

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 9, 2025

NEW ISSUES NOT BANK QUALIFIED – SERIES 57 BONDS BOOK ENTRY ONLY

MOODY'S RATING: Aaa
S&P RATING: AAA
FITCH RATING AAA

In the opinion of Kutak Rock LLP, Bond Counsel to the City, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 57 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Further, and to the extent of the aforementioned federal income tax exclusion, interest on the Series 57 Bonds is excludable from taxable net income of individuals, estates and trusts for purposes of Minnesota income tax purposes, and is not a preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. The Series 57 Bonds will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations. See "TAX MATTERS- SERIES 57 BONDS" and "Appendix C – Forms of Bond Counsel Opinion" herein. In the opinion of Kutak Rock LLP, Bond Counsel to the City, interest on the Series 2025D Bonds is subject to federal and Minnesota income taxation. See "TAXABILITY OF INTEREST –SERIES 2025D BONDS" and "Appendix C – Forms of Bond Counsel Opinion" herein.



CITY OF BLOOMINGTON, MINNESOTA

\$3,005,000*

**General Obligation Permanent Improvement
Revolving Fund Bonds of 2025, Series 57
(the "Series 57 Bonds")**

\$3,245,000*

**Taxable General Obligation
Capital Improvement Plan
Bonds, Series 2025D
(the "Series 2025D Bonds")**

Dated Date	Date of Delivery (anticipated to be November 20, 2025)
Sale Date	Monday, October 20, 2025 until 10:00 A.M., Central Time
Consideration of Award	City Council meeting commencing at 6:30 P.M., Central Time on the Sale Date.
Security	The Series 57 Bonds and the Series 2025D Bonds will be general obligations of the City of Bloomington, Minnesota (the "City") for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge special assessments against benefited properties for repayment of a portion of the Series 57 Bonds. See "Authority and Security" herein.
Authorization	<u>Series 57 Bonds.</u> The Series 57 Bonds are being issued pursuant to Minnesota Statutes, Chapters 429 and 475, as amended, and the Bloomington City Charter. <u>Series 2025D Bonds.</u> The Series 2025D Bonds are being issued pursuant to Minnesota Statutes, Chapter 475, as amended, including Section 475.521. See "Authority and Security" herein.
Purpose	<u>Series 57 Bonds.</u> The proceeds of the Series 57 Bonds, along with available City funds, will be used to finance (i) various assessable improvement projects within the City; and (ii) costs of issuance. <u>Series 2025D Bonds.</u> The proceeds of the Series 2025D Bonds will be used to finance (i) certain capital improvements, including but not limited to the construction of a new equipment maintenance garage (which includes the new fleet garage) (collectively, the "Improvements") pursuant to amendment to the City's Combined Ten-Year Capital Improvement Plan, 2025-2034, approved on August 25, 2025; and (ii) costs of issuance. See "Authority and Security" herein.
Principal and Interest Payments	Principal on the Series 57 Bonds and the Series 2025D Bonds will be paid annually on February 1, beginning February 1, 2027. Interest will be paid semiannually on February 1 and August 1, beginning August 1, 2026.

The information contained in this Preliminary Official Statement is deemed by the City to be final as of the date hereof; however, the pricing and underwriting information is subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Further information may be obtained from Baker Tilly Municipal Advisors, LLC 30 East Seventh Street, Suite 3025, Saint Paul, MN 55101 (651) 223-3000 or bids@bakertilly.com.

*Preliminary, subject to change.

Redemption Provisions	<u>Series 57 Bonds.</u> The City may elect on February 1, 2034, and on any day thereafter, to redeem the Series 57 Bonds due on or after February 1, 2035 at a price of par plus accrued interest. <u>Series 2025D Bonds.</u> The City may elect on February 1, 2035, and on any day thereafter, to redeem the Series 2025D Bonds due on or after February 1, 2036 at a price of par plus accrued interest. The Series 57 Bonds and the Series 2025D Bonds may be issued as term bonds at the discretion of the Underwriters (hereinafter defined) and, in such case, will be subject to mandatory sinking fund redemption.
Book Entry	The Series 57 Bonds and the Series 2025D Bonds will be issued only as fully registered obligations, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). See Appendix B for “Book Entry”.
Denominations	The Series 57 Bonds and the Series 2025D Bonds are being issued in the denomination of \$5,000 or integral multiple thereof.
Registrar, Paying Agent	The Chief Financial Officer of the City (the “Registrar” and “Paying Agent”).
Bidding Information	Interested bidders should review the Terms of Proposal for additional instructions. See Appendix G herein.

SERIES 57 BONDS - MATURITY SCHEDULE
(Base CUSIP(1) _____)

<u>Maturity</u> <u>(February 1)</u>	<u>Principal(2)</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP(1)</u>
2027	\$210,000				
2028	\$255,000				
2029	\$265,000				
2030	\$280,000				
2031	\$295,000				
2032	\$305,000				
2033	\$325,000				
2034	\$340,000				
2035	\$355,000				
2036	\$375,000				

SERIES 2025D BONDS - MATURITY SCHEDULE
(Base CUSIP(1) _____)

<u>Maturity</u> <u>(February 1)</u>	<u>Principal(2)</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP(1)</u>
2027	\$ 60,000				
2028	\$100,000				
2029	\$105,000				
2030	\$110,000				
2031	\$115,000				
2032	\$125,000				
2033	\$130,000				
2034	\$140,000				
2035	\$145,000				
2036	\$155,000				
2037	\$160,000				
2038	\$170,000				
2039	\$180,000				
2040	\$190,000				
2041	\$200,000				
2042	\$210,000				
2043	\$220,000				
2044	\$230,000				
2045	\$245,000				
2046	\$255,000				

(1) CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data (including CUSIP identifiers and related descriptive data) contained herein is provided by CUSIP Global Services (“CGS”), which is operated on behalf of the ABA by FactSet Research Systems Inc. CUSIP data is the valuable intellectual property of the ABA and the inclusion of CUSIP data herein is not intended to create a database and does not serve in any way as a substitute for any CUSIP Service provided by CGS. CUSIP data herein is provided for convenience of reference only. Neither the City, the Municipal Advisor, the Underwriter nor their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 57 Bonds or the Series 2025D Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 57 Bonds or the Series 2025D Bonds .

(2) Preliminary subject to change. The City reserves the right to adjust individual maturity amounts to achieve its financial objectives.

The Series 57 Bonds and the Series 2025D Bonds are being offered for delivery when, as and if issued and received by the Underwriters (hereinafter defined) and subject to the approval of legality by Kutak Rock LLP of Minneapolis, Minnesota, Bond Counsel to the City. The Series 57 Bonds and the Series 2025D Bonds are expected to be available for delivery to DTC, in New York, New York on or about November 20, 2025.

In connection with this offering the respective Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Series 57 Bonds and the Series 2025D Bonds offered hereby at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, salesperson, or other person has been authorized by the City to give any information or to make any representations with respect to the Series 57 Bonds and the Series 2025D Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness or accuracy. The information and expressions of opinion in the Preliminary Official Statement and the Final Official Statement are subject to change, and neither the delivery of the Preliminary Official Statement nor the Final Official Statement nor any sale made under either such document shall create any implication that there has been no change in the affairs of the City since the respective date thereof. However, upon delivery of the securities, the City will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Series 57 Bonds and the Series 2025D Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Series 57 Bonds and the Series 2025D Bonds, the City, as issuer, and the merits and risks of the investment opportunity.

FORWARD-LOOKING STATEMENTS

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The City does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

CITY CONTACT INFORMATION

Additional information regarding the City may be obtained by contacting Lori Economy-Scholler, Chief Financial Officer, City of Bloomington, 1800 West Old Shakopee Road, Bloomington, Minnesota 55431-3027, phone (952) 563-8791, email leconomy@bloomingtonmn.gov.

CITY OF BLOOMINGTON, MINNESOTA

CITY COUNCIL

Tim Busse	Mayor
Jenna Carter	Council Member
Victor Rivas	Council Member
Lona Dallessandro	Council Member
Dwayne Lowman	Council Member
Chao Moua	Council Member
Shawn Nelson	Council Member

ADMINISTRATION

Kathleen Hedin*	Co-Interim City Manager
L. Elizabeth Tolzmann*	Co-Interim City Manager
Melissa Manderschied	City Attorney
Lori Economy-Scholler	Chief Financial Officer
Booker T. Hodges	Chief of Police
Ulysses Seal	Fire Chief

* The City Council has selected Zach Walker to be its next City Manager. He is expected to start before October 31, 2025.

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota

BOND COUNSEL

Kutak Rock LLP
Minneapolis, Minnesota

REGISTRAR AND PAYING AGENT

Chief Financial Officer of the City
Bloomington, Minnesota

UNDERWRITERS

Series 57 Bonds

Series 2025D Bonds

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OFFICIAL STATEMENT

CITY OF BLOOMINGTON, MINNESOTA

**\$3,005,000* GENERAL OBLIGATION PERMANENT IMPROVEMENT REVOLVING
FUND BONDS OF 2025, SERIES 57**

**\$3,245,000* TAXABLE GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS,
SERIES 2025D**

PURPOSE OF THE ISSUE AND USE OF FUNDS

PURPOSE OF THE SERIES 57 BONDS AND SERIES 2025D BONDS

The Series 57 Bonds

The proceeds of the General Obligation Permanent Improvement Revolving Fund Bonds of 2025 Series 57 Bonds (the "Series 57 Bonds"), along with available City funds, will be used to finance (i) various assessable improvement projects within the City; and (ii) costs of issuance.

The Series 2025D Bonds

The proceeds of the Taxable General Obligation Capital Improvement Plan Bonds, Series 2025D Bonds (the "Series 2025D Bonds"), will be used to finance (i) certain capital improvements, including but not limited to the construction of a new equipment maintenance garage (including the new fleet garage) within the City pursuant to amendment to the City's Combined Ten-Year Capital Improvement Plan, 2025-2034, approved on August 25, 2025; and (ii) costs of issuance.

SOURCES AND USES OF FUNDS

The composition of the Series 57 Bonds is as follows:

Sources of Funds:	
Principal Amount	\$ _____
[Net] Reoffering [Premium][Discount]	_____
Available City Funds	_____
Total Sources of Funds	\$ _____
Uses of Funds:	
Deposit to Project Fund	\$ _____
Costs of Issuance(1)	_____
Underwriter's Compensation	_____
Total Uses of Funds	\$ _____

(1) Includes fees for bond counsel, municipal advisor, registrar, rating, and other miscellaneous expenses.

*Preliminary; subject to change.

The composition of the Series 2025D Bonds is as follows:

Sources of Funds:	
Principal Amount	\$ _____
[Net] Reoffering [Premium][Discount]	_____
Total Sources of Funds	\$ _____
Uses of Funds:	
Deposit to Project Fund	\$ _____
Costs of Issuance(1)	_____
Underwriter's Compensation	_____
Total Uses of Funds	\$ _____

(1) Includes fees for bond counsel, municipal advisor, registrar, rating, and other miscellaneous expenses.

INVESTMENT OF FUNDS

The proceeds of this issue are to be invested in accordance with the laws of the State of Minnesota (the "State") relating to the depositing, holding, securing, or investing of public funds. The City shall direct the investment of proceeds of both the Series 57 Bonds and the Series 2025D Bonds.

DESCRIPTION OF THE SERIES 57 BONDS AND THE SERIES 2025D BONDS

INTEREST CALCULATION

Interest on the Series 57 Bonds and the Series 2025D Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2026. Interest will be payable to the respective holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months.

REGISTRATION AND EXCHANGE FEATURES

Each registered Series 57 Bond and the Series 2025D Bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the "Registrar" and "Paying Agent," the Chief Financial Officer, at the written request of the respective registered owner thereof or the owner's attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

BOOK ENTRY

When issued, the Series 57 Bonds and the Series 2025D Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 57 Bonds and the Series 2025D Bonds will be made in book entry only form. See Appendix B: Book Entry.

PROVISIONS FOR PAYMENT

The principal on the Series 57 Bonds and the Series 2025D Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the Series 57 Bonds and the Series 2025D Bonds shall be paid to the respective registered owners as the names appear as of the Record Date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the

wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the Series 57 Bonds and the Series 2025D Bonds shall be made in lawful money of the United States of America which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Series 57 Bonds and the Series 2025D Bonds, as applicable, principal and interest on the Series 57 Bonds and the Series 2025D Bonds will be paid directly to DTC by the Paying Agent. The final disbursement of such payments to the Beneficial Owners of the respective Series 57 Bonds or Series 2025D Bonds will be the responsibility of the DTC Participants and Indirect Participants.

NOTICE OF REDEMPTION

Mailed notice of redemption shall be given to the respective registered owner(s) of the Series 57 Bonds and the Series 2025D Bonds in accordance with the requirements of DTC which currently requires no less than twenty (20) days nor more than sixty (60) days prior to the redemption date. Failure to give such written notice to any registered owner of the Series 57 Bonds and the Series 2025D Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Series 57 Bonds and the Series 2025D Bonds or portions thereof, called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

OPTIONAL REDEMPTION

The Series 57 Bonds

The City may elect on February 1, 2034, and on any day thereafter, to redeem the Series 57 Bonds due on or after February 1, 2035. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all the Series 57 Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

The Series 2025D Bonds

The City may elect on February 1, 2035, and on any day thereafter, to redeem the Series 2025D Bonds due on or after February 1, 2036. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all the Series 2025D Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

MANDATORY REDEMPTION

The Series 57 Bonds maturing on _____ [and _____] (the "Series 57 Term Bonds") are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on the mandatory dates and in the principal amounts as follows:

[] Series 57 Term Bond	
<u>Year</u>	<u>Amount</u>
[first year]	\$ _____
[second/last year]*	\$ _____

[] Series 57 Term Bond	
<u>Year</u>	<u>Amount</u>
[first year]	\$ _____
[second/last year]*	\$ _____

* *Final Maturity.*

The Series 2025D Bonds maturing on _____ [and _____] (the “Series 2025D Term Bonds”) are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on the mandatory dates and in the principal amounts as follows:

[] Series 2025D Term Bond

<u>Year</u>	<u>Amount</u>
[first year]	\$ _____
[second/last year]*	\$ _____

[] Series 2025D Term Bond

<u>Year</u>	<u>Amount</u>
[first year]	\$ _____
[second/last year]*	\$ _____

* *Final Maturity.*

The principal amount of the Series 57 Term Bonds and the Series 2025D Term Bonds may be reduced through the earlier optional redemption, with any partial optional redemptions of the respective Series 57 Term Bonds or Series 2025D Term Bonds credited against future mandatory redemption requirements for such Term Bonds in such order as the City shall determine.

