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February 21, 2024**

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- I. Summary of January 17, 2024 Closed Session*
- II. Review and approve minutes of the meeting of January 17, 2024*
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# MEMORANDUM



860 BLUE GENTIAN ROAD, SUITE 145, EAGAN, MN  
55121

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Date: February 14, 2024

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: February 21, 2024, Authority Board Meeting Preview

At the February 2024 Minnesota Higher Education Facilities Authority Board meeting, we have two important topics for consideration. We will complete our work on the financing requests from St. Olaf College and the University of St. Thomas.

Bond Counsel and Municipal Advisor Representatives for both financings will attend the meeting to present information on their respective financing plans and answer questions.

The meeting will be held at the Authority's Eagan office. Information on the meeting location, parking and other logistics included with your meeting information packet. The meeting may be attended in person, by video link, or teleconference.

This is an in-person meeting, but if you are not able to attend in person, we will use our video link system for this meeting. Instructions for accessing the video link are available in Board packet material included with this email. In addition, telephone access is available.

We look forward to your participation in-person, or by video conferencing, or telephone at the meeting.

## Board Meeting Agenda

Wednesday, February 21, 2024

2:00 PM

Location: MHEFA Office,  
Lower-Level Conference Room

*Individuals may request reasonable accommodation or modifications in order to participate in Authority programs by contacting the Authority at least 48 hours in advance of the event.*

- I. Summary of January 17, 2024 Closed Session
- II. Review and approve minutes of the meeting of January 17, 2024
- III. St. Olaf College, Series 2024
  - Preliminary Financing Plan – Municipal Advisor
  - Resolution Relating to Financing Terms – Taft – Bond Counsel
  - Series Resolution – Taft – Bond Counsel
- IV. University of St. Thomas, Series 2024
  - Preliminary Financing Plan – Municipal Advisor
  - Resolution Relating to Financing Terms – Taft – Bond Counsel
  - Series Resolution – Taft – Bond Counsel
- V. Old Business
- VI. New Business
- VII. Other Business
  - Enrollment Update from MPCC
  - Executive Director’s Report

*General Public may attend in-person at the address below, via call-in number: 1-877-978-6969  
Access Code: 361-057-199# or through this link: <https://www.gomeet.com/361-057-199>*



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a Special Board meeting at 2:05 pm Central Standard Time, Wednesday, January 17, 2024.

The Board is conducting this meeting subject to the Open Meeting Law by in-person, telephone, and interactive technology as allowed by Minnesota Statutes. Members participating in the meeting can hear each other and all discussion; members of the public can hear all discussion and votes; and all votes are conducted by a roll call. The board has made provision for the public to monitor the meeting electronically from a remote location. The board has provided notice of the meeting location, the fact that some members may participate by interactive technology, and of the public’s right to monitor the meeting electronically from a remote location.

The Authority Board meeting was held in the lower-level conference room of Grand Oak I, 860 Blue Gentian Road, Eagan, MN 55121. Operations Manager Amanda Lee was physically present. Also present were David Rowland, Chair, and Gary Benson, Board Member. The location and time of the meeting was duly published and posted on the Authority website and at the entrance to the Authority office, located at 860 Blue Gentian Road, Suite 145, Eagan, MN 55121.

The public was able to attend the meeting in person, monitor the meeting by calling a toll-free number, and able to connect to the meeting using the video link.

Board members participated in the meeting in-person and by using a video link. The meeting link was sent to Board members prior to the meeting. The use of a video link as an allowable way to hold the Board meeting was confirmed by the State of Minnesota’s Data Practices Office staff prior to the meeting, following Minnesota Statute 13D.015.

**Executive Summary – Minnesota Higher Education Facilities Authority**

Meeting on January 17, 2024 Board Actions Taken:

<b>Motions:</b>	<b>Result:</b>	<b>Vote:</b>
Approval of Meeting Minutes of December 13, 2023	Passed	Unanimous

<b>Resolutions</b>	<b>Result:</b>	<b>Vote:</b>
Resolution Relating to Application for St. Olaf College	Passed	Unanimous
Resolution Relating to Application for the University of St. Thomas	Passed	Unanimous
Resolution Authorizing General Salary Adjustment Effective July 1, 2023, under Managerial Plan 2023-2025	Passed	Unanimous
Resolution Authorizing Performance Based Salary Increase Effective February 1, 2024, under Managerial Plan 2023-2025	Passed	Unanimous

The official meeting began with a roll call to establish a quorum. The following board members or their designees were participating and attending in-person (IP), by video link (“V”) or telephone (“T”):

Board Members:           David Rowland – IP  
                                   Bonnie Anderson Rons -V  
                                   Nancy Sampair - V  
                                   Gary Benson - IP  
                                   Mary Ives – V  
                                   Mary Thao – V  
                                   Mikeya Griffin – V  
                                   Paul Cerkvenik - V

Absent:                    Poawit Yang  
                                   Ray Vin Zant

Other Attendees:       Mark Vangsgard, University of St, Thomas - V  
                                   Wade Holmberg, University of St Thomas – V  
                                   Nate Engle, St. Olaf College – V  
                                   Angela Mathews, St. Olaf College - V  
                                   Peter Cooper, Taft Law firm – V  
                                   Catherine Courtney, Taft Law firm – V  
                                   Nick Taylor, North Slope Capital Advisors – V

Stephanie Chichester, North Slope Capital Advisors – V  
Mark LeMay, public – IP  
Laura Janke, public – V

Staff: Barry W. Fick, Executive Director, MHEFA – V  
Amanda Lee, Operations Manager, MHEFA – IP

David Rowland, Chair, called the meeting order at 2:05 pm CST. Executive Director Fick confirmed that a quorum was present.

**Agenda Item I – Minutes of the December 13, 2023, Board meeting.**

The first item on the agenda is the review and consideration of the minutes of the most recent prior Authority Board meeting.

Chair Rowland asked for a motion to accept and approve the December 13, 2023 Minutes. A motion was made by Nancy Sampair to approve the December 13, 2023 minutes. The motion was seconded by Mary Ives. Chair Rowland asked if there were any questions, discussion, or changes to the minutes of the most recent prior Board meeting.

There were no other questions or proposed changes to the minutes from Board members.

Chair Rowland called for a vote regarding the approval of the minutes, A roll call vote was conducted, and the Board members voted as follows:

Board Members:	David Rowland	Yes
	Bonnie Anderson Rons	Yes
	Nancy Sampair	Yes
	Gary Benson	Yes
	Mary Ives	Yes
	Mary Thao	Yes
	Mikeya Griffin	Yes

There were no votes against the motion and the Minutes of the December 13, 2023, MHEFA Board meetings were approved.

## **Agenda Item II – Application for Financing from St. Olaf College**

Chair Rowland opened the Public Hearing and introduced the St. Olaf College representatives, Nate Engle, and Angela (Angie) Mathews, to present the request of the college for assistance in financing portions of three projects on the College's Northfield campus.

Angie Mathews presented an outline of the projects that the college is seeking assistance to finance. She noted that the college is requesting \$25 million of assistance. The financing would be in the form of a private placement Note provided by JP Morgan Chase Bank. The college conducted a Request for Proposal process to select a provider for the proposed financing. The college received multiple responses and selected JP Morgan Chase Bank as the preferred provider.

The three projects include the renovation of an existing residence hall, the relocation and improvements to various buildings, and improvements to campus facilities infrastructure.

One project is to renovate the Hilleboe/Kittlesby Residence Hall to expand bathrooms, lounges and reduce housing density. The renovations will enhance student comfort and learning spaces.

A second project is to relocate facilities equipment storage to avoid the need to move equipment across a state highway. This will improve the safety of college staff and equipment. The college will construct a new building on campus to support facilities operation and store equipment.

The third project consists of multiple upgrades to electrical, chilled water capacity, plumbing modernization and other building system needs. The improvements are needed to keep pace with expanded facilities on the campus.

At the conclusion of her presentation, Chair Rowland asked if there were any questions from the Board about the application. There were no questions and Chair Rowland closed the Public Hearing.

He then asked North Slope Capital Advisors to present their Application Report. Steph Chichester of North Slope referred the Board members to the Application Review letter from North Slope dated January 17, 2024. She noted that it is the opinion of North Slope that a borrowing in the amount required to achieve the purposes outlined by the college is fiscally feasible and a bond with adequate security can be structured.

In support of this conclusion, Ms. Chichester discussed the contents of the North Slope Financial Review letter. She noted the stable enrollment trend of the college, the strong operating financial results and the strong balance sheet of the college as indicative of the ability of the college to repay the requested amount of financing.

She noted that the proposed financing will increase total college debt by 21.6%, which will be offset by robust liquidity and strong operating cash flow to support the additional debt service.

She noted that proceeds from the financing will be used to fund approximately 1 year of interest, the cost of issue and the remaining Note proceeds will fund project costs. Security for the Note repayment is the same as on outstanding college debt, including a revenue/expenditure test, a debt service coverage requirement, and an additional bonds test. North Slope independently calculated that the college complies with the financial covenants after including the proposed financing,

North Slope noted that the Moody's credit rating of the college was affirmed in November 2023. It was also noted that Moody's included the proposed amount of the requested financing in their credit analysis that affirmed the credit rating of the college.

North Slope concluded their Application Review presentation and asked for questions. There were no questions and Chair Rowland then called on Taft Steinhaus as bond counsel to review their application memorandum.

Catherine Courtney, a partner at Taft, directed the attention of the Board to the Application Review Memorandum dated January 9, 2024. Ms. Courtney reviewed the paragraphs of the Application Review memorandum, noting there are some incomplete items, which will be completed before final Board consideration of the financing.

Additional observations looked at the compliance with financial covenants, tax limitations on tax-exempt bonds including establishment of religion matters. Taft noted that their analysis concluded that except for a small item that can be remedied, there is no issue with Establishment of Religion clause limitations.

Taft discussed arbitrage rebate, exceptions to rebate liability, compliance with reimbursement rules for construction costs, private use of the properties to be constructed or renovated with Note proceeds, and other relevant items for consideration in the financing documents.

The Application Memorandum review concluded, and Ms. Courtney asked if Board members had any questions. There were no questions and Chair Rowland asked Ms. Courtney to review the Resolution Relating to Application for St. Olaf College.

Ms. Courtney directed the Board to the Resolution and outlined the components of the Resolution, which recite the steps taken to date on the financing process and noted that approval of the Resolution by the Authority affirms the findings of the Resolution that the application by the college complies with the



requirements for the Authority to provide financing under the Minnesota statutes governing the Authority. Pursuant to the Resolution, the Authority finds that the issue of revenue obligations appears feasible, based on the report of the Municipal Advisor. The Resolution authorizes the project team to complete the required documentation to complete the financing and submit the documentation to the Authority for approval at a subsequent meeting of the Authority.

The Resolution review concluded, and Ms. Courtney asked for questions. There were no questions from Board members or the public.

Chair Rowland asked for a motion and second for the Resolution Relating to Application for St. Olaf. A motion to consider the Resolution was made by Gary Benson. The motion was seconded by Bonnie Anderson Rons. Chair Rowland asked Executive Director Fick to conduct a roll call vote.

Mr. Rowland called on the Executive Director to conduct a roll call vote on the Resolution. A roll call vote was conducted, and the Board members voted as follows:

David Rowland	Yes
Bonnie Anderson Rons	Yes
Nancy Sampair	Yes
Gary Benson	Yes
Mary Ives	Yes
Mary Thao	Yes
Mikea Griffin	Yes

There were no abstentions or votes against the Motion and the Resolution relating to Application for St. Olaf College was approved.

### **Agenda Item III – Application for Financing from the University of St. Thomas**

Chair Rowland introduced the University of St. Thomas representatives, Mark Vangsgard and Wade Holmberg, to present the request of the University for assistance with financing a multi-purpose athletics arena for basketball and hockey, to be known as the Anderson Center. The facility will also house the new nursing program being implemented by St. Thomas. The financing request also includes a refinancing of the outstanding Series Seven-Z Bonds.

