

Regular Board Meeting

November 26, 2019 - 2:00 p.m.

380 St. Peter Street, Suite 850 | Saint Paul, MN 55102

Minutes

Approval of Minutes from the October 22, 2019 Annual Board Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

Administration

- | | |
|----------------------------|---|
| 1. Resolution No. 4662 | Energy Park Utility Company Franchise Approval of Rates |
| 2. Resolution No. 4663 | Certification of Tax Levy |
| 3. Resolution No. 4664 | Approval of Amendment to the Griffin Tax Increment Financing (TIF) Plan |
| 4. Approval of 2020 Budget | |

Credit Committee

- | | |
|------------------------|---|
| 1. Resolution No. 4665 | Public Hearing – Conveyance of Land to Shidler West LLC – Arlington Jackson Business Center |
| 2. Resolution No. 4666 | Lease Renewal and Rental Rate Adjustment – Aggregate Industries – MWR, Inc. – Barge Terminal No. 1 |
| 3. Resolution No. 4667 | 2019 Lease Renewal and Rental Rate Adjustment and Addition of One Five-Year Renewal Option – Continental Cement Company, L.L.C. – Red Rock Terminal |
| 4. Resolution No. 4668 | 2020 Lease Renewal and Rental Rate Adjustment – District Energy – Southport Terminal |

General Matters

1. Such Other Business That May Come Before the Board

**SAINT PAUL PORT AUTHORITY
MINUTES OF THE ANNUAL BOARD MEETING
OCTOBER 22, 2019**

The annual meeting of the Port Authority Board was held on October 22, 2019, at 2:26 p.m. in the Board Room of the Saint Paul Port Authority located at 380 St. Peter Street, Suite 850, Saint Paul, Minnesota 55102.

The following Board Members were present:

John Bennett
Don Mullin

Paul Williams
Dai Thao

John Marshall
Nneka Constantino

Also present were the following:

Lee Krueger

Todd Hurley

Monte Hilleman

Michael Linder

Bruce Kessel

Andrea Novak

David Johnson

Ann Kosel

George Hoene

Linda Williams

Dana Krueger

Sarah Savela

Eric Larson, City of Saint Paul, General Counsel

Michael Solomon, City of Saint Paul, Finance Department

Matt Hill

Brianne Hamm

APPROVAL OF MINUTES

Commissioner Mullin made a motion to approve the minutes of the August 27, 2019 Regular Board meeting. The motion was seconded by Commissioner Williams, submitted to a vote and carried unanimously.

CONFLICT OF INTEREST

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

NEW BUSINESS

ADMINISTRATION

ELECTION OF OFFICERS

Commissioner Thao made a motion to nominate the following Commissioners for the 2019/2020 officer positions:

- Chair, John Bennett
- Vice Chair, Paul Williams

- Secretary, Don Mullin
- Treasurer, John Marshall
- Assistant Treasurer, Chief Financial Officer of the Saint Paul Port Authority
- Assistant Secretary, General Counsel of the Saint Paul Port Authority

Chair Bennett approved the following committee chairs:

- Credit Committee, Don Mullin
- Administrative Committee, John Marshall

CREDIT COMMITTEE

RESOLUTION NO. 4660 MARKETING AND PROMOTION PARTNERSHIPS

Motion was made by Chair Williams to approve Resolution No. 4660 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

RESOLUTION NO. 4661 ISSUANCE OF APPROXIMATELY \$5.5 MILLION TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019-3

Motion was made by Chair Williams to approve Resolution No. 4661 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

GENERAL MATTERS

Mr. Hilleman presented the Board with an overview of the material presented at the Understanding Net Zero in the Commercial Sector event which was held on October 16.

There being no further business, the meeting was adjourned at 2:54 p.m.

By _____

Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS

Meeting Date: November 26, 2019

From: Todd P. Hurley 

Subject: ENERGY PARK UTILITY COMPANY FRANCHISE APPROVAL OF RATES
RESOLUTION NO. 4662

Action Requested:

Approval of Schedule A – Energy Park Utility Company (EPUC) Rates effective January 2, 2020.

