Saint Paul PORT AUTHORITY

AGENDA

Administrative Committee
Credit Committee
Board Meeting

April 22, 2025

Board Chair Mullin and Committee Chairs Marshall and Slaven are calling a regular meeting of the Administrative Committee, Credit Committee, and Board of Commissioners for **Tuesday, April 22, 2025. 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
April 22, 2025 | 1:30 p.m.

Minutes

Approval of the Minutes from the November 26, 2024 Administrative Committee Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

1. Acceptance of the 2024 Audit

Credit Committee
April 22, 2025| 1:30 p.m.

Minutes

Approval of the Minutes from the March 25, 2025 Credit Committee Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

1. Resolution Declaring the Official Intent of the Port Authority of the City of Saint Paul to Reimburse Certain Original Expenditures Related to a Redevelopment Site from the Proceeds of Tax-Exempt Bonds to be Issued by the Port Authority after the Payment of Such Original Expenditures

Such Other Business That May Come Before the Committee

1. Quarterly Report on External PACE Lending – 1Q 2025
2. MinnPACE & Trillion BTU Update

<u>Regular Board Meeting</u>
April 22, 2025 | 2:00 p.m.

Minutes

Approval of the Minutes from the March 25, 2025 Regular Board Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

<u>Administrative Committee</u>

1. Acceptance of the 2024 Audit

<u>Credit Committee</u>

1. Resolution No. 4816 - Resolution Declaring the Official Intent of the Port Authority of the City of Saint Paul to Reimburse Certain Original Expenditures Related to a Redevelopment Site from the Proceeds of Tax-Exempt Bonds to be Issued by the Port Authority After the Payment of Such Original Expenditures

Such Other Business That May Come Before the Board

1. Xcel Energy's Update on the Saint Paul Service Center at The Heights

cc: City Clerk
Reporters

Saint Paul PORT AUTHORITY

MINUTES

ADMINISTRATIVE COMMITTEE MEETING
NOVEMBER 26, 2024

The meeting of the Port Authority Administrative Committee was held on November 26, 2024, at 1:30 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:

Courtney Henry	Don Mullin	Matt Slaven

Also, present were the following:

Jan Almquist	Amanda Burns	Ilwad Hassan
Todd Hurley	Holly Huston	Sarah Illi
Annamarie Kosel	Dana Krueger	Emily Lawrence
Kathryn Sarnecki	Mike Solomon	Gao Thao
Nikki Tix	Phoua Vang	Annie Watson
Kristine Williams	JP Yohannes	

Trinidad Uribe, Sprinkler Fitters Local 417
Mindy Utesch, Bremer Bank

APPROVAL OF MINUTES

Committee Member Slaven made a motion to approve the minutes of the May 28, 2024, Administrative Committee meeting. The motion was seconded by Committee Member Henry and carried unanimously.

CONFLICT OF INTEREST

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

AGENDA ITEMS

APPROVAL OF 2025 OPERATING BUDGET

Mr. Solomon reviewed his memorandum with the Committee, requesting 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. Committee Member Henry made a motion to approve the request. The motion was seconded by Committee Member Slaven and carried unanimously.

FINAL CERTIFICATION OF TAX LEVY

Mr. Solomon reviewed his memorandum with the Committee, requesting approval of the final Truth in Taxation Certification. Committee Member Slaven made a motion to accept the request. The motion was seconded by Commissioner Henry and carried unanimously.

OTHER BUSINESS

There being no further business, the meeting was adjourned at 1:37 p.m.

By: ___________________________
Its: ___________________________

Saint Paul
PORT AUTHORITY

MEMORANDUM

To: ADMINISTRATIVE COMMITTEE
BOARD OF COMMISSIONERS

Meeting Date: April 22, 2025

From: Michael Solomon MJS

Subject: **ACCEPTANCE OF THE 2024 AUDIT**

Action Requested:
Acceptance of the 2024 audit report.

Background:
The completion of the financial statements and external review of our finances is a key milestone and work product of the Port Authority Finance and Operations teams. For the past few months, staff have worked with our external auditor, CliftonLarsonAllen ("CLA"), to complete the 2024 financial statements. Representatives from CLA will review the 2024 audited financial statements with the Board of Commissioners (the "Board"). The financial statements are attached to this memo in near-final form, and a complete set of audit reports will be provided to the Board upon request.

CLA has completed its audit and has indicated that it will be issuing an unqualified audit opinion for the Port Authority and related entities. CLA also has indicated that it has not found any material findings as set forth in governmental audit standards, Minnesota Statutes, or federal grant awards.

The financial highlights for the year included continued growth in externally funded PACE loans, which increased by approximately $21 million dollars in both loans receivable and notes payable to third party lenders, and an increase in reimbursable project costs of more than $7 million related to the continued development of infrastructure and utilities at The Heights (former Hillcrest golf course). Looking at operating revenue, the growth in the PACE program led to an increase in administrative fees and interest earned, while grant revenues also increased due to reimbursements for project costs related to The Heights development.

Recommendation:
Acceptance of the 2024 audit report.

Attachment: 2024 Final Draft Audit

PORT AUTHORITY OF THE CITY OF SAINT PAUL

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2024

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

PORT AUTHORITY OF THE CITY OF SAINT PAUL
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YEAR ENDED DECEMBER 31, 2024

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Port Authority of the City of Saint Paul
Saint Paul, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the Port Authority of the City of Saint Paul, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Port Authority of the City of Saint Paul's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component units, and the aggregate remaining fund information of the Port Authority of the City of Saint Paul, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Port Authority of the City of Saint Paul and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port Authority of the City of Saint Paul's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Port Authority of the City of Saint Paul's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Port Authority of the City of Saint Paul's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Commissioners
Port Authority of the City of Saint Paul

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net OPEB liability (asset), schedule of money-weighted rate of return on plan assets – OPEB, PERA schedule of the Port Authority's proportionate share of the net pension liability, and the PERA schedule of the Port Authority's contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2025, on our consideration of the Port Authority of the City of Saint Paul's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port Authority of the City of Saint Paul's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Port Authority of the City of Saint Paul's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 11, 2025

The management of the Port Authority of the City of Saint Paul (the Port Authority) provides this narrative overview and analysis of the Port Authority's financial activities for the fiscal year ended December 31, 2024. We encourage readers to consider this information in conjunction with the complete financial statements presented herein. All amounts, unless otherwise indicated, are presented in thousands of dollars.

The Port Authority's annual report consists of three basic financial statements: the statement of net position, the statement of revenue, expenses, and changes in net position, and the statement of cash flows. These statements focus on the financial condition of the Port Authority, the results of operations, and cash flows of the Port Authority as a whole. In addition, the Statement of Fiduciary Net Position relates to funds deposited with the State of Minnesota Investment Board for future retiree health care costs as well as investment held in trust for the Port's defined contribution pension plan.

STATEMENT OF NET POSITION

	2024	2023
Assets:		
Current and Other Assets	$ 426,815,473	$ 419,603,128
Capital Assets and Right-to-Use Assets	15,810,383	17,097,621
Total Assets	442,625,856	436,700,749
Deferred Outflows of Resources	650,656	646,978
Liabilities:		
Long-Term Liabilities	312,005,460	294,429,416
Other Liabilities	24,225,591	37,687,574
Total Liabilities	336,231,051	332,116,990
Deferred Inflows of Resources	35,428,819	36,482,110
Net Position:		
Net Investment in Capital Assets	13,649,388	14,746,727
Restricted, Debt Service	72,436,038	74,701,167
Unrestricted	(14,468,784)	(20,699,267)
Total Net Position	$ 71,616,642	$ 68,748,627

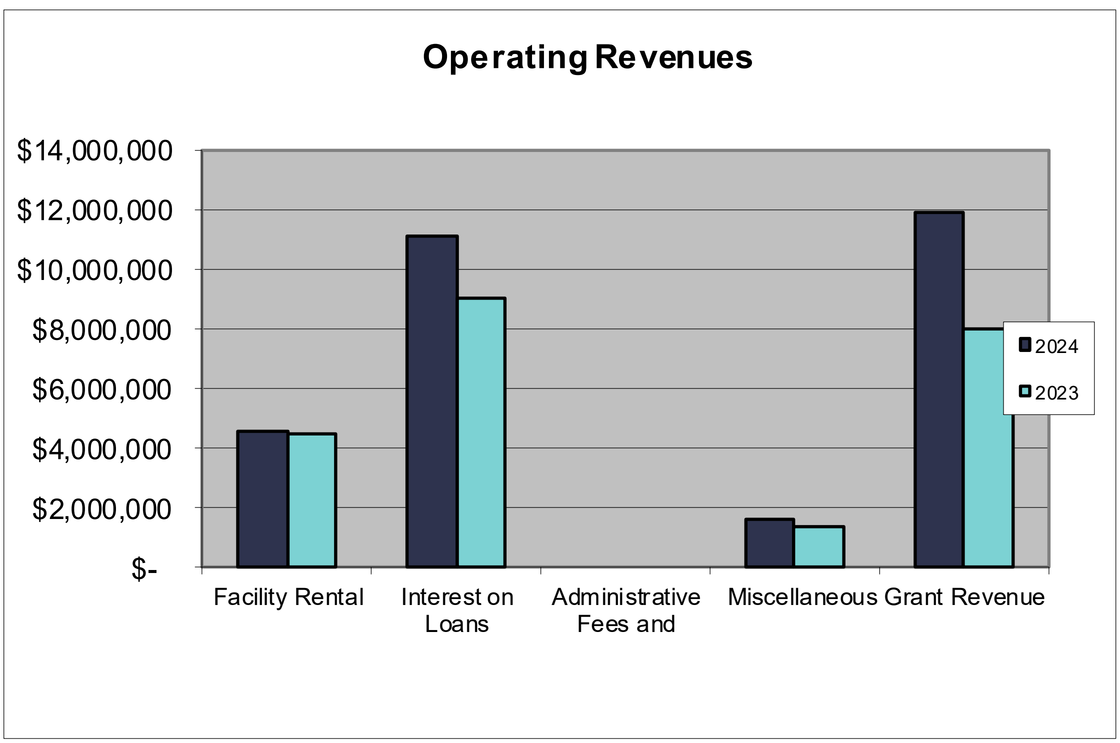
FINANCIAL HIGHLIGHTS

- Total assets were $5.9 million or 1.36% greater than in 2023. Current and Other Assets increased $7.2 million or 1.72% mainly from: 1) loans receivable increased by approximately $21.6 million mainly due to increases in special assessments associated with energy saving projects which were offset by third party loans payable; 2) increase in net reimbursable project costs of $7.3 million as it continues to develop The Heights (the former Hillcrest Golf Course); and 3) minor changes in most of the other assets.

- Total liabilities increased $4.1 million for a 1.24% increase over 2023. Debt associated with special assessments for third-party energy saving projects and funded by outside parties increased by $22.7 million.

