



Title:	Declaration of Official Intent to Reimburse Expenditures for Acquisition of 6300 Painter Road, Minnetrista, with the Proceeds of Obligations
Resolution number:	26-011
Prepared by:	Name: Kailey Cermak Phone: 952-641-4501 Kcermak@minnehahacreek.org
Reviewed by:	Name/Title: Michael Hayman, Project Planning Director; Louis Smith, Smith Partners
Recommended action:	Staff recommend the Board adopt a reimbursement resolution to preserve the District's ability to finance eligible costs associated with the 6300 Painter Road acquisition.
Schedule:	December 5, 2025: MCWD Closed on Property
Budget considerations:	N/A
Past Board action:	Res # 25-065 Ordering the Acquisition of 6300 Painter Road, Minnetrista Res # 25-058 Authorization to Execute Purchase Agreement for 6300 Painter Road, Minnetrista

Summary:

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 ("the Property") 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.

Consistent with this approach, during due diligence for the acquisition the Board directed staff to evaluate a range of potential financing options that would preserve existing cash on hand to maintain future implementation flexibility, including consideration of the relative costs, benefits, and tradeoffs of each option. 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.

Following continued discussion, at the January 8, 2026 Board meeting the Board provided direction for staff to bring forward a reimbursement resolution to preserve the District's ability to reimburse project costs with proceeds of future tax-exempt obligations. Adoption of the resolution does not obligate the District to issue debt; rather, it preserves eligibility to finance up to approximately \$1,000,000 of costs associated with the Property acquisition and initiation of future capital improvements, should the Board later determine that financing is appropriate.



**MINNEHAHA CREEK
WATERSHED DISTRICT
QUALITY OF WATER, QUALITY OF LIFE**

RESOLUTION

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WHEREAS the Minnehaha Creek Watershed District (MCWD) Board of Managers (Board) authorized the expenditure of funds for the acquisition of 6300 Painter Road, Minnetrista (the "Project") pursuant to the District's Land Conservation Program;

WHEREAS the property at 6300 Painters Road was acquired on December 5, 2025 for \$825,000;

WHEREAS the costs of the Project will also include building demolition and initiation of water quality improvements;

WHEREAS the Board reasonably expects to finance the costs of the Project with the proceeds of obligations to be issued by MCWD or through Hennepin County;

WHEREAS Treasury Regulation 1.150-2 (the "Reimbursement Regulation") generally provides that a governmental unit may issue tax exempt obligations to reimburse prior expenditures for a project only if there has been a declaration of official intent to issue obligations for that purpose adopted within 60 days after the original project expenditure; and

WHEREAS the maximum principal amount of obligations expected to be issued for the Project is approximately \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED that the Board of Managers of Minnehaha Creek Watershed District hereby declares its official intent pursuant to the Reimbursement Regulation to issue up to approximately \$1,000,000 of obligations to finance the costs of the Project.

Resolution Number 26-011 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution ____ ayes, ____ nays, ____ abstentions. Date: 1/22/2026

Secretary

Date: _____