



**Title:** 6300 Painter Road Financing

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**Purpose:** At the January 8, 2026 Minnehaha Creek Watershed District (MCWD) Board of Managers meeting, staff will present an overview of the recent acquisition of 6300 Painter Road. The presentation will place the acquisition within the context of the 2026 MCWD budget and long-range Capital Improvement Program, and will support continued discussion of financing considerations and potential next steps for the property.

**Background:**

On December 5, 2025, following duly noticed public hearings and receipt of a resolution of support from the City of Minnetrista, MCWD acquired the property located at 6300 Painter Road in Minnetrista to support capital project implementation for water quality improvement in the Painter Creek-Jennings Bay Subwatershed. The property was acquired with \$825,000 in cash from MCWD's Capital Finance Fund.

To maximize the District's capacity for project implementation while minimizing annual levy volatility, MCWD uses a portfolio approach to funding its land acquisition and capital improvements. This portfolio approach considers a suite of mechanisms, including: MCWD combining annual levy proceeds with leveraged grants and partner funds; Capital Finance funds held assigned against MCWD's long-term capital improvement plan; and debt issued on MCWD's behalf by partners at Hennepin and Carver County or privately placed.

Consequently, during the due diligence process for the property acquisition, the Board directed staff to outline a range of potential financing options that would preserve existing cash on hand to maintain future implementation flexibility, as well as their costs, benefits, and tradeoffs. Findings from this exercise were presented at the November 6, 2025 Board Meeting, and included analysis of placement through the Hennepin County Master Financing Agreement, independent bond issuance, and private placement.

**Summary:**

Since closing on the property, based on the analysis presented in November, the Board has requested further discussion of the option for private placement. To preserve this option the Board would be required to adopt a reimbursement resolution within 60 days of closing (2/5/2026) to preserve eligibility for after-the-fact tax-exempt financing. This could occur at the January 22, 2026, Board Meeting.

On January 8, 2026, staff will facilitate a Board discussion regarding the potential for private placement and the criteria that might be useful in making this decision. Outcomes from this discussion are expected to include: (1) a decision on whether to preserve financing flexibility by bringing forward a reimbursement resolution at the January 22, 2026, Meeting; (2) feedback on principles and criteria to guide future Board decisions on when and where to leverage existing funds through Capital Finance versus strategic use of debt.