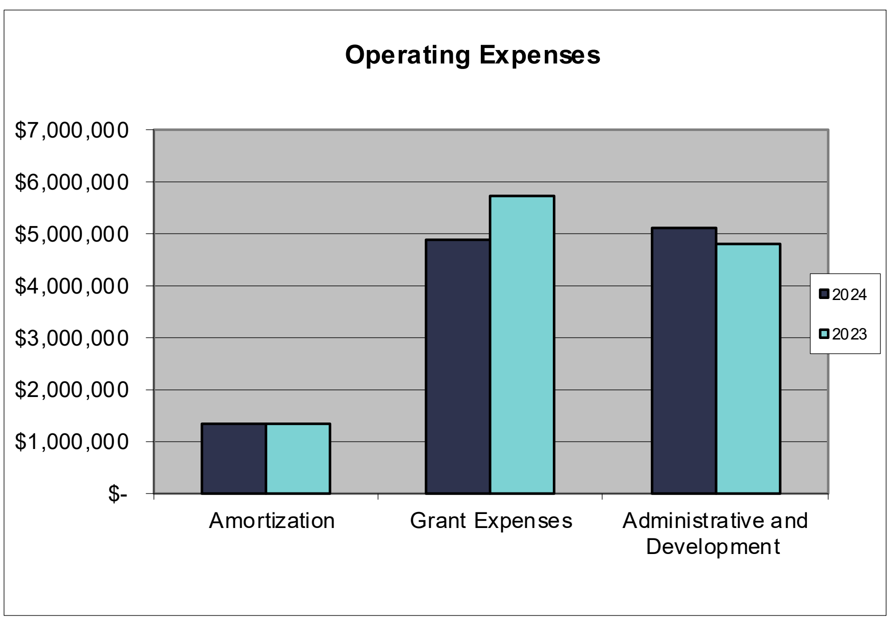
Operating Revenues: Operating revenues increased $6.3 million or 27.8% to $29.2 million in 2024 from $22.8 million 2023. Administrative Fees saw an increase of approximately $231 thousand, or a 16.6% increase from 2023, and interest on loans servicing fees associated with third party loans is continuing to increase. Grant revenue increased $3.9 million due to reimbursement for the Heights Development project. The following schedule presents a summary of the revenues for the years ended December 31, 2024 and 2023, and the percentages of increase or decrease in relation to the prior year's revenues.

	2024	Percentage of Total	2023	Percentage of Total	Increase (Decrease) from 2023	Percentage Change
Operating Revenues:						
Facility Rental	$ 4,584,206	15.7 %	$ 4,454,840	19.5 %	$ 129,366	2.9 %
Interest on Loans	11,091,172	38.0	9,001,769	39.4	2,089,403	23.2
Administrative Fees and Miscellaneous	1,619,576	5.6	1,388,609	6.1	230,967	16.6
Grant Revenue	11,885,553	40.7	7,987,373	35.0	3,898,180	48.8
Total Operating Revenues	$ 29,180,507	100.0 %	$ 22,832,591	100.0 %	$ 6,347,916	27.8 %



Operating Expenses: Operating expenses decreased 3.6% to $14.07 million in 2024 from $14.59 million in 2023. Depreciation and amortization expense remained consistent with 2023. Grant expenses decreased $835 thousand due to Minnesota Museum of American Art expenses being less than the prior year. This project is anticipated to be completed by early 2025. Administrative and Development costs remained relatively consistent, with an increase $302 thousand or 6.3% from the prior year. Revenues pledged to others relates to leased property revenues which are pledged to and passed on to third parties. While the majority of the main lease rate increases annually, a portion of this revenue is based upon volume. In 2024 these revenues and related expenses increased by around $20 thousand or a 0.8% increase from 2023. The following schedule presents a summary of expenses for the years ended December 31, 2024 and 2023, and the percentage change in relation to the prior year's expenses.

	2024	Percentage of Total	2023	Percentage of Total	Increase (Decrease) from 2023	Percentage Change
Operating Expenses:						
Depreciation and Amortization	$ 1,332,243	9.5 %	$ 1,349,286	9.2 %	$ (17,043)	(1.3)%
Grant Expenses	4,901,990	34.9	5,736,950	39.3	(834,960)	(14.6)
General and Administrative	5,113,235	36.4	4,811,574	33.0	301,661	6.3
Payment to 876 Bond Fund	2,716,022	19.3	2,695,537	18.5	20,485	0.8
Total	$ 14,063,490	100.0 %	$ 14,593,347	100.0 %	$ (529,857)	(3.6)%



Debt Administration: As of December 31, 2024, the Port Authority has various debt issues outstanding. These issues include $53.9 million in general obligation bonds, $13.6 million in revenue bonds, $630 thousand in other development bonds, $2.2 million in GASB Statement No. 87 lease liability, and $241.87 million in promissory notes, for a net increase of $40.8 million from 2022. Notes/loans to third parties associated with financing energy saving projects increased $23 million. Port Authority's debt is either not rated or, in the case of general obligation debt, is assigned the City of Saint Paul's rating, which is rated AAA by Standard and Poor's Rating Service and Fitch Ratings. The majority of the other bonds, notes and loans were used for energy savings projects, of which most are secured by special assessments on the related projects and are fully offset with loans receivable. See Note 5 for additional information regarding the Port Authority's outstanding debt.

OTHER INFORMATION

Employees: The Port Authority had 20 and 19 regular fulltime employees as of December 31, 2024 and 2023.

Requests for Information: This financial report is designed to provide a general overview of the Port Authority's finances for all those with an interest in the Port Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Port Authority of the City of Saint Paul, Michael J. Solomon, Chief Financial Officer, 400 Wabasha St. N, Suite 240, Saint Paul, Minnesota 55102.

BASIC FINANCIAL STATEMENTS

PORT AUTHORITY OF THE CITY OF SAINT PAUL
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Primary Government Business-Type Activities	Component Unit
ASSETS		
Cash and Cash Equivalents	$ 7,242,041	$ 970,411
Restricted Cash and Cash Equivalents	8,504,006	797,625
Accounts Receivable, Net	4,606,514	1,151,704
Lease Receivable, Current	2,631,011	-
Due from Component Unit	1,786,443	-
Due from Port Authority	-	1,853,323
Loans Receivable from Port Authority	-	537,045
Prepaid Expenses	208,171	1,275
Restricted Investments	24,597,069	-
Investments	-	7,273,408
Other Assets, Net	353,240,698	1,693,675
Net OPEB Asset	55,757	-
Lease Receivable, Long-Term	23,943,763	-
Capital Assets:		
Land and Construction in Progress	2,045,165	-
Other Capital Assets, Net of Depreciation and Amortization	13,765,218	46,171,145
Total Assets	442,625,856	60,449,611
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources - Pensions	416,825	-
Deferred Outflows of Resources - Loss on Debt Refunding	233,831	-
Total Deferred Outflows of Resources	650,656	-
LIABILITIES		
Accounts Payable, Accrued Expenses, and Unearned Revenue	5,104,733	2,054,584
Accrued Interest Payable	1,289,706	1,746,434
Advance to Port Authority	-	3,600,000
Other Accrued Liabilities	13,092,065	-
Long-Term Liabilities Due Within One Year	4,739,087	1,392,707
Revenue Bonds and Notes Payable	308,999,583	46,860,450
Lease Liability	1,961,908	-
Net Pension Liability	1,043,969	-
Total Liabilities	336,231,051	55,654,175
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources - Pensions	791,918	-
Deferred Inflows of Resources - Leases	26,598,069	-
Deferred Inflows of Resources - Service Concession Arrangements	8,038,832	-
Total Deferred Inflows of Resources	35,428,819	-
NET POSITION		
Net Investment in Capital Assets	13,649,388	(8,628,327)
Restricted for:		
Debt Service	72,436,038	-
Equity On Ice	-	138,424
Other	-	797,625
Unrestricted	(14,468,784)	12,487,714
Total Net Position	$ 71,616,642	$ 4,795,436

See accompanying Notes to Basic Financial Statements.

PORT AUTHORITY OF THE CITY OF SAINT PAUL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Primary Government	Component Unit
OPERATING REVENUES		
Revenue Bond Facilities and Loans:		
Facility and Other Rentals	$ 4,584,206	$ -
Interest on Loans	11,091,172	-
Operating Income on Owned Facilities	-	5,361,567
Administrative and Other Fees	1,619,576	994,662
Grant Revenues	11,885,553	-
Total Operating Revenues	29,180,507	6,356,229
OPERATING EXPENSES		
Administrative and Development	5,113,235	1,609,230
Operations of Owned Facilities	-	1,219,548
Revenues Pledged to Others	2,716,022	-
Depreciation and Amortization	1,332,243	2,710,428
Grant Expenses	4,901,990	700,000
Real Estate Taxes	-	1,055,114
Total Operating Expenses	14,063,490	7,294,320
OPERATING INCOME (LOSS)	15,117,017	(938,091)
NONOPERATING REVENUES (EXPENSES)		
Investment Income (Loss)	2,096,890	1,231,071
Equity Earnings on Joint Ventures	-	653,105
Debt Service Levies	9,990,157	-
Miscellaneous Revenue	(2,335)	234,483
Interest Expense on Revenue Bonds and Notes Payable	(13,679,714)	(4,041,294)
Fiscal and Development Fees	(10,654,000)	-
Nonoperating Revenues (Expenses)	(12,249,002)	(1,922,635)
CHANGES IN NET POSITION	2,868,015	(2,860,726)
Net Position - Beginning of Year	68,748,627	7,656,162
NET POSITION - END OF YEAR	$ 71,616,642	$ 4,795,436

See accompanying Notes to Basic Financial Statements.

PORT AUTHORITY OF THE CITY OF SAINT PAUL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	$ 4,584,206
Grant Receipts	11,885,553
Other Operating Receipts	17,202,729
Payments for Administrative and Development Expenses	(51,532,348)
Payments to Employees	(3,170,523)
Grant Expenses and Other Payments for Operations	(4,901,990)
Net Cash Used by Operating Activities	(25,932,373)
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES	
Proceeds for Issuance of Debt	33,518,978
Principal Paid on Debt	(10,539,018)
Interest and Paying Agent Fees on Bonds	(24,730,868)
Receipts from Debt Service Levies	14,733,297
Net Cash Provided by Noncapital Financing Activities	12,982,389
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(45,005)
Principal Paid on Capital Debt	(4,948,899)
Net Cash Used by Capital and Related Financing Activities	(4,993,904)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	2,096,890
Purchase of Investments	(268,991)
Proceeds from the Sale of Investments	14,436,906
Net Cash Provided by Investing Activities	16,264,805
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,679,083)
Cash and Cash Equivalents - Beginning of Year	17,425,130
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 15,746,047
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Income	$ 15,117,017
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:	
Depreciation	1,332,243
Changes in Assets and Liabilities:	
(Increase) Decrease in:	
Receivables	394,821
Prepaids	(75,410)
Loans Receivable	(33,018,978)
Lease Receivable	792,207
Other Assets	4,148,909
Net OPEB Asset	(46,367)
Deferred Outflows	(3,678)
Increase (Decrease) in:	
Payables	1,944,212
Other Liabilities	(15,464,058)
Lease Deferred Inflows	(843,956)
Other Deferred Inflows	(209,335)
Net Cash Used by Operating Activities	$ (25,932,373)
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES	
Amortization of Bond Premiums	$ 423,377

See accompanying Notes to Basic Financial Statements.

PORT AUTHORITY OF THE CITY OF SAINT PAUL
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2024

	OPEB Irrevocable Trust	Defined Contribution Pension Trust
ASSETS		
Restricted Investments	$ 687,750	$ -
LIABILITIES		
Due to the Port Authority	39,765	-
NET POSITION		
Restricted for OPEB	$ 647,985	$ -

See accompanying Notes to Basic Financial Statements.

PORT AUTHORITY OF THE CITY OF SAINT PAUL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2024

	OPEB Irrevocable Trust	Defined Contribution Pension Trust
ADDITIONS		
Earnings on Investments	$ 40,489	$ -
DEDUCTIONS		
Benefits Paid to Plan Members	39,765	-
Close Defined Contribution Pension Trust	-	1,128,039
Total Deductions	39,765	1,128,039
NET INCREASE (DECREASE) IN NET POSITION	724	(1,128,039)
Net Position - Beginning of Year	647,261	1,128,039
NET POSITION - END OF YEAR	$ 647,985	$ -

See accompanying Notes to Basic Financial Statements.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

The Port Authority of the City of Saint Paul (a component unit of the City of Saint Paul, Minnesota) (the Port Authority) is a body corporate of the state of Minnesota and a redevelopment agency within the meaning of Minnesota statutes. The Port Authority is an enterprise fund and accounts for operations similar to private business enterprises, where the intent is that the costs to provide services on a continuing basis be financed or recovered primarily through user charges. The Port Authority's purpose is to increase the volume of commerce and employment in the City of Saint Paul (the City) and the East Metro Area of the Twin Cities through the creation of development districts and the acquisition and construction of industrial, commercial, and other revenue-producing projects. The Port Authority finances this development in order to expand the tax base and create job opportunities.