AUTHORITY AND SECURITY

AUTHORITY

The Series 57 Bonds are being issued pursuant to Minnesota Statutes, Chapters 429 and 475, as amended, and the Bloomington City Charter.

The Series 2025D Bonds are being issued pursuant to Minnesota Statutes, Chapter 475, as amended, including Section 475.521, and an amendment to the City’s Combined Ten-Year Capital Improvement Plan, 2025-2034 approved on August 25, 2025 (the “CIP”).

SECURITY AND SOURCES OF PAYMENT

The Series 57 Bonds and the Series 2025D Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. Additional sources of security are discussed below.

Series 57 Bonds

The City will pledge special assessments against benefited properties for repayment of a portion of the Series 57 Bonds. Special assessments in the principal amount of approximately \$915,695.45 are expected to be filed in December 2025 for first collection in 2026. The City expects to receive approximately \$320,493.41 in prepayments of assessments, with the remaining \$595,202.04 of assessments to be filed over a term of approximately 10 years from their initial year of filing with equal annual payments of principal. Interest on the unpaid balance will be charged at an interest rate of 5.50%.

The City will also levy taxes for repayment of a portion of the Series 57 Bonds, and will institute its first levy in 2025 for collection in 2026. Each year’s collection of taxes and special assessments, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

Series 2025D Bonds

The City will levy taxes for repayment of the Series 2025D Bonds, and will make its first levy in 2025 for collection in 2026. Each year’s collection of taxes, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

Minnesota Statutes, Section 475.521, limits the maximum amount of principal and interest to become due in any year on all outstanding capital improvement plan bonds to be not more than 0.16% of the estimated market value of property in the City for taxes payable in the year in which the bonds are issued or sold.

The statutory maximum allowable for annual debt service on the City's capital improvement plan bonds is \$28,527,334, based on the City's 2024/25 estimated market value of \$17,829,583,800. The maximum annual debt service on the City's outstanding Capital Improvement Plan Bonds, including an estimate for the Series 2025D Bonds, is \$1,742,131, which is within the statutory limit.

RATINGS

Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York, S&P Global Ratings ("S&P"), 55 Water Street, New York, New York, and Fitch Ratings ("Fitch"), One State Street Plaza, New York, New York have assigned ratings of "Aaa", "AAA" and "AAA", respectively, to each of the Series 57 Bonds and Series 2025D Bonds. Such ratings reflect only the view of Moody's, S&P, or Fitch and any explanation of the significance of such ratings may only be obtained from Moody's, S&P, or Fitch.

The ratings are not a recommendation to buy, sell or hold the Series 57 Bonds or the Series 2025D Bonds, and such ratings may be subject to revision or withdrawal at any time by Moody's, S&P, or Fitch. Any revision or withdrawal of the ratings may have an adverse effect upon the market price of the Series 57 Bonds and the Series 2025D Bonds, as applicable.

The City has not applied to any other rating service for a rating on the Series 57 Bonds or Series 2025D Bonds.

RISK FACTORS AND INVESTOR CONSIDERATIONS

Prospective purchasers of the Series 57 Bonds and Series 2025D Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the City to meet the debt service requirements of the Series 57 Bonds and Series 2025D Bonds is subject to various risks and uncertainties which are discussed throughout this Official Statement. Certain investment considerations are set forth below.

MAINTENANCE OF RATINGS

The Series 57 Bonds and Series 2025D Bonds have been rated as to their creditworthiness by Moody's, S&P, and Fitch. While the City does not anticipate any material changes in the future, no assurance can be given that either the Series 57 Bonds or Series 2025D Bonds will maintain their original ratings. If the ratings on the Series 57 Bonds and Series 2025D Bonds decrease or are withdrawn, the Series 57 Bonds and Series 2025D Bonds may lack liquidity in the secondary market in comparison with other such municipal obligations. See "Ratings" herein.

SECONDARY MARKET

While the respective purchaser of the Series 57 Bonds or Series 2025D Bonds may expect, insofar as possible, to maintain a secondary market in the Series 57 Bonds or Series 2025D Bonds, as applicable, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the purchasers or others, and prospective purchasers of the Series 57 Bonds and Series 2025D Bonds should therefore be prepared, if necessary, to hold their Series 57 Bonds or Series 2025D Bonds, as applicable, to maturity or prior redemption, if any.

FUTURE CHANGES IN LAW

Future legislative proposals, if enacted into law, clarification of the Code (defined herein) or court decisions may cause interest on the Series 57 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 57 Bonds. Prospective purchasers of the Series 57 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion. Interest on the Series 2025D Bonds is taxable.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the Series 57 Bonds and the Series 2025D Bonds. It is possible that legislation enacted after the date of issuance of the Series 57 Bonds and Series 2025D Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Series 57 Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the Series 57 Bonds.

Legislation affecting municipal bonds is considered from time to time by the Minnesota legislature and Executive Branch. It is possible that legislation enacted after the issuance date of the Series 57 Bonds and Series 2025D Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Series 57 Bonds and Series 2025D Bonds.

The City cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the Series 57 Bonds and Series 2025D Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the City.

LIMITATIONS ON REMEDIES AVAILABLE TO OWNERS OF THE SERIES 57 BONDS AND SERIES 2025D BONDS

No Acceleration

There is no provision for acceleration of maturity of the principal of the Series 57 Bonds or the Series 2025D Bonds in the event of a default in the payment of principal of or interest on the Series 57 Bonds or the Series 2025D Bonds, as applicable. Consequently, the owners of the Series 57 Bonds and the Series 2025D Bonds may have to enforce available remedies.

No Trustee

There is no bond trustee or similar person or entity to monitor or enforce the provisions of the Series 57 Resolution or Series 2025D Resolution (both hereinafter defined) on behalf of the respective owners of the Series 57 Bonds or Series 2025D Bonds, and therefore the owners should be prepared to enforce such provisions themselves if the need to do so ever arises.

POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS

The City's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics. The City cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the City, including but not limited to the payment of debt service on any of its outstanding debt obligations.

CYBERSECURITY

The City relies on computer networks, data storage, collection, and transmission to conduct the operations of the City and has implemented security measures to protect data and limit financial exposure, including securing cyber security insurance to assist with the reduction of potential risk of financial and operational damage resulting from network attacks. Even with these security measures, the City, its information technology, data stored by the City and its infrastructure may be vulnerable in the event of a deliberate system attack, including malware, ransomware, computer virus, employee error or general disruption. If breached or compromised, the networks could be disrupted and information could be accessed, disclosed, lost, or stolen. The City acknowledges that its systems could be affected by a cybersecurity attack and that a loss, disruption, or unauthorized access to data held by the City could have a material impact on the City. Further, as cybersecurity threats evolve, the City will continue to evaluate and implement security measures and work to mitigate any vulnerabilities in its system.

PURCHASER/UNDERWRITING

SERIES 57 BONDS

The Series 57 Bonds are being purchased by _____ (the "Series 57 Underwriter") [and its syndicate] at a purchase price of \$_____, which is the par amount of the Series 57 Bonds of \$_____, less the Series 57 Underwriter's discount of \$_____, [plus/less] the [net] original issue [premium/discount] of \$_____, plus accrued interest, if any.

The Series 57 Underwriter intends to offer the Series 57 Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Series 57 Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Series 57 Underwriter and other dealers depositing the Series 57 Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Series 57 Bonds.

SERIES 2025D BONDS

The Series 2025D Bonds are being purchased by _____ (the "Series 2025D Underwriter") [and its syndicate] at a purchase price of \$_____, which is the par amount of the Series 2025D Bonds of \$_____, less the Series 2025D Underwriter's discount of \$_____, [plus/less] the [net] original issue [premium/discount] of \$_____, plus accrued interest, if any.

The Series 2025D Underwriter intends to offer the Series 2025D Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Series 2025D Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Series 2025D Underwriter and other dealers depositing the Series 2025D Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Series 2025D Bonds.

CONTINUING DISCLOSURE

In order to assist the Series 57 Underwriter and the Series 2025D Underwriter in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof (the "Rule"), pursuant to the respective resolution awarding the sale of the Series 57 Bonds (the "Series 57 Resolution") or the resolution awarding the sale of the Series 2025D Bonds (the "Series 2025D Resolution"), both to be considered by the City Council at its meeting on October 20, 2025, at closing the City will enter into an undertaking for each of the Series 57 Bonds and the Series 2025D Bonds (together, the "Undertakings") for the benefit of the respective holders including Beneficial Owners of the Series 57 Bonds and Series 2025D Bonds to provide certain financial information and operating data relating to the City to the Electronic Municipal Market Access system ("EMMA") annually, and to provide notices of the occurrence of certain events enumerated in the Rule to EMMA or the Municipal Securities Rulemaking Board (the "MSRB"). The specific nature of the Undertakings, as well as the information to be contained in the annual report or the notices of material events, is set forth in the Undertakings to be executed and delivered at the time the Series 57 Bonds and Series 2025D Bonds are delivered in substantially the forms attached hereto as Appendix D.

The City believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule. A failure by the City to comply with either Undertaking will not constitute an event of default on the Series 57 Bonds or Series 2025D Bonds, as applicable, or under any provisions of the Series 57 Resolution or Series 2025D Resolution (although holders will have any other available remedy at law or in equity subject to certain limitations). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 57 Bonds or the Series 2025D Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 57 Bonds and Series 2025D Bonds and their market price.

CONCURRENT FINANCINGS, FUTURE FINANCINGS AND PLANNED REDEMPTIONS

The City expects to issue the following long-term debt either concurrently with the issuance of the Bonds or in the next six months:

- \$959,000 of Taxable General Obligation Housing Improvement Area Bonds, Series 2025C (the "Series 2025C Bonds") for the purpose of paying a portion of the costs related to the replacement of the parking structure and balconies of a 30-unit condominium housing building referred to as The Heights Condominiums located in the City. Settlement of the Series 2025C Bonds is expected to take place on or about October 22, 2025;
- approximately \$12,000,000 of General Obligation Capital Improvement Plan Bonds, Series 2025E (the "Series 2025E Bonds") toward the costs of the capital improvements included in the CIP. The Series 2025E Bonds are expected to sell on November 17, 2025 with settlement on or about December 17, 2025;
- approximately \$20,000,000 of General Obligation Sales Tax Revenue Bonds, Series 2026A (the "Series 2026A Bonds") for improvements to the Nine Mile Creek corridor and Moir/Central parks. The Series 2026A Bonds are expected to sell on February 2, 2026 with settlement on or about March 4, 2026; and
- approximately \$20,000,000 of General Obligation Capital Improvement Plan Bonds, Series 2026B Bonds (the "Series 2026B Bonds") for construction of a new fleet garage or other capital improvements included in the CIP. The Series 2026B Bonds are expected to sell on February 2, 2026 with settlement on or about March 4, 2026.

On October 13, 2025, the City expects to authorize the redemption of the following issues on or about February 1, 2026:

- the February 1, 2027 through February 1 2031 maturities of the General Obligation Permanent Improvement Revolving Fund Bonds of 2011, Series 45, dated November 15, 2011;
- the February 1 2027, through February 1, 2030 maturities of the General Obligation Permanent Improvement Revolving Fund Refunding Bonds, Series 2013A, dated November 15, 2013; and
- the February 1, 2027 through February 1, 2036 maturities of the General Obligation Permanent Improvement Revolving Fund Bonds of 2015, Series 49, dated October 27, 2015.

LITIGATION

To the knowledge of the officers for the City, there is no litigation pending, or threatened, against the City, which in any way questions or affects the validity of the Series 57 Bonds and the Series 2025D Bonds, or any proceedings or transactions relating to the issuance, sale, or delivery thereof.

The officers for the City will certify at the time of delivery of the Series 57 Bonds and the Series 2025D Bonds that there is no litigation pending or in any way threatened questioning the validity of either the Series 57 Bonds or the Series 2025D Bonds, or any of the proceedings relating to the authorization, issuance and sale of either the Series 57 Bonds or the Series 2025D Bonds that would result in a material adverse impact on the financial condition of the City.

LEGAL MATTERS

The Series 57 Bonds and the Series 2025D Bonds are subject to approval as to certain matters Kutak Rock LLP of Minneapolis, Minnesota, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto. A legal opinion in substantially the form set out in Appendix C herein will be delivered at closing.

TAX MATTERS – SERIES 57 BONDS

GENERAL MATTERS

In the opinion of Kutak Rock LLP, Bond Counsel to the City, under existing laws, regulations, rulings and judicial decisions, interest on the Series 57 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Further, and to the extent of the aforementioned federal income tax exclusion, interest on the Series 57 Bonds is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, such interest is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. The opinions described above assume the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 57 Bonds. Failure to comply with such requirements could cause interest on the Series 57 Bonds to be included in gross income for federal income tax purposes and in taxable net income for Minnesota income tax purposes, retroactive to the date of issuance of the Series 57 Bonds. The City has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 57 Bonds. Interest on the Series 57 Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Series 57 Bonds may otherwise affect the federal income tax liability of the owners of the Series 57 Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Series 57 Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 57 Bonds.

A copy of the form of opinion of Bond Counsel with respect to the Series 57 Bonds is attached hereto as Appendix C.