Chair Rowland opened the public hearing and asked Mr. Vangsgard to discuss the University's request. Mr. Vangsgard thanked the Authority for their past support and bond issuance on behalf of the University. He noted that the University has received an occupancy permit for the new STEAM facility that was financed

with proceeds from the Series 2022 bonds issued by the Authority for the University. Mr. Vangsgard discussed the University's reasons for pursuing the project, including the previous decisions to move from Division III to Division I in NCAA Athletics. He noted that some of the reasons for the move were to increase the national profile of St. Thomas. This will help enrollment long-term and allow the University to reach a larger potential pool of applicants. It is expected that the project will help reduce the discount rate the University must offer, by increasing demand for a limited number of spaces at the University. It will also integrate with current and future academic programs offered by the University, enhancing opportunity and experience for students.

He noted that there are a number of challenges, including some opposition by neighbors. He expressed confidence that the challenges can be managed successfully and noted that St. Thomas has conducted numerous studies that show the challenges are no greater than have been managed in the past and plans are in process to manage any future challenges as well. The University is experienced in dealing with the issues presented by large events on campus and confident in their ability to manage them in the future.

Mr. Vangsgard concluded his presentation and asked if there were questions about the project request. Board Member Bonnie Anderson Rons asked about the length of the construction period.

There were no further questions and Mr. Rowland closed the Public Hearing. He then asked North Slope Capital Advisors to present their Application Report. Nick Taylor of North Slope referred the Board members to the Application Review letter from North Slope dated January 17, 2024. She noted that it is the opinion of North Slope that a borrowing in the amount required to achieve the purposes outlined by the university is fiscally feasible and a bond with adequate security can be structured.

In support of this conclusion, Mr. Taylor discussed the contents of the North Slope Financial Review letter. He noted that Fall 2023 enrollment has increased since declining in 2020-2022 and that Fall 2024 is trending to show another strong year of increasing enrollment. He noted that university operating results have been modest, but that net assts have increased, with strong gifts and contributions.

He noted that the proposed financing will increase total college debt by 48%, which will be offset by a good level of liquidity. The debt service as a percentage of operations is likely to increase but will not be excessive and the university's history of fundraising should result in good ability to fund the additional debt service.

The structure of the financing is under discussion and will be finalized in the next weeks. The finance plan will be presented at the February 2024 Board meeting. The financing is likely to include multiple series, including a taxable and a tax-exempt series, along with a refunding component.

He noted that proceeds from the financing will be used to fund approximately 1 year of interest, the cost of issue and the remaining Bond proceeds will fund project costs or refund the outstanding Seven-Z Bonds. Security for the Bond repayment is the same as on outstanding university debt, meaning the university is not subject to any debt covenants, pledges or encumbrances,

North Slope noted that the university expects to apply for a Moody's credit rating on the Series 2024 Bonds. The credit process will occur in February. The university may also explore a "Green bond" designation for a portion of the bond issue, similar to what was done with the 2022 bonds.

North Slope concluded their Application Review presentation and asked for questions. Bonnie Anderson Rons asked about the possible consequences if enrollment does not increase as projected. Mr. Vangsgard replied that based on the conservative assumptions used in the university analysis, the university is confident in their ability to meet revenue targets.

Chair Rowland asked about the possible use of taxable bonds. Mr. Holmberg noted that there will be private use and support through concessions, media, advertising, and similar operations. The university has undertaken significant analysis of the extent of private use or support and identified the likely amount of debt which needs to be issued as taxable debt to maintain compliance with IRS rules.

There were no other questions and Chair Rowland then called on Taft Steinhaus as bond counsel to review their application memorandum.

Peter Cooper, of counsel at Taft, directed the attention of the Board to the Application Review Memorandum dated January 9, 2024. Mr. Cooper reviewed the paragraphs of the Application Review memorandum, noting there are some incomplete items, which will be completed before final Board consideration of the financing.

Additional observations looked at the limitations on tax-exempt bonds including establishment of religion matters. Taft noted that their analysis concluded that except for a small item that can be remedied, there is no issue with Establishment of Religion clause limitations.

Taft discussed arbitrage rebate, exceptions to rebate liability, compliance with reimbursement rules for construction costs, private use of the properties to be constructed or renovated with Bond proceeds, and other relevant items for consideration in the financing documents.

Mr. Cooper discussed the legal objections that have been raised related to the project and the litigant's request for additional environmental review. Mr. Vangsgard provided additional information about the

university's compliance with environmental regulations and reiterated the university and university counsels view that the litigation is not likely to succeed.

The Application Memorandum review concluded, and Mr. Cooper asked if Board members had any questions.

Board member Sampair asked for additional background on the claim in the litigation. Mr. Vangsgard indicated that the concerns are primarily parking related, in terms of traffic congestion and availability of parking. As he noted earlier, the university has experience with these issues. In addition, he observed that most student attendees to the games that will take place at the facility are already on campus, reducing the parking and traffic congestion issues.

There were no further questions and Chair Rowland asked Mr. Cooper to review the Resolution Relating to Application for the University of St. Thomas.

Mr. Cooper directed the Board to the Resolution and outlined the components of the Resolution, which recite the steps taken to date on the financing process and noted that approval of the Resolution by the Authority affirms the findings of the Resolution that the application by the university complies with the requirements for the Authority to provide financing under the Minnesota statutes governing the Authority. Pursuant to the Resolution, the Authority finds that the issue of revenue obligations appears feasible, based on the report of the Municipal Advisor. The Resolution authorizes the project team to complete the required documentation to complete the financing and submit the documentation to the Authority for approval at a subsequent meeting of the Authority.

The Resolution review concluded, and Mr. Cooper asked for questions. There were no questions from Board members or the public.

Chair Rowland asked for a motion and second for the Resolution Relating to Application for the University of St. Thomas. A motion to consider the Resolution was made by Nancy Sampair. The motion was seconded by Mary Ives. Chair Rowland asked Executive Director Fick to conduct a roll call vote.

Mr. Rowland called on the Executive Director to conduct a roll call vote on the Resolution. A roll call vote was conducted, and the Board members voted as follows:

David Rowland	Yes
Bonnie Anderson Rons	Yes
Nancy Sampair	Yes
Gary Benson	Yes
Mary Ives	Yes

Mary Thao	Yes
Mikea Griffin	Yes

There were no abstentions or votes against the Motion and the Resolution relating to Application for the University of St. Thomas was approved.

### **Agenda Item III – Old Business**

Chair Rowland asked if there were any Old Business items from Board members for discussion.

There were no Old Business items from staff or from Board members for discussion.

### **Agenda Item IV – New Business**

Chair Rowland asked if there were any New Business items from Board members for discussion and called on Executive Director Fick to discuss a recently received communication from Minnesota Management and Budget (“MMB”). In a memorandum dated January 16, 2024, MMB informed all State of Minnesota Agencies that MMB will implement salary adjustments for employees under the Managerial Plan. MHEFA Employees are employed under the Managerial Plan.

In addition, MMB published the 2023-2025 Managerial Plan Handbook. The salary adjustments for managerial employees are the same as previously negotiated between the State of Minnesota and union employees of the State of Minnesota.

The salary adjustments will be retroactive to July 1, 2023, the beginning of Fiscal Year 2024. The salary adjustments and retroactive pay will be reflected in the first paycheck to be received in February 2024.

To officially adopt the salary adjustments, the Authority must notify the Human Resources division of MMB. This notification is accomplished by adoption of a Resolution Authorizing a general salary increase under the 2023-2025 Managerial Plan. A Resolution (01-2024-03) Authorizing the adoption of the MMB salary adjustment was distributed to Board members. The resolution matches the MMB salary adjustment of 5.5% for FY24. The resolution applies to both MHEFA employees.

Executive Director Fick asked the Board to approve the Resolution 01-2024-03.

Chair Rowland asked for a motion to accept and approve Resolution 01-2024-03. A motion to approve Resolution 01-2024-03 was made by Bonnie Anderson Rons. The motion was seconded by Gary Benson.

Mr. Rowland called on the Executive Director to conduct a roll call vote on Resolution 01-2024-03. A roll call vote was conducted, and the Board members voted as follows:

David Rowland	Yes
Bonnie Anderson Rons	Yes
Nancy Sampair	Yes
Gary Benson	Yes
Mary Ives	Yes
Mary Thao	Yes
Mikeya Griffin	Yes

There were no abstentions or votes against the Motion and Resolution 01-2024-03 was approved.

There were no other New Business items from Board members for discussion.

### **Agenda Item VII – Other Business**

Chair Rowland called upon Executive Director Fick to discuss Other Business and present the Executive Directors Report.

#### **Rating Agency Update**

- Moody's Investors Service is conducting rating updates with a number of schools over the next few weeks. We worked with the schools to prepare material and are awaiting the decision of the Credit Committee.
  - Augsburg College – rating update pending
  - Gustavus Adolphus – rating call Jan 24
  - College of St. Benedict – rating call Feb 28

#### **Various**

Board members were reminded that the Authority expects to hold a meeting on February 21, 2024 to consider Finance plans and the series Resolutions for St. Olaf and St. Thomas.

Chair Rowland asked if there was any Other Business to come before the Board. There was no Other Business for the Board to consider, and Chair Rowland asked for a motion to adjourn the regular Board Meeting and move to Closed Session to discuss the performance review of the

Operations Manager for February 2023 – January 2024. The motion to adjourn the Board meeting and move to closed session was made by Nancy Sampair and seconded by Bonnie Anderson Rons.

Chair Rowland called for a voice vote regarding the adjournment of the regular meeting and move to closed session. A Voice vote was conducted, and the Board members voted to adjourn the regular meeting and reconvene in closed session.

### **Closed Session Agenda Item I – Performance Review of Operations Manager**

At the beginning of the closed session, Operations Manager Amanda Lee was excused from the meeting while the Board conducted her Performance Review.

During closed session Executive Director Fick reviewed the Performance Assessment form filled out by Amanda and Executive Director Fick. Board members also provided input on their evaluation of the performance of Operations Manager Lee.

At the conclusion of the closed session discussion of the job performance of the Operations Manager, Mr. Rowland asked for Board action on the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2023-2025 for Operations Manager Amanda G. Lee.

A motion was made by Nancy Sampair to approve and accept the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2023-2025. The motion was seconded by Bonnie Anderson Rons. Chair Rowland asked if there were any questions, discussion, or changes regarding the Resolution.

Board members noted in discussing the Resolution that they continue to be very appreciative of and pleased with the Operations Manager's job performance. There were no other questions related to the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2023-2025.

Chair Rowland called for a Roll Call vote regarding the approval and acceptance of the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2023-2025. A Roll Call vote was conducted, and the Board members voted as follows:

David Rowland	Yes
Bonnie Anderson Rons	Yes
Nancy Sampair	Yes
Gary Benson	Yes
Mary Ives	Yes
Mary Thao	Yes
Mikeya Griffin	Yes

There were no votes against the motion and the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2023-2025 was approved.

The Board Chair invited Operations Manager Amanda Lee to rejoin the meeting. The Board Chair Informed Operations Manager Lee of the approval by the Board of the Resolution Authorizing Performance Based Salary Increase Under Managerial Plan 2023-2025. Operations Manager Lee thanked the Board for their action.

Chair Rowland asked if there were any additional items for discussion from Board members. Board members thanked Operations Manager Lee for her work over the past year.

There were no other items from the Board for consideration at the Closed session of the meeting.

A motion to adjourn the Closed session of the Board meeting was made and seconded. The Board acted by voice vote to adjourn the executive session and return to open meeting.

There were no other items for the Board to consider. A motion to adjourn the regular board meeting was made by Gary Benson with a second provided by Mary Ives. The Board acted by voice vote to adjourn the meeting at 3:59 pm, Central Standard Time.