Financial Reporting Entity

The powers of the Port Authority are vested in the seven-member board of commissioners, the members of which are nominated by the Mayor and confirmed by the City Council of the City of Saint Paul. Once appointed, the board of commissioners exercises all oversight responsibilities, including, but not limited to, matters of personnel, management, finance, and budget. The accompanying financial statements present the Port Authority and its component unit, an entity for which the Port Authority is considered to be financially accountable. The discretely presented component unit, described below, is reported in a separate column in the government-wide financial statements to emphasize that is it legally separated from the Port Authority.

Certain Port Authority bond issues have been backed by the full faith and credit of the City. This general obligation pledge has allowed the Port Authority to obtain lower borrowing costs for the purpose of financing redevelopment projects. Governmental Accounting Standards Board (GASB) Accounting Standards Codification (ASC) 2100 states that a primary government that appoints a voting majority of an organization's officials and is obligated in some manner for the debt of that organization is financially accountable for that organization. Based on this criterion, the Port Authority is considered a discretely presented component unit of the City and is included in its basic financial statements.

Discretely Presented Component Unit

Capital City Properties (CCP) is a Minnesota nonprofit corporation established in 1991 for the purpose of performing the functions and carrying out certain public purposes of the Port Authority. All of the members of the board of directors of CCP are either commissioners or staff of the Port Authority. CCP participates in various joint ventures. CCP separately issues its own financial statements which may be obtained by writing to CCP at 400 Wabasha St. N, Suite 240, Saint Paul, Minnesota 55102.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

The Port Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The GASB is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

The Port Authority utilizes the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

The Port Authority excludes from its basic financial statements all debt considered conduit debt as well as the related assets and operations. The Port Authority defines conduit debt as "no-commitment" debt for which the Port Authority has no further obligation, as defined by governmental accounting standards generally accepted in the United Stated of America. See Note 11 for further information related to no-commitment debt.

Use of Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate results could differ from those estimates.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents include demand deposit and savings accounts, money market funds, and commercial paper with original maturities of three months or less. Some cash of the discretely presented component unit is deposited with the Port Authority's deposits and invested on a short-term basis in checking, savings, and money market accounts. Interest income earned as a result of the pooling is distributed based on the investment fund balances for the proprietary funds. All of the Port Authority's cash and cash equivalents are restricted by bond indentures and/or board resolutions.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Investments

Restricted investments are reported at fair market value, with the unrealized gains and losses reported as a component of investment income, except for debt securities that have a remaining maturity at the time of purchase of one year or less, which are reported at amortized cost. All investments and earnings attributable to these restricted funds are accounted for directly by the Port Authority and are restricted in accordance with the provisions of bond indentures and a board resolution for operations and payments of debt service on the bonds. The funds and accounts the Port Authority is required to maintain are as follows:

- *Operations:* Pursuant to Board of Commissioners Resolution Number 3300 dated February 19, 1991, the Port Authority established an operating reserve account to enable the Port Authority to continue to carry out the covenants made with holders of bonds issued pursuant to certain bond financing programs. The reserve account is reviewed periodically, to determine whether the reserve is adequate.

- *Development programs:* Amounts have been restricted for the project-specific purposes.

Unamortized Bond Discounts and Premiums

Unamortized bond discounts and premiums are amortized over the life of the related debt.

Other Assets

Other assets consist of reimbursable project costs, future tax levies receivable, levied taxes receivable, and loans receivable (see Note 3).

Reimbursable project costs represent costs incurred by the Port Authority for specific projects that will be repaid in the future through various funding sources (tax increment financing, bond proceeds, state or federal grants, etc.). The Port Authority assesses the collectability of these costs on a project-by-project basis and reserves an amount as uncollectible based on known factors related to future funding sources and the estimated timing of collection.

The Port Authority records a receivable for future tax levies related to various bonds that are issued to finance projects. The bonds issued establish an irrevocable levy which creates a legally enforceable claim for repayment of the outstanding bond proceeds.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Properties and facilities are capitalized and reported at cost or estimated historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend its life are not capitalized. Donated capital assets are recorded at acquisition value at the date of donation. Rental income is recorded for all properties and facilities under as applicable under GASB Statement No. 87. Land and construction in progress are not depreciated. Depreciation and amortization are computed on the straight-line method over the estimated useful lives of the assets, as follows:

Land Improvements – Including Steam Utility System	10 to 40 Years
Furniture, Fixtures, and Equipment	3 to 5 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Impairment of Capital Assets

The Port Authority reviews its capital assets for recoverability whenever events or changes in circumstances suggest that the service utility of a capital asset may have significantly or unexpectedly declined, indicating that an impairment of its capital assets has occurred. If impairment has occurred, the estimated impairment is based on the diminished service utility of the capital asset. To date, management has determined that no impairment of long-lived assets exists.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA’s fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Port Authority also had a defined contribution plan for which a pension trust is reported in the fiduciary financial statements. See Note 9 for more details on the defined contribution plan.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Port Authority's irrevocable OPEB trust and additions to/deductions from the Port Authority's irrevocable OPEB trust's fiduciary net position have been determined on the same basis as they are reported by the Port Authority's irrevocable OPEB trust. For this purpose, Port Authority recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Leases

The Port Authority determines if an arrangement is a lease at inception. Lessee leases are included in right-to-use assets and lease liabilities in the statements of net position. See Note 1 – Capital Assets for more on accounting policies related to lessee leases. Lessor arrangements are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the Port Authority's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

The Port Authority has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

In accordance with applicable Minnesota state statutes, the Port Authority maintains deposits at financial institutions authorized by the board of commissioners. All such depositories are members of the Federal Reserve System. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds.

Authorized collateral includes U.S. Government treasury bills, notes, and or bonds; securities issued by a U.S. Government agency; general obligations of local governments rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letters of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

Custodial Credit Risk – Deposits

In the case of deposits, custodial risk is the risk that in the event of bank failure, the Port Authority's deposits may not be returned to it. The Port Authority's deposit policy does not provide additional restrictions beyond Minnesota State Statutes. At year-end, the carrying amount of the Port Authority's deposits was entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

Investments

The Port Authority may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies.
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and with the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less.
- General obligations rated "A" or better; revenue obligations rated "AA" or better.
- General obligations of the Minnesota Housing Finance Agency rated "A" or better.
- Obligations of a school district with an original maturity not exceeding 13 months which is (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to Minn. Stat. § 126C.55.
- Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

- Commercial paper issued by United States corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies and maturing 270 days or less.
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks, or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in one of the top two rating categories.
- Repurchase or reverse purchase agreements and security lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000, a primary reporting dealer in U.S. Government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

The Port Authority held the following investments as of December 31, 2024:

Investment Type	Fair Value
U.S. Treasury Notes	$ 8,676,834
Federal Home Loan Mortgage Corp. (Freddie Mac)	638,398
Federal National Mortgage Assoc. (Fannie Mae)	1,613,388
Federal Home Loan Bank	60,906
Total Investments at Fair Value	$ 10,989,526

Investment Type	Amortized Cost
First American Government Obligations:	
Class D Money Market	$ 7,173,304
Minnesota Municipal Money Market Fund	6,434,239
Total Investments at Amortized Cost	$ 13,607,543

The OPEB Irrevocable Trust Fund held the following investments as of December 31, 2024:

Investment Type	Amortized Cost
MN SBI Non-Retirement Bond Fund	$ 416,869
MN SBI Non-Retirement Equity Fund	124,707
MN SBI Non-Retirement Money Market Fund	146,174
Total Investments at Amortized Cost	$ 687,750

MN SBI investments are subject to the policies and procedures established by the Minnesota State Board of Investment. They have no restrictions or limitations on withdrawals other than requiring a five-business day notice. The investment in the 4M external investment pool is with the 4M Fund which his regulated by Minnesota Statutes and the board of directors of the League of Minnesota Cities.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Interest Rate Risk

As a means of managing its exposure to fair value losses arising from increasing interest rates, it is the Port Authority's practice to match maturities to its liquidity needs. The Port Authority establishes benchmarks that reflect its expected cash flow needs and minimize interest rates that are materially longer or shorter than those established by the benchmarks chosen. Maximum duration of the portfolio is 120% of the benchmark duration.

The Port Authority's schedule of the average maturities by investment type as of December 31, 2024 is as follows:

	Investment Maturities (In Years)					
Investment Type	Less than 1	1-5	6-10	More Than 10	No Maturity	Total
U.S. Treasury Notes	$ 2,959,389	$ 3,667,265	$ 2,050,180	$ -	$ -	$ 8,676,834
Government-sponsored Enterprises:						
Federal Home Loan Mortgage Corp. (Freddie Mac)	48,744	176,586	174,789	238,279	-	638,398
Federal National Mortgage Assoc. (Fannie Mae)	93,551	796,681	48,125	675,031	-	1,613,388
Federal Home Loan Bank	-	33,150	27,756	-	-	60,906
First American Government Obligations:						
Class D Money Market	-	-	-	-	7,173,304	7,173,304
4M - External Investment Pools	-	-	-	-	6,434,239	6,434,239
Total	$ 3,101,684	$ 4,673,682	$ 2,300,850	$ 913,310	$ 13,607,543	$ 24,597,069

The OPEB Irrevocable Trust Fund's schedule of the average maturities by investment type as of December 31, 2024 is as follows:

	Investment Maturities (In Years)
Investment Type	No Maturity
MN SBI Non-Retirement Bond Fund	$ 416,869
MN SBI Non-Retirement Equity Fund	124,707
MN SBI Non-Retirement Money Market Fund	146,174
Total	$ 687,750

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit Risk

As a means of managing its exposure that an issuer of a debt security will not fulfill its obligation, it is the Port Authority's practice to follow state law, which limits investments in authorized securities to certain credit risk ratings and maturities. It is the Port Authority's policy that securities must carry an A- or higher long-term rating by one rating agency or the highest quality short-term rating (without regard to modifiers) by two of the following rating agencies: *Standard & Poors*, *Fitch*, or *Moody's*. The Port Authority's investments at December 31, 2024 carried the following ratings:

	Credit Risk (Lowest rating from Moody's, S&P, and Fitch Ratings)				
Investment Type	AAA/Aaa	AA+/Aa1	A	NR or NA	Total
U.S. Treasury Notes	$ -	$ -	$ -	$ 8,676,834	$ 8,676,834
Government-Sponsored Enterprises:					
Federal Home Loan Mortgage Corp. (Freddie Mac)	-	48,743	-	589,655	638,398
Federal National Mortgage Assoc. (Fannie Mae)	-	275,763	-	1,337,625	1,613,388
Federal Home Loan Bank	-	60,906	-	-	60,906
First American Government Obligations:					
Class D Money Market	-	-	-	7,173,304	7,173,304
4M - External Investment Pools	-	-	-	6,434,239	6,434,239
Total	$ -	$ 385,412	$ -	$ 24,211,657	$ 24,597,069

The OPEB Irrevocable Trust Fund's investments at December 31, 2024 carried the following ratings:

Investment Type	Credit Risk (Lowest Rating from Moody's, S&P, and Fitch Ratings) Not Rated
MN SBI Non-Retirement Bond Fund	$ 416,869
MN SBI Non-Retirement Equity Fund	124,707
MN SBI Non-Retirement Money Market Fund	146,174
Total	$ 687,750

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Custodial Credit Risk

For an investment, the custodial credit risk is that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Port Authority will not be able to recover the value of its investments that are in the possession of another party. The Port Authority requires all securities purchased to be made in such a manner so that the securities are registered in the Port Authority's name or are in the possession of the Port Authority or a third-party custodian in the Port Authority's name.