ORIGINAL ISSUE DISCOUNT

The Series 57 Bonds that have an original yield above their respective interest rates, as shown on the cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount

Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

ORIGINAL ISSUE PREMIUM

The Series 57 Bonds that have an original yield below their respective interest rates, as shown on the cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

NOT BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will not designate the Series 57 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

BACKUP WITHHOLDING

An owner of a Series 57 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Series 57 Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

CHANGES IN FEDERAL AND STATE TAX LAW

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS – SERIES 57 BONDS" or adversely affect the market value of the Series 57 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 57 Bonds. It cannot be predicted whether any such regulatory action will be

implemented, how any particular litigation or judicial action will be resolved, or whether the Series 57 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 57 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 57 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Series 57 Bonds are advised to consult their own tax advisors prior to any purchase of the Series 57 Bonds as to the impact of the Code upon their acquisition, holding or disposition of the Series 57 Bonds.

TAXABILITY OF INTEREST – SERIES 2025D BONDS

In the opinion of Kutak Rock LLP, Minneapolis, Minnesota, Bond Counsel, under existing laws as presently enacted and constructed, interest on the Series 2025D Bonds is includable in gross income for purposes of federal income taxation and is includable in taxable net income of individuals, estates or trusts for purposes of Minnesota income taxation.

Purchasers of the Series 2025D Bonds are encouraged to consult with their personal tax advisors regarding the impact of the foregoing on their individual tax liabilities.

A copy of the form of opinion of Bond Counsel with respect to the Series 2025D Bonds is attached hereto as Appendix C.

MUNICIPAL ADVISOR

The City has retained Baker Tilly Municipal Advisors, LLC (the “Municipal Advisor” or “BTMA”) as municipal advisor in connection with certain aspects of the issuance of the Series 57 Bonds and Series 2025D Bonds. BTMA is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. BTMA is a subsidiary of Baker Tilly Advisory Group, LP (“BTAG”) which is indirectly owned by (a) H&F Waterloo Holdings, L.P., an affiliate of Hellman & Friedman LLC (“H&F”), an investment adviser registered with the Securities and Exchange Commission (the “SEC”), (b) Valeas Capital Partners Fund I Waterloo Aggregator LP, an affiliate of Valeas Capital Partners Management LP (“Valeas”), an investment adviser registered with the SEC, and (c) individuals who are principals of BTAG. None of these parties own a majority interest in BTAG, or indirectly, BTMA. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International, Ltd. Baker Tilly US, LLP (“BTUS”) is a licensed CPA firm providing assurance services to its clients. BTAG and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

BTMA has been retained by the City to provide certain municipal advisory services to City and, in that capacity, has assisted the City in preparing this Official Statement. The information contained in the Official Statement has been compiled from the sources stated or, if not otherwise sourced, from records and other materials provided by the City. The Municipal Advisor makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Official Statement, and its assistance in preparing this Official Statement should not be construed as a representation that it has independently verified such information.

The Municipal Advisor’s duties, responsibilities and fees arise solely as Municipal Advisor to the City, and it has no secondary obligations or other responsibility. The Municipal Advisor’s fees are expected to be paid from proceeds of the Bonds. BTMA provides certain specific municipal advisory services to the City but is neither a placement agent to the City nor a broker/dealer.

Other Financial Industry Activities and Affiliations:

Baker Tilly Wealth Management, LLC ("BTWM"), an SEC registered investment adviser, Moss Adams Wealth Advisors, LLC, an SEC registered investment adviser, and Baker Tilly Capital, LLC ("BTC"), a broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"), are controlled subsidiaries of BTAG. Both H&F and Valeas, are registered with the SEC as investment advisers and serve as managers of, or advisers to, certain private investment funds, some of which indirectly own BTAG.

BTWM and other subsidiaries of BTAG may provide advisory services to the clients of BTMA. BTMA has no other activities or arrangements that are material to its municipal advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

MISCELLANEOUS

The information contained in this Official Statement has been compiled from the City officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 57 Bonds and Series 2025D Bonds, the security for the payment of the Series 57 Bonds and Series 2025D Bonds and the rights and obligations of the owners thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 57 Bonds and Series 2025D Bonds.

CERTIFICATION

The City has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Series 57 Bonds and Series 2025D Bonds and a Final Official Statement following award of the Series 57 Bonds and Series 2025D Bonds. The City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the City and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

GENERAL INFORMATION OF THE CITY

CITY PROPERTY VALUES

Trend of Values(1)

Assessment/ Collection Year	Assessor's Estimated Market Value	Sales Ratio(2)	Economic Market Value(2)	Market Value Homestead Exclusion	Taxable Market Value	Adjusted Taxable Net Tax Capacity
2024/25	\$17,829,583,800	95.57%	\$17,904,202,430	\$353,729,482	\$17,419,385,018	\$201,371,748
2023/24	17,684,661,400	95.13	18,650,346,872	167,848,864	17,464,500,836	202,722,254
2022/23	17,110,031,100	93.84	18,302,350,785	177,188,168	16,884,846,332	195,222,513
2021/22	15,010,645,700	92.58	16,271,551,896	249,857,709	14,719,300,384	167,984,085
2020/21	14,695,644,300	95.52	15,441,183,148	285,417,204	14,370,757,133	167,302,024

(1) For a description of the Minnesota property tax system, see Appendix E.

(2) Sales Ratio Study and Economic Market Values for the year of assessment as posted by the Minnesota Department of Revenue, <https://www.revenue.state.mn.us/economic-market-values-reports>.

Source: Hennepin County, Minnesota, April 2025, except as otherwise noted.

2024/25 Adjusted Taxable Net Tax Capacity: \$201,371,748

Real Estate:		
Commercial/Industrial, Railroad, and Public Utility	\$106,101,314	45.9%
Residential Homestead	98,869,186	42.7
Residential Non-Homestead, Agriculture, and Other	25,504,507	11.0
Personal Property	<u>859,868</u>	<u>0.4</u>
2024/25 Net Tax Capacity	\$231,334,875	100.00%
Less: Captured Tax Increment	(14,931,580)	
Contribution to Fiscal Disparities	(29,657,260)	
Plus: Distribution from Fiscal Disparities	<u>14,625,713</u>	
2024/25 Adjusted Taxable Net Tax Capacity	\$201,371,748	

(1) Excludes mobile home valuation of \$5,168.

Source: Hennepin County, Minnesota, April 2025.

Ten of the Largest Taxpayers in the City

<u>Taxpayer</u>	<u>2024/25 Total Market Value</u>	<u>2024/25 Total Tax Capacity</u>	<u>Share of City Total Net Tax Capacity</u>
Mall of America 8000, 8200, 8300, 8400, 8500 Normandale Properties LLC	\$ 931,528,900	\$18,630,578	8.05%
Kraus-Anderson	317,612,000	6,352,240	2.75
Carlson Companies	118,285,300	2,365,706	1.02
Workspace Property Trust	87,109,000	1,742,180	0.75
HealthPartners	78,826,400	1,576,528	0.68
Hampshire 10660 LLC	61,522,100	1,230,442	0.53
ML CASA II	94,000,000	1,175,000	0.51
Bcs3 Housing LLC (The Fenley)	92,894,000	1,161,175	0.50
Mdewakanton Sioux	91,709,400	1,146,368	0.50
	<u>56,500,000</u>	<u>1,130,000</u>	<u>0.49</u>
Total	\$1,929,987,100	\$36,510,217	15.78%

Source: City Assessor's office.

CITY INDEBTEDNESS

Legal Debt Limit and Debt Margin(1)

Legal Debt Limit (3% of 2024/25 Estimated Market Value)	\$534,887,514
Less: Outstanding Debt Subject to Limit	<u>(27,905,000)</u>

Legal Debt Margin as of November 20, 2025 \$506,982,514

(1) The legal debt margin is referred to statutorily as the "Net Debt Limit" and may be increased by debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year.

NOTE: Certain types of debt are not subject to the legal debt limit. See Appendix E – Summary of Tax Levies, Payment Provisions, and Minnesota Real Property Valuations – Debt Limitations.

General Obligation Debt Supported Solely by Taxes(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-20-25</u>
5-4-17	\$ 1,420,000	Charter	2-1-2027	\$ 315,000
6-21-18	1,020,000	Charter	2-1-2029	445,000
5-30-19	1,645,000	Taxable Charter	2-1-2030	890,000
11-26-19	2,105,000	Charter	2-1-2030	1,200,000
9-9-21	2,005,000	Charter	2-1-2032	1,525,000
4-27-22	11,975,000	Capital Improvement Plan	2-1-2043	11,175,000
9-5-24	9,110,000	Charter	2-1-2035	9,110,000
11-20-25	3,245,000	Taxable Capital Improvement Plan (the Series 2025D Bonds)	2-1-2046	<u>3,245,000</u>
Total				\$27,905,000

(1) These issues are subject to the legal debt limit.

General Obligation Special Assessment Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-20-25</u>
11-15-11	\$ 7,545,000	PIRF, Series 45	2-1-2031	\$ 345,000(1)
11-15-13	5,135,000	PIRF Refunding, Series 2013A	2-1-2030	720,000(1)
10-27-15	5,810,000	PIRF and Refunding, Series 49	2-1-2036	935,000(1)
12-8-16	6,115,000	PIRF, Series 50	2-1-2037	1,835,000
12-8-16	3,730,000	PIR Refunding, Series 2016C	2-1-2029	1,150,000
12-6-17	6,720,000	PIRF, Series 51	2-1-2028	1,690,000
12-5-18	5,270,000	PIRF, Series 52	2-1-2029	2,410,000
11-26-19	4,095,000	PIRF, Series 53	2-1-2030	2,290,000
12-10-20	5,385,000	PIRF, Series 54	2-1-2031	3,485,000
11-23-21	4,540,000	PIRF, Series 55	2-1-2032	3,400,000
9-8-22	11,875,000	PIRF, Series 56	2-1-2034	10,595,000
11-20-25	3,005,000	PIRF, Series 57 (the Series 57 Bonds)	2-1-2036	<u>3,005,000</u>
Total				\$31,860,000

(1) On October 13, 2025, it is expected that the City will authorize the full optional redemption of these issues to be redeemed on February 1, 2026.

General Obligation Utility Revenue Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-20-25</u>
5-4-17	\$ 1,170,000	Water Utility	2-1-2027	\$ 265,000
12-5-18	10,805,000	Storm Water Utility (Green Bonds)(1)	2-1-2034	<u>7,290,000</u>
Total				\$7,555,000

(1) These bonds are being repaid from net revenues of the City's storm water system and special assessments against benefited properties.

General Obligation Tax Increment Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-20-25</u>
10-27-15	\$ 7,300,000	Taxable Tax Increment	2-1-2035	\$ 4,445,000(1)
12-27-19	15,200,000	Taxable Tax Increment	2-1-2036	12,190,000
12-10-20	1,975,000	Taxable Tax Increment Refunding	2-1-2032	<u>1,400,000</u>
Total				\$18,035,000

(1) General obligations of the City issued by the Bloomington Port Authority which are expected to be repaid from captured tax increment revenues.

General Obligation Housing Improvement Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-20-25</u>
6-21-18	\$920,000	Taxable Housing Improvements	2-1-2034	\$ 605,000
10-22-25	959,000	Taxable Housing Improvement (the Series 2025C Bonds)	2-1-2036	<u>959,000</u> (1)
Total				\$1,564,000

(1) The City expects to approve the sale of the Series 2025C Bonds on October 13, 2025, with an expected settlement date of October 22, 2025.

General Obligation Sales Tax Revenue Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-20-25</u>
8-13-25	\$28,125,000	Sales Tax Revenue	2-1-2044	\$28,125,000

Sales Tax Revenue Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-20-25</u>
11-26-24	\$34,780,000	Taxable Sales Tax Revenue	2-1-2045	\$34,780,000
8-13-25	63,500,000	Sales Tax Revenue	2-1-2045	<u>63,500,000</u>
Total				\$98,280,000

Estimated Calendar Year Debt Service Payments

	G.O. Debt Supported Solely by Taxes		G.O. Special Assessment Debt	
	<u>Principal</u>	<u>Principal & Interest(2)</u>	<u>Principal(4)</u>	<u>Principal & Interest</u>
2025 (at 11-20)	(Paid)	(Paid)	(Paid)	(Paid)
2026	\$ 1,835,000	\$ 2,925,690	\$ 5,200,000	\$ 6,276,326
2027	2,155,000	3,209,198	5,065,000	5,991,119
2028	2,130,000	3,084,705	4,725,000	5,472,794
2029	2,220,000	3,074,171	4,185,000	4,768,519
2030	2,200,000	2,953,220	3,410,000	3,852,209
2031	1,845,000	2,504,486	2,890,000	3,219,753
2032	1,935,000	2,509,236	2,310,000	2,543,603
2033	1,760,000	2,250,430	1,850,000	1,991,400
2034	1,850,000	2,259,118	1,240,000	1,310,150
2035	1,930,000	2,263,049	455,000	488,775
2036	810,000	1,093,644	470,000	482,600
2037	835,000	1,091,464	60,000	60,900
2038	865,000	1,092,744		
2039	895,000	1,092,284		
2040	930,000	1,095,069		
2041	960,000	1,091,513		
2042	995,000	1,091,119		
2043	1,025,000	1,083,856		
2044	230,000	263,681		
2045	245,000	265,763		
2046	<u>255,000</u>	<u>262,013</u>		
Total	\$27,905,000(1)	\$36,556,453	\$31,860,000(3)	\$36,458,148

(1) 71.2% of this debt will be retired within ten years.

(2) Includes estimated debt service on the Series 2025D Bonds.

(3) 98.3% of this debt will be retired within ten years.

(4) Includes estimated debt service on the Series 57 Bonds.