Background:

The EPUC Franchise Ordinance Section 6(e) requires the Port Authority Board to approve any changes in the schedule of rates and charges. The rates typically change each year based on the budgeted costs of operating EPUC. The customers of EPUC acknowledged the Franchise Agreement and the periodic change in rates in the First Amendment to the Hot and Chilled Water Service Agreement. The rates effective January 2, 2020 reflect the budgeted costs for 2020.

Proposal:

Attached please find the Schedule A, which includes a complete list and the methodology for establishing the new rates effective January 2, 2020. In summary, new rates will be:

	<u>Current Charges</u>	<u>Proposed Charges 01/02/2020</u>	<u>% Change</u>
Demand Charge (\$/MMBtu/Mo):			
Heating Demand Charge	\$1,678.00	\$1,723.00	2.70%
Chilled Water Demand Charge	\$1,763.00	\$1,813.00	2.85%
Hot Water Commodity Charge Base (\$/MMBtu)	\$ 3.80	\$ 3.80	0.00%
Chilled Water Commodity Charge Base (\$/MMBtu)	\$ 3.73	\$ 3.73	0.00%
Fuel Adjustment Charge – Difference Between Actual Cost and Base Variable Cost (\$/MMBtu)		Varies	

Rate increases from 2013 – 2019 have ranged from 2.75% to 4.2% with an average increase of 3.48%.

Recommendation:

We recommend approval of the Schedule A - Rates and Charges.

Attachments: Schedule A
Resolution

SCHEDULE A (AMENDED)
to
ENERGY PARK UTILITY COMPANY FRANCHISE
granted to the
SAINT PAUL PORT AUTHORITY
by the
CITY OF SAINT PAUL
(Ordinance No. 10-59, adopted January 12, 2011 and amended June 22, 2016)

COMPANY CHARGES: Pursuant to the Energy Park Utility Company Franchise, the following rates shall be effective beginning January 1, 2020 and shall remain in effect until superseded:

FIXED CUSTOMER CHARGE: Customer Charge \$100.00 per month per Customer.

DEMAND CHARGE: Beginning on January 1, 2020, the Demand Charge portion of the Hot Water and Chilled Water rate schedules shall be as follows:

i)	Budgeted Operating Expenses (1/1/20 to 1/1/21)	\$1,003,207
ii)	All Debt Service Costs and Requirements	724,417
iii)	Fixed Reimbursement	<u>170,000</u>
	Subtotal	\$1,897,624
	Multiplied By	1
iv)	Budgeted demand revenues before Reserve for Repairs, Replacements, Modifications, and Expansions	\$1,897,624
	Divided By	<u>93.65%</u>
	Budgeted Total Demand Revenues	\$2,026,294
	Divided by Budgeted Cooling Energy Demand (Total MMBtuh)	<u>610.680</u>
	Chilled Water Demand Charge (\$ per MMBtuh per Month)	\$1,813.00
	Divided by Budgeted Heating Energy Demand (Total MMBtuh)	<u>533.592</u>
	Heating Demand Charge (\$ per MMBtuh per Month)	\$1,723.00

COMMODITY CHARGE: The Hot Water Commodity Charge is \$3.80 per MMBtu, and the Chilled Water Commodity Charge is \$3.73 per MMBtu.

FUEL ADJUSTMENT CHARGE: The commodity portion of the Hot Water and Chilled Water rate schedules will be adjusted upward or downward each month based on the difference between actual variable costs and base variable costs. (The base variable costs built are \$3.80 per MMBtu for Hot Water and \$3.73 per MMBtu for Chilled Water.) Actual variable costs will be computed each month by dividing the cost of fuel (electricity, gas, oil, propane and any other fuel) plus water treatment expenses to operate the central energy plant by sales made during the corresponding month. The fuel adjustment charge applied to each customer's bill will be the difference between actual variable costs and base variable costs (expressed dollars per MMBtu) multiplied by that customer's heating or cooling energy use during the corresponding month. Actual variable costs for the current month will not be known at the time of billing; and, therefore, for the purpose of computing the fuel adjustment charge, actual variable costs shall be deemed to be the average monthly actual variable costs over the preceding twelve (12) months.