Concentration of Credit Risk

The Port Authority diversifies its portfolio in order to minimize the impact of losses from any one individual issuer. It is the Port Authority's policy to limit the amount invested in any one issuer at the time of the purchase, excluding securities of the U.S. Government and government sponsored enterprise securities. There were no violations of the policy during the year.

At December 31, 2024, more than 5% of the Port Authority's investments are in the following issuers:

	Percent of Total Investments
Investment Issuer:	
Federal National Mortgage Assoc. (Fannie Mae)	6.56%

At December 31, 2024, the OPEB Irrevocable Trust Fund had not invested more than 5% of its Fund's investments any particular issuer.

Fair Value Measurements

The Port Authority uses fair value measurements to record fair value adjustments to certain asset and liabilities and to determine fair value disclosures.

The Port Authority follows an accounting standard which defines fair value, establishes framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Port Authority has categorized its investments, based on the priority of inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quotes and prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset.

Assets of the Port Authority measured at fair value on a recurring basis are as follows:

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	$ 8,676,834	$ -	$ -	$ 8,676,834
Government-sponsored Enterprises:				
Federal Home Loan Mortgage Corp. (Freddie Mac)	-	638,398	-	638,398
Federal National Mortgage Assoc. (Fannie Mae)	-	1,613,388	-	1,613,388
Federal Home Loan Bank	-	60,906	-	60,906
Total Investments Measured at Fair Value	$ 8,676,834	$ 2,312,692	$ -	$ 10,989,526

The OPEB Irrevocable Trust Fund did not have any assets which were measured at fair value.

NOTE 3 OTHER ASSETS

Other assets consist of the following at December 31, 2024:

Reimbursable Project Costs	$ 31,133,274
Future Tax Levies	68,435,680
Loans Receivable	258,540,018
Allowance for Doubtful Accounts	(4,868,274)
Total	$ 353,240,698

NOTE 4 CAPITAL ASSETS

Capital asset additions, retirements, and balances for the year ended December 31, 2024 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 2,045,165	$ -	$ -	$ 2,045,165
Capital Assets, Being Depreciated:				
Land Improvements	47,123,407	-	-	47,123,407
Furniture and Equipment	2,465,780	45,005	-	2,510,785
Total Capital Assets, Being Depreciated	49,589,187	45,005	-	49,634,192
Less: Accumulated Depreciation for:				
Land Improvements	35,344,668	941,070	-	36,285,738
Furniture and Equipment	1,445,651	165,814	-	1,611,465
Total Accumulated Depreciation	36,790,319	1,106,884	-	37,897,203
Total Capital Assets, Being Depreciated, Net	12,798,868	(1,061,879)	-	11,736,989
Intangible Right-to-Use Assets:				
Leased Buildings and Improvements	2,704,306	-	-	2,704,306
Less: Accumulated Amortization	450,718	225,359	-	676,077
Total Intangible Right-to-Use Assets, Net	2,253,588	(225,359)	-	2,028,229
Total Business-Type Activities Capital Assets, Net	$ 17,097,621	$ (1,287,238)	$ -	$ 15,810,383

NOTE 5 REVENUE BONDS AND NOTES PAYABLE

Unless otherwise noted below, all obligations are in the name of the Port Authority of the City of Saint Paul with interest due semi-annually and principal due in varying installments. At December 31, 2024, revenue bonds and notes payable consisted of the following:

Description	Amount
General Obligation Debt:	
Port Authority of the City of Saint Paul, 2.0% to 3.625% Taxable General Obligation Bonds, Series 2013-1, interest due semi-annually with principal due in varying installments through 2038 for financing the acquisition, remediation and improvement of blighted and marginal land for redevelopment.	$ 5,180,000
Port Authority of the City of St. Paul, 1.0% to 2.9%, Taxable General Obligation Bonds, Series 2016-2, interest due semi-annually with principal due in varying annual installments through 2029, for financing the acquisition, remediation, and improvement of blighted and marginal land for redevelopment, backed by the full faith and credit of the City of Saint Paul.	3,955,000

NOTE 5 REVENUE BONDS AND NOTES PAYABLE (CONTINUED)

Description (Continued)	Amount
General Obligation Debt (Continued):	
Port Authority of the City of St. Paul, 2.0% to 4.0%, Tax Exempt General Obligation Refunding Bonds, Series 2016-3, interest due semi-annually with principal due in varying annual installments through 2029, backed by the full faith and credit of the City of Saint Paul.	$ 2,810,000
Port Authority of the City of St. Paul, 1.6% to 2.72%, Taxable General Obligation Bonds, Series 2019-1, interest due semi-annually with principal due in varying annual installments through 2040, for financing the acquisition of the former Hillcrest Golf Course in preparation for redevelopment, backed by the full faith and credit of the City of Saint Paul.	6,170,000
Port Authority of the City of St. Paul, 5.0%, Taxable Exempt Obligation Bonds, Series 2019-2, interest due semi- annually with principal due in varying annual installments through 2044, for financing the acquisition, of the former Hillcrest Golf Course in preparation for redevelopment, backed by the full faith and credit of the City of Saint Paul.	2,440,000
Port Authority of the City of St. Paul, 3.0% General Obligation Refunding Bonds, Series 2019-3, interest due semi-annually with principal due in varying annual installments through 2030, backed by the full faith and credit of the City of Saint Paul.	3,160,000
4.0% to 5.0% Tax-Exempt General Obligation Bonds (Sustainability Bonds), Series 2022-1, with principal due through 2037, backed by the full faith and credit of the City of Saint Paul.	10,020,000
3.0% Taxable General Obligation Bonds (Sustainability Bonds), Series 2022-2, with principal due through 2030, backed by the full faith and credit of the City of Saint Paul.	5,125,000
5.0% to 5.2% Taxable General Obligation Bonds, Series 2023-1, with principal due through 2039, backed by the full faith and credit of the City of Saint Paul.	10,000,000
5.0% Tax-Exempt General Obligation Bonds, Series 2023-2, with principal due through 2041, backed by the full faith and credit of the City of Saint Paul.	5,000,000
Revenue Bonds:	
Port Authority of the City of Saint Paul, 4.02% Taxable Revenue Bonds Series 2013-6, interest due semi-annually with principal due in varying annual installments through 2039, for the financing of a new multi-purpose regional ballpark.	6,280,000

NOTE 5 REVENUE BONDS AND NOTES PAYABLE (CONTINUED)

Description (Continued)	Amount
Bonds Collateralized by Tax Increment Financing:	
Port Authority of the City of St. Paul, 4.25% Tax Exempt Tax Increment Revenue Refunding Bonds, Series 2017-6, interest due semi-annually with the last principal payment due in 2027, for the Riverbend project.	$ 493,000
Port Authority of the City of Saint Paul, 6.25% Limited Taxable Tax Increment Revenue Notes, Series 2011-2, interest due semi-annually with principal due in 2021, for Energy Lane.	137,045
Limited Debt Collateralized by Future Tax Levies:	
Port Authority of the City of Saint Paul, 5.0% Tax-Exempt Limited Tax-Supported Refunding Bonds, Series 2017-1, interest due semi-annually with the last principal payment due in 2037.	7,310,000
Other Debt:	
Other Notes and Loans Payable	241,871,606
Lease Liability	2,160,995
Total	312,112,646
Plus: Unamortized Bond Premium	3,587,932
Less: Current Maturities	(4,739,087)
Total	$ 310,961,491

The Port Authority's lending and development programs are primarily financed by the issuance of various forms of revenue bonds or notes, which are collateralized based upon the circumstances under which the bonds were issued. The Port Authority's revenue bond and note agreements include various restrictions and covenants.

Scheduled maturities of long-term obligations for the years ending December 31 are as follows:

	Bonds Payable		
Year Ending December 31,	Principal	Interest	Total
2025	$ 4,540,000	$ 2,694,830	$ 7,234,830
2026	4,265,000	2,540,324	6,805,324
2027	4,240,045	2,394,650	6,634,695
2028	4,280,000	2,244,213	6,524,213
2029	4,425,000	2,088,159	6,513,159
2029-2033	20,270,000	8,034,809	28,304,809
2034-2038	20,575,000	3,437,627	24,012,627
2039-2043	5,485,000	200,595	5,685,595
Total	$ 68,080,045	$ 23,635,207	$ 91,715,252

NOTE 5 REVENUE BONDS AND NOTES PAYABLE (CONTINUED)

	Notes Payable		
Year Ending December 31,	Principal	Interest	Total
2025	$ -	$ -	$ -
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	241,328,096	-	241,328,096
2029-2033	543,510	-	543,510
Total	$ 241,871,606	$ -	$ 241,871,606

Long-term liability activity for the year ended December 31, 2024 was as follows:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds	$ 57,625,000	$ -	$ 3,765,000	$ 53,860,000	$ 3,525,000
Taxable Revenue Bonds	6,580,000	-	300,000	6,280,000	315,000
Development Revenue Bonds	914,045	-	284,000	630,045	270,000
Limited Tax Supported Bonds	7,720,000	-	410,000	7,310,000	430,000
Bond Premiums	4,011,309	-	423,377	3,587,932	-
Total Bonds Payable	76,850,354	-	5,182,377	71,667,977	4,540,000
Notes and Loans Payable	218,891,646	33,518,978	10,539,018	241,871,606	-
Lease Liability	2,350,894	-	189,899	2,160,995	199,087
Total Long-Term Liabilities	$ 298,092,894	$ 33,518,978	$ 15,911,294	$ 315,700,578	$ 4,739,087

NOTE 6 RELATED PARTY TRANSACTIONS

As discussed in Note 1, CCP's corporate purpose is to perform functions and carry out certain public purposes of the Port Authority. In conjunction with this purpose, CCP makes periodic grants to the Port Authority. During 2024, these grants totaled $-0-.

In 2011, the Port Authority refinanced its Series 2003-1 Taxable Tax Increment Revenue Note. CCP purchased the Series 2011-2 Taxable Tax Increment Revenue Refunding Note of $1,740 with a final maturity in 2031. Under the terms of the note, annual payment will be made from available tax increment from the Energy Lane Business Center Tax Increment Financing District. In 2024, principal and interest payments were $85,000 and $5,125, respectively, resulting in an outstanding balance of $137,045 at December 31, 2024.

NOTE 7 DEFINED BENEFIT PENSION PLANS

A. Plan Description

The Port Authority participates in the following cost-sharing, multiemployer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code (IRC).

General Employees' Retirement Plan

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than $425 in a month, unless the employee meets exclusion criteria.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit

General Employees Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

General Employees Plan Benefits (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2024 annual increase was 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

C. Contributions

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the Port Authority was required to contribute 7.50% for General Plan members. The Port Authority's contributions to the General Employes Fund for the year ended December 31, 2024 were $190,998. The Port Authority's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2024, the Port Authority reported a liability of $1,043,969 for its proportionate share of the General Employees Fund's net pension liability. The Port Authority's net pension liability reflected a reduction due to the state of Minnesota's contribution of $16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the Port Authority totaled $26,995.