	G.O. Utility Revenue Debt		G.O. Tax Increment Debt	
	<u>Principal</u>	<u>Principal & Interest</u>	<u>Principal</u>	<u>Principal & Interest</u>
2025 (11-20)	(Paid)	(Paid)	(Paid)	(Paid)
2026	\$ 820,000	\$1,105,231	\$ 1,245,000	\$ 1,794,613
2027	860,000	1,107,122	1,320,000	1,832,599
2028	755,000	963,688	1,370,000	1,842,349
2029	790,000	967,963	1,420,000	1,850,232
2030	810,000	963,456	1,470,000	1,856,077
2031	835,000	959,100	1,520,000	1,860,025
2032	865,000	955,100	1,495,000	1,787,716
2033	895,000	949,900	1,395,000	1,640,584
2034	925,000	943,500	1,445,000	1,643,091
2035			1,505,000	1,653,754
2036			<u>3,850,000</u>	<u>3,911,793</u>
Total	\$7,555,000	\$8,915,060	\$18,035,000(1)	\$21,672,833

Estimated Calendar Year Debt Service Payments (continued)

	G.O. Housing Improvement Debt		G.O. Sales Tax Revenue Debt	
	<u>Principal</u>	<u>Principal & Interest(2)</u>	<u>Principal</u>	<u>Principal & Interest</u>
2025 (11-20)	(Paid)	(Paid)	(Paid)	(Paid)
2026	\$ 60,000	\$ 120,000	\$ 1,575,000	\$ 2,804,393
2027	124,000	191,164	955,000	2,164,894
2028	146,000	207,145	1,000,000	2,161,019
2029	150,000	204,467	1,050,000	2,159,769
2030	154,000	201,552	1,105,000	2,160,894
2031	164,000	204,279	1,160,000	2,159,269
2032	169,000	201,637	1,215,000	2,154,894
2033	179,000	203,606	1,275,000	2,152,644
2034	184,000	200,185	1,340,000	2,152,269
2035	114,000	123,009	1,410,000	2,153,519
2036	120,000	123,054	1,480,000	2,151,269
2037			1,555,000	2,150,394
2038			1,630,000	2,145,769
2039			1,710,000	2,150,819
2040			1,780,000	2,151,019
2041			1,850,000	2,147,263
2042			1,930,000	2,148,094
2043			2,010,000	2,144,369
2044			<u>2,095,000</u>	<u>2,140,828</u>
Total	\$1,564,000(1)	\$1,980,098	\$28,125,000(3)	\$41,553,388

(1) 92.0% of this debt will be retired within ten years.

(2) Includes debt service on the Series 2025C Bonds. The 2025C Bonds will settle on October 22, 2025.

(3) 43.0% of this debt will be retired within ten years.

Estimated Calendar Year Debt Service Payments (continued)

	Sales Tax Revenue Debt	
	<u>Principal</u>	<u>Principal & Interest</u>
2025 (at 11-20)	(Paid)	(Paid)
2026	\$ 4,220,000	\$ 8,936,589
2027	3,060,000	7,691,273
2028	3,225,000	7,687,873
2029	3,395,000	7,686,573
2030	3,570,000	7,687,448
2031	3,750,000	7,684,448
2032	3,930,000	7,667,104
2033	4,145,000	7,674,885
2034	4,350,000	7,667,510
2035	4,570,000	7,668,256
2036	4,790,000	7,661,048
2037	5,020,000	7,651,118
2038	5,265,000	7,642,696
2039	5,530,000	7,640,250
2040	5,800,000	7,628,000
2041	6,090,000	7,620,750
2042	6,395,000	7,613,625
2043	6,715,000	7,605,875
2044	7,055,000	7,601,625
2045	<u>7,405,000</u>	<u>7,590,125</u>
Total	\$98,280,000(1)	\$154,307,071

(1) 38.8% of this debt will be retired within ten years.

Overlapping Debt

<u>Taxing Unit(1)</u>	2024/25	Est. G.O. Debt As of 11-20-25(2)	Debt Applicable to Tax Capacity in City	
	<u>Adjusted Taxable Net Tax Capacity</u>		<u>Percent</u>	<u>Amount</u>
Hennepin County	\$2,835,449,560	\$1,213,570,000	7.1%	\$ 86,163,470
Three Rivers Park District	2,073,090,874	49,625,000	9.7	4,813,625
Hennepin County Regional Rail Authority	2,835,449,560	76,945,000	7.1	5,463,095
I.S.D. No. 271 (Bloomington)	199,403,716	171,020,000	100.0	171,020,000
I.S.D. No. 272 (Eden Prairie)	154,500,106	101,235,000	0.4	404,940
I.S.D. No. 273 (Edina)	159,350,523	266,270,000 (3)	0.9	2,396,430
Metropolitan Council	6,330,160,330	12,100,000 (4)	3.2	387,200
Metropolitan Transit	5,029,751,815	223,650,000	4.0	<u>8,946,000</u>
Total				\$279,594,760

(1) Only those units with outstanding general obligation debt are shown here.

(2) Excludes general obligation tax and aid anticipation certificates and revenue-supported debt.

(3) Includes lease purchase obligations paid by annual appropriations.

(4) Excludes general obligation debt supported by wastewater revenues and housing rental payments.
Includes certificates of participation.

Debt Ratios⁽¹⁾

	<u>G.O. Debt</u>	<u>Overlapping Debt</u>
To 2024/25 Estimated Market Value (\$17,829,583,800)	0.44%	2.00%
Per Capita - (88,344 -2024 U.S. Census Estimate)	\$881	\$4,045

(1) Excludes general obligation utility revenue debt and general obligation housing improvement debt.

Trend of Debt Ratios⁽¹⁾General Obligation Direct Debt

<u>Fiscal Year (12-31)</u>	<u>Bonded Debt</u>	<u>Debt To Estimated Market Value</u>	<u>Debt Per Capita</u>
2024	\$56,594,151	0.32%	\$617
2023	59,108,237	0.35	646
2022	67,824,339	0.45	750
2021	44,962,981	0.31	494
2020	45,104,322	0.31	501

(1) Excludes general obligation debt supported by revenues and revenue debt supported by tax increment and enterprise funds. Includes general obligation debt supported by tax increment.

Source: The City's Annual Comprehensive Financial Reports.

General Obligation Overlapping and Direct Debt

<u>Fiscal Year (12-31)</u>	<u>Debt</u>	<u>Debt To Estimated Market Value</u>	<u>Debt Per Capita</u>
2024	\$366,623,221	2.07%	\$3,995
2023	332,091,907	1.94	3,627
2022	348,569,944	2.32	3,854
2021	312,919,011	2.13	3,440
2020	329,415,053	2.30	3,661

Source: Bloomington Finance Department.

CITY TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates for a Resident in ISD No. 271 (Bloomington)

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>Total</u>	<u>2024/25</u> For Debt Only
Hennepin County	38.210%	38.535%	34.542%	34.681%	37.081%	3.830%
City of Bloomington	41.335	42.351	39.422	40.601	44.931	3.925
I.S.D. No. 271						
(Bloomington)(1)	20.251	21.511	17.307	18.085	19.857	6.152
Special Districts(2)	<u>7.813</u>	<u>7.819</u>	<u>6.944</u>	<u>6.723</u>	<u>7.485</u>	<u>1.863</u>
Total	107.609%	110.216%	98.215%	100.090%	109.354%	15.770%

(1) In addition, Independent School District No. 271 (Bloomington) has a 2024/25 market value tax rate of 0.18718% spread across the market value of property in support of an excess operating levy.

(2) Special districts include Metropolitan Council, Metropolitan Transit District, Mosquito Control, Three Rivers Park District, Hennepin County Regional Railroad, Hennepin County Parks Museum, and Hennepin County Housing and Redevelopment Authority.

NOTE: This table includes only net tax capacity-based rates. Certain other tax rates are based on market value.

Source: Hennepin County, Minnesota, taxing district information,
<https://www.hennepin.us/residents/property/taxing-district-info>.

Special Levies

The Port Authority of the City of Bloomington (the "Port Authority") levy is limited to 0.01813% of the City's taxable market value. Additionally, the Port Authority can levy up to 0.00282% of the City's taxable market value for industrial development district purposes. The Port Authority authorized a levy of \$2,500,000 for the fiscal year ending December 31, 2025.

The Housing and Redevelopment Authority in and for the City of Bloomington (the "HRA") levy is limited to 0.0185% of the City's taxable market value. The HRA levied \$1,965,356 for the fiscal year ended December 31, 2025.

General Tax Levies and Collections

<u>Levy/ Collect</u>	<u>Amount of Net Levy(1)</u>	<u>Current Collections</u>		<u>Delinquent Collections (Abatements)(2)</u>	<u>Total Collections to Levy</u>	
		<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
2023/24	\$80,484,270	\$79,285,955	98.5%	-	\$79,285,955	98.5%
2022/23	74,545,878	71,824,702	96.4	\$1,720,756	73,545,458	98.7
2021/22	68,296,727	67,670,986	99.0	(288,688)	67,382,298	98.7
2020/21	66,468,834	65,703,985	98.9	(145,632)	65,558,353	98.6

(1) The net levy excludes state aid for property tax relief and fiscal disparities, if applicable. The net levy is the basis for computing the tax capacity rates.

(2) The current collection's percentage is reduced as a result of commercial property valuation adjustments.

Source: The City's Annual Comprehensive Financial Reports. Most recent information available.

Special Assessment Levies and Collections

Levy/ Collect	Amount of Assessment Levy	Current Collections		Collection of Prior Years	Total Collections to Current Levy	
		Amount	Percent		Amount	Percent
2023/24	\$3,565,000	\$3,454,601	96.9%	-	\$3,454,601	96.9%
2022/23	4,032,589	3,287,900	81.5	\$232,439	3,520,339	87.3
2021/22	3,515,757	3,450,221	98.1	41,847	3,492,068	99.3
2020/21	3,790,779	3,608,531	95.2	52,18	3,661,349	96.6

Source: The City. Most recent information available.

FUNDS ON HAND As of July 31, 2025

Operating Funds:	
General	\$ 52,654,285
Utility	46,386,905
Recreational Facilities	4,327,655
All Others	<u>72,519,809</u>
Total Operating Funds	<u>\$175,888,654</u>
Capital Projects	<u>\$269,993,105</u>
Debt Service Funds:	
G.O. Tax Levy	1,364,657
G.O. Tax Increment City/HRA	24,259
G.O. Special Assessment	16,957,331
Taxable Lease Revenue/HRA	4,037,481
Tax Increment Revenue/Port Authority	<u>417,698</u>
Total Debt Service Funds	<u>\$ 22,801,426</u>
Total all City, HRA, and Port Authority Funds	<u>\$468,683,185</u>

INVESTMENTS

The City's investments are managed in accordance with an investment policy adopted by the City Council. It is the policy of the City to invest public funds in a manner that will provide the highest investment return with minimum risk while meeting the City's daily cash flow demands and conforming to all federal, state and local regulations governing the investment of public funds. The primary objectives of the City's investment activities shall be safety of principal, sufficient liquidity and market return on investments. The investment portfolio must remain sufficiently liquid to enable the City to meet all operating requirements that might reasonably be anticipated. The City may directly invest in securities maturing more than five years from the date of purchase based on certain market conditions. Directly investing in derivatives is prohibited. No more than 50% of the total investment portfolio will be invested in a single security type or with a single financial institution (with the exception of U.S. Treasury securities and authorized pools) and no more than 50% of the portfolio may be invested in a single corporation. The management of the investment program is the responsibility of the City Manager delegated to the Chief Financial Officer and is conducted in accordance with Minnesota Statutes, Chapter 118A, and the City Charter. The Chief Financial Officer is responsible for establishing written procedures for the operations of the investment program consistent with the investment policy. The Chief Financial Officer is also responsible for all investment transactions and establishing a system of controls to regulate the financial activities of the City. An investment committee, consisting of the Chief Financial Officer, Deputy Finance Officer, Treasury Manager, Port Authority Administrator, HRA Administrator and other Accountants meets semi-annually or as needed to review the performance of investments and investment strategy. The City's financial staff manages the investments of the City, HRA and Port Authority. They provide Investment Performance Reports on a monthly basis to the City Council, Executive staff, HRA, and Port Authority.

As of July 31, 2025, approximately \$117.3 million (39.5%) of the City's \$297.3 million investment portfolio is invested in securities that will mature at par in less than one year. An additional \$180.0 million (60.5%) of the City's operating fund investments are securities that have maturity dates within one to ten years.

GENERAL INFORMATION CONCERNING THE CITY

The City covers an area of approximately 38.8 square miles and is situated wholly within Hennepin County. The City has many national and international corporations within its boundaries, including Seagate Technology, The Toro Company, Thermo King/Ingersoll Rand Corporation, HealthPartners, Wells Fargo Bank, Polar Semiconductor, Inc., Ceridian Corporation, and Donaldson Company, Inc. In addition, the City, with approximately 9,635 hotel/motel rooms, many entertainment facilities, the Mall of America and proximity to the Minneapolis-Saint Paul International Airport, has become a major regional and national business and meeting center.

Population

The City's population trend is shown below.

	<u>Population</u>	<u>Percent Change</u>
2024 U.S. Census Estimate	88,344	(1.8)%
2020 U.S. Census	89,987	8.6
2010 U.S. Census	82,893	(2.7)
2000 U.S. Census	85,172	(1.4)
1990 U.S. Census	86,355	5.5
1980 U.S. Census	81,831	--

Sources: United States Census Bureau, <http://www.census.gov/>.

The City's estimated population by age group for the past five years is as follows:

<u>Data Year/ Report Year</u>	<u>0-17</u>	<u>18-34</u>	<u>35-64</u>	<u>65 and Over</u>
2024/25	17,178	17,157	33,656	20,732
2023/24	17,300	18,160	34,002	20,559
2022/23	16,812	18,023	34,857	20,320
2021/22	16,874	18,330	34,710	19,678
2020/21	17,014	18,307	34,464	19,160

Source: Claritas, LLC.

Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Mall of America	Retail/entertainment	11,000
HealthPartners	Health insurance provider	3,600
Bloomington Public School District	Education	1,893
Donaldson Company	Filtration systems	1,245
Seagate Technology	Computers and manufacturing	1,172
The Toro Company	Lawn equipment, snowblowers	1,150
General Dynamics	Defense contractor	684
GN Resound	Hearing aids	661
NCS Pearson, Inc.	Education services and assessment	637
City of Bloomington	Government	637
Ziegler Inc	Heavy equipment sales and service	606

Source: The City of Bloomington.

