

**Administrative Committee
Credit Committee
Board Meeting**

November 26, 2024

Board Chair Slaven and Committee Chairs Marshall and Mullin are calling a meeting of the Administrative Committee, Credit Committee and Board of Commissioners for **Tuesday, November 26, 2024. The Committee meetings will start at 1:30 p.m., and the Board Meeting will start at 2:00 p.m.** in the Board Room of the Saint Paul Port Authority, **400 Wabasha Street No., Suite 240, St. Paul, MN.**

**Administrative Committee
November 26, 2024 | 1:30 p.m.**

Minutes

Approval of the Minutes from the May 28, 2024 Administrative Committee Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

1. Approval of 2025 Operating Budget
2. Final Certification of Tax Levy

Such Other Business That May Come Before the Committee

**Credit Committee
November 26, 2024 | 1:30 p.m.**

Minutes

Approval of the Minutes from the October 22, 2024 Credit Committee Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

1. Oath of Office – Mindy Utesch, At-Large Credit Committee Member
2. Deborah and Gary Kastner – DBA Kastner Restoration, LLC – Re-approval of a \$95,000 PACE Trillion BTU Loan

3. Authorization of Contract Award for the Construction and Installation of Barge Terminal 1 – Bulk Silos, LLC Barge Receiving System

Such Other Business That May Come Before the Committee

Regular Board Meeting
November 26, 2024 | 2:00 p.m.

Minutes

Approval of the Minutes from the October 22, 2024 Annual Board Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

Credit Committee

1. Resolution No. 4805 - Approval of 2025 Operating Budget
2. Resolution No. 4806 - Final Certification of Tax Levy
3. Resolution No. 4807 - Authorization of Contract Award for the Construction and Installation of Barge Terminal 1 – Bulk Silos, LLC Barge Receiving System

Such Other Business That May Come Before the Board

cc: City Clerk
Reporters

**ADMINISTRATIVE COMMITTEE MEETING
MAY 28, 2024**

The meeting of the Port Authority Administrative Committee was held on May 28, 2024, at 1:41 p.m. in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street No., Suite 240, Saint Paul, Minnesota, 55102.

The following Committee Members were present:

Don Mullin

Matt Slaven

John Bennett

Also, present were the following:

Jan Almquist

Tonya Bauer

Rick Howden

Todd Hurley

Holly Huston

Sarah Illi

Bruce Kessel

Annamarie Kosel

Dana Krueger

Emily Lawrence

Kathryn Sarnecki

Laurie Siever

Gao lab Thao

Nikki Tix

Eve Turner

Phoua Vang

Annie Watson

Kristine Williams

Linda Williams

J.P. Yohannes

Angela Riffe, City of Saint Paul

Rebecca Noecker, City of Saint Paul

Cheniqua Johnson, City of Saint Paul

Melanie Johnson, City of Saint Paul

Lucas Chase, CliftonLarsonAllen

Christopher Knopik, CliftonLarsonAllen

Joanne Kuria, Amani Construction & Development

Jeniffer Kuria, Amani Construction & Development

Andrew Kasid, District Energy

OATH OF OFFICE

Ms. Lawrence administered the oath of office to Saint Paul City Councilmember Rebecca Noecker. Councilmember Noecker was appointed by the Mayor of the City of Saint Paul to temporarily serve on the Port Authority Board as Commissioner Yang's proxy during her leave of absence. The appointment was approved by the Saint Paul City Council at its regularly scheduled meeting of May 1, 2024 and will continue through the beginning of August.

APPROVAL OF MINUTES

Committee Member Bennett made a motion to approve the minutes of the February 27, 2024, Administrative Committee meeting. The motion was seconded by Committee Member Slaven and carried unanimously.

CONFLICT OF INTEREST

There were no conflicts of interest with any items on the agenda.

AGENDA ITEMS**AUTHORIZATION FOR THE CONTINUATION OF CAPITAL CITY PROPERTIES**

Ms. Krueger reviewed her memorandum with the Committee, requesting approval of a resolution confirming the Port Authority's desire that Capital City Properties remain in existence and exempt from the statutory requirements identified originally in Port Authority Board Resolution No. 3853 and amended by Resolution No. 3902. Committee Member Bennett made a motion to approve the request. The motion was seconded by Committee Member Slaven and carried unanimously.