Port Authority's Proportionate Share of the Net Pension Liability	$ 1,043,969
State's Proportionate Share of the Net Pension Liability Associated with the Port Authority	26,995
Total	$ 1,070,964

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Port Authority's proportionate share of the net pension liability was based on the Port Authority's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The Port Authority's proportionate share was 0.0282% at the end of the measurement period and 0.0244% for the beginning of the period.

For the year ended December 31, 2024, the Port Authority recognized pension expense of $132,198 for its proportionate share of the General Employees Plan's pension expense. In addition, the Port Authority recognized an additional $334 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of $16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the state of Minnesota contributed $170.1 million to the General Employees Fund. The state of Minnesota is not included as a nonemployer contributing entity in the General Employees Plan pension allocation schedules for the $170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The Port Authority recognized $48,032 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the General Employees Fund.

At December 31, 2024, the Port Authority reported deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 98,160	$ -
Changes in Actuarial Assumptions	5,097	395,124
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	303,160
Changes in Proportion and Differences Between Port Authority Contributions and Proportionate Share of Contributions	205,925	93,634
Port Authority Contributions Subsequent to the Measurement Date	107,643	-
Total	$ 416,825	$ 791,918

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

The $107,643 reported as deferred outflows of resources related to pensions resulting from Port Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense
2025	$ (291,813)
2026	(43,301)
2027	(67,608)
2028	(80,014)
Total	$ (482,736)

Total Pension Expense

The total pension expense for all plans recognized by the Port Authority for the year ended December 31, 2024 was $84,500.

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.50 %	5.10 %
International Equity	16.50	5.30
Fixed Income	25.00	0.75
Private Markets	25.00	5.90
Total	100.00 %	

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Actuarial Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.0%. The 7.0% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensated offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

The following presents the Port Authority's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Port Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate 1-percentage-point lower or -percentage-point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
GERF Discount Rate	6.00%	7.00%	8.00%
Port Authority's Proportionate Share of the GERF Net Pension Liability	$ 2,280,196	$ 1,043,969	$ 27,059

I. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS PAYABLE

Single Employer Retiree Healthcare Benefit Program

A. Plan Description

The Port Authority employees hired prior to January 1, 2002 and retiring after 20 or more years of service are eligible for up to $300 per month toward the cost of health insurance. Employees who retired prior to 1996 are reimbursed for 100% of the cost of health insurance for themselves and their spouse. At December 31, 2024, there were eleven beneficiaries receiving benefits. In addition, there are five current employees that may become eligible for benefits in the future.

Effective September 1, 2018, the Port Authority established an OPEB Irrevocable Trust Fund pursuant to Minnesota Statute Section 471.6175 with the Minnesota Public Employees Retirement Association serving as the administrator. The plan does not issue a stand-alone financial report.

B. Contributions and Funding Policy

Retiree health care benefits are currently funded based on the benefit disclosed above on a pay-as-you-go basis. The board of commissioners may change the funding policy at any time.

C. Net OPEB Liability

As the Port Authority had fewer than 100 employees as of December 31, 2024, the Port Authority's net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by through the use of the alternative measurement method as of that date.

D. Actuarial Assumptions

The total OPEB liability in the December 31, 2024 alternative measurement method valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified. The Port Authority has estimated the liability associated with this benefit using an alternative valuation method that takes into account the existing age of the individuals, their years of service and life expectancy, probability of receiving a benefit, a health care cost trend factor of 6.3%, 3.0% rate of inflation, and a 2.5% discount rate.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

Single Employer Retiree Healthcare Benefit Program (Continued)

D. Actuarial Assumptions (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (or target allocation, if available). Best estimates of rates of return for each major asset class included in the OPEB plan's asset allocation as of the measurement date are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
MN State Board of Investment Non-Retirement Bond Fund	50.00 %	5.25 %
MN State Board of Investment Non-Retirement Equity Fund	25.00	8.00
MN State Board of Investment Non-Retirement Money Market Fund	25.00	1.25
Total	100.00 %	

For the year ended December 31, 2024 the annual money weighted rate of return on investments, net of investment expense, was 6.07%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

E. Changes in the Net OPEB Liability

The following table summarized the changes in the plan's total OPEB liability, plan fiduciary net position, and the related net OPEB liability:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at December 31, 2023	$ 637,871	$ 647,261	$ (9,390)
Changes for the Year:			
Service Cost	(5,878)	-	(5,878)
Net Investment income	-	40,489	(40,489)
Benefit Payments	(39,765)	(39,765)	-
Net Changes	(45,643)	724	(46,367)
Balances at December 31, 2024	$ 592,228	$ 647,985	$ (55,757)

There were no significant plan and assumption changes which occurred in 2024.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

Single Employer Retiree Healthcare Benefit Program (Continued)

F. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.5%) or 1-percentage-point higher (3.5%) than the current discount rate:

	1% Decrease (1.5%)	Discount Rate (2.5%)	1% Increase (3.5%)
Net OPEB Liability (Asset)	$ 5,006	$ (55,757)	$ (108,502)

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.3%) or 1-percentage-point higher (7.3%) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (5.3%)	Current Trend Rates (6.3%)	1% Increase (7.3%)
Net OPEB Liability (Asset)	$ (55,514)	$ (55,757)	$ (55,992)

G. OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available on the statement of fiduciary net position and the statement of changes in fiduciary net position, as listed in the table of contents of these financial statements. The OPEB plan does not issue separate financial statements.

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the Port Authority recognized OPEB expense of $46,367. At December 31, 2024, the Port Authority reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

NOTE 9 OTHER PENSION BENEFITS PAYABLE

The Port Authority sponsored a Section 414(d) single employer defined contribution pension benefit plan covering all full-time employees who were hired prior to June 30, 2003 and did not elect to participate in the General Employees Fund. Employee participation in the plan was mandatory, and employees were required to contribute 6.50% of their salary.

Effective as of June 30, 2024, the Board of Commissioners of the Port Authority reserved the right to terminate the plan and accompanying trust. All participants in the plan were 100% vested as of June 30, 2024, and the trust fund was liquidated with all assets distributed to participants in accordance with the terms of the plan.

NOTE 10 LEASE RECEIVABLE

The Port Authority, acting as lessor, leases land and shoreline for barge terminal and fleeting purposes along the Mississippi River under long-term, noncancelable lease agreements. The lease terms expire at various dates through 2050 and provide for renewal options ranging from one year to 10 years. The leases carry an interest rate of 2.5%. During the year ended December 31, 2024, the Port Authority recognized $2,729,892 and $195,351 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under the lease agreement are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ 2,631,011	$ 384,792	$ 3,015,803
2026	2,665,657	357,675	3,023,332
2027	2,676,051	430,037	3,106,088
2028	2,091,689	392,210	2,483,899
2029	2,003,857	427,977	2,431,834
2030-2034	7,650,207	2,229,267	9,879,474
2035-2039	3,745,576	1,759,383	5,504,959
2040-2044	1,625,301	1,106,848	2,732,149
2045-2049	1,413,960	1,275,261	2,689,221
2050-2054	71,465	72,097	143,562
Total Minimum Lease Payments	$ 26,574,774	$ 8,435,547	$ 35,010,321

NOTE 11 LEASE LIABILITY

The Port Authority leases office facilities for under a long-term, non-cancelable lease agreement. The discount rate applied to the leas was the Port incremental borrowing rate as of January 1, 2022, of 2.25% The lease term expires on December 31, 2033.

NOTE 11 LEASE LIABILITY (CONTINUED)

Total future minimum lease payments under the lease agreement are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ 199,087	$ 46,118	$ 245,205
2026	208,577	41,532	250,109
2027	218,376	36,729	255,105
2028	228,492	31,702	260,194
2029	238,932	26,444	265,376
2030-2034	1,067,531	48,289	1,115,820
Total Minimum Lease Payments	$ 2,160,995	$ 230,814	$ 2,391,809

NOTE 12 COMMITMENTS AND CONTINGENCIES

Grants

The Port Authority receives financial assistance from numerous federal, state, and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Such audits could result in a liability to the Port Authority.

Tax Increment Financing

The Port Authority receives incremental property tax revenue generated by some or all of the value of certain development sites. These funds are used to repay existing tax increment bonds as well as related administrative and economic development activities. The terms of each financing plan are unique for each project as are the tax increment revenues derived from the project. The adequacy of tax increment revenues to meet debt service requirements is dependent upon a number of variables, the outcome of which cannot be predicted with certainty.

Risk Management

The Port Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; and general liability, for which the Port Authority carries insurance and also requires lessees, payers under loans receivable, or property managers (in the case of real estate owned and operated) to carry commercial insurance. The Port Authority has not reduced insurance coverage requirements in the past year, and no claims have been paid by the Port Authority in any of the three preceding years.

NOTE 12 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Capital Assets

The Port Authority has pledged the revenues from certain of its assets, generally those in its barge terminals, to a bond program; the ongoing lease payments associated with these leases are recorded in the financial statements as revenue with an offsetting expense for the payment to the revenue bond program. In addition, if the Authority sells any of these pledged assets before September 1, 2032, the net proceeds from the sale is also pledged to the revenue bond program. No such sales are currently contemplated and therefore no liability is recorded.

Other Contingencies

In the normal course of its business, the Port Authority is subject to contingencies relating to the performance and completion of contracts, environmental matters, and claims of others. In the opinion of management and internal legal counsel, the ultimate settlement of known claims or disputes will not adversely affect the financial position or results of operations of the Port Authority.

NOTE 13 NO-COMMITMENT DEBT

The Port Authority has issued certain limited-obligation revenue bonds from the following financing sources:

Authority Resolution No. 876

The Common Revenue Bond Fund (Resolution 876) of the Port Authority of the City of Saint Paul (the 876 Bond Fund) includes balances and transactions relating to projects financed by bonds issued under Resolution 876. All debt service on revenue bonds issued under Resolution 876 is payable solely and exclusively from amounts specifically pledged, including amounts to be received under leases or loan agreements and account earnings.

These debt obligations are collateralized by all of the 876 Bond Fund assets and the related proceeds from operations and sale of 876 Bond Fund facilities. The 876 Bond Fund is managed by the Port Authority; however, these obligations are not secured by the credit of the Port Authority.

The 876 Bond Fund did not have adequate cash to pay the full principal amount due on December 1, 2004. Since then it has not made full debt service payments and it is unlikely full principal and interest payments will be made in the future.

The Port Authority and a group of bond holders entered into a mediated settlement which clarified various issues related to the 876 bonds, the pledged revenues and the maturity date of the bonds. The settlement was approved by the Ramsey County District Court in late 2011. As part of the Settlement, US Bank was appointed to act as the Trustee.

NOTE 13 NO-COMMITMENT DEBT (CONTINUED)

Conduit Financings

Conduit Financings represent bonds issued for project financings which are collateralized by the related amounts to be received under leases, loan agreements and property taxes.

None of the debt obligations issued from the above financing sources are secured by the credit of the Port Authority. The Port Authority is not obligated in any manner for repayment of this debt and, accordingly, it is not reported as liabilities in the accompanying financial statements. The aggregate amount of outstanding debt for the 876 Bond Fund and Conduit Financing obligations debt issues was $194,509,830 at December 31, 2024.

NOTE 14 TAX ABATEMENTS

The Port Authority has entered into various agreements under Minnesota Statutes Section 469.174, Subdivision 10, and Section 469.175, which allow for certain entities to develop tax increment financing plans. As part of developing tax increment financing (TIF) plans, the Port Authority identifies TIF districts for the purpose of financing redevelopment, housing, or economic development through the use of tax increment generated from the captured net tax capacity in the TIF district. The Port Authority has the following types of TIF districts:

Redevelopment Districts

These districts must, per state statue, be parcels with 70% of the area occupied by buildings, streets, utilities, parking lots, or other similar structures with more than 50% of those structures being substandard and requiring substantial renovation or clearance or be properties consisting of vacant, unused, underused, or inappropriately used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way.