Labor Force Data

	<u>2021</u>	<u>Annual Average</u> <u>2022</u>	<u>2023</u>	<u>2024</u>	<u>August</u> <u>2025</u>
Labor Force:					
City of Bloomington	48,948	48,632	48,766	48,884	49,254
Hennepin County	706,999	708,619	714,126	716,187	722,773
Minneapolis-Saint Paul-Bloomington	2,012,275	2,036,883	2,062,353	2,070,359	2,089,312
MSA					
State of Minnesota	3,045,287	3,070,397	3,108,093	3,129,802	3,174,821
Unemployment Rate (%):					
City of Bloomington	3.7%	2.4%	2.7%	2.9%	4.0%
Hennepin County	3.6	2.3	2.5	2.8	4.1
Minneapolis-Saint Paul-Bloomington	3.6	2.3	2.6	2.9	4.1
MSA					
State of Minnesota	3.7	2.7	2.8	3.0	4.2

Source: Minnesota Department of Employment and Economic Development,
<https://apps.deed.state.mn.us/lmi/laus>. 2025 data are preliminary.

Demographic Statistics

The City's residents are employed not only in the City, but throughout the Minneapolis-Saint Paul metropolitan area. In 2024/25, 54.61% of Minneapolis-Saint Paul-Bloomington Metropolitan area households had effective buying incomes (EBIs) in excess of \$75,000; 18.14% had EBIs from \$50,000 to \$74,999; 16.84% had EBIs from \$25,000 to \$49,999; and 10.41% had EBIs less than \$25,000.

The following table shows the total retail sales and EBI figures for the Minneapolis-Saint Paul-Bloomington Metropolitan area:

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2024/25	\$110,813,005	\$158,611,331	\$81,898
2023/24	86,752,303	153,163,768	79,950
2022/23	92,464,655	150,148,998	78,435
2021/22	81,965,661	150,002,075	77,170
2020/21	76,293,129	132,160,678	68,828

The 2024/25 Median Household EBI for the State of Minnesota was \$75,463. The 2024/25 Median Household EBI for the United States was \$69,245.

Sources: Claritas, LLC.

Economic Development

Growth within the City has been spurred by freeways reaching out from the metropolitan area population hub, adjacent to and through the City, and further enhanced by the City's proximity to the Minneapolis-Saint Paul International Airport.

The City's water and sewer systems were installed at the beginning of the City's development and the capital outlay programs for extensions have been planned to keep pace with expected development.

Permits Issued

<u>Year</u>	<u>New Residential Value</u>	<u>Residential Remodel Value</u>	<u>New Commercial/Industrial Value</u>	<u>Commercial/Industrial Remodel Tenant Finish Value</u>	<u>Trade and All Other Value</u>	<u>Total</u>
2025 (to 7-31)	\$ 1,009,520	\$14,793,418	\$ 23,852,000	\$ 78,436,463	\$ 78,436,463	\$221,361,169
2024	2,382,823	31,537,286	165,743,601	217,600,338	115,752,605	533,016,653
2023	1,696,058	25,185,343	72,680,469	122,326,574	147,249,424	345,891,877
2022	1,939,353	20,034,243	169,011,699	194,985,001	177,471,911	563,442,207
2021	3,095,569	24,778,555	130,271,055	98,554,175	132,471,717	389,171,071
2020	880,158	14,190,363	176,721,615	93,387,030	165,120,643	450,299,809
2019	1,104,454	15,972,997	267,089,312	95,788,046	129,140,230	509,095,039
2018	1,710,254	16,722,013	64,163,903	157,124,426	71,845,442	311,566,038
2017	35,353,832	13,689,352	50,396,401	109,399,472	66,139,308	274,978,365
2016	9,825,934	4,780,251	30,164,200	64,049,858	76,548,140	185,368,384

*In addition to building permits, the total value includes all other permits issued by the City (i.e., heating, lighting, plumbing, roof replacement, etc.).

Source: The City.

Current and Pending Development

Ever Apartments – In February 2024, the City approved the development plans for 5-story, 208-unit, apartment building with 19 affordable units. The development contains a separate 11,000 square foot daycare facility. Construction is underway. The City supported the development with pass-through funding from government partners at the State and County. Construction is underway.

American Square - A two phase project:

- Phase I, The Ardor – In June 2020, the City issued zoning approvals for a six-story, 242-unit market rate apartment building, with underground parking at 3701 American Blvd E. In June 2021, the City approved a minor revision to reduce the total units to a 237-unit market rate apartment building. Construction was completed at the end of 2024.
- Phase II, The Quinn – In April 2025, the submitted for preliminary approval for an 81-unit senior apartment building with 100% of the units affordable at or below the 60% area median income (AMI) and underground parking and a separate new underground 96 underground parking ramp at 6 Appletree Square. The developer is still performing due diligence on the Phase II site. The Port Authority is analyzing potential housing TIF assistance.

700 American Blvd. W. – In July 2024, construction commenced for a City-owned property at 700 American Blvd. W. The development consists of 128 apartment units and approximately 1,500 square feet of commercial space. Construction has begun on this development but is not yet completed. The City issued conduit revenue bonds for the project and provided a land write-down and an LCDA loan for the project, and the HRA provided tax increment assistance for the project through its revolving loan fund. The building is expected to open spring of 2026.

Development at Mall of America

In December 2019, the MOA ownership received zoning approvals to build an approximately 330,000 square-foot waterpark facility that would be connected to and integrated with the MOA via a bridge over Lindau Lane. Because of the COVID-19 pandemic, the City and its partners began evaluating the impact the pandemic may have on the project and the waterpark did not move forward.

In 2021, new statutory language was enacted into Minnesota law that allows cities and port authorities new flexibility for utilizing Tax Increment Financing (TIF). The purpose of flexibility is to spur economic development. The 2021 flexibility requires funds to be committed to a project by December 31, 2022, and

spent by December 31, 2025. The City received an extension of two years (December 31, 2027) with the legislature. The 2021 flexibility opened new options for financing the waterpark, which the City and Port Authority advised staff to analyze. Staff continue to work with MOA on a potential waterpark development.

In 2024, staff presented to the City and Port Authority a financing structure to invest up to \$160 million (the potential issuance of \$75 million of TIF bonds for infrastructure and the use of \$85 million of equity from the Port Authority) in the waterpark project, with the developer to finance the balance of the approximately \$350 million waterpark and parking ramp project. Staff expects additional approvals later in 2025. More information on the South Loop Waterpark project is available on the City's website or upon request.

Staff are in conversations with Kraus-Anderson (KA) on the potential redevelopment of vacant parcels at the Southtown shopping center. In 2024, KA demolished vacant retail buildings that previously housed the Herberger's department store, among others. KA hopes to redevelop that site and other vacant properties on the eastern half of the development site. It is possible that the City may explore one or more redevelopment TIF districts for the development.

Industrial

SICK Product & Competence Center Americas, LLC – In 2012, the City purchased three parcels as part of a settlement between Interstate Diesel and the Metropolitan Airports Commission. These parcels are adjacent to the Alpha Business Center parcels the City purchased in 2010 as part of the Lindau Lane expansion. The developable parcels are about 14 acres comprising the combination of the remaining undeveloped Alpha Site and the three Interstate Diesel properties. In 2020, the City entered into a Development Agreement with SICK, a German technology company, on a phased purchase agreement of the 14 acres for the development of over 500,000 square feet of office and production/logistics space by 2035. In 2021, the City issued zoning approvals and the Developer purchased the Phase I lot. Construction for Phase 1 is complete.

In September 2023, the City issued zoning approvals for Phase II, a 144,000 square-foot office building and a parking structure, located at 8051 Winstead Way and 8051 26th Avenue E. Construction began in May 2024 and completion of the ramp, followed by the office building, is anticipated to be completed by the end of 2025.

Seagate Expansion – In 2022, the City approved an 80,000 square-foot, two-level expansion of the Seagate Facility at 7850 Nord Ave. S. Construction is underway.

Hotels, Retail, Restaurants, Institutional and Other Commercial

Walser Toyota and Corporate Headquarters – In 2021, the City approved a rebuild and expansion of the Walser Toyota site to include a new three level, 122,000 square-foot dealership with Walser Corporate Headquarters being relocated to the third level. Construction on the parking ramp and principal building was complete in 2024.

Schneiderman's – In 2023, Schneiderman's furniture began construction of a 4,000 square-foot addition to an existing 67,000 square-foot building. Construction completed in 2024 and the business is open.

Luther Hyundai – In 2023, the City approved a 3,300 square-foot expansion of the existing auto dealership. Construction completed in 2024 and the business is open.

Gyropolis Expansion – In 2022, the City issued zoning approvals for a 2,400 square-foot expansion to an existing restaurant at 2325 W. 90th Street. Construction completed in late 2024 and the business is open.

Education

Public Education

The following districts serve the residents of the City:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2024/25 Enrollment</u>
ISD No. 271 (Bloomington)	City of Bloomington	K-12	10,442
ISD No. 272 (Eden Prairie)	City of Eden Prairie	K-12	9,292
ISD No. 273 (Edina)	City of Edina	K-12	8,794

Source: Minnesota Department of Education, www.education.state.mn.us.

Non-Public Education

City residents are also served by the following private schools:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2024/25 Enrollment</u>
Nativity of Mary	City of Bloomington	K-8	283
United Christian Academy	City of Bloomington	K-12	389
Bloomington Lutheran	City of Bloomington	K-8	226
Ramalynn Montessori	City of Bloomington	K-8	68
Hand in Hand Christian Montessori	City of Bloomington	K-12	36

Source: Minnesota Department of Education, www.education.state.mn.us.

Vocational/Technical Education

Vocational/technical training is available to City residents through Intermediate District No. 287. A school facility is located in the adjacent City of Eden Prairie. The Intermediate District offers Associate of Applied Science degree programs, vocational diploma programs, apprenticeship programs and other adult education services, as well as special education services, and gifted education services and early childhood programs.

Post-Secondary Education

Normandale Community College, a two-year college, is located in the City, but has no direct affiliation with the local public school district. It is State-supported (one of several in the Minneapolis-Saint Paul metropolitan area), had a 2023-24 total enrollment of over 14,000 students, and employs a staff of over 500 full- and part-time persons. Normandale Community College has baccalaureate partnerships with post-secondary institutions Metropolitan State University, Minnesota State University - Mankato, and Southwest Minnesota State University and offers bachelor's degree programs, with most classes offered at its Partnership Center.

Northwestern Health Sciences University, located in the City, offers bachelor of science degree completion programs, as well as professional programs in chiropractic and acupuncture and Oriental medicine, and massage therapy programs. The university enrolls over 1,000 full-time undergraduate and graduate students.

City residents also have access to various community and technical colleges, colleges and universities located throughout the Minneapolis-Saint Paul metropolitan area.

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

The governing body, the City Council, consists of six council members and the Mayor. Four of the council members are elected by district and two of the council members and the Mayor are elected at large. The Mayor and three council members serve four-year terms, and the remaining members serve two-year terms, resulting in a return to overlapping four-year terms.

The following individuals comprise the current City Council:

		<u>Expiration of Term</u>
Tim Busse	Mayor	January 1, 2028
Jenna Carter	Council Member	January 1, 2028
Chao Moua	Council Member	January 1, 2026
Lona Dallessandro	Council Member	January 1, 2028
Dwayne Lowman	Council Member	January 1, 2026
Victor Rivas	Council Member	January 1, 2028
Shawn Nelson	Council Member	January 1, 2026

The City Manager is the Chief Administrative Officer of the City. Kathleen Hedin and L. Elizabeth Tolzmann each serve as Co-Interim City Manager. The City Council has selected Zach Walker to be its next City Manager. He is expected to start before October 31, 2025. The City Manager controls and directs the administration of the City's affairs through the City's departments and divisions. The City employs approximately 637 full-time persons throughout the various City departments, programs, and teams.

City Departments

The 2025 operating budget has 690 full-time authorized positions. In 2025, there was a notable change in City staff—the position of city manager. After ten years of service to Bloomington, City Manager Jamie Verbrugge departed the organization in January to pursue another opportunity. In July, the City Council chose Zach Walker as Bloomington's next city manager. Walker will start in his new role in October 2025.

The following departments and service groups report directly to the City Manager:

Internal Enterprise Services

This service group is led by one of the Assistant City Managers who oversees City Clerk, Communications, Community Outreach and Engagement, Human Resources, Information Technology and the Office of Racial Equity, Inclusion and Belonging. This service group has 73 authorized positions.

External Services

This service group is led by one of the Assistant City Managers who oversees Community Development, Parks and Recreation, Public Health and Public Works. This service group has 365 authorized positions.

Fire Department

The Fire Department has 42 full-time authorized positions and 86 paid-on-call firefighters. The department operates out of six fire stations and uses the latest firefighting equipment including engines, ladders, and other specialty units. Fire prevention is an integral part of providing fire safety through code enforcement and education. Firefighters install battery operated smoke detectors or replace batteries in detectors for homeowner occupied homes that need them upon request.

The Fire Department responded to 10,477 calls for service in 2024. These ranged from water rescues and vehicle extrications to structural fires, medical emergencies, and hazardous materials emergencies. The response time measurement goal for an effective response force of at least 3 personnel within 7 minutes and 30 seconds of the 911 call was achieved 63% of the time in 2024. Four of the six fire stations are now staffed 24 hours a day. With the addition of the firefighters currently in training, we will staff a 5th station most of the time. All firefighters are required to meet training standards annually.

Police Department

The Bloomington Police Department (BPD) employs 187 staff members, of which 166 are permanent full-time positions. 129 are sworn police officers. Thanks to funding from the Public Safety Aid (PSAID), BPD was able to exceed its full sworn officer capacity in order to be better prepared for upcoming retirements.

The Police Department provides safety within our community and prevents crime through an easily recognizable presence. The department also engages with our community, enforces state and local laws fairly, respectfully, and aggressively, offers social services, access to therapists, and provides crime prevention programs. The Patrol Division provides 24-hour-a-day service to the community by responding to crimes, traffic accidents, medical emergencies, fires, public safety hazards, domestic disputes, providing proactive policing, and meeting other community needs. More than 142,600 emergency and non-emergency phone calls are logged into the dispatch center annually. Of these, 49,200 are emergency (911) calls coming into the dispatch center, but not all result in a request for police services.