ACCEPTANCE OF THE 2023 AUDIT

Messrs. Christopher Knopik and Lucas Chase from CliftonLarsonAllen presented the Committee with a summary of the results of the 2023 Port Authority audit. Committee Member Slaven made a motion to accept the 2023 audit. The motion was seconded by Commissioner Bennett and carried unanimously.

OTHER BUSINESS


There being no further business, the meeting was adjourned at 1:51 p.m.

By: _____
Its: _____

MEMORANDUM

To: ADMINISTRATIVE COMMITTEE
BOARD OF COMMISSIONERS

Meeting Date: November 26, 2024

From: Michael Solomon 

Subject: **APPROVAL OF 2025 OPERATING BUDGET
RESOLUTION NO. 4805**

Action Requested:

Approval of 2025 Port Authority Operating Budget (the “2025 Budget”) and granting of authority to the President to modify the 2025 Budget as necessary, pending Saint Paul City Council final action on the 2025 mandatory property tax levy.

Background:

Attached is the adopted 2024 Port Authority Operating Budget and the proposed 2025 Port Authority Operating Budget.

2025 Proposed Budget:

The proposed 2025 Budget projects revenues in the amount of \$7,111,433 and provides spending authority in the amount of \$7,107,938, resulting in a net operating income of \$3,495.

Total revenues are expected to increase by \$99,933, and total expenses are budgeted to increase by \$124,965, decreasing the net operating income to \$3,495, as compared to \$28,527 in 2024.

Revenue Variances:

Property Tax Revenues

Mandatory levy is budgeted to increase by \$125,000.

Grant Income from Capital City Properties (“CCP”)

The resources available from CCP are \$150,000 less than in past years, as joint venture performance is producing less net income.

Development Fees

Fee revenue is anticipated to decrease by just over \$184,000, as we focus our resources on our redevelopment projects and reduce the time spent assisting third parties on their projects.

Fiscal and Administrative Fees

The revenue associated with lending, loan administration, and conduit bond revenues is expected to increase by \$137,000, as loan and conduit debt volume has grown.

Interest Income and Interest on Loans

Interest rates have been decreasing in the second half of 2024, and further Fed interest rate reductions are expected, reducing the income from investments by over \$116,000. Offsetting this are project revenues available to repay internal loans for a combined increase of \$172,000.

Expense Variances:

Personnel Costs

Personnel costs are budgeted to increase due to:

- a) Senior Project Manager FTE on Development Team;
- b) Full funding of the part time Intern Program (2 FTEs); and
- c) Inflationary increases in salary and benefits; but offset by
- d) Shift of Marketing and Communications Director FTE to a contract approach.

Professional Services

Increases in City Attorney fees as well as inflationary pressure on other contracts increased this line item by more than \$120,000.

Property Maintenance

Increases in property maintenance needs on properties managed or owned by the Port Authority have increased by more than \$107,000.

Development

The Development budget was incorporated into the Operating budget for the first time in 2024. The 2025 Budget better aligns with actual spending, while providing resources for current and future Development work not related to specific project budgets.

Recommendation:

We recommend approval of the 2025 Budget and granting of authority to the President to modify the 2025 Budget as necessary, pending St. Paul City Council final action on the 2025 mandatory property tax levy.

Attachments: 2024 and 2025 Port Authority Operating Budget Summary
Resolution

Saint Paul Port Authority
Operating Budget
for the years ending December 31, 2024 and 2025

	<u>2024</u> <u>Budget</u>	<u>2025</u> <u>Budget</u>	<u>Variance</u> <u>2025 to 2024</u>	<u>%</u> <u>Change</u>
Revenues				
Property taxes-Operations	1,976,700	2,101,700	125,000	
Property taxes-Debt Service	800,000	800,000	-	
Property taxes- uncollectible	(61,700)	(75,000)	(13,300)	
CCP Grant to Port Authority	1,000,000	850,000	(150,000)	
Development Fees	1,145,800	961,643	(184,157)	
Fiscal & Administrative fees	1,133,000	1,270,000	137,000	
Interest on Loans	345,000	633,600	288,600	
Interest Income	384,200	268,000	(116,200)	
Land Rentals	288,500	301,490	12,990	
Total Revenues	<u>7,011,500</u>	<u>7,111,433</u>	<u>99,933</u>	<u>1.43%</u>
Expenses				
Personnel Costs	3,875,980	3,948,750	72,770	
Professional Services:				
City Attorney	60,000	110,000	50,000	
Other	336,395	407,800	71,405	
General & Administrative	750,158	710,320	(39,838)	
Marketing	103,250	141,500	38,250	
Property Maintenance	44,190	151,900	107,710	
Development	1,013,000	837,668	(175,332)	
Property Tax supported debt	800,000	800,000	-	
Total Expenses	<u>6,982,973</u>	<u>7,107,938</u>	<u>124,965</u>	<u>1.79%</u>
Net Operating Income (Loss)	28,527	3,495		