Economic Development Districts

These districts must, per state statute, be areas which consist of projects which the Port Authority finds to be in the public interest because it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality, result in increased employment in the state, or result in preservation and enhancement of the tax base of the state.

Hazardous Substance Subdistricts

These subdistricts are created, per state statute, within a TIF district and are made up of any parcels within the TIF district that are designated hazardous substance sites or are contiguous to the hazardous substance sites. Development or redevelopment of these sites would not reasonably be expected to occur solely through private investment and tax increment otherwise available.

NOTE 14 TAX ABATEMENTS (CONTINUED)

As part of the tax increment financing plans, the Port Authority enters into agreements with developers and other entities for Taxable Tax Increment Revenue Notes or Pay-As-You-Go TIF Notes. Under these agreements, the Port Authority pledges a certain percentage of future tax increment revenue received from the TIF district in return for agreed upon improvements or development activities to be performed within the TIF district by the other entity. Each Pay-As-You-Go TIF Note contains a principal amount, and the Notes terminate at the earlier of the date on which the entire principal has been paid in full or a termination date included in the agreement. Once the termination date is reached, the Port Authority has no more liability to make payments on the Note, regardless of whether or not the principal had been paid in full.

During fiscal year 2024, the Port Authority had five such Pay-As-You-Go TIF Notes in place and made payments totaling $554,387 from tax increments received from the TIF Districts. The five agreements call for between 25% and 95% of the tax increments collected to be returned to the developer and have termination dates ranging from 2025 to 2044.

NOTE 15 PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS

For many years the Port Authority has owned and operated Energy Park Utility Company (EPUC), which provides heating and cooling services through the operation of a hot and chilled-water system to business and residences located in Energy Park, an industrial and residential development district located in Saint Paul. In December 2021, the Port Authority entered into an agreement with DE Energy Park, LLC (District Energy) to provide them the right to use the EPUC facilities, equipment, machinery, real property, customer and operating contracts, business information, and real estate and operation of the business. The initial term of the agreement is 20 years, expiring on December 21, 2041, but includes a 10-year optional extension to be agreed upon by both parties.

Under the agreement the Port Authority would convey to District Energy the rights and related obligations to provide the heating and cooling services to Energy Park through the use of the existing EPUC facilities in exchange for quarterly installment payments, totaling $182,667 a year, and an initial payment sufficient to defease the full amount of the existing bonds outstanding which were issued by the Port Authority to upgrade the facilities in 2013, as well as several smaller loans and liabilities outstanding. District Energy would then be responsible for operating the facilities and collecting fees from the customers within Energy Park. The agreement also requires District Energy to operate the facilities under the existing franchise agreement with the City of Saint Paul, which includes rate restrictions and other guidelines for its operations. Upon termination of the agreement, all facilities, equipment and real property included in the agreement must be returned to the Port Authority in proper working condition subject to normal wear and tear related to the useful life of the property. All of these conditions result in the agreement being considered a service concession arrangement.

NOTE 15 PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS (CONTINUED)

District Energy's upfront payment to the Port Authority included the following:

1) $7,069,932 in proceeds from bonds issued by District Energy were placed into an irrevocable escrow to provide sufficient amounts to make future payments of EPUC's outstanding bonds, series 2012-3 and 2012-4, this constituting a defeasance of the bonds.
2) $913,244 was paid to EPUC and was then used to purchase equipment from Capital City Properties (CCP) which EPUC had been leasing from CCP.
3) $291,384 was paid to EPUC and subsequently used to pay the remaining outstanding balance of a loan payable to CCP.
4) $87,840 was paid to EPUC and subsequently used to pay the remaining outstanding balance on an intrafund loan with the St. Paul Port Authority.

In accordance with GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* the transferor entity (Port Authority) should record a deferred inflows of resources for the difference between the up-font payment and any contractual obligations (liabilities) as well as a receivable and related deferred inflows of resources for present value of the recurring installment payments.

As such, the Port Authority has recorded a receivable for the recurring cash flow in the amount of $2,159,695 and a deferred inflow for the net up-front payment and related to the receivable in the net amount of $8,038,833 as of December 31, 2024, to be recognized as revenue over the term of the agreement. The discount rate used to measure the receivable was 5.0%.

Because the agreement requires that all facilities, equipment, and real property be returned to the Port Authority at the termination of the agreement in proper working condition, subject to normal wear and tear, the Port Authority is including these assets in the financial statements and the assets are continuing to be depreciated. The Port Authority reports the Energy Park's related capital assets with a carrying amount of $7,475,317 million at year-end.

REQUIRED SUPPLEMENTARY INFORMATION

PORT AUTHORITY OF THE CITY OF SAINT PAUL
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET)
LAST TEN YEARS*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:							
Service Cost	$ (5,878)	$ 46,558	$ 51,462	$ 13,038	$ 27,822	$ 107,680	$ 17,729
Benefit Payments	(39,765)	(38,383)	(36,428)	(34,788)	(38,861)	(44,586)	(34,108)
Net Change in Total OPEB Liability	(45,643)	8,175	15,034	(21,750)	(11,039)	63,094	(16,379)
Total OPEB Liability - Beginning	637,871	629,696	614,662	636,412	647,451	584,357	600,736
Total OPEB Liability - Ending (a)	592,228	637,871	629,696	614,662	636,412	647,451	584,357
Plan Fiduciary Net Position:							
Contributions - Employer	-	38,383	36,428	9,788	19,361	44,586	634,108
Net Investment Income	40,489	52,036	(76,005)	13,955	47,922	56,475	(2,622)
Benefit Payments	(39,765)	(38,383)	(36,428)	(34,788)	(38,861)	(44,586)	(34,108)
Net Change in Plan Fiduciary Net Position	724	52,036	(76,005)	(11,045)	28,422	56,475	597,378
Plan Fiduciary Net Position - Beginning	647,261	595,225	671,230	682,275	653,853	597,378	-
Plan Fiduciary Net Position - Ending (b)	647,985	647,261	595,225	671,230	682,275	653,853	597,378
Net OPEB Liability (Asset) - Ending (a) - (b)	$ (55,757)	$ (9,390)	$ 34,471	$ (56,568)	$ (45,863)	$ (6,402)	$ (13,021)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	109.41%	101.47%	94.53%	109.20%	107.21%	100.99%	102.23%
Covered-Employee Payroll	$ 2,590,691	$ 2,419,243	$ 2,207,399	$ 2,203,256	$ 2,014,858	$ 1,998,663	$ 1,933,886
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	-2.15%	-0.39%	1.56%	-2.57%	-2.28%	-0.32%	-0.67%
Actuarially Determined Contribution (ADC)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in Relation to the ADC	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-Employee Payroll	$ 2,590,691	$ 2,419,243	$ 2,207,399	$ 2,203,256	$ 2,014,858	$ 1,998,663	$ 1,933,886
Contributions as a Percentage of Covered-Employee Payroll	0.00%	1.59%	1.65%	0.44%	0.96%	2.23%	32.79%

* The Port Authority of the City of Saint Paul implemented GASB Statement No. 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

See accompanying Notes to Required Supplementary Information.

PORT AUTHORITY OF THE CITY OF SAINT PAUL
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN ON PLAN ASSETS – OPEB
LAST TEN YEARS*

	2024	2023	2022	2021	2020	2019	2018
Annual Money-Weighted Rate of Return, Net of Invetment Expense	6.07%	8.21%	-11.55%	2.00%	7.07%	9.03%	-0.88%

* The Port Authority of the City of Saint Paul implemented GASB Statement No. 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

See accompanying Notes to Required Supplementary Information.

PORT AUTHORITY OF THE CITY OF SAINT PAUL
PERA SCHEDULE OF THE PORT AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN YEARS

Measurement Date June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Port Authority's Proportion of the Net Pension Liability	0.0282%	0.0244%	0.0275%	0.0257%	0.0256%	0.0231%	0.0215%	0.0212%	0.0237%	0.0251%
Port Authority's Proportionate Share of the Net Pension Liability	$ 1,043,969	$ 1,364,421	$ 2,178,009	$ 1,097,505	$ 1,534,837	$ 1,277,147	$ 1,192,732	$ 1,353,394	$ 1,924,322	$ 1,300,812
State's Proportionate Share of the Net Pension Liability Associated with the Port Authority	26,995	37,653	63,839	33,535	47,348	39,665	39,115	17,006	-	-
Total	$ 1,070,964	$ 1,402,074	$ 2,241,848	$ 1,131,040	$ 1,582,185	$ 1,316,812	$ 1,231,847	$ 1,370,400	$ 1,924,322	$ 1,300,812
Port Authority's Covered Payroll	$ 2,390,002	$ 2,008,464	$ 1,997,795	$ 1,851,210	$ 1,827,279	$ 1,633,678	$ 1,444,486	$ 1,364,776	$ 1,472,398	$ 1,475,724
Port Authority's Proportionate Share of the Net Pension	43.68%	67.93%	109.02%	59.29%	84.00%	78.18%	82.57%	99.17%	130.69%	88.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.08%	83.10%	76.67%	87.00%	79.06%	80.20%	79.50%	75.90%	68.90%	78.20%

See accompanying Notes to Required Supplementary Information.

PORT AUTHORITY OF THE CITY OF SAINT PAUL
PERA SCHEDULE OF THE PORT AUTHORITY'S CONTRIBUTIONS
LAST TEN YEARS

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	$ 190,998	$ 170,342	$ 144,935	$ 151,490	$ 136,523	$ 133,244	$ 114,619	$ 105,054	$ 103,056	$ 114,186
Contributions in Relation to the Statutorily Required	(190,998)	(170,342)	(144,935)	(151,490)	(136,523)	(133,244)	(114,619)	(105,054)	(103,056)	(114,186)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Port Authority's Covered Payroll	$ 2,546,640	$ 2,271,227	$ 1,932,467	$ 2,019,867	$ 1,820,307	$ 1,776,587	$ 1,528,253	$ 1,400,720	$ 1,374,080	$ 1,522,480
Contributions as a Percentage of Employee Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

See accompanying Notes to Required Supplementary Information.

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

General Employees Fund

2024 Changes

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates. An additional one-time direct state aid contribution of $170.1 million will be contributed to the Plan on October 1, 2023.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers’ compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 Changes

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of $170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, noncompounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump -sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

General Employees Fund (Continued)

2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

General Employees Fund (Continued)

2020 Changes (Continued)

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from $31.0 million to $21.0 million per year. The State's special funding contribution was changed prospectively, requiring $16.0 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

General Employees Fund (Continued)

2017 Changes

Changes in Actuarial Assumptions:

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and nonvested deferred members. The revised CSA load are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

Changes in Plan Provisions:

- The State’s contribution for the Minneapolis Employees Retirement Fund equals $16,000,000 in 2017 and 2018, and $6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21,000,000 to $31,000,000 in calendar years 2019 to 2031. The state’s contribution changed from $16,000,000 to $6,000,000 in calendar years 2019 to 2031.

2016 Changes:

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

General Employees Fund (Continued)

2015 Changes (Continued):

Changes in Plan Provisions:

- Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by $1.1 billion and increased the fiduciary plan net position by $892 million. Upon consolidation, state and employer contributions were revised; the state's contribution of $6.0 million, which meets the special funding situation definition, was due September 2015.