Other Police Department units include the South Loop Unit, Traffic Investigations Unit, Crime Services Unit, K-9 Unit, and Emergency Management, Police Reserves and Animal Control. In addition, the Police Department also has an Emergency Services Group, which is comprised of the Emergency Response Unit, the Bomb Squad, the Crisis Negotiators Unit, the Tactical Support Unit, and the Mobile Field Force Unit. The specialty units use already authorized staff as needed.

Legal Department

The Legal Department has 20 full-time employees who provide legal counsel to the City Council, Advisory Boards and Commissions, the City Manager, and other City Departments. Attorneys also prosecute non-felony criminal offenses occurring within the City.

Finance Department

The Finance Department employs a staff of 28 who support and coordinate various financial and administrative-related operations. These include Finance, Budget, Financial Operations, and Risk Management. The Finance Department coordinates the development of the City's program budgets for all operating budgets, the ten-year capital improvement program, the Annual Comprehensive Financial Report and the Popular Financial Report and provides financial management services. The Finance, Budget, and Financial Operations also provide support to the City's Housing and Redevelopment Authority, Port Authority and Fire Relief Association agencies.

Labor Contracts

The City has nine collective bargaining units that cover approximately 50 percent of its full-time workforce. Three are represented by the American Federation of State, County and Municipal Employees (AFSCME), including the 49-member Professional/Technical unit, 6-member Assistant City Attorneys unit, and 30-member clerical unit. The others are the 107 police officers represented by the Bloomington Police Officers Federation (BPOF), the 23 police supervisors (Sergeants and Commanders) represented by Law Enforcement Labor Services (LELS), the 12 civilian police and fire dispatchers represented by the International Association of Fire Fighters (IAFF), the 5 civilian jailers represented by LELS, and the 20 members of the Police Clerical and Technical unit represented by LELS. The City has completed negotiations with 5 of its bargaining units, and has settled contracts in place through 2025. The remaining bargaining units are new to the City starting in late 2024, and contract negotiations have begun with all of the new bargaining units in for just the year 2025. In addition, contract negotiations for the years 2026-2027 for all nine collective bargaining units are underway.

Bloomington Housing and Redevelopment Authority (HRA)

Sarah Abe has served as the Administrator of the HRA since September 2024. The HRA is governed by a seven-member board appointed by the Mayor and approved by the City Council. The HRA mission is to help provide affordable housing opportunities for those who are not adequately served by the marketplace, coordinate the City's efforts to preserve existing neighborhoods and promote development and redevelopment that enhances Bloomington.

The HRA has taxing and bonding powers, but all general obligation bonds for redevelopment projects are currently issued by the City. The HRA concentrates its efforts on grants and loans for the improvement of low- and moderate-income housing and on large- and small-scale housing development or redevelopment projects. Lower-rent, multifamily housing is also receiving attention, with several projects completed and others in various stages of planning.

Bloomington Port Authority (Port Authority)

Holly Masek serves as Port Authority Administrator and has served in this position since March 2023. The Port Authority was created by the City to provide a coordinated, cost-effective approach for private and public development within various development districts that may be established throughout the City. The Port Authority's boundaries encompass the entire City and the Port Authority is governed by commissioners appointed by the Mayor and confirmed by the City Council. The Port Authority has limited taxing powers, but has extensive authority to issue bonds or notes for public improvements and land development. The Port Authority may issue general obligation bonds secured by a pledge of the full faith and credit and taxing powers of the City with the consent of the City Council. The City guarantees certain Port Authority debt and manages the Port Authority's day-to-day operations.

Boards and Commissions

Advisory boards and commissions inform and advise the City Council. They provide for community participation in issues concerning the City and its residents. The City Council values the comments and recommendations from the various advisory Boards and Commissions. There are nine different groups: Advisory Board of Health; Charter Commission; Creative Placemaking Commission; Housing and Redevelopment Authority (HRA); Human Rights Commission; Local Board of Appeal and Equalization; Merit Board; Parks, Arts and Recreation Commission; Planning Commission; Port Authority; and Sustainability Commission. These Boards and Commissions all report directly to the City Council.

City Services and Improvements

Current City Development

Total project valuation for all building permits issued in 2024 was \$533,016,653. Most new development continues to focus on the I-494 corridor, where excellent access to employment, improving transit service, and focused land use plans position the City well for future growth.

Bloomington Community Brain Health Services Program

Each year, the City of Bloomington invites residents to share their opinions and feedback on the community's livability and quality of life through The National Community Survey™. This survey provides a statistically valid representation of how well the City of Bloomington meets the needs of its residents. Results from the 2020 to 2022 surveys revealed a 17% decline in community ratings concerning the availability of affordable, quality mental health services in the city. This local concern reflects national trends in mental health service availability, where a growing gap between the supply of services and the rising demand for care continues to widen and is projected to get much worse.

Pilot Program Launched

In response to this growing concern the Bloomington Police Department, in partnership with Bloomington Public Health, launched the Bloomington Community Brain Health Services (BCBHS) pilot program in October 2023. The purpose of this groundbreaking initiative was to increase access to affordable mental health treatment to the community and reduce emergency mental health crisis calls within the city. This initiative aligns closely with priorities shared by both City departments, including mental health and substance use prevention, which also align with the City's strategic plan goals.

Funds received from recent opioid settlements were used to help launch the pilot program, in acknowledgement that treatment and prevention strategies are key to mitigating continued harm to affected individuals and the community.

Collaborative Services

Bloomington residents in mental health crisis are referred to the program by Bloomington police officers, Hennepin County social workers, and counselors with Bloomington Public Schools. Once referred, an individual can begin mental health treatment in their home, in a private location at the Bloomington Civic Center, or via a HIPAA compliant online telehealth platform in as little as 48 hours following the crisis. The program is structured to provide participants with up to 15 one-hour psychotherapy treatment sessions at no cost for individuals, couples, or families. Once a participant is no longer in crisis, BCBHS mental health providers work to connect and establish appropriate long-term mental health care for each participant as needed.

In addition to providing services to the public, the BCBHS also serves as a clinical mental health internship and training site for local graduate school mental health programs such as marriage and family therapy, counseling psychology, and clinical social work. Each year, up to 4 graduate students enrolled in these programs receive a one-year placement with the BCBHS program. During this time, graduate students receive training, guidance, and supervision in their development as mental health clinicians. The BCBHS program is managed by 2 full-time licensed mental health providers who serve as administrative and clinical supervisors. Psychotherapy treatment services for the program are provided by the 4 graduate clinical mental health interns.

Bloomington Police and Public Health staff work as a team to support the program, providing the electronic health record system to document and evaluate brain health-related efforts. Together, they are actively exploring innovative strategies to sustain and expand the program, addressing critical gaps in the City's mental health service delivery. The program's early success suggests it is making a meaningful difference in the lives of those it serves, while reducing calls for service and conserving healthcare resources.

Outcomes, Recognition, and Growth

In its first year, the BCBHS program has achieved significant outcomes, earning recognition for its impact. Since its launch, 74 individuals, couples, and families have been referred for services, with 41 of those referrals utilizing the available support. As of December 31, 2024, 430 mental health treatment sessions were completed, and the program conducted 10 school-based group therapy sessions discussing topics such as self-care, stress, anxiety, depression, self-esteem, and substance use.

Since its launch, the unique program has gained widespread recognition from law enforcement and municipal government leaders both statewide and nationally. In October 2024, the Bloomington Police Department and the BCBHS program were honored with the 2024 Regional Leaders and Innovators Award in the Public Safety category by the Minneapolis Chamber of Commerce. The program also caught the attention of local news, and it was also featured in articles by St. Mary's University of Minnesota and the Minneapolis Star Tribune, further showcasing its impact and reach. The program's success was further highlighted when the Bloomington Police Department, Public Health, and BCBHS leaders were invited to present at the Police Assisted Addiction & Recovery Initiative (PAARI) national conference.

Looking ahead, the next steps for the program will focus on expanding services by enhancing partnerships with local schools, community organizations, and neighboring cities like Richfield and Edina. In line with the Bloomington Police Department's core values of "respect through compassionate and honest service," the program will work to ensure that these new partnerships continue to prioritize the needs of the community with integrity and care. Additionally, plans are in place to explore additional funding sources to ensure long-term sustainability and growth.

CITY FINANCIAL POLICIES AND PRACTICES

Employee Pensions

All full-time employees and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing multiple-employer retirement plans. In addition, Volunteer

firefighters of the Bloomington Fire Department are covered by a defined benefit plan administered by the Bloomington Firefighters Relief Association. The Plan is a single employer retirement plan and is established and administered in accordance with Minnesota Statutes, Chapter 69.

A detailed description of these plans, along with the City's required contributions to each plan, are represented in the City's Annual Comprehensive Financial Reports. An excerpt of the City's Annual Comprehensive Financial Report for fiscal year ended December 31, 2024, is included as Appendix F of this Official Statement.

Other Postemployment Benefits

The City has obligations to its employees for post-employment benefits other than pensions, accounted for pursuant to the Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75). The City's OPEB liabilities and associated contributions are represented in the City's Annual Comprehensive Financial Reports. An excerpt of the City's Annual Comprehensive Financial Report for fiscal year ended December 31, 2024, is included as Appendix F of this Official Statement.

Sources: City's Annual Comprehensive Financial Reports.

Cash Flow and Tax Collections

The City uses its General Fund balance to finance operations until tax receipts come in and has not engaged in tax anticipation borrowing. Taxes flow to the City starting in July of the collection year, when it receives approximately 49% of its levy. The second settlement, also about 49% of the total levy, is received in December. The final settlement is received in January of the following year.

Local Lodging, Admission, and On-Sale Liquor Taxes

The City currently imposes and collects a 7% lodging tax, a portion (2/7) of which goes to the Bloomington Minnesota Travel and Tourism. As of June 30, 2025, \$5,181,088 (consisting of \$4,108,645 for lodging and \$1,072,443 for admission) represents revenues from a 3% entertainment and admissions tax and a portion (3/7) of the City's 7% lodging tax, which was recorded in the City's General Fund.

The total amount directed to the South Loop Capital Improvement Fund is comprised of the 3% on-sale liquor tax and a portion of the 7% lodging tax (2/7 or \$2,739,090 for lodging and \$872,426 for liquor as of June 30, 2025).

City Budget Process

Budget work-up for the following two calendar years begins in March of the even numbered years and the final proposed budget and tax levy is certified by September 15 under State law. A series of notices, publications and budget meetings are then established by the City Council under State law for purposes of discussion and public input. Budget and tax levy deliberations for the following budget year are conducted between September 15 and December 20 of each year. The final levy is certified on or before five working days after December 20. The budget, as adopted, can be later modified by the City Council, but appropriations can be increased only if additional revenues can also be shown (pursuant to Section 7.08 of the City Charter). In odd numbered years budgets developed for the following year are reviewed and fine-tuned before final budgets are adopted.

Awards

The City has received the Distinguished Budget Presentation Award for its Budget Document from the Government Finance Officers Association (GFOA) from 1997 through 2024, and the Popular Annual Financial Report Award from the GFOA for the years 1998 through 2003 and 2005 through 2023. The City has also received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for its Annual Comprehensive Financial Report from 1971 through 2023.

Ten-Year Capital Improvement Plan

The City utilizes a ten-year Capital Improvement Plan, outlining projected costs and probable sources of funding for proposed various capital improvement projects. Any unreserved fund balances of the Park Development Fund and the Facility Fund are identified for use as proposed in the Capital Improvement Plan, when and if such projects are ordered by the City Council.

In August 2025, the Bloomington City Council approved an amendment to the 2025-2034 CIP with the following changes:

1. The total amount for the Equipment Maintenance Garage (also referred to as the Fleet Garage or Fleet Maintenance Garage) was originally listed only in 2025. The amendment will split the amount between 2025 and 2026. The total has not changed.
2. The public works materials storage shed (also referred to as the Salt Shed) was originally described in the Original Plan as being financed from "Other Sources" in the amount of \$4,900,000. The Salt Shed project cost estimate was adjusted to \$14,000,000 and will be financed with proceeds of CIP Bonds.

The City's latest ten-year Capital Improvement Plan originally indicated the following totals for the ten-year period of 2025-2034:

Project Category	Estimated Amount (in millions)	Approximate Sources of Funding	
City Facilities, Parks and Park Development	\$364.2	Bonds	42%
		Local Sales Tax	33
		Grants, Other	18
		Cash on Hand	7
		Other Governments	0
Surface Transportation	247.7	PIR Bonds	44%
		Franchise Fees	17
		Municipal State Aid	16
		Cash on Hand	10
		Grants, Other	7
		Tax Abatement	4
		Other Governments	2
		Federal Funds	0
Water, Sewer, and Stormwater Facilities	191.8	Cash on Hand	69%
		Utility Bonds	13
		Grants/Other	9
		Other Governments	7
		Tax Abatement	2
Economic Development and Redevelopment	22.3	Liquor/Lodging Tax	96%
		Cash on Hand	4
Total	\$826.0		

Claims and Litigation

The City has no pending or threatened litigation or any claims or assessments that, in its opinion, would materially affect its ability to perform its obligations to the holders of the securities being offered, including the effects of legal proceedings on the securities being offered and on the source of payment thereof. Further, no unasserted claims or assessments are believed to have any reasonable possibility of an unfavorable effect. The City usually has at any given time, a number of lawsuits pending relating to land development, constitutionality of laws and ordinances, and municipal liability and automobile liability claims. None of these lawsuits or claims are expected to exceed the policy limits or the statutory liability limits.

The City carries the following business and property loss insurance policies and coverages:

	<u>Coverage</u>	<u>Deductible</u>
Municipal General Liability	\$2,000,000 per occurrence/ \$3,000,000 aggregate/	\$100,000 per occurrence/ \$275,000 self-insured retention
Real and Personal Property blanket	\$410,889,158	\$50,000 per occurrence
Inland Marine	\$14,600,943	\$50,000 per occurrence
Crime	\$250,000	\$50,000 per occurrence
Faithful Performance Bond	\$1,000,000	\$50,000 per occurrence
First Party Cyber Liability	\$500,000	\$1,000 per occurrence
Commercial Auto	2,000,000	\$50,000 per occurrence
Worker's Compensation	Self-insured	\$500,000 catastrophic loss
Health Care Professionals	\$1,500,000 per occurrence/ \$3,000,000 aggregate	\$10,000 per claim
Liquor Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate	\$1,000 per occurrence
Equipment Breakdown	\$100,000,000per occurrence	\$5,000 per occurrence

The City also had a cash balance of \$5.8 million in its Self-Insurance Fund as of July 31, 2025, from which to pay claims and expenses.

