



Council Agenda Item [25-0882R]

MEETING DATE: November 24, 2025

SUBJECT/TITLE: RESOLUTION CONSENTING TO THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS BY THE CITY OF RICE LAKE, MINNESOTA

SUBMITTED BY: *Tricia Hobbs –Manager, Economic Development and DEDA*

RECOMMENDATION: Approve

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: DEDA held a public hearing and approved the issuance on November 19th.

PREVIOUS COUNCIL ACTION: N/A

BACKGROUND:

In 2022, Stella Maris Academy undertook the acquisition, demolition, facility preparation, construction, renovation, rehabilitation, and equipping of the high school facilities, located at 4321 Allendale Avenue, in the City of Duluth, which included, among other things, six new classrooms, a teachers' workroom, a student workroom, new bathrooms, a student locker room, commons areas, and other various improvements on each of the four floors of the east wing of the building (the "Project"). The Project was financed by a temporary construction loan from North Shore Bank. Now that construction is complete and the temporary construction loan is maturing, North Shore Bank has offered to convert such financing to permanent tax-exempt financing, which is accomplished through a conduit bond issuance (see attached Letter, dated November 12, from Bond Counsel describing the conduit bond transaction).

The City of Rice Lake, Minnesota, acting as issuer, held a public hearing and approved the issuance of the bonds on November 10th.

An Application for Approval of Local Bond Financing was submitted to DEED on November 11th.

DEDA held a public hearing and approved the issuance on November 19th.

Pursuant to Minnesota Statutes, 471.656, the Duluth City Council is requested to consent, by resolution, to the issuance of the Obligations.

BUDGET/FISCAL IMPACT:



This action has no budgetary or fiscal impact.

OPTIONS:

The Council can provide or deny its consent. If denied, it would force Stella Maris Academy to seek traditional financing, costing the school hundreds of thousands of dollars in extra interest. This would lead to higher tuition payments being borne by the families who attend the school.

NECESSARY ACTION:

Adopt the consent resolution.

ATTACHMENTS:

1. Letter re: Requested Consent to the Issuance of Conduit Revenue Obligations by the City of Rice Lake, Minnesota, dated November 12, 2025, from Bond Counsel.