PORT AUTHORITY OF THE CITY OF SAINT PAUL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2024

PORT AUTHORITY OF THE CITY OF SAINT PAUL
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YEAR ENDED DECEMBER 31, 2024

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Port Authority of the City of Saint Paul
Saint Paul, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of Port Authority of the City of Saint Paul, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Port Authority of the City of Saint Paul's basic financial statements, and have issued our report thereon dated April 11, 2025. The financial statements of Capital City Properties, a discretely presented component unit of the Port Authority, were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the testing of internal control over financial reporting or compliance and other matters reported on for the discretely presented component unit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Port Authority of the City of Saint Paul's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Port Authority of the City of Saint Paul's internal control. Accordingly, we do not express an opinion on the effectiveness of Port Authority of the City of Saint Paul's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Port Authority of the City of Saint Paul's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 11, 2025

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Port Authority of the City of Saint Paul
Saint Paul, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Port Authority of the City of Saint Paul's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Port Authority of the City of Saint Paul's major federal programs for the year ended December 31, 2024. Port Authority of the City of Saint Paul's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Port Authority of the City of Saint Paul complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Port Authority of the City of Saint Paul and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Port Authority of the City of Saint Paul's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Port Authority of the City of Saint Paul's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Port Authority of the City of Saint Paul's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Port Authority of the City of Saint Paul's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Port Authority of the City of Saint Paul's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of Port Authority of the City of Saint Paul's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Port Authority of the City of Saint Paul's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities, the discretely presented component units, and the aggregate remaining fund information of Port Authority of the City of Saint Paul as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Port Authority of the City of Saint Paul's basic financial statements. We have issued our report thereon, dated April 11, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 11, 2025

PORT AUTHORITY OF THE CITY OF SAINT PAUL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
U.S. Department of Energy			
MN Department of Commerce:			
ARRA - State Energy Program	CFMS B38838	81.041	$ 2,548,091
Total Expenditures of Federal Awards			$ 2,548,091

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Port Authority of the City of Saint Paul (the Port Authority) under programs of the federal government for the year ended December 31, 2024. The information presented in this Schedule is presented in accordance with the requirements Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Port Authority, it is not intended to and does not present the financial position, change in net position, or cash flows of the Port Authority.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Port Authority does not charge indirect costs to its federal programs and, therefore, does not utilize the de minimus indirect cost rate allowed under the Uniform Guidance.

NOTE C STATE ENERGY PROGRAM

The amount reported on the financial statements for the ARRA-State Energy Program (81.041) for the Port Authority is the administrative and collection costs. Below is a summary of the loan activity during fiscal year 2024.

	State Energy Program
Loans Receivable Beginning	$ 13,263,683
New Loans Issued	2,548,091
Loan Repayments	(2,004,073)
Loans Receivable Ending	$ 13,807,701

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:
   - Material weakness(es) identified? ____ yes __x__ no
   - Significant deficiency(ies) identified? ____ yes __x__ none reported

3. Noncompliance material to financial statements noted? ____ yes __x__ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? ____ yes __x__ no
   - Significant deficiency(ies) identified? ____ yes __x__ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____ yes __x__ no

Identification of Major Federal Programs

Program	ALN
U.S. Department of Energy:	
ARRA - State Energy Program	81.041

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? ____ yes __x__ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Minnesota Legal Compliance

2024-001 – Prompt Payment of Bills

Criteria or specific requirement: Minnesota Statute §471.425 subdivision 2, requires municipalities and governmental entities to pay each vendor obligation according to the terms of the contract, or if no contract terms apply, within the standard payment period, which is defined as within 35 days from the date of receipt for municipalities which have regularly scheduled board meetings at least once a month, unless the entity has a good faith dispute for the obligation.

Condition/Context: We noted one disbursement which was not paid within the standard payment period.

Cause: The late payment appeared to be a simple oversite.

Effect: The Port Authority was not in compliance with state statutes related to payment of local government bills.

Recommendation: We recommend the Port Authority make every effort possible to ensure that invoices are paid within the statutory requirements.

Views of responsible officials: Management agrees with the finding and recommendation and will continue to review the process of paying invoices and bills.

Section IV – Minnesota Legal Compliance

2024-002 – Depositories of Public Fund and Public Investments

Criteria or specific requirement: Minnesota Statute §118A.04 requires municipalities receive a broker certification from their investment broker.

Condition/Context: We noted the Port Authority did not receive a broker certification form their investment broker during 2024.

Cause: The Port Authority did not receive a broker certification at any point during 2024.

Effect: The Port Authority was not in compliance with state statutes related to depositories of public fund and public investments.

Recommendation: We recommend the Port Authority request the certification every year.

Views of responsible officials: Management agrees with the finding and recommendation and has already received a broker certification for 2025.

MINUTES

CREDIT COMMITTEE MEETING
MARCH 25, 2025

The regular meeting of the Port Authority Credit Committee was held on March 25, 2025, at 1:31 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:

Amy Brendmoen	John Marshall	Don Mullin
Matt Slaven	Trinidad Uribe	Mindy Utesch

Also present were the following:

Jan Almquist	Tonya Bauer	Todd Hurley
Holly Huston	Sarah Illi	Emma Kasiga
Annamarie Kosel	Dana Krueger	Emily Lawrence
Kathryn Sarnecki	Mike Solomon	Phoua Vang
Annie Watson	Kristine Williams	

Cheniqua Johnson, City of Saint Paul
Nelsie Yang, City of Saint Paul

APPROVAL OF MINUTES

Committee Member Uribe made a motion to approve the minutes of the January 28, 2025, regular Credit Committee meeting. The motion was seconded by Committee Member Utesch and carried unanimously.

CONFLICTS OF INTEREST

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

AGENDA ITEMS

ROGER NELSON AND SUSAN WAUGHTAL – APPROVAL OF A $41,515 PACE TRILLION BTU LOAN

Ms. Huston reviewed her memorandum with the Committee, requesting approval for the Port Authority of the City of Saint Paul (the "Port Authority") to initiate a PACE Trillion BTU loan for approximately $41,515 to Roger Nelson and Susan Waughtal (collectively, the "Borrower") to add solar to the property owned by the Borrower located in Oronoco, Minnesota. Committee Member Uribe made a motion to approve the request. The motion was seconded by Committee Member Utesch and carried unanimously.

Saint Paul PORT AUTHORITY

MINUTES

WRITE-OFF EMERGENCY BUSINESS
DEVELOPMENT FUND LOAN TO TASTE OF RONDO

Ms. Huston reviewed her memorandum with the Committee, requesting approval for the Port Authority to write off the remaining principal and interest, in the total amount of $11,765.47, of the Emergency Business Development Fund loan the Port Authority made to Taste of Rondo (the "Loan").

Ms. Huston then notified the Committee that the Internal Credit Committee had approved a write-off of a loan made to Minute MN Auto Sales Inc. and informed the Committee that no Committee action was needed relating to this second write-off, as the Port Authority's A/R Write-Off Policy delegated authority for approval of write-offs under $10,000 to the Internal Credit Committee, provided the Credit Committee receives notice of such write-off.

Committee Member Mullin made a motion to approve the request to write-off the Taste of Rondo Loan. The motion was seconded by Committee Member Utesch and carried unanimously.

APPROVAL OF 2025 LEASE RENEWAL AND RENTAL RATE
ADJUSTMENT FOR QWEST CORPORATION IN THE ENERGY PARK BUSINESS CENTER

Ms. Sarnecki reviewed Ms. Williams's memorandum with the Committee, requesting approval of a 2025 Lease Renewal and Rental Rate Adjustment for leasing a parcel of land in the Energy Park Business Center at 1570 Energy Park Drive, Saint Paul, Minnesota to Qwest Corporation. Committee Member Marshall made a motion to approve the request. The motion was seconded by Committee Member Uribe and carried unanimously.

ACCEPTANCE OF 2025 LEGISLATIVE PRIORITIES

Ms. Bauer reviewed her memorandum with the Committee, requesting acceptance of the Port Authority's 2025 Legislative Priorities. Committee member Brendmoen made a motion to accept the 2025 Legislative Priorities. The motion was seconded by Committee member Mullin and carried unanimously.

There being no further business, the meeting was adjourned at 1:57 p.m.

By: ___________________________________

Its: ___________________________________

Saint Paul PORT AUTHORITY

MEMORANDUM

To:	CREDIT COMMITTEE BOARD OF COMMISSIONERS	**Meeting Date:**	April 22, 2025
From:	Michael Solomon MJS		

Subject: **RESOLUTION DECLARING THE OFFICIAL INTENT OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL TO REIMBURSE CERTAIN ORIGINAL EXPENDITURES RELATED TO A REDEVELOPMENT SITE FROM THE PROCEEDS OF TAX-EXEMPT BONDS TO BE ISSUED BY THE PORT AUTHORITY AFTER THE PAYMENT OF SUCH ORIGINAL EXPENDITURES**

RESOLUTION NO. 4816

Action Requested:
Approval of a resolution authorizing the Saint Paul Port Authority (the "Port Authority") to reimburse expenditures related to the acquisition, demolition, decoupling, and preparation for redevelopment of a portion of the St. Joseph's Hospital site (the "Site") from the proceeds of tax-exempt bonds. These bonds are anticipated to be issued upon future approval of the Board and adoption of an ordinance by the Saint Paul City Council.

Background:
Following the closure of St. Joseph's Hospital in 2020, the Port Authority was requested to work with the owner, Fairview Health Services ("FHS"), on a plan to reuse or redevelop the 5.55-acre Site (see attached Exhibit A). Over the past three years, the Port Authority and FHS have attempted to identify a buyer or redevelopment partner for the Site. During that process, it became clear that the existing, functionally obsolete buildings are a barrier to sale or redevelopment. Therefore, a demolition project has been identified as the best path to ensure the Site does not remain vacant and underused.

Current Status and Future Actions:
The Port Authority has entered into a non-binding term sheet with FHS. The Port Authority would acquire the Site for $1 and lead a joint demolition and decoupling project. FHS will continue to operate its Wellness Hub and the parking ramp north of 10th Street, while the Port Authority would own and potentially operate the existing 9th Street parking ramp. The remainder of the buildings on the Site would be demolished and the site remediated for redevelopment. Preliminary cost estimates for the demolition, remediation, and related work are in the range of $5-6 million.

While numerous steps and approvals remain, this work is anticipated to be funded with the creation of a Tax Increment Financing ("TIF") district, providing up to $6 million of public investment in the form of Temporary General Obligation Tax Increment Financing Bonds (the "Bonds"), grants, and loans. This funding is a standard redevelopment tool used throughout Saint Paul; however, some unique factors exist. FHS has agreed to pay the interest cost on the Bonds as well as the Site holding costs for up to a six-year period. Additionally, FHS would be responsible for any project costs in excess of $6 million.

As the Site preparation nears completion and is ready for redevelopment, the Port Authority, the City of Saint Paul Planning and Economic Development Department, and the Saint Paul Housing and Redevelopment Authority would work on a joint process to find a higher and better use of the Site, which is located in an area of downtown that is in need of redevelopment and vitality. Any land sale proceeds would be used to repay the Bonds. Remaining Bonds would be repaid through future tax increments generated by redevelopment at the Site or another revenue source identified.

After adoption of a resolution, the Port Authority and FHS will begin to incur preliminary planning costs to be reimbursed from the proceeds of the Bonds, including those related to demolition planning, blight finding, and the drafting of a TIF plan. This work will allow the Port Authority to move forward with creating a TIF District and issuing the Bonds. It is anticipated that the authorization to do so would come before the Port Authority Board in July of 2025, with a subsequent public hearing and first reading of a bonding ordinance at the City Council in August 2025.