Major General Fund Revenue Sources

<u>Revenue</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Property taxes	\$50,237,596	\$53,057,960	\$53,189,587	\$57,838,392	\$65,348,243
Lodging and admissions tax	3,354,406	6,414,535	9,625,118	10,193,696	10,845,746
Business licenses	6,536,353	6,021,565	8,082,182	6,675,071	7,919,278
Intergovernmental	4,579,217	5,821,918	6,173,201	11,810,044	9,643,903
Transfers from other funds	8,377,016	5,003,001	9,412,954	5,320,313	6,959,671
Fiscal disparities	3,072,584	3,473,774	4,314,509	3,698,350	4,275,201

Sources: City's Annual Comprehensive Financial Reports.

Federal Financial Assistance

In recent years, the City has received significant Federal financial assistance through the American Rescue Plan (ARP) funds and the Staffing for Adequate Fire and Emergency Response (SAFER) grant.

ARP Funds:

The American Rescue Plan Act of 2021 was signed into law on March 11, 2021 in response to the COVID 19 pandemic. The relief package provided \$350 billion of funding for state and local governments. The City received \$11.4 million and has spent \$9.7 million to date. The remaining amount was committed by the end of December 2024, and will be spent by the end of December 2026.

SAFER Grant Funds:

The City has received two SAFER grants from the Federal Emergency Management Agency (FEMA). These grants are designed to support fire departments in increasing or maintaining frontline firefighter staffing levels to enhance public and firefighter safety.

The first SAFER grant began in April 2023 and provides funding for the salaries and benefits of 18 new full-time firefighter positions for a three-year period, ending in April 2026. The second SAFER grant began at the end of March 2025 and will continue through March 2028, further supporting the City's transition from a primarily paid-on-call fire service model to a hybrid model that includes both full-time and part-time firefighters.

In alignment with the City's long-term financial planning practices, the City has a thoughtful and sustainable plan in place to absorb the ongoing costs of these additional firefighter positions as the SAFER grant periods end. This plan ensures a smooth transition without creating significant spikes in the property tax levy.

GENERAL FUND SUMMARY OF REVENUES AND EXPENDITURES

	2024 Amended <u>Budget</u>	2024 <u>Actual</u>	2025 <u>Budget</u>
REVENUES:			
Property taxes	\$ 68,420,369	\$ 69,678,948	\$ 74,749,610
Lodging and admissions tax	10,219,748	10,781,231	11,055,271
Licenses/Permits	6,253,054	7,944,434	6,259,861
Fines	561,389	595,611	435,000
Intergovernmental	10,206,293	9,643,903	7,398,865
Program income	2,316,805	2,285,712	2,300,753
Interest	150,000	1,653,083	350,000
Other	1,530,707	1,786,940	1,309,163
Transfers	<u>6,947,271</u>	<u>6,959,671</u>	<u>5,954,884</u>
Total Revenues	\$106,605,636	\$111,329,533	\$109,813,407
EXPENDITURES:			
City Council	\$ 571,920	\$ 562,135	\$ 638,171
Administration	4,136,141	4,103,583	4,291,251
Legal	3,259,438	2,806,675	3,084,418
Finance	1,757,751	1,744,253	1,671,266
Police	36,312,629	36,206,015	37,977,745
Fire	12,330,964	12,198,115	11,609,711
Community Development	10,959,705	10,801,087	11,353,677
Community Services	11,222,150	9,530,977	9,399,401
Parks and Recreation	12,169,131	12,142,787	13,173,911
Public Works	14,009,861	13,405,656	15,590,419
Contingency/Estimated Unexpended	329,778	0	1,023,437
Transfers	<u>3,416,096</u>	<u>3,416,096</u>	<u>0</u>
Total Expenditures	\$110,475,564	\$106,917,379	\$109,813,407
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (3,869,928)</u>	<u>\$ 4,412,154</u>	<u>\$ 0</u>
Fund Balance at Beginning of Year	<u>\$ 51,157,572</u>	<u>\$ 51,157,572</u>	<u>\$ 55,569,726</u>
Fund Balance at End of Year	<u>\$ 47,287,644</u>	<u>\$ 55,569,726</u>	<u>\$ 55,569,726</u>

Source: The City.

BOOK ENTRY

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to City or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORMS OF BOND COUNSEL OPINION

\$ _____
City of Bloomington, Minnesota
General Obligation Permanent Improvement Revolving Fund Bonds of 2025
Series 57

We have acted as bond counsel to the City of Bloomington, Minnesota (the “Issuer”) in connection with the issuance by the Issuer of its General Obligation Permanent Improvement Revolving Fund Bonds of 2025, Series 57 (the “Bonds”), originally dated November 20, 2025, and issued in the original aggregate principal amount of \$ _____. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable from revenues credited to the Issuer’s permanent improvement revolving fund, including special assessments levied or to be levied on property specially benefited by local improvements, and from ad valorem taxes for the Issuer’s share of the cost of the improvements, but if necessary for the payment thereof additional ad valorem taxes are required by law to be levied on all taxable property in the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Further, and to the extent of the aforementioned federal income tax exclusion, interest on the Bonds is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. The opinions set forth in the preceding sentences are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and in taxable net income for Minnesota income tax purposes, retroactively to the date of issuance of the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations and such interest is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated November ___, 2025 at Minneapolis, Minnesota.

\$ _____
City of Bloomington, Minnesota
Taxable General Obligation Capital Improvement Plan Bonds
Series 2025D

We have acted as bond counsel to the City of Bloomington, Minnesota (the “Issuer”) in connection with the issuance by the Issuer of its Taxable General Obligation Capital Improvement Plan Bonds, Series 2025D (the “Bonds”), originally dated November 20, 2025, and issued in the original aggregate principal amount of \$ _____. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.
2. The principal of and interest on the Bonds are payable from ad valorem taxes, but if necessary for the payment thereof additional ad valorem taxes are required by law to be levied on all taxable property in the Issuer, which taxes are not subject to any limitation as to rate or amount.
3. We express no opinion as to the status of the interest on the Bonds for federal or state income tax purposes.
4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated November ___, 2025 at Minneapolis, Minnesota.

FORMS OF CONTINUING DISCLOSURE UNDERTAKING

\$ _____
 City of Bloomington, Minnesota
 General Obligation Permanent Improvement Revolving Fund Bonds of 2025
 Series 57

November __, 2025

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Bloomington, Minnesota (the “Issuer”) in connection with the issuance of its General Obligation Permanent Improvement Revolving Fund Bonds of 2025, Series 57 (the “Bonds”), in the original aggregate principal amount of \$ _____. The Bonds are being issued pursuant to resolutions adopted by the City Council of the Issuer (the “Resolutions”). The Bonds are being delivered to _____ (the “Purchaser”) on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Audited Financial Statements” means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

“Bonds” means the General Obligation Permanent Improvement Revolving Fund Bonds of 2025, Series 57, issued by the Issuer in the original aggregate principal amount of \$ _____.

“Disclosure Certificate” means this Continuing Disclosure Certificate.

“EMMA” means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

“Final Official Statement” means the deemed Final Official Statement, dated October __, 2025, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year of the Issuer.

“GAAP” means generally accepted accounting principles for governmental units as prescribed by GASB.

“GASB” means the Governmental Accounting Standards Board.

“Holder” means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

“Issuer” means the City of Bloomington, Minnesota, which is the obligated person with respect to the Bonds.

“Material Event” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

“Purchaser” means _____.

“Repository” means EMMA, or any successor thereto designated by the SEC.

“Rule” means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

“SEC” means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends December 31, 2025, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. City Property Values
2. City Indebtedness
3. City Tax Rates, Levies and Collections

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this

Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

CITY OF BLOOMINGTON, MINNESOTA

Mayor

City Manager

(Signature Page to Continuing Disclosure Certificate related to the
General Obligation Permanent Improvement Revolving Fund Bonds of 2025, Series 57)

\$ _____
City of Bloomington, Minnesota
Taxable General Obligation Capital Improvement Plan Bonds
Series 2025D

November __, 2025

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Bloomington, Minnesota (the “Issuer”) in connection with the issuance of its Taxable General Obligation Capital Improvement Plan Bonds, Series 2025D (the “Bonds”), in the original aggregate principal amount of \$ _____. The Bonds are being issued pursuant to resolutions adopted by the City Council of the Issuer (the “Resolutions”). The Bonds are being delivered to _____ (the “Purchaser”) on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Audited Financial Statements” means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

“Bonds” means the Taxable General Obligation Capital Improvement Plan Bonds, Series 2025D, issued by the Issuer in the original aggregate principal amount of \$ _____.

“Disclosure Certificate” means this Continuing Disclosure Certificate.

“EMMA” means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

“Final Official Statement” means the deemed Final Official Statement, dated October __, 2025, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term “Financial Obligation”

shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year of the Issuer.

“GAAP” means generally accepted accounting principles for governmental units as prescribed by GASB.

“GASB” means the Governmental Accounting Standards Board.

“Holder” means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

“Issuer” means the City of Bloomington, Minnesota, which is the obligated person with respect to the Bonds.

“Material Event” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

“Purchaser” means _____.

“Repository” means EMMA, or any successor thereto designated by the SEC.

“Rule” means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

“SEC” means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends December 31, 2025, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. City Property Values
2. City Indebtedness
3. City Tax Rates, Levies and Collections

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events (“Material Events”) with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a

Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

CITY OF BLOOMINGTON, MINNESOTA

Mayor

City Manager

(Signature Page to Continuing Disclosure Certificate related to the
Taxable General Obligation Capital Improvement Plan Bonds, Series 2025D)

SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND MINNESOTA REAL PROPERTY VALUATION

Following is a summary of certain statutory provisions relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

PROPERTY VALUATIONS (CHAPTER 273, MINNESOTA STATUTES)

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Economic Market Value. The Economic Market Value is the value of locally assessed real property (Assessor's Estimated Market Value) divided by the sales ratio as provided by the State of Minnesota Department of Revenue plus the estimated market value of personal property, utilities, railroad, and minerals.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by (i) multiplying the Net Tax Capacity by the tax capacity rate, and (ii) multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to \$413,800 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a, and causes a decrease in the City's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

PROPERTY TAX PAYMENTS AND DELINQUENCIES (CHAPTERS 275, 276, 277, 279-282 AND 549, MINNESOTA STATUTES)

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on nonhomestead property is assessed at a rate of 4% until May 31 and increased to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes

due October 15, a penalty of 2% on homestead property and 4% on nonhomestead property is assessed. The penalty for homestead property increases to 6% on November 1 and again to 8% on December 1. The penalty for nonhomestead property increases to 8% on November 1 and again to 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have three years (3) to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

PROPERTY TAX CREDITS (CHAPTER 273, MINNESOTA STATUTES)

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the homestead credit refund and the renter's property tax refund, which relate property taxes to income and provide relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The homestead credit refund, the renter's property tax refund, and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

DEBT LIMITATIONS

All Minnesota municipalities (counties, cities, towns, and school districts) are subject to statutory "net debt" limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Bonds issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
2. Warrants or orders having no definite or fixed maturity.
3. Bonds payable wholly from the income from revenue producing conveniences.
4. Bonds issued to create or maintain a permanent improvement revolving fund.
5. Bonds issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.
6. Debt service loans and capital loans made to a school district under the provisions of Minnesota Statutes, Sections 126C.68 and 126C.69.

7. Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.
8. Bonds to repay loans made under Minnesota Statutes, Section 216C.37.
9. Bonds to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.
10. Bonds issued to pay pension fund or other postemployment benefit liabilities under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.
11. Bonds issued to pay judgments against the municipality under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.
12. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

**LEVIES FOR GENERAL OBLIGATION DEBT
(SECTIONS 475.61 AND 475.74, MINNESOTA STATUTES)**

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

**METROPOLITAN REVENUE DISTRIBUTION (CHAPTER 473F, MINNESOTA STATUTES)
“FISCAL DISPARITIES LAW”**

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as “Fiscal Disparities,” was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/Saint Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

**STATUTORY FORMULAE: CONVERSION OF TAXABLE MARKET VALUE (TMV) TO
NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS**

<u>Property Type</u>	<u>Local Tax Payable 2021-2023</u>	<u>Local Tax Payable 2024-2025</u>
Residential Homestead (1a)		
Up to \$500,000	1.00%	1.00%
Over \$500,000	1.25%	1.25%
Residential Non-homestead		
Single Unit (4bb)		
Up to \$500,000	1.00%	1.00%
Over \$500,000	1.25%	1.25%
2-3 unit and undeveloped land (4b1)	1.25%	1.25%
Market Rate Apartments		
Regular (4a)	1.25%	1.25%
Low-Income (4d)		
Up to \$100,000 ⁽³⁾	0.75%	0.75%
Over \$100,000 ⁽³⁾	0.25%	0.25%
Low-Income (4d1)		0.25%
Low-Income (4d2)		0.75%
Commercial/Industrial/Public Utility (3a)		
Up to \$150,000	1.50% ⁽¹⁾	1.50% ⁽¹⁾
Over \$150,000	2.00% ⁽¹⁾	2.00% ⁽¹⁾
Electric Generation Machinery	2.00%	2.00%
Commercial Seasonal Residential		
Homestead Resorts (1c)		
Up to \$600,000	0.50%	0.50%
\$600,000 - \$2,300,000	1.00%	1.00%
Over \$2,300,000	1.25% ⁽¹⁾	1.25% ⁽¹⁾
Seasonal Resorts (4c1)		
Up to \$500,000	1.00% ⁽¹⁾	1.00% ⁽¹⁾
Over \$500,000	1.25% ⁽¹⁾	1.25% ⁽¹⁾
Non-Commercial (4c12)		
Up to \$500,000	1.00% ⁽¹⁾⁽²⁾	1.00% ⁽¹⁾⁽²⁾
Over \$500,000	1.25% ⁽¹⁾⁽²⁾	1.25% ⁽¹⁾⁽²⁾
Disabled Homestead (1b)		
Up to \$50,000	0.45%	0.45%
\$50,000 - \$500,000		1.00%
Over \$500,000		1.25%
Agricultural Land & Buildings		
Homestead (2a)		
Up to \$500,000	1.00%	1.00%
Over \$500,000	1.25%	1.25%
Remainder of Farm		
Up to \$3,500,000 ⁽⁴⁾	0.50% ⁽²⁾	0.50% ⁽²⁾
Over \$3,500,000 ⁽⁴⁾	1.00% ⁽²⁾	0.50% ⁽²⁾
Non-homestead (2b)	1.00% ⁽²⁾	1.00% ⁽²⁾

(1) State tax is applicable to these classifications.