Respectfully submitted,

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Assistant Secretary





North Slope Capital Advisors  
2000 S. Colorado Blvd.  
Bldg. 1 - 2000  
Denver, CO 80222  
303-953-4101

February 21, 2024

Minnesota Higher Education Facilities Authority  
c/o Mr. David Rowland, Board Chair  
and Mr. Barry W. Fick, Executive Director  
860 Blue Gentian Road, Suite 145  
Eagan, MN 55121

Dear Mr. Rowland, Mr. Fick, & Authority Board Members:

As the independent registered municipal advisor for the Authority, we are pleased to provide this *Preliminary Financing Plan Summary* for the Authority's proposed issuance of its Revenue Note, Series 2024 (the "2024 Note") on behalf of St. Olaf College as borrower (the "College"). Below are the highlights of the preliminary financing plan followed by a detailed summary:

<i>Preliminary Financing Plan Summary*</i>	
<b>Par Amount (Estimated as of February 9, 2024)</b>	\$25,000,000
<b>Financing Type</b>	New Money
<b>New Money Projects</b>	Residence hall renovations, new building for facilities operations, various improvements to facilities infrastructure, and roof replacements.
<b>Capitalized Interest</b>	Interest will be capitalized from bond closing through May 31, 2025
<b>First Principal Payment Date</b>	October 1, 2025
<b>Stated Final Maturity Date</b>	October 1, 2054
<b>Mandatory Tender Date</b>	October 1, 2033
<b>Prior MHEFA Bonds Outstanding (as of February 21, 2024)</b>	Series 2021, Eight-N, Eight-G
<b>Current Underlying Rating</b>	A1 (Stable) as of November 2023
<b>Purchaser</b>	JPMorgan Chase Bank, N.A.
<b>Bond Counsel</b>	Taft Stettinius & Hollister LLP
<b>Expected Pricing Date</b>	On or around February 22, 2024
<b>Issuance Date (Estimated)</b>	On or around March 5, 2024

Based on our review of the preliminary financing plan and terms provided by the Purchaser, as well as our debt service pro formas prepared by our firm, North Slope Capital Advisors is confident a market-driven finance plan can be developed, and the College can fund the resulting debt service. Therefore, we recommend the Authority issue the 2024 Note to finance the Projects for the College.

Respectfully submitted,

NORTH SLOPE CAPITAL ADVISORS by  
Stephanie M. Chichester, President

NORTH SLOPE CAPITAL ADVISORS by  
Nick E. Taylor, Managing Director

cc: Mr. Mike Berthelsen, Vice President of Finance and Chief Financial Officer (St. Olaf College)  
Angela Mathews, Assistant Vice President for Budget and Auxiliary Operations (St. Olaf College)  
Nathan Engle, Assistant VP and Controller (St. Olaf College)  
Taft Stettinius & Hollister LLP, Bond Counsel

**Minnesota Higher Education Facilities Authority**

**Revenue Note, Series 2024 (St. Olaf College)**

Preliminary Financing Plan Summary

Date: February 21, 2024

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**PRELIMINARY FINANCING PLAN SUMMARY**  
**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

**\$25,000,000\***  
**REVENUE NOTE, SERIES 2024**  
**(St. Olaf College)**

**February 21, 2024**

This Preliminary Financing Plan Summary (the "Summary") represents North Slope Capital Advisors' ("North Slope") review of the financing structure and is based on the most recent discussions with the College, the Minnesota Higher Education Facilities Authority (the "Authority"), and JPMorgan Chase Bank, N.A., as the Purchaser of the 2024 Note. As of the date of this Summary, the College has decided to issue a 10-year note with a 10-year fixed rate to fund the Projects. The 2024 Note is expected to have a stated 10-year mandatory tender date of October 1, 2033 that will amortize over 30 years with a final maturity of October 1, 2054, and a level debt service structure. The structure provided below is preliminary and subject to revision prior to locking the rate on the 2024 Note which is expected to occur on or around February 22, 2024.

Issuer: Minnesota Higher Education Facilities Authority (the "Authority")

Borrower: St. Olaf College (the "College")

Purpose of the  
2024 Note:

The College will use the proceeds of the 2024 Note to finance or reimburse the College for a portion of the costs of the following:

- (1) the renovation, equipping, and furnishing of two existing residence halls, connected by a common entrance, known as Hilleboe and Kittlesby Halls ("Project A"),
- (2) the construction of a new, approximately 10,000 square foot building near the main campus wind turbine to support facilities operations and provide storage for the College ("Project B"),
- (3) the construction of various improvements to facilities infrastructure, including roof replacements ("Project C", and together with Project A and Project B, the "Projects"),
- (4) Funding capitalized interest through construction (one year from issuance), and
- (5) Funding a portion of the costs of issuance (up to 2.00% of the issue price).

The Projects will be owned and operated by the College and located on the College's campus in Northfield, Minnesota.

Issue Size: The estimated par amount of the 2024 Note of \$25 million, including an estimated project fund deposit of \$23.543 million, capitalized interest through May 31, 2025 and estimated costs of issuance of \$140,000. The estimated par amount of the 2024 Note is equal to the Authority's not-to-exceed par of \$25 million as of the writing of this Summary.

\* Preliminary; subject to change.

## Minnesota Higher Education Facilities Authority

### Revenue Note, Series 2024 (St. Olaf College)

Preliminary Financing Plan Summary

Date: February 21, 2024

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Costs of Issuance:	Costs of issuance of up to 2% of the issue price, which will be the par amount of the 2024 Note, may be funded with tax-exempt proceeds. Currently, actual costs of issuance are not expected to exceed 2% of the issue price of the 2024 Note.
Type of Sale and Purchaser:	The 2024 Note will be purchased directly by JP Morgan Chase N.A. The 2024 Note will be exempt from Federal and State of Minnesota income tax.
Expected Pricing Date:	The College may choose to enter into a rate lock agreement to fix the rate prior to the expected pricing date of February 22, 2024.
Expected Closing Date:	March 5, 2024
TIC (True Interest Cost):	The College has opted for an initial 10-year fixed rate mode for the 2024 Note. The estimated all-in TIC, assuming rates and market conditions as of February 9, 2024 is 4.49%.
Note Denominations:	Denominations will be \$1,000 and integral multiples thereof.
Interest Payments:	Semi-annually, beginning October 1, 2024.
Principal Payments:	Annually beginning on October 1, 2025, with a stated final maturity of October 1, 2054 and a mandatory tender date of October 1, 2033.
Note Structure:	The 2024 Note will be structured with level, annual debt service payments.
Redemption:	<p><u>Optional:</u> The 2024 Note will be subject to optional redemption prior to the tender date of October 1, 2033, subject to payment by the College of all accrued and unpaid interest on the principal amount of the 2024 Note due and owing on the date that such amounts are due on the prepayment date plus a prepayment premium ("Prepayment Premium") equal to the sum of the present value of the interest payments for each Interest Payment Period falling in the Purchase Period from and including the day immediately preceding the date of the prepayment to the Initial Tender Date, all defined in the Continuing Covenant Agreement.</p> <p><u>Extraordinary Upon Determination of Taxability:</u> Optional redemption may occur upon a Determination of Taxability of the 2024 Note, in whole or in part, at a price of par plus accrued interest together with expenses or fees, including, without limitation, a Prepayment Fee, if any, as set forth in the Note and the Continuing Covenant Agreement.</p> <p><u>Extraordinary Upon Damage, Destruction, or Condemnation:</u> Optional redemption may occur should the financed project facilities suffer damage, destruction, or condemnation, in whole or in part, at a price of par plus accrued interest.</p>
Rating:	The College is currently rated "A1" with a stable outlook from Moody's Investors Service ("Moody's"). The College's underlying rating and outlook were affirmed in November 2023 in conjunction with Moody's annual surveillance and referenced/included the issuance of the \$25 million 2024 Note for purposes of calculating various debt and capital ratios. While the 2024 Note was referenced in Moody's rating report, the 2024 Note will not be rated.
Bank Qualification:	The 2024 Note will not be designated as a "qualified tax-exempt obligation."

**Minnesota Higher Education Facilities Authority**

**Revenue Note, Series 2024 (St. Olaf College)**

Preliminary Financing Plan Summary

Date: February 21, 2024

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**Security:** The 2024 Note will be issued by the Authority and secured by loan repayments made by the College pursuant to a *Loan and Note Purchase Agreement* between the Authority, the College and the Purchaser. The 2024 Note will be payable solely as a general obligation of the College from the general funds or any other moneys legally available to the College. It is anticipated there will not be a mortgage lien nor security interest in any property of the College, a ‘negative pledge’ on the College’s real property subject to permitted encumbrances, and certain financial covenants. At this time, it is anticipated that the 2024 Note will be issued on parity with the College’s outstanding Series 2021, Series Eight-G and Series Eight-N Bonds.

**Debt Service Reserve Account:** A debt service reserve fund will not be funded with proceeds from the 2024 Note.

**Financial Covenants:** The College is subject to two financial covenants and one additional bonds test (ABT) contained in the outstanding Loan Agreement(s) for the Series Eight-G Bonds, Series Eight-N Bonds, and Series 2021 Bonds issued by the Authority as summarized below. The College shall continue to observe the covenants below for the benefit of the Purchaser until the 2024 Note and other Bonds have matured or are redeemed in full.

- 1. **Covenants:**
  - a. For at least two of the preceding three complete Fiscal Years, the Revenue/Expenditure Test must be met (Series Eight-G and Eight-N Bonds only), and
  - b. The College shall charge and collect tuition and fees in each Fiscal Year sufficient to produce Net Income Available for Debt Service to result in a Debt Service Coverage Ratio equal to or greater than 110% (Series 2021 Bonds only).
- 2. **ABT:**
  - a. For so long as the Series Eight-G and Series Eight-N Bonds remain outstanding, the College shall incur no Funded Debt with a maturity in excess of two years unless the average pro forma Debt Service Coverage Ratio for the last two audited Fiscal Years was at least 110%.

**Continuing Disclosure:** The College will not execute a “Continuing Disclosure Certificate” for the benefit of the Purchaser of the 2024 Note but will continue to comply with its existing Continuing Disclosure undertakings regarding its other outstanding bonds.

