issues	<p>Due to extremely low rates in the bond market, the City decided to proceed with issuing a longer term bond with an early call date of June 1, 2015 (3 years). The Bonds will have capitalized interest in the amount of approximately \$462,889 to pay for interest costs through December 1, 2014 (prior to the call date).</p> <p>The first principle payment due on the Bonds is June 1, 2015 (the date the Bonds can be paid in full). This payment has been reduced to provide the City the flexibility to not have a large payment due if in fact the developer has not secured its permanent financing in order to pay the Bonds off.</p>
Term/Call Feature	The Bonds have 10 principle payments in the years 2015-2024. The Bonds have a 3 year call date, meaning that they can be prepaid on June 1, 2015, or any date thereafter. This early call date allows the City the flexibility to pay off the bonds at any time on or after this date when there is adequate proceeds from the project to do so.
Bank Qualification	Because the Bonds are taxable obligations they will not be designated as "bank qualified" obligations.





<p>Rating:</p>	<p>The City’s most recent bond issue was rated AA+ by Standard & Poor’s. The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City's bond rating in the event that the bond rating of the insurer is higher than that of the City.</p>
<p>Method of Sale/Placement:</p>	<p>In order to obtain the lowest interest cost to the City, we will solicit competitive bids for purchase of the Bonds from local banks in your area and regional and national underwriters.</p> <p>We have included an allowance for discount bidding equal to 1% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of its compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p>
<p>Continuing Disclosure:</p>	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain “material events” to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Northland Securities to prepare and file the reports.</p>
<p>Arbitrage Monitoring:</p>	<p>The Bonds are taxable obligations and are therefore not subject to IRS arbitrage and yield restriction requirements.</p>





Proposed Debt Issuance Schedule

Pre-Sale Review by Council:	March 13, 2012
Distribute Official Statement:	Week of April 2 ,2012
Conference Call With Rating Agency:	March 5 , 2012
City Council Meeting to Award Sale of the Bonds:	April 24, 2012
Estimated Closing Date:	June 5, 2012

Attachments

- Sources and Uses of Funds
- Proposed Debt Service Schedule
- Resolution Authorizing Ehlers to Proceed With Bond Sale

Ehlers Contacts:

Financial Advisors:	Stacie Kvilvang Mark Ruff	(651)-697-8506 (651)-697-8505
Bond Analyst:	Pia Troy	(651) 697-8556
Bond Sale Coordinator:	Alicia Aulwes	(651) 697-8523
Financial Analyst:	Alicia Gage	(651) 697-8551

The Official Statement for this financing will be mailed to the City Council members at their home address or e-mailed for review prior to the sale date.



Resolution No. _____

Council Member _____ introduced the following resolution and moved its adoption:

**Resolution Providing for the Sale of
\$7,420,000 Taxable G.O. Tax Increment Bonds, Series 2012**

- A. WHEREAS, the City Council of the City of Ramsey, Minnesota, has heretofore determined that it is necessary and expedient to issue the City's \$7,420,000 Taxable G.O. Tax Increment Bonds, Series 2012 (the "Bonds"), to finance certain qualified costs related to the construction of the COR Apartments in the City; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ramsey, Minnesota, as follows:

- 1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
- 2. Meeting; Proposal Opening. The City Council shall meet at 7:00 p.m. on April 24, 2012, for the purpose of considering sealed proposals for and awarding the sale of the Bonds.
- 3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by Council Member _____ and, after full discussion thereof and upon a vote being taken thereon, the following Council Members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 13th day of March, 2012.

City Clerk