**RESOLUTION OF
PORT AUTHORITY OF THE CITY OF SAINT PAUL
[APPROVAL OF 2025 OPERATING BUDGET]**

WHEREAS, staff has presented to the Board of Commissioners (the “Board”) of the Port Authority of the City of Saint Paul (the “Port Authority”) a proposed operating budget for 2025, with its recommendation for approval; and

WHEREAS, the Board has been given an opportunity to review and discuss the proposed budget.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, that the proposed 2025 operating budget for the Port Authority, which has been presented to the Board at this meeting, is hereby approved.

BE IT FURTHER RESOLVED, that the President of the Port Authority is authorized to modify this budget as necessary, pending Saint Paul City Council final action on the 2024 mandatory property tax levy.

Adopted: November 26, 2024

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: ADMINISTRATIVE COMMITTEE
BOARD OF COMMISSIONERS

Meeting Date: November 26, 2024

From: Michael Solomon *MJS*

**Subject: FINAL CERTIFICATION OF TAX LEVY
RESOLUTION NO. 4806**

Action Requested:

Approval of the final Truth in Taxation Certification.

Background:

Minnesota Truth in Taxation Law provides that special taxing districts including port authorities, counties, municipalities, and school districts must certify to the County Auditor, by the end of December each year, the proposed tax levy for taxes levied in the subsequent calendar year.

The recommended tax levy payable in 2025 is:

1. General Obligation Bond Debt Service	\$5,527,366
2. Mandatory Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 4, at a rate not to exceed .01813% of market value	\$2,796,700
3. Discretionary Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 6. Pledged to industrial redevelopment.	<u>\$ 105,000</u>
 TOTAL TAX LEVY PAYABLE IN 2025	 <u>\$8,429,066</u>

Recommendation:

We recommend approval of the final Truth in Taxation Certification.

Attachments: Comparison of Tax Levy
Resolution

PORT AUTHORITY OF THE CITY OF SAINT PAUL
COMPARISON OF TAX LEVY

TAX PAYABLE YEAR / *LEVY YEAR*

	<u>2025/2024</u>	<u>2024/2023</u>	<u>2023/2022</u>
G.O. Bonds	\$5,527,366	\$5,526,343	\$5,527,399
Mandatory Levy	2,796,700	2, 671,700	2, 506,700
Discretionary Levy	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
TOTAL	\$ 8,429,066	\$ 8,303,043	\$ 8,139,099

**RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL**

[FINAL CERTIFICATION OF TAX LEVY]

WHEREAS, pursuant to Minnesota Statutes Section 275.065, all taxing districts are required to certify the final levy they may impose for the current tax year payable in 2025 prior to the end of December, 2024.

NOW THEREFORE, BE IT RESOLVED, that the Port Authority adopts the following as its maximum tax levy for taxes payable in 2025 as follows:

1.	General Obligation Bond Debt Service:	\$5,527,366
2.	Mandatory Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 4, at a rate not to exceed .01813% of market value:	\$2,796,700
3.	Discretionary Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 6, pledged to industrial redevelopment:	<u>\$ 105,000</u>
	TOTAL 2025 TAX LEVY	<u>\$8,429,066</u>

Adopted: November 26, 2024

PORT AUTHORITY OF THE CITY OF
SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

**CREDIT COMMITTEE MEETING
OCTOBER 22, 2024**

The meeting of the Port Authority Credit Committee was held on October 22, 2024, at 1:32 p.m. in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street, Suite 240, Saint Paul, Minnesota, 55102.