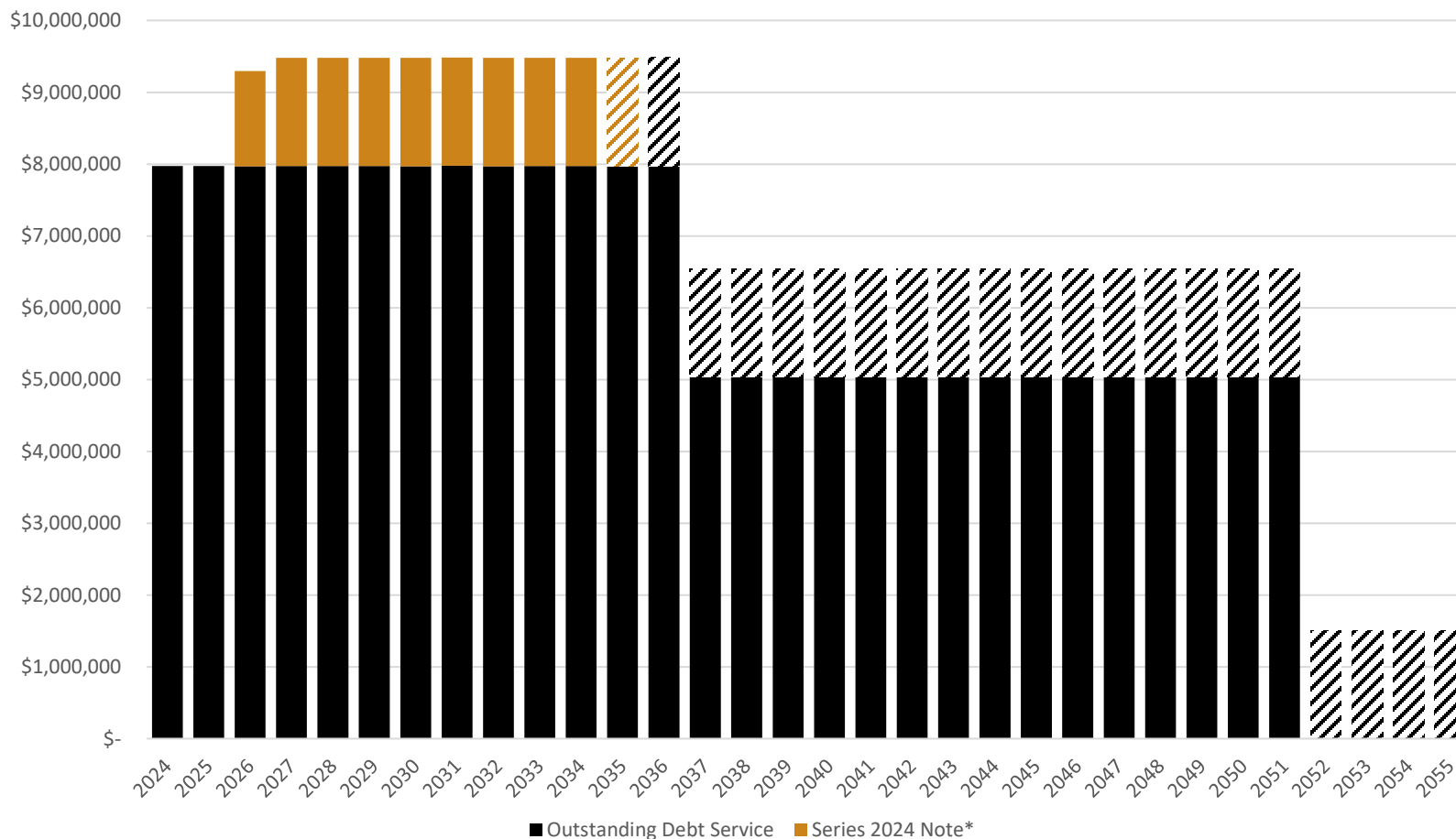
**Credit Enhancement:** None

**Trustee/Registrar and Paying Agent:** N/A

**Permitted Investments:** Investments as permitted by Minnesota statutes.

**Schedules:** Exhibit A: The College’s existing debt service and debt service for the 2024 Note.

**St. Olaf College**  
**Debt Service Skyline - Aggregate Outstanding and Pro Forma Debt Service**  
 As of February 9, 2024



\*While the 2024 Note is subject to mandatory tender on 10/1/2034, debt service is demonstrated through final maturity of 10/1/2054.

RESOLUTION RELATING TO FINANCING TERMS FOR  
ST. OLAF COLLEGE

Be It Resolved by the Minnesota Higher Education Facilities Authority as follows:

1. This Authority has received and held a public hearing with respect to, and adopted a Resolution Relating to Application for St. Olaf College, a Minnesota nonprofit corporation (the "College"), as owner and operator of St. Olaf College (the "Institution"), to finance the costs of a project (the "Project") consisting of (i) the renovation, equipping, and furnishing of two existing residence halls, connected by a common entrance, known as Hilleboe and Kittlesby Halls; (ii) the construction of a new approximately 10,000 square foot building near the main campus wind turbine to support facilities operations and provide storage; and (iii) the construction of various improvements to facilities infrastructure and roof replacements to existing buildings (the "Project").

2. All of the projects, facilities, improvements and systems to be financed by the Project are sometimes collectively referred to as the "Project Facilities." The Project Facilities are or will be owned and operated by the College and located at its campus, the principal street address of which is 1520 St. Olaf Avenue, Northfield, Minnesota.

3. The Authority has received assurances that all other conditions to be met by the College as provided in the Resolution referenced above (the "Resolution") have been, or will be timely, met and complied with.

4. There has not been disclosed to this Authority any material adverse change in the financial condition, operations or status of the College or the Institution or in the Project or the Project Facilities or otherwise relating to the said Application that would affect the Resolution or the financing of the Project as proposed.

5. The Authority hereby ratifies and confirms all action heretofore taken with respect to the Application of the College.

6. As provided by the Resolution, North Slope Capital Advisors, Inc., as municipal advisor to the Authority, has reviewed the terms set forth in the Plan of Finance, dated January 17, 2024 (the "Financing Plan"), recommending the issuance and sale of Revenue Note, Series 2024 (St. Olaf College), in the maximum amount of \$25,000,000 (the "Note") to provide financing for the Project, which terms are hereby approved.

7. The Executive Director of the Authority, with the advice and consent of the College and the Authority's municipal advisor, has recommended the selection of JPMorgan Chase Bank, N.A. (the "Purchaser") to purchase the Note.

8. Upon the recommendation of the Authority's municipal advisor and bond counsel and the approval of the College, the Executive Director may execute and deliver on behalf of the Authority an agreement whereby the Authority agrees to sell and the Purchaser agrees to purchase the Note in a principal amount not to exceed \$25,000,000, with a maximum true interest cost not to exceed 6.0% per annum and with a purchase price of not less than 98% of the principal amount

of the Note plus accrued interest (or in the alternative, providing for underwriting compensation of not more than 2% of the principal amount of the Note plus accrued interest), all subject to the terms and conditions set forth herein.

9. The Executive Director shall direct bond counsel to the Authority or other legal counsel to prepare for review by the Executive Director, the College and the Purchaser all necessary bond documents, including a Loan and Note Purchase Agreement and all other documents deemed necessary or desirable consistent with the provisions of the Financing Plan and substantially similar to the bond documents for revenue notes most recently issued and sold by the Authority, but with appropriate changes.

10. No official statement shall be prepared, and no application for registration of the Notes shall be filed under Minnesota Securities Act, Chapter 80A. A Private Placement Memorandum may be prepared upon the recommendation of the municipal advisor and bond counsel with approval of the College, and an Investment Letter shall be obtained from the Purchaser which evidences that the sale and purchase of the Note is exempt from federal and state securities laws and which may cover other customary matters.

11. Notwithstanding the foregoing provisions, the Note shall not be issued and delivered and the bond documents shall not be executed and delivered without the further action and approval and adoption of a Series Resolution with respect to the Note by the Authority.

12. The Authority and the College respectively reserves its right to terminate the Project and the financing thereof under the Act as provided in the Indemnity Agreement.

Adopted: February 21, 2024.

MINNESOTA HIGHER EDUCATION  
FACILITIES AUTHORITY

By \_\_\_\_\_  
Chair

By \_\_\_\_\_  
Secretary

## SERIES RESOLUTION

### MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY REVENUE NOTE, SERIES 2024 (ST. OLAF COLLEGE)

BE IT RESOLVED by the Minnesota Higher Education Facilities Authority as follows:

1. Pursuant to resolutions adopted on January 17, 2024, and February 21, 2024 (the "Prior Resolutions"), the Authority has: (i) Approved the Application of St. Olaf College, a Minnesota nonprofit corporation (the "College"), as owner and operator of St. Olaf College (the "Institution"), to finance costs of a project (the "Project") consisting of (a) the renovation, equipping, and furnishing of two existing residence halls, connected by a common entrance, known as Hilleboe and Kittlesby Halls; (b) the construction of a new approximately 10,000 square-foot building near the main campus wind turbine to support facilities operations and provide storage; and (c) the construction of various improvements to facilities infrastructure and roof replacements to existing buildings; (ii) conducted a public hearing in connection therewith in accordance with law; (iii) authorized the issuance and sale of the Authority's Revenue Note, Series 2024 (St. Olaf College) (the "Series 2024 Note" or "Note"); and (iv) directed preparation of documents, including a Loan and Note Purchase Agreement.

All provisions and findings of the Prior Resolutions are hereby ratified and confirmed except to the extent amended and incorporated herein.

2. The Prior Resolutions authorized the Series 2024 Note to be issued in the maximum principal amount of \$25,000,000. The School has requested that the Series 2024 Note be issued as one or more series of notes in an aggregate principal amount not to exceed \$25,000,000, with the interest on the Series 2024 Note to be excluded from gross income of the bondholders pursuant to the Internal Revenue Code of 1986, as amended (the "Code").

3. The forms of the following documents relating to the Series 2024 Note have been prepared or reviewed by Taft Stettinius & Hollister LLP, as bond counsel, and are on file with the Authority:

(a) Loan and Note Purchase Agreement ("Loan Agreement") among the Authority, the School, and JPMorgan Chase Bank, N.A., as purchaser (the "Purchaser"), expected to be dated as of March 1, 2024.

(b) Assignment of Loan Repayments and Rights ("Assignment Agreement") between the Authority and the Purchaser, expected to be dated as of March 1, 2024.

(c) Continuing Covenant Agreement between the School and the Purchaser, expected to be dated as of March 1, 2024.

4. On May 20, 2009, the Authority adopted the Policy on Private Placement Financing. The proposed Loan Agreement and the issuance and sale of the Series 2024 Note substantially comply with the general guidelines of the Policy, and the School wishes the Authority to sell the Series 2024 Note in a private placement as permitted by the Policy.



5. The Project and the issuance of the Series 2024 Note in an aggregate principal amount up to \$25,000,000 are therefore approved, subject to the following:

(a) The final maturity of the Series 2024 Note shall not be later than October 1, 2054; the aggregate principal amount of the Note shall not exceed \$25,000,000; the maximum initial interest rate borne by the Series 2024 Note shall not exceed 6.0%, with the interest rate borne by the Series 2024 Note determined from time to time as provided in the Series 2024 Note; the Series 2024 Note shall be subject to initial mandatory tender on October 1, 2033, and may be subject to mandatory tender thereafter; and the aggregate purchase price shall be not less than 98% of the principal amount of the Series 2024 Note plus accrued interest, if any (or in the alternative providing for an origination fee of not more than 2% of the principal amount of the Series 2024 Note plus accrued interest).

(b) No Official Statement shall be prepared, no application for registration of the Series 2024 Note shall be filed under the Minnesota Securities Act, Chapter 80A, and no trustee shall be selected.

(c) The Authority and the School each respectively reserves its right to terminate the Project and the financing thereof under the Act as provided in the Indemnity Agreement.

This Authority hereby authorizes the issuance and delivery of the Series 2024 Note and no further approval by this Authority is required.

6. The Chair, the Secretary and any officer authorized to act on behalf of the Chair or the Secretary are each, acting individually, authorized to execute, seal and deliver counterparts of the Loan Agreement and the Assignment Agreement, duly completed, for and in the name of the Authority, with all such changes and insertions therein as the officer executing the same shall approve, such approval to be evidenced conclusively by such officer's signature.

7. The Series 2024 Note shall be in substantially the form set forth in the Loan Agreement, and when printed in typeset or typewritten form, shall be executed, sealed and delivered by the manual or facsimile signatures of the Chair or the Vice Chair and the Secretary or the Assistant Secretary of the Authority.

8. The selection of JPMorgan Chase Bank, N.A., as Purchaser of the Series 2024 Note pursuant to the Loan Agreement is hereby approved, ratified, and confirmed.

9. Other than proceeds that will be used to pay a portion of the costs of issuance (including the Purchaser's origination fee), the proceeds of the Series 2024 Note shall be deposited, held, and disbursed in accordance with the terms of the Loan Agreement.

10. If the Series 2024 Note is mutilated, lost, stolen, or destroyed, the Authority may execute and deliver to the person in whose name the Note is registered (the "Holder") a new Note of like amount, date, unpaid principal amount and tenor as that mutilated, lost, stolen or destroyed; provided that, in the case of mutilation, the mutilated Note shall first be surrendered to the Authority, and in the case of a lost, stolen or destroyed Note, there shall be first furnished to the Authority and the School evidence of such loss, theft or destruction satisfactory to them, together

with indemnity satisfactory to them. The Authority and the School may charge the Holder with their reasonable fees and expenses in replacing any mutilated, lost, stolen, or destroyed Note.