(2) Exempt from referendum market value-based taxes.

(3) Historical valuations are: Payable 2024 - \$100,000; Payable 2023 - \$100,000; Payable 2022 - \$100,000; and Payable 2021 - \$174,000.

(4) Legislative increases, payable 2024. Historical valuations are: Payable 2024 - \$3,500,000; Payable 2023 - \$1,890,000; Payable 2022 - \$1,890,000; and Payable 2021 - \$1,890,000.

NOTE: For purposes of the State general property tax only, the net tax capacity of non-commercial class 4c(12) seasonal residential recreational property has the following class rate structure: First \$76,000 – 0.40%; \$76,000 to \$500,000 – 1.00%; and over \$500,000 – 1.25%. In addition to the State tax base exemptions referenced by property classification, airport property exempt from city and school district property taxes under M.S. 473.625 is exempt from the State general property tax (MSP International Airport and Holman Field in Saint Paul are exempt under this provision).

2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The City's Annual Comprehensive Financial Report ("ACFR") for fiscal year ended December 31, 2024, may be accessed on the MSRB's EMMA website, located [here](#).

TERMS OF PROPOSAL

THE CITY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

\$3,005,000*

CITY OF BLOOMINGTON, MINNESOTA

**GENERAL OBLIGATION PERMANENT IMPROVEMENT REVOLVING
FUND BONDS OF 2025, SERIES 57**

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the "Series 57 Bonds") will be received by the City of Bloomington, Minnesota (the "City") on Monday, October 20, 2025 (the "Sale Date") until 10:00 A.M., Central Time (the "Sale Time") at the offices of Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), 30 East 7th Street, Suite 3025, Saint Paul, MN 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 57 Bonds will be by the City Council at its meeting commencing at 6:30 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the City nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Series 57 Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to Baker Tilly MA by email to bids@bakertilly.com, and must be received prior to the Sale Time.

OR

(b) **Electronic Bidding.** Proposals may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the City, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents, nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 57 Bonds, and PARITY® is not an agent of the City.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
Customer Support: (212) 849-5000

*Preliminary; subject to change.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly Advisory Group, LP. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm and provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms. ©2025 Baker Tilly Municipal Advisors, LLC

DETAILS OF THE SERIES 57 BONDS

The Series 57 Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2026. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 57 Bonds will mature on February 1 in the years and amounts* as follows:

2027	\$210,000	2029	\$265,000	2031	\$295,000	2033	\$325,000	2035	\$355,000
2028	\$255,000	2030	\$280,000	2032	\$305,000	2034	\$340,000	2036	\$375,000

*The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 57 Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 57 Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.

BOOK ENTRY SYSTEM

The Series 57 Bonds will be issued by means of a book entry system with no physical distribution of Series 57 Bonds made to the public. The Series 57 Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Series 57 Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 57 Bonds. Individual purchases of the Series 57 Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 57 Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Series 57 Bonds, will be required to deposit the Series 57 Bonds with DTC.

REGISTRAR/PAYING AGENT

The Chief Financial Officer of the City will serve as registrar/paying agent for the Series 57 Bonds.

OPTIONAL REDEMPTION

The City may elect on February 1, 2034, and on any day thereafter, to redeem Series 57 Bonds due on or after February 1, 2035. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Series 57 Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Series 57 Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge special assessments against benefited properties for repayment of a portion of the Series 57 Bonds. The proceeds of the Series 57 Bonds, along with available City funds, will be used to finance (i) various assessable improvement projects within the City; and (ii) costs of issuance.

NOT BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will not designate the Series 57 Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BIDDING PARAMETERS

Proposals shall be for not less than \$2,962,930 plus accrued interest, if any, on the total principal amount of the Series 57 Bonds. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater.

Proposals for the Series 57 Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth herein. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the City scheduled for award of the Series 57 Bonds is adjourned, recessed, or continued to another date without award of the Series 57 Bonds having been made. Series 57 Bonds of the same maturity shall bear a single rate from the date of the Series 57 Bonds to the date of maturity. No conditional proposals will be accepted.

ESTABLISHMENT OF ISSUE PRICE

In order to provide the City with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the City in establishing the issue price of the Series 57 Bonds and shall complete, execute, and deliver to the City prior to the closing date, a written certification in a form acceptable to the Purchaser, the City, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Series 57 Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) to the extent the hold-the-offering-price rule applies, pricing wires or equivalent communications supporting such offering or sale price. Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by Baker Tilly MA.

The City intends that the sale of the Series 57 Bonds pursuant to this Terms of Proposal shall constitute a "competitive sale" as defined in the Regulation based on the following:

- (i) the City shall cause this Terms of Proposal to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the City reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Series 57 Bonds; and
- (iv) the City anticipates awarding the sale of the Series 57 Bonds to the bidder who provides a proposal with the lowest true interest cost, as set forth in this Terms of Proposal (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Series 57 Bonds, as specified in the proposal. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Series 57 Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Series 57 Bonds.

If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the Purchaser of such fact prior to the time of award of the sale of the Series 57 Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Series 57 Bonds, the Purchaser shall advise the City and Baker Tilly MA if 10% of any maturity of the Series 57 Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which it was sold. The City will treat such sale price as the "issue price" for such maturity, applied on a maturity-by-maturity basis. The City will not require the Purchaser to comply with that portion of the Regulation commonly described as the "hold-the-offering-price" requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the City will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the City and Baker Tilly MA the prices at which 10% of such maturities are sold to the public; provided such determination shall be made and the City and Baker Tilly MA notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Series 57 Bonds or until all of the Series 57 Bonds of a maturity have been sold.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the City in the amount of \$30,050 (the "Deposit") no later than 1:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the City nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

AWARD

The Series 57 Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 57 Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Series 57 Bonds. If the Series 57 Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 57 Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 57 Bonds.

CUSIP NUMBERS

If the Series 57 Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 57 Bonds; however, neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 57 Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about November 20, 2025, the Series 57 Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Kutak Rock LLP of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 57 Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 57 Bonds has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the City will undertake, pursuant to the resolution awarding sale of the Series 57 Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Series 57 Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 57 Bond.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 57 Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email bids@bakertilly.com.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 57 Bonds, together with any other information required by law. By awarding the Series 57 Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated September 15, 2025

BY ORDER OF THE CITY COUNCIL

/s/ Jamy Hanson
City Clerk

THE CITY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

\$3,245,000*

CITY OF BLOOMINGTON, MINNESOTA

TAXABLE GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2025D

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the "Series 2025D Bonds") will be received by the City of Bloomington, Minnesota (the "City") on Monday, October 20, 2025 (the "Sale Date") until 10:00 A.M., Central Time (the "Sale Time") at the offices of Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), 30 East 7th Street, Suite 3025, Saint Paul, MN 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2025D Bonds will be by the City Council at its meeting commencing at 6:30 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the City nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2025D Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to Baker Tilly MA by email to bids@bakertilly.com, and must be received prior to the Sale Time.

OR

(b) **Electronic Bidding.** Proposals may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the City, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents, nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2025D Bonds, and PARITY® is not an agent of the City.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
Customer Support: (212) 849-5000

*Preliminary; subject to change.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly Advisory Group, LP. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm and provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms. ©2025 Baker Tilly Municipal Advisors, LLC

DETAILS OF THE SERIES 2025D BONDS

The Series 2025D Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2026. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2025D Bonds will mature February 1 in the years and amounts* as follows:

2027	\$ 60,000	2031	\$115,000	2035	\$145,000	2039	\$180,000	2043	\$220,000
2028	\$100,000	2032	\$125,000	2036	\$155,000	2040	\$190,000	2044	\$230,000
2029	\$105,000	2033	\$130,000	2037	\$160,000	2041	\$200,000	2045	\$245,000
2030	\$110,000	2034	\$140,000	2038	\$170,000	2042	\$210,000	2046	\$255,000

*The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2025D Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2025D Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.

BOOK ENTRY SYSTEM

The Series 2025D Bonds will be issued by means of a book entry system with no physical distribution of Series 2025D Bonds made to the public. The Series 2025D Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Series 2025D Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2025D Bonds. Individual purchases of the Series 2025D Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2025D Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Series 2025D Bonds, will be required to deposit the Series 2025D Bonds with DTC.

REGISTRAR/PAYING AGENT

The Chief Financial Officer of the City will serve as registrar/paying agent for the Series 2025D Bonds.

OPTIONAL REDEMPTION

The City may elect on February 1, 2035, and on any day thereafter, to redeem Series 2025D Bonds due on or after February 1, 2036. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Series 2025D Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Series 2025D Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. The proceeds of the Series 2025D Bonds will be used to finance (i) certain capital improvements, including but not limited to the construction of a new equipment maintenance garage (including the fleet garage) within the City pursuant to amendment to the City's Combined Ten-Year Capital Improvement Plan, 2025-2034, approved on August 25, 2025; and (ii) costs of issuance.

BIDDING PARAMETERS

Proposals shall be for not less than \$3,193,080 plus accrued interest, if any, on the total principal amount of the Series 2025D Bonds. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater.

Proposals for the Series 2025D Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth herein. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the City scheduled for award of the Series 2025D Bonds is adjourned, recessed, or continued to another date without award of the Series 2025D Bonds having been made. Series 2025D Bonds of the same maturity shall bear a single rate from the date of the Series 2025D Bonds to the date of maturity. No conditional proposals will be accepted.

TAXABILITY OF INTEREST

The interest to be paid on the Series 2025D Bonds is includable in the income of the recipient for the purposes of the United States and State of Minnesota income tax.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the City in the amount of \$32,450 (the "Deposit") no later than 1:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the City nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

AWARD

The Series 2025D Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2025D Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Series 2025D Bonds. If the Series 2025D Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and

expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 2025D Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2025D Bonds.

CUSIP NUMBERS

If the Series 2025D Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2025D Bonds; however, neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2025D Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about November 20, 2025, the Series 2025D Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Kutak Rock LLP of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2025D Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2025D Bonds has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the City will undertake, pursuant to the resolution awarding sale of the Series 2025D Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Series 2025D Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2025D Bond.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2025D Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email bids@bakertilly.com.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 2025D Bonds, together with any other information required by law. By awarding the Series 2025D Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated August 25, 2025

BY ORDER OF THE CITY COUNCIL

/s/ Jamy Hanson
City Clerk

CITY OF BLOOMINGTON, MINNESOTA
\$3,005,000* General Obligation Permanent Improvement Revolving Fund Bonds of 2025, Series 57

For the Series 57 Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of \$_____ (which may not be less than \$2,962,930) plus accrued interest, if any, to the date of delivery.

<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>	<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>
2027	_____ %	_____ %	_____ %	2032	_____ %	_____ %	_____ %
2028	_____ %	_____ %	_____ %	2033	_____ %	_____ %	_____ %
2029	_____ %	_____ %	_____ %	2034	_____ %	_____ %	_____ %
2030	_____ %	_____ %	_____ %	2035	_____ %	_____ %	_____ %
2031	_____ %	_____ %	_____ %	2036	_____ %	_____ %	_____ %

Designation of Term Maturities

Years of Term Maturities _____

In making this offer on the sale date of October 20, 2025 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated October 9, 2025 including the City's right to modify the principal amount of the Series 57 Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Series 57 Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Series 57 Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST RATE: _____ %

The Bidder ☐ will not ☐ will purchase municipal bond insurance from _____.

Account Members

Account Manager

By: _____
Phone: _____

.....
The foregoing proposal has been accepted by the City.

Attest: _____

Date: _____

Phone: 651-223-3000

* Preliminary; subject to change.

Email: bids@bakertilly.com

CITY OF BLOOMINGTON, MINNESOTA
\$3,245,000* Taxable General Obligation Capital Improvement Plan Bonds, Series 2025D

For the Series 2025D Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of \$_____ (which may not be less than \$3,193,080) plus accrued interest, if any, to the date of delivery.

<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>	<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>
2027	_____ %	_____ %	_____ %	2037	_____ %	_____ %	_____ %
2028	_____ %	_____ %	_____ %	2038	_____ %	_____ %	_____ %
2029	_____ %	_____ %	_____ %	2039	_____ %	_____ %	_____ %
2030	_____ %	_____ %	_____ %	2040	_____ %	_____ %	_____ %
2031	_____ %	_____ %	_____ %	2041	_____ %	_____ %	_____ %
2032	_____ %	_____ %	_____ %	2042	_____ %	_____ %	_____ %
2033	_____ %	_____ %	_____ %	2043	_____ %	_____ %	_____ %
2034	_____ %	_____ %	_____ %	2044	_____ %	_____ %	_____ %
2035	_____ %	_____ %	_____ %	2045	_____ %	_____ %	_____ %
2036	_____ %	_____ %	_____ %	2046	_____ %	_____ %	_____ %

Designation of Term Maturities

Years of Term Maturities _____

In making this offer on the sale date of October 20, 2025 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated October 9, 2025 including the City's right to modify the principal amount of the Series 2025D Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Series 2025D Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Series 2025D Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST RATE: _____ %

The Bidder ☐ will not ☐ will purchase municipal bond insurance from _____.

Account Members

Account Manager

By: _____

Phone: _____

.....
The foregoing proposal has been accepted by the City.

Attest: _____

Date: _____

Phone: 651-223-3000

* Preliminary; subject to change. Email: bids@bakertilly.com