The following Committee Members were present:

Courtney Henry *	John Marshall	Don Mullin
Matt Slaven	Trinidad Uribe *	

* Attended via Teams

Also, present were the following:

Tonya Bauer	Ilwad Hassan	Rick Howden
Todd Hurley	Holly Huston	Sarah Illi
Bruce Kessel	Annamarie Kosel	Dana Krueger
Emily Lawrence	Kathryn Sarnecki	Mike Solomon
Gao Thao	Phoua Vang	Annie Watson
Kristine Williams		
Cheniqua Johnson, City of Saint Paul		
Ayesha Khan, City of Saint Paul		

APPROVAL OF MINUTES

Committee Member Slaven made a motion to approve the minutes of the September 24, 2024 regular Credit Committee meeting. The motion was seconded by Committee Member Marshall, submitted to a roll call vote, and carried unanimously.

CONFLICTS OF INTEREST

Committee Member Slaven stated that he would abstain from discussion and voting on Item No. 1 - Approval of Re-Engagement of External Auditor for FY2024 Audit.

AGENDA ITEMS**APPROVAL OF RE-ENGAGEMENT OF EXTERNAL AUDITOR FOR FY2024 AUDIT**

Mr. Solomon reviewed his memorandum with the Committee, requesting approval of the re-engagement of Clifton Larson Allen as the external auditor for the Port Authority of the City of Saint Paul (the "Port Authority"), including the execution of a related statement of work, for the fiscal year ending December 31, 2024. Committee Member Marshall made a motion to approve the request. The motion was seconded by Committee Member Uribe, submitted to a roll call vote, and carried by a vote of four, with Committee Member Slaven abstaining.

**APPROVAL OF LEASE AMENDMENT AND RENTAL RATE ADJUSTMENT
FOR CONTINENTAL CEMENT COMPANY, L.L.C. – RED ROCK TERMINAL**

Ms. Kristine Williams reviewed Ms. Linda Williams' memorandum with the Committee, requesting approval of a Lease Amendment and Rental Rate Adjustment for the Port Authority to adjust the rental and tonnage rates leased by Continental Cement Company, L.L.C. for land located in the Red Rock Terminal at 1363 Red Rock Road and 0 Red Rock Road, Saint Paul, Minnesota. Committee Member Slaven made a motion to approve the request. The motion was seconded by Committee Member Uribe, submitted to a roll call vote, and carried unanimously.

**APPROVAL OF LEASE AMENDMENT AND RENTAL RATE ADJUSTMENT FOR
HOLCIM-MWR, INC. (f/k/a AGGREGATE INDUSTRIES – MWR, INC.) – BARGE TERMINAL NO. 1**

Ms. Kristine Williams reviewed Ms. Linda Williams' memorandum with the Committee, requesting approval of a Lease Amendment and Rental Rate Adjustment for the Port Authority to adjust the rental rates for land located in Barge Terminal No. 1 at 1177 Childs Road, Saint Paul, Minnesota leased to Holcim-MWR, Inc. f/k/a Aggregate Industries-MWR, Inc. Committee Member Marshall made a motion to approve the request. The motion was seconded by Committee Member Uribe, submitted to a roll call vote, and carried unanimously.

**JON L. & JODI L. HENRY PACE APPLICATION
APPROVAL OF A \$110,450 PACE TRILLION BTU LOAN**

Ms. Huston reviewed her memorandum with the Committee, requesting approval for the Port Authority to initiate a PACE Trillion BTU loan for approximately \$110,450 to Jon L. and Jodi L. Henry ("Borrower") to add solar to the property owned by the Borrower located in Foley, Minnesota. Committee Member Slaven made a motion to approve the request. The motion was seconded by Committee Member Marshall, submitted to a roll call vote, and carried unanimously.

**WOODLAND PROPERTY LLP PACE APPLICATION
APPROVAL OF A \$61,960 PACE TRILLION BTU LOAN**

Ms. Huston reviewed her memorandum with the Committee, requesting approval for the Port Authority to initiate a PACE Trillion BTU loan for approximately \$61,960 to Woodland Property LLP, and Rodgers Law Office, PLLC, as co-signor (collectively, the "Borrower") to add solar to the property owned by the Borrower located in Bemidji, Minnesota. Committee Member Slaven made a motion to approve the request. The motion was seconded by Committee Member Marshall, submitted to a roll call vote, and carried unanimously.

GENERAL MATTERS

QUARTERLY REPORT ON EXTERNAL FUNDED PACE PROJECTS – 3Q 2024

Ms. Huston provided the Committee with the Quarterly Report on External Funded PACE Loans. Chair Mullin thanked Ms. Huston for her report.

There being no further business, the meeting was adjourned at 1:52 p.m.