11. The Series 2024 Note shall be transferable by the Holder on the registration records maintained for the Series 2024 Note, upon presentation for notation of such transfer thereon at the office of the Holder, accompanied by a written instrument of transfer in form satisfactory to the Authority and the Holder, duly executed by the Holder or its attorney duly authorized in writing. The Series 2024 Note shall continue to be subject to successive transfers at the option of the Holder thereof. No service charge shall be made for any such transfer, but the Authority may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. The person in whose name the Series 2024 Note shall be issued or, if transferred, shall be registered from time to time shall be deemed and regarded as the absolute Holder of the Series 2024 Note for all purposes, and payment of or on account of the principal of and interest on the Series 2024 Note shall be made only to the Holder thereof, and neither the Authority nor the School shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Series 2024 Note to the extent of the sum or sums so paid. The Series 2024 Note shall be initially registered in the name of the Purchaser.

12. As required by Sections 136A.25 to 136A.42, Minnesota Statutes, as amended (the “Act”), the officers of the Authority authorized to sign checks or otherwise handle funds of the Authority shall furnish a surety bond, executed by a surety company authorized to transact business in the State of Minnesota as surety and file the same in the office of the Secretary of State of Minnesota, subject to approval of the Attorney General, prior to delivery of the Series 2024 Note, which officers and the amount of the surety bond shall be as set forth in the separate resolution adopted by the Authority on November 28, 1972.

13. Pursuant to the recommendation of bond counsel, the Authority hereby finds and determines that a combination of mortgagee’s form or owner’s form of title insurance policy, or title insurance commitment, or owner and encumbrances reports, or title opinions, may be furnished by the School as evidence of title to the Project Facilities and priority of liens.

14. The terms and provisions of the documents listed in paragraph 3 of this Resolution as to which the Authority is a party and the Prior Resolutions are all approved, ratified and confirmed, except to the extent amended hereby. The officers of the Authority, the municipal advisor and bond counsel are hereby authorized and directed to execute and deliver all closing documents and do every other thing necessary or convenient to carry out the terms and provisions of each such bond document to the end that the Series 2024 Note shall be delivered, secured, and serviced and to carry out the purposes and provisions of the Act with respect thereto without further resolution or other action by this Authority.

Adopted: February 21, 2024

MINNESOTA HIGHER EDUCATION  
FACILITIES AUTHORITY

By \_\_\_\_\_  
Chair

By \_\_\_\_\_  
Secretary



North Slope Capital Advisors  
 2000 S. Colorado Blvd.  
 Bldg. 1 - 2000  
 Denver, CO 80222  
 303-953-4101

February 21, 2024

Minnesota Higher Education Facilities Authority  
 c/o Mr. David Rowland, Board Chair  
 and Mr. Barry W. Fick, Executive Director  
 860 Blue Gentian Road, Suite 145  
 Eagan, MN 55121

Dear Mr. Rowland, Mr. Fick, & Authority Board Members:

As the independent registered municipal advisor for the Authority, we are pleased to provide this *Preliminary Financing Plan Summary* for the Authority’s proposed issuance of its Series 2024A Revenue Bonds, its Series 2024B Revenue Bonds (**Green Bonds**), and its Series 2024C Taxable Revenue Bonds (**Green Bonds**) (the “Series 2024 Bonds”) on behalf of the University of St. Thomas as borrower (the “University”). Below are the highlights of the preliminary financing plan followed by a detailed summary:

<i>Preliminary Financing Plan Summary*</i>	
<b>Par Amount (Estimated as of February 9, 2024)</b>	Series 2024A: \$95,015,000 Series 2024B ( <b>Green Bonds</b> ): \$50,000,000 <u>Series 2024C Taxable (<b>Green Bonds</b>): \$14,690,000</u> Total: \$159,705,000
<b>Financing Type</b>	New Money
<b>New Money Projects</b>	Multi-purpose arena and other capital projects
<b>Capitalized Interest</b>	From the date of issuance through fiscal year 2026
<b>First Principal Payment Date</b>	October 1, 2027
<b>Final Maturity Date</b>	October 1, 2053
<b>Prior MHEFA Bonds Outstanding (as of February 21, 2024)</b>	Series 2022, 2020A&B, 2019, 2017A&B, Eight-L, Seven-U, Seven-Z
<b>Current Underlying Rating</b>	A2 (Stable) as of April 2022
<b>Underwriter</b>	RBC
<b>Bond Counsel</b>	Taft Stettinius & Hollister LLP
<b>Expected Pricing Date</b>	March 6, 2024
<b>Expected Closing/Delivery Date</b>	March 26, 2024

Based on our review of preliminary financing plan and debt service pro formas prepared by the Underwriter, including the terms of the financing as summarized on the following pages, North Slope Capital Advisors is confident a marketable finance plan can be developed, and the University can fund the resulting debt service. Therefore, we recommend the Authority issue the Series 2024 Bonds to finance the Projects for the University.

Respectfully submitted,

NORTH SLOPE CAPITAL ADVISORS by  
 Stephanie M. Chichester, President

NORTH SLOPE CAPITAL ADVISORS by  
 Nick E. Taylor, Managing Director

cc: Mr. Mark Vangsgard, Vice President of Business Affairs and Chief Financial Officer (University of St. Thomas)  
 Wade Holmberg Associate Vice President of Finance and Controller (University of St. Thomas)  
 Taft Stettinius & Hollister LLP, Bond Counsel

**PRELIMINARY FINANCING PLAN SUMMARY**  
**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

<b>\$95,015,000*</b>	
<b>Revenue Bonds, Series 2024A</b> <b>(University of St. Thomas)</b>	
<b>\$50,000,000*</b>	<b>\$14,690,000*</b>
<b>Revenue Bonds, Series 2024B</b> <b>(University of St. Thomas) (GREEN BONDS)</b>	<b>Taxable Revenue Bonds, Series 2024C</b> <b>(University of St. Thomas) (GREEN BONDS)</b>

**February 21, 2024**

This Preliminary Financing Plan Summary (the "Summary") represents North Slope Capital Advisors' ("North Slope") review of the financing structure and is based on the most recent discussions with the University, the Minnesota Higher Education Facilities Authority (the "Authority"), and RBC Capital Markets ("RBC" or the "Underwriter"). As of the date of this Summary, the University has decided to issue three series of bonds to fund the Projects, as follows:

1. The Series 2024A Bonds and the Series 2024C Bonds would be issued as fixed rate bonds with a final maturity of October 1, 2053.
2. The Series 2024B Bonds are expected to be issued as Subseries 2024B-1 and Subseries 2024B-2 with 30-year maturities with anticipated initial mandatory tender dates of October 1, 2027 and 2029, respectively. The Series 2024B Bonds are expected to initially bear interest at a fixed rate until the respective initial mandatory tender dates. If not paid on the initial mandatory tender dates, the Series 2024B Bonds will be repriced, and different interest and principal payment dates would be established for the Series 2024B Bonds. The University expects that the Series 2024B Bonds would be redeemed by the University at their initial mandatory tender dates using certain gift monies or other available University funds.

The structure is preliminary and subject to revision prior to the pricing of the Series 2024 Bonds which is expected to occur on or around March 6, 2024.

Issuer: Minnesota Higher Education Facilities Authority (the "Authority")

Borrower: University of St. Thomas (the "University")

Purpose of the

Series 2024 Bonds: The University will use the proceeds of the Series 2024 Bonds to finance or reimburse the University for a portion of the costs of the following:

- (1) Financing the acquisition, design, site preparation (including demolition of existing improvements), construction, improvement, furnishing, and equipping of (i) an approximately 240,000 square-foot multi-purpose arena (the "Arena") including facilities for NCAA Division I hockey and basketball, other athletics, and other institution operations, (ii) related higher-education facilities and (iii) other permissible capital projects (collectively, the "Projects");
- (2) Funding capitalized interest through fiscal year 2026 on the Series 2024 Bonds, and
- (3) Funding costs of issuance.

\* Preliminary; subject to change.

**Minnesota Higher Education Facilities Authority**  
**Revenue Bonds, Series 2024 (University of St. Thomas)**

Preliminary Financing Plan Summary

Date: February 21, 2024

Page 3

The Projects will be owned and operated by the University and located on or adjacent to the University's main campus in Saint Paul, Minnesota.

**Issue Size:** The estimated par amount of the Series 2024 Bonds of \$159.705 million\*, including estimated new issue premium of approximately \$9.00 million\*, will be used to fund the Projects, fund capitalized to pay interest on the Series 2024 Bonds through fiscal year 2026, and pay the costs of issuance. The estimated principal of the Series 2024 Bonds will be the lesser of (i) \$200 million or (ii) a maximum amount that does not cause the aggregate outstanding principal amount of Authority debt upon issuance of the Series 2024 Bonds to exceed the Authority's statutory debt limitation.

**Costs of Issuance:** Costs of issuance for the Series 2024A Bonds and Series 2024B Bonds (the "Tax-Exempt Bonds") may be funded with up to 2% of the proceeds of the Tax-Exempt Bonds. Currently, actual costs of issuance for each Series are expected to be significantly less than 2% of the proceeds of each Series.

**Type of Sale and Purchaser:** The Series 2024 Bonds will be sold via a negotiated, public underwriting and the University has selected RBC Capital Markets as the sole managing underwriter. The Tax-Exempt Bonds will be issued as federal and State of Minnesota tax-exempt bonds and the Series 2024C Bonds will be issued as taxable bonds.

**Expected Pricing Date:** March 6, 2024

**Expected Closing Date:** March 26, 2024

**TIC (True Interest Cost):** The estimated TIC for the Series 2024A, Series 2024B and Series 2024C Bonds is 4.56%, 3.69% (initial fixed rate), and 5.44%, respectively, assuming rates and market conditions as of February 9, 2024.

**Note Denominations:** Denominations will be \$5,000 and integral multiples thereof.

**Interest Payments:** Semi-annually, beginning October 1, 2024.

**Principal Payments:** Annually beginning on October 1, 2027, with a stated final maturity of October 1, 2053.

**Green Bonds Designation:**

The University has engaged Kestrel Verifiers ("Kestrel") to provide a "Second Party Opinion" for the Series 2024B and Series 2024C Bonds (the "Green Bonds") to conform with the four core components of the *ICMA Green Bond Principles*. Kestrel is an Approved Verifier accredited by the Climate Bonds Initiative (CBI) and an Observer for the ICMA Green Bond Principles and Social Bond Principles.

Under its engagement with the University, Kestrel will perform the following scope of services: 1) review the use of proceeds of the Series 2024B&C Bonds, 2) review the management of the proceeds and projects funded, 3) review the reporting via the Continuing Disclosure Undertaking Agreement regarding the impact of the Series 2024B&C Bonds until the proceeds have been expended, and 4) analyze the impact and alignment with the United Nations Sustainable Development Goals. After completing these services, Kestrel will provide a Second Party Opinion which

**Minnesota Higher Education Facilities Authority**  
**Revenue Bonds, Series 2024 (University of St. Thomas)**

Preliminary Financing Plan Summary

Date: February 21, 2024

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will allow the Authority and University to designate the Series 2024B&C Bonds as **Green Bonds**. It is expected the scope of work and draft Second Party Opinion will be completed prior to posting of the Preliminary Offering Statement.

Redemption: Optional:

Series 2024A Bonds: The Series 2024A Bonds maturing on or after October 1, 2033\* are subject to optional redemption at the University's written direction on October 1, 2032\* and on any day thereafter at a price of par plus accrued interest.

Series 2024B Bonds: The Series 2024B-1 and 2024B-2 Bonds are subject to optional redemption at the University's written direction on April 1, 2027\* and April 1, 2029\*, respectively and on any day thereafter, up to the respective initial mandatory tender dates, at a price of par plus accrued interest.

Series 2024C Bonds: The Series 2024C Bonds maturing on or after October 1, 2033\* are subject to optional redemption at the University's written direction on October 1, 2032\* and on any day thereafter at a price of par plus accrued interest.

Extraordinary Upon Determination of Taxability: If a Determination of Taxability is made that the interest payable on any of the Tax-Exempt Bonds is subject to federal income taxes by reason of the application of the provisions of the Internal Revenue Code and regulations thereunder in effect on the date of issuance, such Tax-Exempt Bonds shall bear additional interest equal to two percent (2.00%) per annum above the basic interest rate from the Date of Taxability effective until the date on which the principal of such Tax-Exempt Bonds is paid.