ADMINISTRATIVE SERVICES CHARGE: The Administrative Services Charge shall be established pursuant to the Energy Park Utility Company Franchise.

BILLING ADMINISTRATIVE SERVICE CHARGE: The Billing Administrative Service Charge is that part of the rate schedule to be paid by Customers who desire to have their total monthly bill subdivided and billed directly to tenants based on allocation factors or submeters. The Billing Administrative Service Charge is \$75.00 per month per bill.

LATE FEE: The Company may charge a late payment penalty of five (5) percent of the total amount due which may be added to bills which are not paid within twenty-one (21) days of the billing date.

SURCHARGE: All rates for providing Chilled Water and Hot Water services will be subject to the City of Saint Paul franchise fee and other appropriate state and local taxes. Residential, commercial and industrial bills shall be subject to separate charges.

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

[ENERGY PARK UTILITY COMPANY FRANCHISE – 2020 RATE SCHEDULE]

WHEREAS, the City of Saint Paul granted the Port Authority of the City of Saint Paul, doing business as Energy Park Utility Company, a franchise for providing hot and chilled water in the Energy Park Industrial District in 1982; and

WHEREAS, the Energy Park Utility Company franchise ordinance requires the Port Authority Board to approve any changes in the schedule of rates and charges; and

WHEREAS, Port Authority staff has proposed a new rate structure reflecting the proposed 2020 budget as set forth in Schedule A attached hereto.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, that the rates for the Energy Park Utility Company as set forth in Schedule A are hereby adopted effective January 2, 2020; and

BE IT FURTHER RESOLVED, that the President on behalf of the Port Authority is hereby authorized and directed to file the proposed rate schedule with supporting information with the City Clerk of the City of Saint Paul for approval of the rates pursuant to the Energy Park Utility Company franchise ordinance.

Adopted: November 26, 2019


PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS
From: Todd P. Hurley 
Subject: **CERTIFICATION OF TAX LEVY
RESOLUTION NO. 4663**

Meeting Date: November 26, 2019

Action Requested:

Approval of the final Truth in Taxation Certification.

Background:

Minnesota Truth in Taxation Law provides that special taxing districts (including port authorities), counties, municipalities, and school districts must certify to the County Auditor by December 30, 2019, the proposed tax levy for taxes levied in 2020.

The recommended 2019 tax levy payable in 2020 is:

1. General Obligation Bond Debt Service	\$3,554,391
2. Mandatory Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 4, at a rate not to exceed .01813% of market value	\$2,006,700
3. Discretionary Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 6. Pledged to industrial redevelopment	<u>\$ 105,000</u>
 TOTAL 2020 TAX LEVY	 <u>\$5,666,091</u>

Recommendation:

We recommend approval of the final Truth in Taxation Certification.

Attachments: Comparison of Tax Levy
Resolution

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

TAX LEVY PAYABLE

	<u>2020</u>	<u>2019</u>	<u>2018</u>
G.O. Bonds	\$3,554,391	\$3,175,000	\$3,222,700
Mandatory Levy	2,006,700	2,006,700	1,856,700
Discretionary Levy	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
TOTAL	\$5,666,091	\$5,286,700	\$5,184,400

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

[CERTIFICATION OF TAX LEVY]

WHEREAS, pursuant to Minnesota Statutes section 275.065, all taxing districts are required to certify the levy they may impose for the current tax year payable 2020 prior to December 30, 2019.