By: _____

Its: _____

MEMORANDUM

To: CREDIT COMMITTEE

Meeting Date: November 26, 2024

From: Holly Huston 

Subject: **DEBORAH AND GARY KASTNER – DBA KASTNER RESTORATION,
LLC "RE-APPROVAL" OF A \$95,000 PACE TRILLION BTU LOAN**

Action Requested:

Provide re-approval for the Port Authority of the City of Saint Paul (the "Port Authority") to initiate a PACE Trillion BTU loan for approximately \$95,000 (the "Loan") to Kastner Restoration, LLC (the "Borrower") to add solar to the property owned by the Borrower located in Monticello, Minnesota (the "Project").

Background:

The Kastners own the property located at 906 80th St NE, Monticello, MN (the "Property") as individuals and operate their business, Kastner Restoration, LLC, from buildings located on the Property. The Property was purchased on March 31, 2021 and consists of 80 acres with a house and shop buildings.

The Borrower will be adding a 40 kW solar system to the business's commercial building, expected to save the business \$8,640 in annual electrical costs, saving 52,575 kilowatt hours (kWh) of electricity through solar production.

The Loan was previously approved by the Credit Committee on May 24, 2022. After the Loan was approved, the Borrower requested approval from Xcel to connect to the AC fuse box as part of the Project. Given the Property's location and customer demands ahead of this request, it took 18 months for approval. The Borrower is ready to start the Project and requested the Loan funds to be disbursed. The Port Authority's administrative policy states loan approvals are valid for six months. Given the length of time that has passed since the initial approval, we are seeking re-approval of the Loan. Updated financial information from the Borrower has been reviewed and used for financial analysis. The interest rate on the Loan would increase from 4.25% to 5.25% to reflect the current market. There are no other changes to the proposed Loan terms.

Proposed Project:

The Project will include labor and materials to install and commission a 40 kW DC solar system to the Property.

Use of Funds	
Solar	\$95,000
Total Use	\$95,000
Sources	
Trillion BTU Loan	\$95,000
Total Sources	\$95,000

MEMORANDUM

Financial Analysis:

The Property is valued at \$1,445,100 and has an outstanding mortgage of just under \$518,000. The financial ratios meet the Trillion BTU Loan program standards.

Debt Service Coverage:	4.28	Trillion Standard of at Least:	1.15
Debt-to-Equity:	2.72	Trillion Standard of less Than:	4.00
Loan to Value:	36%	Industry Standard of less Than:	80%

Loan Terms:

Source of Funds:	Trillion BTU - Statewide
Collateral:	PACE Assessment
Use of Funds:	Solar
Amount of Loan:	\$95,000
Rate:	5.25%
Term:	10 years
Assessment Start:	2026

Trillion BTU and PACE Criteria Compliance:

- ☒ Loan amount is less than or equal to 30% of the Property's assessed or appraised value.
30% (appraisal \$1,445,100 X 30% = \$433,530)
- ☒ Energy Audit proves simple payback is met. (\$8,640 X 20 yrs = \$172,800)
- ☒ Davis Bacon applies.
- ☒ Licensed Contractor.
- ☒ Lender Acknowledgment.

Workforce Implications:

1 FTE for construction jobs.

Policy Exceptions:

No.


Recommendation

We recommend re-approval for the Port Authority to initiate the Loan for approximately \$95,000 to the Borrower for the Project.

Attachment: Original Approved Memo (May 24, 2022)

MEMORANDUM

ORIGINAL APPROVED MEMO

To: CREDIT COMMITTEE **Meeting Date:** May 24, 2022
From: Peter M. Klein 
Subject: **DEBORAH AND GARY KASTNER – DBA KASTNER RESTORATION, LLC
APPROVAL OF A \$95,000 TRILLION BTU LOAN**

Action Requested:

Provide approval for the Port Authority to initiate a Trillion BTU loan for approximately \$95,000 with Deborah and Gary Kastner – dba Kastner Restoration, LLC for the installation of new 40 kW solar system on a commercial property located at 906 80th St. NE, Monticello, Minnesota.

Public Purpose:

The Trillion BTU Revolving Loan Fund was established with a grant from the State of Minnesota via a Federal stimulus grant for energy conservation and the retention and expansion of jobs in the State. Additionally, the Minnesota Legislature has mandated that all utilities attempt to reduce existing customer energy usage by 1.5% annually.

Business Subsidy:

Loans under the Trillion BTU Fund are not subject to business subsidy reporting because they are for energy efficiency projects.