Extraordinary Upon Damage, Destruction, or Condemnation: Optional redemption may occur should the financed project facilities suffer damage, destruction, or condemnation, in whole or in part, at a price of par plus accrued interest.

Rating: The Series 2024 Bonds are expected to be rated by Moody's Investors Service ("Moody's"). Moody's assigned a credit rating of A2 with a stable outlook to the University's outstanding debt in April 2022. A rating meeting with the University and other financing team members was held on February 7, 2024 with the rating result expected on or around February 16, 2024.

Bank Qualification: The Series 2024 Bonds will not be designated as "qualified tax-exempt obligations."

Security: The Series 2024 Bonds will be issued by the Authority and secured by loan repayments made by the University pursuant to a *Loan Agreement* between the Authority and the University, or from other amounts pledged pursuant to a *Trust Indenture*. The Series 2024 Bonds will be payable solely as a general obligation of the University from the general funds and any other legally available moneys of the University. There will not be a mortgage lien nor security interest in any property of the University and there will be no 'negative pledge' on the University's real property, subject to permitted encumbrances. At this time, it is anticipated that the Series 2024 Bonds will be issued on parity with the University's outstanding bonds.

Debt Service

Reserve Account: No debt service reserve will be established for the Series 2024 Bonds.

**Minnesota Higher Education Facilities Authority**  
**Revenue Bonds, Series 2024 (University of St. Thomas)**

Preliminary Financing Plan Summary

Date: February 21, 2024

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Financial

Covenants: The Series 2024 Bonds will not include any annual financial covenants. The University is not subject to any annual financial covenants on its outstanding debt.

Continuing

Disclosure: The University will execute a "Continuing Disclosure Certificate" for the benefit of beneficial owners of the Series 2024 Bonds and will continue to comply with its existing Continuing Disclosure undertakings with regard to its other outstanding bonds.

Credit

Enhancement: None

Trustee/Registrar  
and Paying Agent:

U.S. Bank Trust Company, National Association, Saint Paul, Minnesota.

Permitted

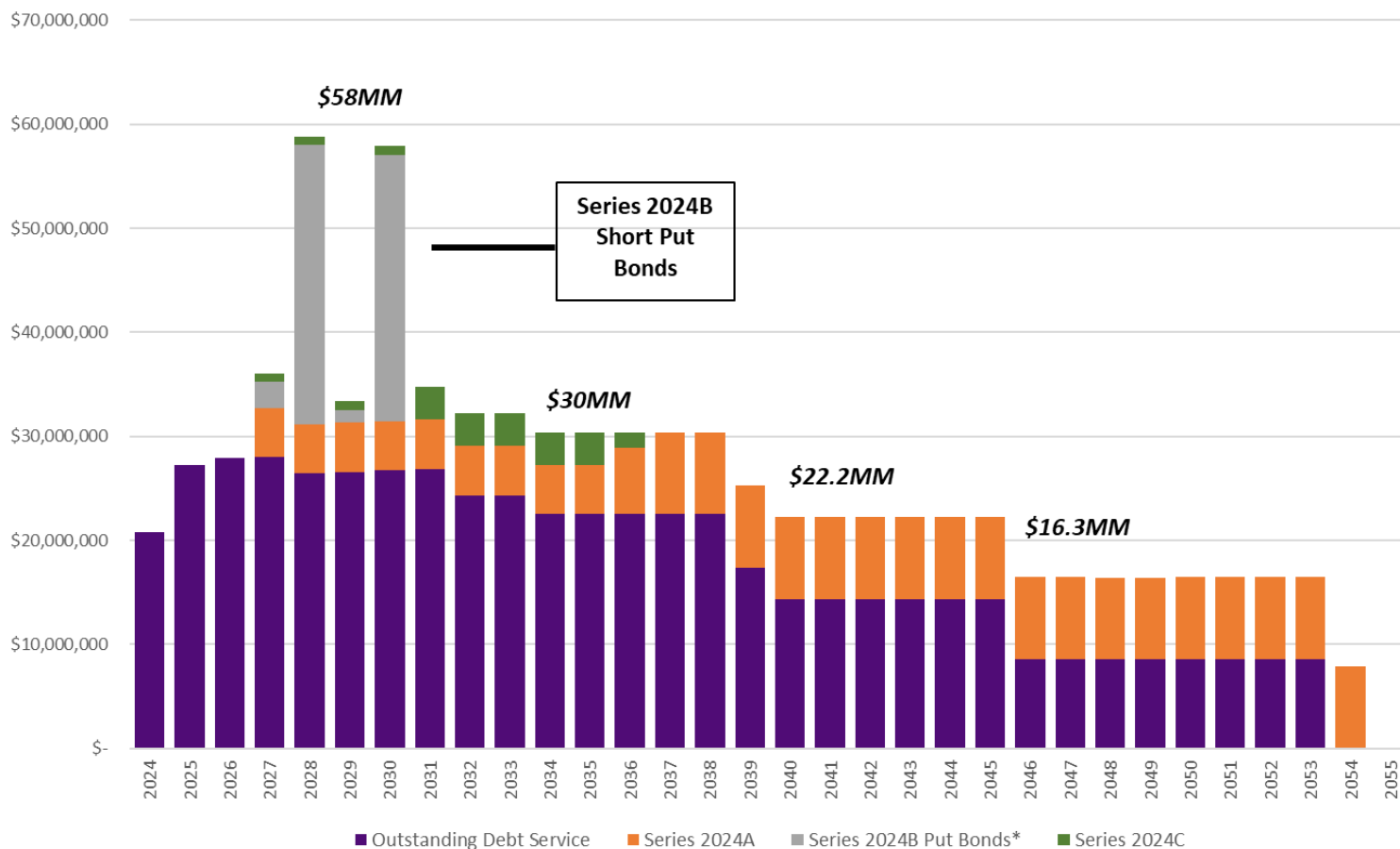
Investments: Investments as permitted by Minnesota statutes.

Schedules:

Exhibit A: The University's existing debt service and estimated debt service for the Series 2024 Bonds.



**University of Saint Thomas**  
 Debt Service Skyline - Aggregate Outstanding Debt Service  
 Post-Series 2024 Issuance



\*Debt service shown through put date only.

Source: The Underwriter on February 9, 2024. All assumptions subject to change.

RESOLUTION RELATING TO FINANCING TERMS FOR  
UNIVERSITY OF ST. THOMAS

Be It Resolved by the Minnesota Higher Education Facilities Authority as follows:

1. This Authority has received and held a public hearing with respect to, and adopted a Resolution Relating to Application for University of St. Thomas, a Minnesota nonprofit corporation (the "University"), as owner and operator of the University of St. Thomas (the "Institution"), to finance costs of (a) a project consisting of the acquisition, design, site preparation (including demolition of existing improvements), construction, improvement, furnishing and equipping of (i) an approximately 240,000 square-foot multi-purpose arena including facilities for NCAA Division I hockey and basketball, other athletics, and other institution operations, (ii) related higher-education facilities and (iii) other permissible capital projects (the "Project"); and (b) the current refunding of the Authority's outstanding Revenue Note, Series Seven-Z (University of St. Thomas), dated March 14, 2014, issued in the original principal amount of \$24,210,000 (the "Series Seven-Z Note") to provide funds to advance refund the Authority's Revenue Bonds, Series Five-Y (University of St. Thomas), dated August 1, 2004, which were issued to provide funds to finance the construction, equipping and furnishing of Flynn Residence Hall (formerly known as Selby Residence Hall), a seven-story student residential hall and related parking facility (the "Refunding").

2. The Authority acknowledges receipt, following submission of the Application, of a letter from the University dated February 7, 2024, notifying the Authority that the University has decided not to proceed with the Refunding at this time.

3. The buildings, facilities, improvements, furnishings and equipment constituting the Project are hereinafter referred to as the "Project Facilities." The Project Facilities are or will be owned and operated by the University and located on the Institution's St. Paul campus, the principal street address of which is 2115 Summit Avenue, St. Paul, Minnesota.

4. The Authority has received assurances that all conditions to be met by the University as provided in the Resolution referenced above (the "Resolution") have been, or will be timely, met and complied with.

5. There has not been disclosed to the Authority any material adverse change in the financial condition, operations, or status of the University, or the Institution, or in the Project, or the Project Facilities, or otherwise relating to the said Application, that would affect the Resolution or the financing of the Project, as proposed.

6. The Authority hereby ratifies and confirms all action heretofore taken with respect to the Application of the University, except to the extent modified hereby.

7. As provided by the Resolution, North Slope Capital Advisors, Denver, Colorado, as municipal advisor to the Authority, has reviewed the terms set forth in the Preliminary Financing Plan, dated February 21, 2024 (the "Financing Plan"), recommending the issuance of Revenue Bonds, Series 2024A (University of St. Thomas) (the "Series 2024A Bonds"), Revenue Bonds, Series 2024B (University of St. Thomas) (Green Bonds) (the "Series 2024B Bonds"), and

Taxable Revenue Bonds, Series 2024C (University of St. Thomas) (Green Bonds) (the "Series 2024C Bonds," and together with the Series 2024A Bonds and the Series 2024B Bonds, the "Bonds") in the maximum aggregate principal amount of the lesser of (i) \$200,000,000 or (ii) a maximum amount that does not cause the aggregate outstanding principal amount of Authority debt upon issuance of the Bonds to exceed the Authority's statutory debt limitation, to provide financing for the Project, which terms are hereby approved.

8. At the request and with the consent of the University, and with the advice of the Authority's municipal advisor, the Executive Director of the Authority has recommended the selection of RBC Capital Markets, LLC, as underwriter (the "Underwriter").

9. Upon the recommendation of the Authority's municipal advisor and bond counsel and the approval of the University, the Executive Director may execute and deliver on behalf of the Authority a Bond Purchase Agreement whereby the Authority agrees to sell and the Underwriter agrees to purchase the Bonds in a maximum aggregate principal amount as set forth above, to be issued in one or more series of tax-exempt or taxable bonds, the Series 2024A Bonds bearing a tax-exempt fixed rate or rates of interest at a true interest cost not to exceed 6.50%, the Series 2024B Bonds bearing a tax-exempt rate or rates of interest at an initial true interest cost not to exceed 6.50%, and the Series 2024C Bonds bearing a taxable fixed rate or rates of interest at a true interest cost not to exceed 7.50%, and a price of not less than 98% of the principal amount of the Bonds plus accrued interest (or in the alternative, providing for underwriting compensation of not more than 2% of the principal amount of the Bonds plus accrued interest) subject to the terms and conditions set forth herein and in the Bond Purchase Agreement.

10. The Executive Director shall direct bond counsel to the Authority, or other legal counsel, to prepare for review by the Executive Director, the University, and the Underwriter, all necessary bond documents (the "Bond Documents"), including a Loan Agreement, a Trust Indenture, a Bond Purchase Agreement, a Continuing Disclosure Certificate, and all other documents deemed necessary or desirable, consistent with the provisions of the Financing Plan, and substantially similar to the bond documents for revenue bonds most recently issued and sold by the Authority, but with appropriate changes.

11. The Authority's Executive Director shall cause an Official Statement and any Preliminary Official Statement to be prepared in consultation with the Underwriter, the University, the municipal advisor, and bond counsel, setting forth all material facts with respect to the Bonds, the Project, the Project Facilities, the Authority, the University, and the Institution. Upon recommendation of the municipal advisor and bond counsel, such Official Statement, or any Preliminary Official Statement, shall be deemed by the Executive Director (or with his approval, the University) to be the final official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Authority hereby consents to the preparation of the Official Statement in such deemed final form, and the distribution by the Underwriter in offering the Bonds for sale to the public, and to any changes to the Official Statement to reflect the final terms of the Bonds, and the related Bond Documents. Notwithstanding such consent, the Authority takes no responsibility for, and makes no representations or warranties as to, the accuracy, sufficiency, or completeness of the Official Statement (other than information relating to the Authority).