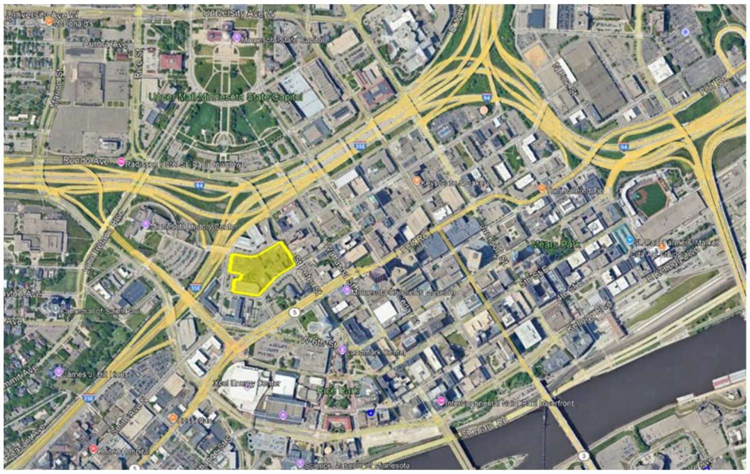
Recommendation:

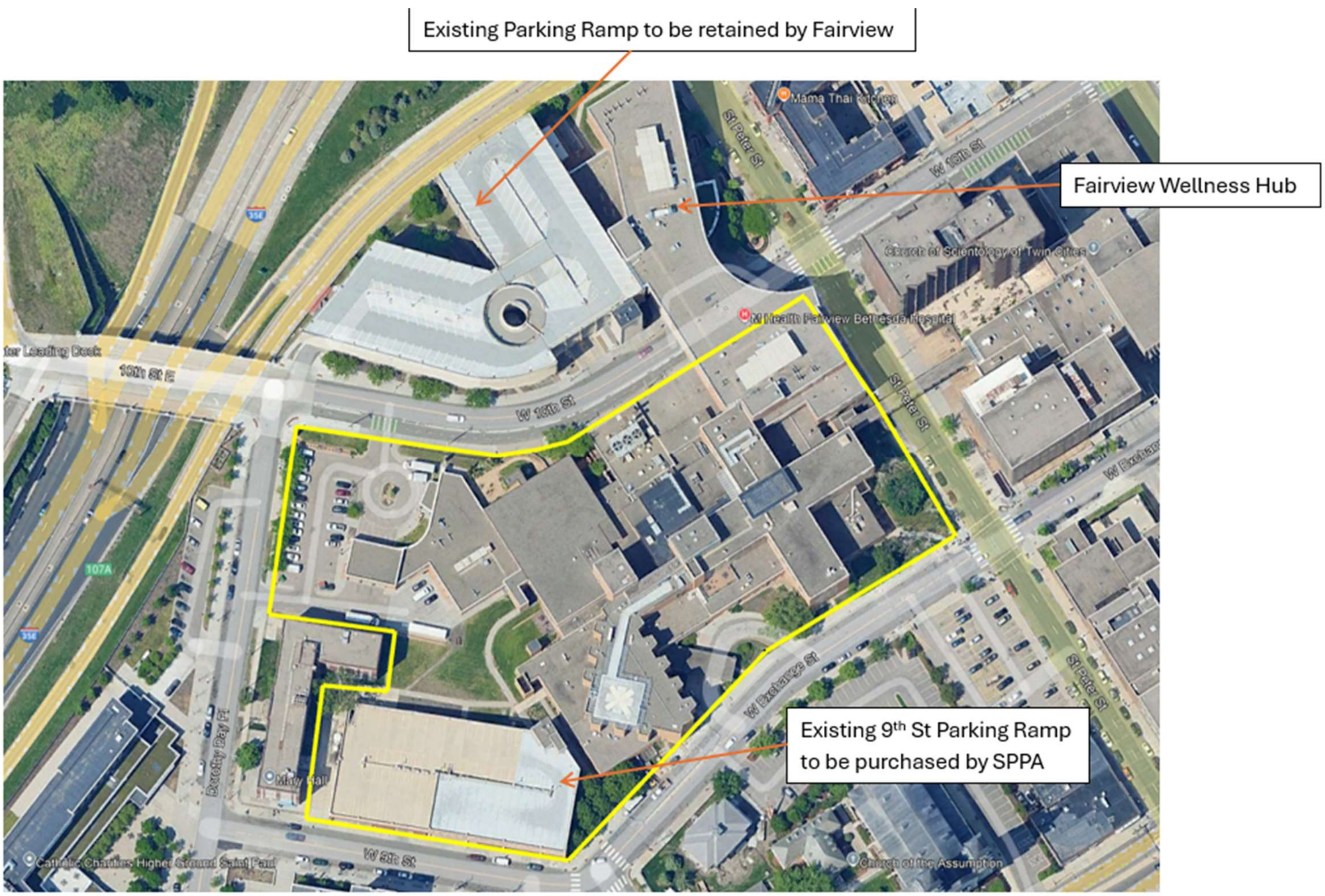
We recommend approval of a resolution authorizing the Port Authority to reimburse expenditures related to the acquisition, demolition, decoupling, and preparation for redevelopment of a portion of the Site from the proceeds of the Bonds.

Attachments: Exhibit A: Site Map
Resolution

Exhibit A

Site Map





Resolution No. 4816

RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL

[RESOLUTION DECLARING THE OFFICIAL INTENT OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL TO REIMBURSE CERTAIN ORIGINAL EXPENDITURES RELATED TO A REDEVELOPMENT SITE FROM THE PROCEEDS OF TAX-EXEMPT BONDS TO BE ISSUED AFTER THE PAYMENT OF SUCH ORIGINAL EXPENDITURES]

WHEREAS, U.S. Treasury Regulations, Section 1.150-2 (the "Reimbursement Regulations"), promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), provides that the allocation of the proceeds of tax-exempt bonds to expenditures for governmental purposes originally paid from a source other than such tax-exempt bonds will be treated as expenditures of such tax-exempt bonds only if certain requirements of the Reimbursement Regulations are satisfied by the issuer of such tax-exempt bonds.

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority"), expects to pay certain original capital expenditures for a certain project (the "Project"), consisting of the acquisition, demolition, decoupling and the preparation for redevelopment of a portion of the St. Joseph's hospital site (the "Site") in the City of Saint Paul, Minnesota (the "City"), which original capital expenditures are expected to be paid from other sources on a temporary basis, and which original expenditures are expected to be reimbursed from the proceeds of one or more series of tax-exempt bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, AS FOLLOWS:

1. The Port Authority reasonably expects that it will make expenditures for the Project prior to the issuance of any obligations to pay for the same. The Port Authority has a reasonable expectation that it will issue one or more series of tax-exempt bonds (the "Bonds") in the estimated maximum principal amount of $6,000,000 to finance the Project and that the Port Authority will make reimbursement allocations with respect to such original expenditures for the Project from the proceeds of such Bonds.

2. This Resolution shall be maintained as part of the books and records of the Port Authority at the main administrative office of the Port Authority, and shall be continuously available during normal business hours of the Port Authority on every business day of the period beginning not more than thirty (30) days after adoption of this Resolution and ending on the last date of issue of any Bonds.

3. This Resolution has been adopted not later than sixty (60) days after payment of any original expenditure for the Project to be subject to a reimbursement allocation with respect to the proceeds of the Bonds.

4. This Resolution is an expression of the reasonable expectations of the Port Authority based on the facts and circumstances known to the Port Authority as of the date hereof. The anticipated original expenditures for the Project are consistent with the Port Authority's budgetary and financial circumstances. No sources other than proceeds of Bonds to be issued by the Port Authority are, or are reasonably expected to be, reserved, allocated on a long-term

basis, or otherwise set aside pursuant to the Port Authority's budget or financial policies to pay such expenditures for the Project.

6. This Resolution is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

7. No reimbursement allocation of the proceeds of the Bonds to expenditures for the Project will employ an abusive arbitrage device (within the meaning of Treasury Regulations, Section 1.148-10) to avoid the arbitrage restrictions or to avoid the restrictions of Sections 141 through 150 of the Code.

Adopted: April 22, 2025

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By: ______________________________
Its: Chair

ATTEST:

By: ______________________________
Its: Secretary

Saint Paul PORT AUTHORITY

MEMORANDUM

To: CREDIT COMMITTEE **Meeting Date:** April 22, 2025

From: Holly Huston HH

Subject: **QUARTERLY REPORT ON EXTERNAL PACE LENDING– 1Q 2025**

The Port Authority is the MinnPACE program administrator. This memo includes a summary of PACE loans funded by external lenders during Q1 2025.

- Strong first quarter performance, closing five loans totaling $5M.
- Hired Loan Program Analyst.
- MinnPACE Website redesign kicked off.
- There are eight loans projected to close in Q2.

Outside funded PACE Loans - Quarter 1 2025							
Name	**Loan Amount**	**Lender**	**City**	**County**	**Annual Energy Savings ($)**	**Annual Energy savings**	**Energy Savings Type**
Coventry of Plymouth	$3,000,000	PACE Loan Group	Plymouth	Hennepin	$ 91,725	489839 kWh	Envelope, Window, HVAC, Plumbing, Control
Quatre Femmes Fortes, LLC	$1,750,000	PACE Equity	Mankato	Blue Earth	$ 11,618	42237 kwh	Envelope, Electrical, HVAC, Plumbing
Green Terrace Properties LLC (504 S Mill)	$97,500	Blaze Credit Union	Rushford	Fillmore	$ 8,598	39.4 kW	Solar
Green Terrace Properties LLC (809 E Cedar)	$99,123	Blaze Credit Union	Houston	Houston	$ 5,762	25.84 kW	Solar
Green Terrace Properties LLC (126 Kingston)	$33,750	Blaze Credit Union	Caledonia	Houston	$ 361	16.6 kW	Solar
Total	$4,980,373				$ 118,064		

MINUTES

REGULAR BOARD MEETING
MARCH 25, 2025

The regular meeting of the Port Authority Board was held on March 25, 2025, 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	Cheniqua Johnson	John Marshall
Don Mullin	Matt Slaven	Nelsie Yang

Also present were the following:

Jan Almquist	Tonya Bauer	Todd Hurley
Holly Huston	Sarah Illi	Emma Kasiga
Annamarie Kosel	Dana Krueger	Emily Lawrence
Kathryn Sarnecki	Mike Solomon	Phoua Vang
Annie Watson	Kristine Williams	

Trinidad Uribe, Sprinkler Fitters Local 417
Mindy Utesch, Bremer Bank

APPROVAL OF MINUTES

Commissioner Slaven made a motion to approve the minutes of the January 28, 2025, regular board meeting. The motion was seconded by Commissioner Johnson and carried unanimously.

CONFLICTS OF INTEREST

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

NEW BUSINESS

CREDIT COMMITTEE

RESOLUTION NO. 4815
APPROVAL OF 2025 LEASE RENEWAL AND RENTAL RATE
ADJUSTMENT FOR QWEST CORPORATION IN THE ENERGY PARK BUSINESS CENTER

Motion was made by Commissioner Slaven to approve Resolution No. 4815, which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was seconded by Commissioner Yang and carried unanimously.

ACCEPTANCE OF 2025 LEGISLATIVE PRIORITIES

Motion was made by Commissioner Slaven to accept the 2025 Legislative Priorities of the Port Authority of the City of Saint Paul (the “Port Authority”). President Hurley also provided additional status updates based on recent developments at the State legislature. The motion was seconded by Commissioner Yang and carried unanimously.

Such Other Business That May Come Before the Board:

FEDERAL FUNDING UPDATE

Mr. Hurley presented the Board with an update and current standing of the Port Authority’s projects with federal funds. Specifically, he informed the Board that Port Authority staff has identified all projects and programs that receive federal funding and accordingly has developed contingency plans for managing such projects and programs should such federal funding be paused or terminated.

There being no further business, the meeting was adjourned at 2:23 p.m.

By: __________________________________

Its: __________________________________