Background:

The Kastners own the real estate as individuals and operate their business, Kastner Restoration, LLC from buildings located on the property. This is also their primary residence. The property was purchased on March 31, 2021 and consists of 80 acres with a house and shop buildings. The current assessed value for this property is \$1,221,600 and there is a mortgage of \$700,000 on the property.

Proposed Project:

40 kW Solar System

Purchase Price and Installation	\$95,000
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Sources and Uses of Funds:

Sources of funds:

Trillion BTU	\$95,000
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Uses of funds:

Project Description	\$95,000
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In order to leverage the grant funds, we are working with public and private partners to ultimately fund this project. Wright County is assisting with placing the PACE special assessment on the property taxes and another funder will likely finance that portion of the project once the special assessment is in place. Trillion BTU funds will act as a bridge loan until that time. In the

MEMORANDUM

unlikely event that the special assessment is not assessed or if another funder does not take out the Trillion BTU loan, Trillion BTU will remain the funder of the loan.

Financial Analysis:

The Kastners have operated their business since 2009 and tax returns for Kastner Restoration were received and reviewed. They indicate sufficient cash flow to service its debt. The following ratios were as of 12/31/2021 for Kastner Restoration:

Debt Service Coverage:	3.08	Trillion standard of at least:	1.15
Debt-to-Equity:	1.51	Trillion standard of less than:	4.00

Proposal:

Source of Funds:	Trillion BTU
Use of Funds:	40 kWh Solar System
Amount of Loan:	\$95,000
Rate:	4.25%
Term:	10 years
Collateral:	Signed Loan Agreement (Individuals and Corporate) PACE Special Assessment

Energy Savings:

189 MMBTUs (\$6,000) annually.

Workforce Implications:

Davis-Bacon wage requirements need to be followed.
1 FTE for construction jobs.

Policy Exceptions:

None.

Recommendation:

We recommend the approval of a \$95,000 Trillion BTU loan to Deborah and Gary Kastner dba Kastner Restoration, LLC.



To: CREDIT COMMITTEE
BOARD OF COMMISSIONERS

Meeting Date: November 26, 2024

From: Sarah M. Illi 

Subject: **AUTHORIZATION OF CONTRACT AWARD FOR THE CONSTRUCTION AND
INSTALLATION OF BARGE TERMINAL 1 – BULK SILOS, LLC BARGE RECEIVING
SYSTEM
RESOLUTION NO: 4807**

Action Requested:

Seeking authorization to award a contract to the lowest responsive and responsible bidder for the construction and installation of Barge Terminal 1 – Bulk Silos, LLC Barge Receiving System (“the Project”), located at 2145 Childs Road, Saint Paul, Minnesota (“the Premises”).

Background:

Bulk Silos, LLC (“Bulk Silos”) and predecessors lease the Premises from the Port Authority of the City of Saint Paul (the “Port Authority”) to import bulk cementitious materials and load trucks with ready-mix concrete and other concrete products. The Premises is also used for associated support activities, such as rail car unloading, bulk material storage, and truck parking and hauling. To further the Port Authority’s mission of providing efficient, safe, and economical handling of river commerce, new barge receiving system equipment and infrastructure will be installed at the Premises.

Project:

The Project consists of the following elements:

- Demolition and modification of the existing river cell
- Installation of marine pilings, mooring dolphins, structural steel, and reinforced concrete
- Assembly and installation of structural steel and steel deck materials
- Installation of landside pilings, reinforced concrete abutment, and approach ramp
- Installation of electrical conduit, wiring, and related components for dock equipment
- Commissioning of a new barge haul winch system and dock crane

The initial (2018) engineer’s opinion of total probable cost of the Project was \$3,238,000, which included an estimated construction contract amount of \$2,549,000. Funding sources for the Project include:

- 2018 Port Development Assistance Program (“PDAP”) Grant: \$2,590,000
- Local Match (Minimum): \$648,000



In 2019, Bulk Silos committed to contributing the entire amount necessary to meet the Port Authority's local match/cost share requirement and entered into a Use Agreement with the Port Authority, which documents Bulk Silos' financial commitment to the Project and associated payment terms. The Project was originally slated to start in 2020, but bid solicitation and construction were delayed due to the pandemic and subsequent construction cost escalation. Bids for the construction contract were initially solicited and opened on June 17, 2024, but only one bid was received, and Bulk Silos requested that the Port Authority rebid the Project with a modified scope. A no-award decision and authorization to rebid the Project was subsequently approved by the Port Authority's Board of Commissioners on July 23, 2024.