12. The Underwriter is authorized to distribute the Official Statement, and any Preliminary Official Statement for pricing purposes, provided that prior to the distribution, if recommended by counsel to the Underwriter, an application for registration of the Bonds shall be filed under the Minnesota Securities Act, Chapter 80A, Minnesota Statutes. Prior to the execution of the Bond Purchase Agreement, pursuant to the advice of counsel to the Underwriter, bond counsel shall advise the Executive Director that such registration shall have been made effective by the Minnesota Department of Commerce or that registration is not required for offer and sale of the Bonds in Minnesota.

13. Notwithstanding the foregoing provisions, the Bonds shall not be issued and delivered and the bond documents (other than the Bond Purchase Agreement) shall not be executed and delivered without the further action and approval and adoption of a Series Resolution with respect to the Bonds by the Authority.

14. Upon the recommendation of the University and the Authority's municipal advisor, the Executive Director is authorized to select a Trustee for the Bonds, which shall also act as paying agent, registrar, and tender agent.

*[Signature page follows.]*

Adopted: February 21, 2024

MINNESOTA HIGHER EDUCATION  
FACILITIES AUTHORITY

By: \_\_\_\_\_  
Chair

By \_\_\_\_\_  
Secretary

SERIES RESOLUTION

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

REVENUE BONDS, SERIES 2024A  
(UNIVERSITY OF ST. THOMAS)

and

REVENUE BONDS, SERIES 2024B  
(UNIVERSITY OF ST. THOMAS) (GREEN BONDS)

and

TAXABLE REVENUE BONDS, SERIES 2024C  
(UNIVERSITY OF ST. THOMAS) (GREEN BONDS)

BE IT RESOLVED by the Minnesota Higher Education Facilities Authority, as follows:

1. Pursuant to resolutions adopted on January 17 and February 21, 2024 (the "Prior Resolutions"), the Authority has (i) approved the Application of University of St. Thomas, a Minnesota nonprofit corporation (the "University"), as owner and operator of the University of St. Thomas (the "Institution"), to finance costs of project facilities more fully described therein, and conducted a public hearing in connection therewith as required by law, (ii) authorized the issuance and sale of Revenue Bonds, Series 2024A (University of St. Thomas) (the "Series 2024A Bonds"), Revenue Bonds, Series 2024B (University of St. Thomas) (Green Bonds) (the "Series 2024B Bonds"), and Taxable Revenue Bonds, Series 2024C (University of St. Thomas) (Green Bonds) (the "Series 2024C Bonds," and together with the Series 2024A Bonds and the Series 2024B Bonds, the "Bonds") and (iii) directed the preparation of documents, including an Official Statement. All provisions and findings of the Prior Resolutions are hereby ratified and confirmed except to the extent amended hereby and incorporated herein.

2. The Prior Resolutions authorized the Bonds to be issued in the maximum aggregate principal amount of the lesser of (i) \$200,000,000 or (ii) a maximum amount that does not cause the aggregate outstanding principal amount of Authority debt upon issuance of the Bonds to exceed the Authority's statutory debt limitation. The University has requested that the Bonds be issued as one or more series of tax-exempt bonds, the interest on which will be excluded from gross income of the bondholders pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), and one or more series of taxable bonds, in an aggregate principal amount of the lesser of (i) \$200,000,000 or (ii) a maximum amount that does not cause the aggregate outstanding principal amount of Authority debt upon issuance of the Bonds to exceed the Authority's statutory debt limitation.

3. The Executive Director, on behalf of the Authority, is authorized and directed to take all action necessary or desirable to negotiate the sale of the Bonds, provided that:

- (a) the aggregate principal amount of the Bonds shall be the lesser of (i) \$200,000,000 or (ii) a maximum amount that does not cause the aggregate outstanding principal amount of Authority debt upon issuance of the Bonds to exceed the Authority's statutory debt limitation;
- (b) the true interest cost shall not exceed (i) 6.50% per annum with respect to the Series 2024A Bonds, (ii) 6.50% per annum initially with respect to the Series 2024B Bonds, and (iii) 7.50% per annum with respect to the Series 2024C Bonds; and
- (c) the purchase price shall be not less than 98% of the principal amount of the Bonds plus accrued interest, if any (or in the alternative providing for underwriting compensation of not more than 2% of the principal amount of the Bonds plus accrued interest).

Upon the recommendation of the Authority's municipal advisor and bond counsel and with the approval of the University, the Executive Director shall execute and deliver, on behalf of the Authority, a Bond Purchase Agreement, the form of which has been made available to the Authority. A schedule summarizing the maturities, interest rates, yields or issue prices and other terms and provisions of the Bonds, and the purchase price and other particulars relating to the sale of the Bonds, shall be made available to the Authority at the next regularly scheduled meeting of the Authority following the execution of the Bond Purchase Agreement. This Authority hereby authorizes the issuance and delivery of the Bonds and no further approval by this Authority is required.

4. The forms of the following documents relating to the Bonds have been made available to the Authority:

- (a) Loan Agreement ("Loan Agreement") between the Authority and the University, expected to be dated as of March 1, 2024.
- (b) Trust Indenture ("Indenture") between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), expected to be dated as of March 1, 2024.
- (c) Continuing Disclosure Certificate made by the University, expected to be dated as of March 1, 2024.

The Chair, the Secretary, and any officer authorized to act on behalf of the Chair or the Secretary, are each, acting individually, authorized to execute and deliver counterparts of the Loan Agreement and the Indenture, duly completed, for and in the name of the Authority, with all such changes and insertions therein as the officer executing the same shall approve, such approval to be evidenced conclusively by such officer's signature. In addition, the Executive Director of the Authority is hereby authorized to furnish to the original purchaser of the Bonds a reasonable number of copies of the final Official Statement for purposes of such purchaser's obligation to provide copies of the final Official Statement to customers and potential customers pursuant to MSRB Rule G-32 and Securities and Exchange Commission Rule 15c2-12, respectively.

5. The Bonds shall be in substantially the form set forth in the Indenture, and when printed in typeset or typewritten form shall be executed and delivered by the manual or facsimile

signatures of the Chair or the Vice Chair and the Secretary or the Assistant Secretary of the Authority and submitted to the Trustee for authentication, all as more fully provided in the Indenture.

6. The appointment of U.S. Bank Trust Company, National Association, as Trustee and tender agent under the Indenture is hereby approved, ratified, and confirmed.

7. Other than proceeds that will be used to pay a portion of the costs of issuance (including the underwriting discount), the proceeds of the Bonds shall be deposited as follows (capitalized terms have the meanings given them in the Indenture):

- (a) Accrued interest on, if any, and certain proceeds, as set forth in the Indenture, of each series of Bonds, shall be deposited to the applicable Bond and Interest Sinking Fund Account, all to be kept and maintained by the Trustee under the Indenture.
- (b) All other proceeds of the Bonds shall be deposited to the applicable Construction Account with the Trustee under the Indenture (except that an amount representing capitalized construction period interest, if any, may be deposited to the applicable Bond and Interest Sinking Fund Account if so provided by the Indenture) to be used and paid out by the Trustee for payment of the Project Costs, in accordance with the Indenture and the Loan Agreement.

8. As required by Sections 136A.25 to 136A.42, Minnesota Statutes, as amended (the “Act”), the officers of the Authority authorized to sign checks or otherwise handle funds of the Authority shall furnish a surety bond, executed by a surety company authorized to transact business in the State of Minnesota as surety and file the same in the office of the Secretary of State of Minnesota, subject to approval of the Attorney General, prior to delivery of the Bonds.

9. Pursuant to the recommendation of bond counsel, the Authority hereby finds and determines that a combination of mortgagee’s form or owner’s form of title insurance policy, or title insurance commitment, or owner and encumbrances reports, or title opinions, may be furnished by the University as evidence of title to the Project Site (as defined in the Loan Agreement) and priority of liens.

10. The terms and provisions of the Bond Purchase Agreement and the documents listed in paragraph 4 of this Resolution as to which the Authority is a party and the Prior Resolutions are all approved, ratified, and confirmed, except to the extent amended hereby. The officers of the Authority, the municipal advisor and bond counsel are hereby authorized and directed to execute and deliver all closing documents and do every other thing necessary or convenient to carry out the terms and provisions of each such bond document to the end that the Bonds shall be delivered, secured, and serviced and to carry out the purposes and provisions of the Act with respect thereto without further resolution or other action by this Authority.

*[Signature page follows.]*



Adopted: February 21, 2024.

MINNESOTA HIGHER EDUCATION  
FACILITIES AUTHORITY

By: \_\_\_\_\_  
Chair

By \_\_\_\_\_  
Secretary

# How did Northfield become home to St. Olaf and Carleton colleges?

The prominent private schools have given the town an outsized stature.

By [Trey Mewes](#) Star Tribune



Located just beyond the Twin Cities' southern exurbs, Northfield is home to two prominent private colleges — St. Olaf and Carleton. Those institutions have shaped the city from a historical milling hub into an education-focused rural center.

Darrell Swanson, a 1970 St. Olaf graduate, regretted leaving Northfield after he got his degree. After recently reminiscing about his time there, the Pequot Lakes resident asked Curious Minnesota — the Star Tribune's reader-driven reporting project — how Northfield became home to Carleton and St. Olaf.

## Northfield – Two Colleges – Why?

"Why would there be these two liberal arts schools founded in the 1800s in Northfield, Minnesota, of all places?" he asked.

The short answer: Religion.

Religious groups across the U.S. were largely responsible for founding private colleges and universities in the 1800s, in part because there were no set college plans or direction from the federal government, according to Tom Williamson, an anthropology and sociology professor at St. Olaf College. Northfield's colleges grew out of a camaraderie among Congregationalists and Lutherans who settled in the town.

That cooperation has given the city outsized stature. Alumni of the colleges include Supreme Court justices, governors and senators, as well as Pulitzer Prize and Oscar winners. And Northfield attracts a fair amount of visiting dignitaries for a small city of 20,000.

## Northfield's religious origins

A treaty between the federal government and the Dakota people in 1851 opened up much of southeastern Minnesota to white settlement. Settlers raced to grab land and founded towns shortly after.

Northfield – Two Colleges – Why?



## Northfield – Two Colleges – Why?

Among them was New York lawyer and abolitionist John North. He took a trip south from St. Anthony in 1855 to look at land along the Cannon River Valley, planning to harness the river's flow to power new saw and grist mills. That same year, North gathered other settlers from New England in the area and platted Northfield.

North had designs for a college there, according to archivists at Carleton and St. Olaf. The idea didn't gain traction, however, until the General Conference of Congregational Churches in Minnesota chose the city to build a school in 1864.