The current engineer's opinion of total probable cost is \$4,176,150, which includes an estimated construction contract amount of \$3,489,318. The funding sources for the Project have not changed; the 2018 PDAP grant term has been extended and Bulk Silos remains committed to covering the remaining amount necessary to fully fund and complete the Project. The Project is scheduled to start on or about January 1, 2025 and be completed by June 2025.

Construction Contract Solicitation

The City of Saint Paul Department of Human Rights and Equal Economic Opportunity (HREEO) Procurement Office conducted a second public bidding process on behalf of the Port Authority, which opened on September 10, 2024. A pre-bid meeting was held on September 25, 2024. Sealed bids were opened on November 1, 2024 and are tabulated as follows:

COMPANY	BID AMOUNT
J.F. Brennan Company, Inc.	\$3,344,586.00
Lunda Construction Company	\$4,037,660.48

The engineering consultant, AMI Consulting Engineers, P.A., conducted a thorough review of the bid and associated submittals and has confirmed that J.F. Brennan Company, Inc. meets the lowest responsive and responsible bidder requirements.

Workforce Implications

The construction contract for the Project will include state prevailing wage requirements, the City's Vendor Outreach Program goals, performance and payment bonds, and a project labor agreement.

Recommendation:

We recommend authorization to award a contract to the lowest responsive and responsible bidder for the construction and installation of the Project.

Attachment: Resolution

**RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL
[AWARD OF CONTRACT FOR THE CONSTRUCTION AND
INSTALLATION OF BARGE TERMINAL 1 –
BULK SILOS, LLC BARGE RECEIVING SYSTEM]**

WHEREAS, the Port Authority of the City of Saint Paul (the “Port Authority”) is a public body corporate and politic and a governmental subdivision organized pursuant to Chapter 469 of Minnesota Statutes.

WHEREAS, the district of the Port Authority is the City of Saint Paul.

WHEREAS, under Minn. Stat. § 469.055, the Port Authority shall (1) promote the general welfare of the port district, and of the port as a whole; (2) try to increase the volume of the port's commerce; (3) promote the efficient, safe, and economical handling of the commerce; and (4) provide or promote adequate docks, railroad, and terminal facilities open to all on reasonable and equal terms for the handling, storage, care, and shipment of freight and passengers to, from, and through the port.

WHEREAS, the Port Authority seeks to award a contract for the construction and installation of the Barge Terminal 1 - Bulk Silos, LLC Barge Receiving System, located at 2145 Childs Road, Saint Paul, Minnesota (the “Project”).

WHEREAS, the City of Saint Paul’s Department of Human Rights and Equal Economic Opportunity (HREEO) procurement division conducted a public bidding process on behalf of the Port Authority and opened sealed bids on June 17, 2024.

WHEREAS, via Resolution 4793, adopted July 23, 2024, the Board authorized the Port Authority to issue a no-award decision and re-bid the Project, for reasons further documented therein.

WHEREAS, the Port Authority therefore proceeded to re-bid the Project, and the City of Saint Paul’s Department of Human Rights and Equal Economic Opportunity (HREEO) procurement division conducted a second public bidding process on behalf of the Port Authority and opened sealed bids on November 1, 2024.

WHEREAS, the bids have been received, tabulated, and evaluated, and the apparent lowest responsive and responsible bidder is J.F. Brennan Company, Inc. (the “Contractor”) in the total amount of \$3,344,586.

WHEREAS, the Port Authority staff and its engineering consultant, AMI Consulting Engineers, P.A., is undertaking the process of negotiating and finalizing the contract with the Contractor prior to awarding the contract.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, that the Port Authority is authorized to award the contract for the construction and installation of the Project to the lowest responsive and responsible bidder per the terms of the Request for Bid, including all addendums and the bid submitted by the bidder.

BE IT FURTHER RESOLVED, that the President or anyone acting under his direction is hereby authorized to execute any and all necessary documents to consummate the transaction.

Adopted: November 26, 2024

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

**ANNUAL BOARD MEETING
OCTOBER 22, 2024**

The annual meeting of the Port Authority Board was held on October 22, 2024, at 2:00 p.m. in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street, Suite 240, Saint Paul, Minnesota, 55102.

The following Board Members were present:

Amy Brendmoen *

Courtney Henry *

Cheniqua Johnson

John Marshall

Don Mullin

Matt Slaven

* Attended via Teams

Also, present were the following:

Tonya Bauer

Ilwad Hassan

Rick Howden

Todd Hurley

Holly Huston

Sarah Illi

Bruce Kessel

Annamarie Kosel

Dana Krueger

Emily Lawrence

Kathryn Sarnecki

Mike Solomon

Gao Thao

Phoua Vang

Annie Watson

Kristine Williams

APPROVAL OF MINUTES

Commissioner Mullin made a motion to approve the minutes of the September 24, 2024 regular Board meeting. The motion was seconded by Commissioner Marshall, submitted to a roll call vote, and carried unanimously.

CONFLICTS OF INTEREST

Commissioner Slaven stated that he would abstain from discussion and voting on Resolution No. 4802 - Approval of Re-Engagement of External Auditor for FY2024 Audit.

ADMINISTRATION**ELECTION OF OFFICERS**

Commissioner Slaven recommended the following slate of officers and committee chairs for 2025:

Chair:

Don Mullin

Vice Chair:

Amy Brendmoen

Secretary:

Courtney Henry

Treasurer:

Cheniqua Johnson

Assistant Secretary:

Emily Lawrence, General Counsel

Assistant Treasurer:

Michael Solomon, Chief Financial Officer

Credit Committee Chair:

Matthew Slaven

Administrative Committee Chair:

John Marshall

Commissioner Marshall made a motion to approve Commissioner Slaven's recommended slate of officers and committee chairs for 2025. The motion was seconded by Commissioner Johnson, submitted to a roll call vote, and carried unanimously.

APPOINTMENT OF AT-LARGE CREDIT COMMITTEE MEMBERS

Commissioner Slaven noted that at the Board's September meeting, President Hurley recommended (1) the appointment of Mindy Utesch to serve as an At-Large Credit Committee Member for her first year of a term ending December 31, 2027; and (2) the re-appointment of At-Large Credit Committee Member Trinidad Uribe to continue serving a second year of his term, ending December 31, 2026.

Commissioner Mullin made a motion to approve the appointment of Mindy Utesch and re-appointment of Trinidad Uribe as At-Large Credit Committee Members for the year 2025. The motion was seconded by Commissioner Johnson, submitted to a roll call vote, and carried unanimously.

NEW BUSINESS

CREDIT COMMITTEE

RESOLUTION NO. 4802

APPROVAL OF RE-ENGAGEMENT OF EXTERNAL AUDITOR FOR FY2024

Motion was made by Commissioner Mullin to approve Resolution No. 4802, which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was seconded by Commissioner Marshall, submitted to a roll call vote, and carried by a vote of five with Commissioner Slaven abstaining.

RESOLUTION NO. 4803

APPROVAL OF LEASE AMENDMENT AND RENTAL RATE ADJUSTMENT FOR CONTINENTAL CEMENT COMPANY, L.L.C. – RED ROCK TERMINAL

Motion was made by Commissioner Mullin to approve Resolution No. 4803, which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was seconded by Commissioner Marshall, submitted to a roll call vote, and carried unanimously.

RESOLUTION NO. 4804

APPROVAL OF LEASE AMENDMENT AND RENTAL RATE ADJUSTMENT FOR HOLCIM-MWR, INC. (f/k/a – AGGREGATE INDUSTRIES – MWR, INC.) – BARGE TERMINAL NO. 1

Motion was made by Commissioner Mullin to approve Resolution No. 4804, which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was seconded by Commissioner Marshall, submitted to a roll call vote, and carried unanimously.

GENERAL MATTERS**2024 WORK PLAN UPDATE**

Mr. Hurley, along with key internal stakeholders—Ms. Sarnecki, Ms. Illi, Mr. Howden, Ms. Huston, and Ms. Krueger—presented a high-level overview of key initiatives from the 2024 work plan to the Board. They each provided respective updates on The Heights project, harbor and grant management, financial tools and loan programs, operational improvements, and the Treasure Island Center building. Additionally, Mr. Hurley shared insights into marketing and communications efforts, accounting, legal matters, real estate transactions, and property management activities. The Board thanked staff for their work and for the presentation.

There being no further business, the meeting was adjourned at 3:17 p.m.

By: _____

Its: _____