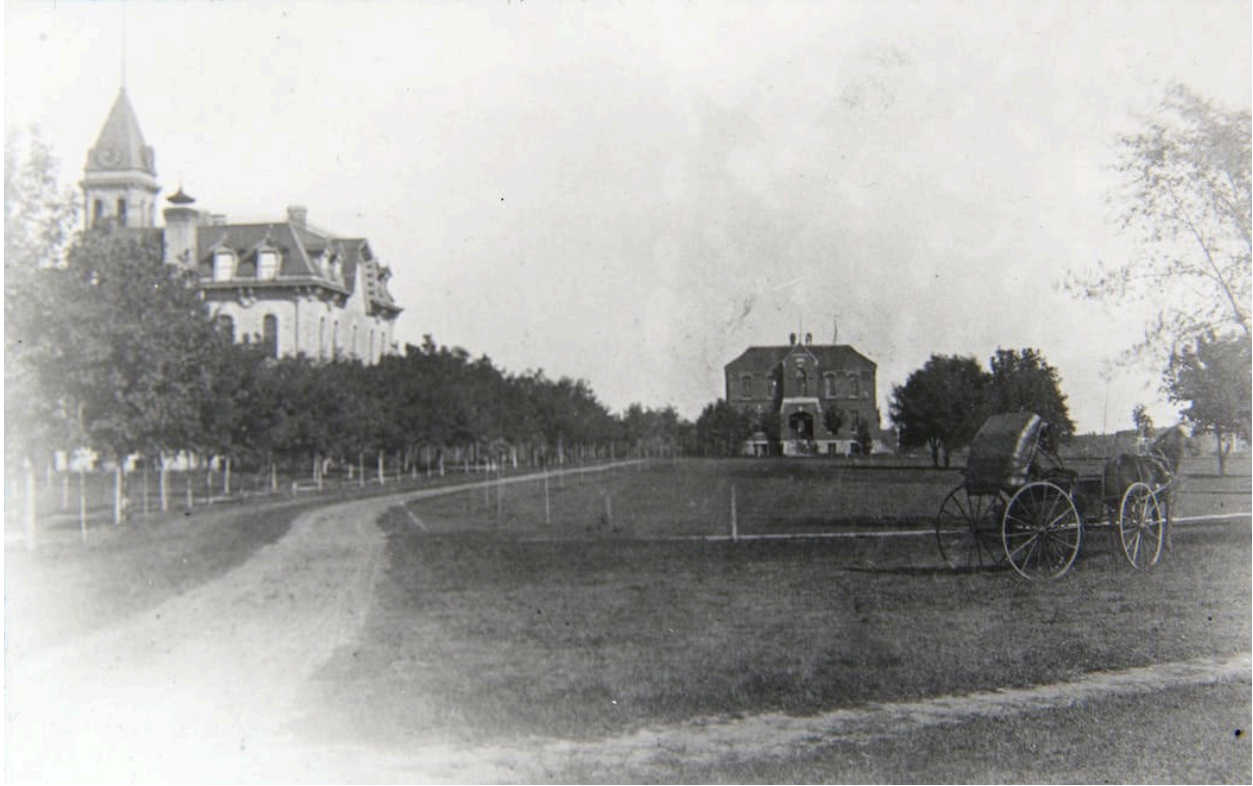
The conference of independent churches descended from New England Puritan churches. They had looked at multiple cities across the state for their school, including other southeast Minnesota towns such as Zumbrota and Mantorville, according to Tom Lamb, an archivist at Carleton College.

But Northfield was a growing burg, connected to St. Paul along the railroad in 1865. It also didn't hurt that the city had the second-largest Congregationalist population in the state behind Minneapolis.

That was by design, according to Sean Allen of the Northfield Historical Society. North and his neighbors shared similar views on ending slavery and the evils of alcohol, so they chose to create Northfield rather than settle in nearby places with bars or liquor stores.

"It was generally considered to be a dry town," Allen said.

## Northfield – Two Colleges – Why?



NORTHFIELD HISTORICAL SOCIETY

Buildings on Carleton College's campus, photographed sometime between the 1860s and 1880s.

The new school, Northfield College, evolved over time. It began as a preparatory program in 1867, with the first college students enrolling in 1870. The college was renamed Carleton College after a \$50,000 donation by Massachusetts manufacturer William Carleton, which saved the institution from the brink of financial collapse.

Soon, Norwegian farmers and pastors in the community sought a college of their own. Congregationalists in town welcomed the effort. Carleton officials even helped their Lutheran counterparts found St. Olaf College in 1874.

From there, the two schools blossomed during the higher education boom in the 1880s through the 1920s. Colleges and universities in that era began offering specialized programs and enrollment across the country skyrocketed.

## Northfield – Two Colleges – Why?



ST. OLAF COLLEGE

St. Olaf's Main Hall and the city of Northfield in 1888.

St. Olaf kept its reputation as a Lutheran school aligned with its heritage — the school was named after an 11th century Norwegian king who spread Christianity. The school also remains a dry institution.

Carleton shed its religious identity in the 1960s, doing away with requirements to attend chapel after a group of students jokingly formed their own druidic society to skirt the rules.

"That was a big period of transition," Lamb said.

## An intense rivalry

The schools have largely helped one another over the years — they share library catalogs, among other resources. Their sports rivalry hasn't been quite as cordial over the decades, even becoming bloody at times.

## Northfield – Two Colleges – Why?



NORTHFIELD HISTORICAL SOCIETY

Carleton and St. Olaf students competed in a baseball game in 1887.

There would be downtown brawls in the 1930s, 1940s and 1950s whenever the colleges played each other, often stemming from the tradition where students would turn an eagle statue on Bridge Square to face the winning college, Lamb said.

Homecoming weeks were tough for both colleges. Freshmen would try to light the other school's bonfire the night before it was set to be lit, often running into student guards who would catch them and shave their heads. Williamson's father, a fellow St. Olaf grad, had his head shaved during his freshman year.

Things escalated to the point both schools had to sign a "peace treaty" in 1951, vowing to tone down their rivalry. Their competitive spirit took a slightly nerdy turn in 1977, when the two schools played the first game of metric football among U.S. colleges.



## Northfield today

The colleges form the backbone of Northfield today. About three out of every 10 residents are students or faculty, according to each college's records. The colleges help fuel the area's vitality, but their dominance has its downsides.

Both schools continue to buy land for future growth. Yet Northfield also has become a draw for seniors looking to enjoy the vibrant college community in retirement. These factors have driven up home values and resulted in fewer housing options for would-be residents. Allen said many professors commute from the Twin Cities.

Aside from a Post cereal factory, there aren't many large industrial employers in town where college students can start their careers.

"We just don't have as much as a city our size needs to have, and so it's something I know the city has been trying to improve on," Allen said.

At the same time, Northfield arguably wouldn't have grown without Carleton and St. Olaf drawing people to the area.

"I don't know of any other small town ... that would have two institutions like this," Lamb said. "It is kind of a unique setup."

# MN Higher Education Facilities Authority

## Budget vs. Actuals: FY2024 Original Budget - FY24 P&L

July 2023 - June 2024

	TOTAL					
	ACTUAL	BUDGET	OVER BUDGET	REMAINING	% OF BUDGET	% REMAINING
Income	<b>\$250,967.47</b>	<b>\$495,087.95</b>	<b>\$ -244,120.48</b>	<b>\$244,120.48</b>	<b>50.69 %</b>	<b>49.31 %</b>
GROSS PROFIT	<b>\$250,967.47</b>	<b>\$495,087.95</b>	<b>\$ -244,120.48</b>	<b>\$244,120.48</b>	<b>50.69 %</b>	<b>49.31 %</b>
Expenses						
6000 Stipends	1,423.45	2,640.00	-1,216.55	1,216.55	53.92 %	46.08 %
6001 Board Travel	1,359.31	4,000.00	-2,640.69	2,640.69	33.98 %	66.02 %
6002 Communications						
6002.01 Communications - Phones	2,226.88	4,750.00	-2,523.12	2,523.12	46.88 %	53.12 %
6002.02 Communications - Internet	1,028.46	2,000.00	-971.54	971.54	51.42 %	48.58 %
6002.03 Communications - Software	172.00	1,000.00	-828.00	828.00	17.20 %	82.80 %
6002.04 Communications - Website	4,285.11	10,000.00	-5,714.89	5,714.89	42.85 %	57.15 %
6002.05 Communications - Misc	126.84	750.00	-623.16	623.16	16.91 %	83.09 %
<b>Total 6002 Communications</b>	<b>7,839.29</b>	<b>18,500.00</b>	<b>-10,660.71</b>	<b>10,660.71</b>	<b>42.37 %</b>	<b>57.63 %</b>
6003 Staff Travel	<b>11,701.83</b>	<b>20,000.00</b>	<b>-8,298.17</b>	<b>8,298.17</b>	<b>58.51 %</b>	<b>41.49 %</b>
6004 Office Rent	27,928.76	46,000.00	-18,071.24	18,071.24	60.71 %	39.29 %
6005 Office Supplies	150.22	1,000.00	-849.78	849.78	15.02 %	84.98 %
6006 Repairs		1,500.00	-1,500.00	1,500.00		100.00 %
6007 Printing Expense	752.31	1,500.00	-747.69	747.69	50.15 %	49.85 %
6008 Periodicals/Memberships	4,703.00	9,000.00	-4,297.00	4,297.00	52.26 %	47.74 %
6009 Fiscal Consultant Fees	1,150.00	5,000.00	-3,850.00	3,850.00	23.00 %	77.00 %
6010 Audit Fees	20,550.00	20,550.00	0.00	0.00	100.00 %	0.00 %
6012 Legal Fees	12,581.50	52,000.00	-39,418.50	39,418.50	24.20 %	75.80 %
6013 Insurance Expense		2,000.00	-2,000.00	2,000.00		100.00 %
6015 Miscellaneous Expense	1,090.25	5,000.00	-3,909.75	3,909.75	21.81 %	78.20 %
6016 Bank Service Charges	498.74	2,750.00	-2,251.26	2,251.26	18.14 %	81.86 %
6017 Conference Expenses	398.21	16,000.00	-15,601.79	15,601.79	2.49 %	97.51 %
6018 Professional Development-Board		3,000.00	-3,000.00	3,000.00		100.00 %
6020 Professional Development-STAFF	345.00	5,000.00	-4,655.00	4,655.00	6.90 %	93.10 %
6021 IT						
6021.01 IT - Managed IT Services	3,821.87	9,000.00	-5,178.13	5,178.13	42.47 %	57.53 %
6021.02 IT - Software	1,573.85	2,300.00	-726.15	726.15	68.43 %	31.57 %
6021.03 IT - Consulting and Training		5,000.00	-5,000.00	5,000.00		100.00 %
6021.04 IT - Misc		750.00	-750.00	750.00		100.00 %
<b>Total 6021 IT</b>	<b>5,395.72</b>	<b>17,050.00</b>	<b>-11,654.28</b>	<b>11,654.28</b>	<b>31.65 %</b>	<b>68.35 %</b>
6023 Postage/Delivery Expense	80.17	400.00	-319.83	319.83	20.04 %	79.96 %
6100 Salaries	122,546.20	278,000.00	-155,453.80	155,453.80	44.08 %	55.92 %
6101 Fringe Benefits	44,959.72	86,000.00	-41,040.28	41,040.28	52.28 %	47.72 %
6104 Worker's Compensation	170.00	170.00	0.00	0.00	100.00 %	0.00 %
6107 Office Contract Work		1,000.00	-1,000.00	1,000.00		100.00 %
6200 Equipment Leases	<b>4,166.19</b>	<b>6,300.00</b>	<b>-2,133.81</b>	<b>2,133.81</b>	<b>66.13 %</b>	<b>33.87 %</b>
<b>Total Expenses</b>	<b>\$269,789.87</b>	<b>\$604,360.00</b>	<b>\$ -334,570.13</b>	<b>\$334,570.13</b>	<b>44.64 %</b>	<b>55.36 %</b>
NET OPERATING INCOME	<b>\$ -18,822.40</b>	<b>\$ -109,272.05</b>	<b>\$90,449.65</b>	<b>\$ -90,449.65</b>	<b>17.23 %</b>	<b>82.77 %</b>
Other Income						
4000 Interest Income	34,972.99	35,000.00	-27.01	27.01	99.92 %	0.08 %
4050 Unrealized Gain/Loss Adjustment on Sale	8,576.55		8,576.55	-8,576.55		
<b>Total Other Income</b>	<b>\$43,549.54</b>	<b>\$35,000.00</b>	<b>\$8,549.54</b>	<b>\$ -8,549.54</b>	<b>124.43 %</b>	<b>-24.43 %</b>
NET OTHER INCOME	<b>\$43,549.54</b>	<b>\$35,000.00</b>	<b>\$8,549.54</b>	<b>\$ -8,549.54</b>	<b>124.43 %</b>	<b>-24.43 %</b>
NET INCOME	<b>\$24,727.14</b>	<b>\$ -74,272.05</b>	<b>\$98,999.19</b>	<b>\$ -98,999.19</b>	<b>-33.29 %</b>	<b>133.29 %</b>