NOW, THEREFORE, BE IT RESOLVED, that the Port Authority adopts the following as its maximum tax levy for taxes payable in 2020 as follows:

1. General Obligation Bond Debt Services	\$3,554,391
2. Mandatory Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 4, at a rate not to exceed .01813% of market value	\$2,006,700
3. Discretionary Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 6. Pledged to industrial redevelopment.	<u>\$ 105,000</u>
 TOTAL 2020 TAX LEVY	 <u><u>\$5,666,091</u></u>

Adopted: November 26, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS **Meeting Date:** November 26, 2019

From: Todd P. Hurley 

Subject: **APPROVAL OF AMENDMENT TO THE GRIFFIN TAX INCREMENT FINANCING (TIF) PLAN**
RESOLUTION NO. 4664

Action Requested:

Provide approval of an amendment to the Griffin Tax Increment Financing (TIF) Plan.

Background:

The Port Authority previously established the Griffin Redevelopment Financing (TIF) District in 2007. As part of the process of establishing a district, a TIF Plan was adopted which includes a budget for the district. The budget includes projections of tax increment collections, debt to be issued, grants to be received, and other revenue sources. It also includes a detailing listing of eligible expenditures to be made.

The TIF Plan and related budget is developed early in the process of acquiring and cleaning up the site. As the project moves forward, actual and estimated costs to complete the project change to reflect actual funding sources as well as actual and estimated future costs to obtain the property, relocate owners/tenants, and monitor and clean up a site. As the development of the TIF district nears completion, amendments are frequently required for a variety of reasons. The amendments may be due to additional revenue sources such as increases in grants or loans received, an increase in Port Authority gap funding, or tax increments greater than originally estimated. Amendments may also be needed due to changes in expenditures and other financing uses such as unforeseen conditions related to site improvements and preparation costs.

State statutes set forth the mechanisms necessary to modify a TIF Plan. If a modification does not increase the increment to be collected or does not increase the amount authorized to be expended, the Port Authority can modify the Plan without notification to other taxing jurisdictions.

Proposal:

As the majority of the work contemplated in the plan nears completion and items not specifically identified become apparent in the project area, the budget should be modified to properly account and report for the project budget.

Recommendation:

We recommend approval of an amendment to the Griffin Tax Increment Financing (TIF) Plan.

Attachments: Budget
Resolution

TIF District Name: Griffin TIF District 286

	Original Plan Budget	Modified Budget (existing)	Current Proposed Budget
Estimated Revenues			
Tax increment revenue	\$ 6,588,500	\$ 6,588,500	\$ 6,588,500
Investment earnings			
Bond proceeds	-		
Loan proceeds	4,400,000		
Grants	3,057,000		
Other - Port Authority loans	2,465,500		
Transfers In (from line 21)			
Total Revenues	\$ 16,511,000	\$ 6,588,500	\$ 6,588,500
Expenditures and Other Financing Uses			
Land/building acquisition	\$ 1,200,000	\$ 1,200,000	\$ 650,000
Site improvements/preparation costs	6,802,000	3,845,000	3,603,500
Installation of public utilities	-		275,000
Streets and sidewalks	-		
Bond principal payments	-		
Bond interest payments	-		
Loan principal payments	4,400,000		
Loan/note interest payments	3,350,000	3,350,000	1,500,000
Administrative costs	659,000	659,000	560,000
Other - Contingency	100,000		
Transfers Out (from line 25)			
Total Expenditures and OFU's	\$ 16,511,000	\$ 9,054,000	\$ 6,588,500
Revenues and OFSs Over (Under) Expenditures and OFUs	\$ -	\$ (2,465,500)	\$ -
Finance included above	4,400,000	4,400,000	4,400,000

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

[AMENDMENT OF THE GRIFFIN TAX INCREMENT FINANCING (TIF) PLAN]

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority") has previously established the Griffin Tax Increment District; and

WHEREAS, it is proposed that the Board of Commissioners of the Port Authority consider the amendment of the budget for the District to reflect current projections of tax increment collections and expenditures over the life the District, as described on Exhibit A and to provide for reimbursement of additional eligible costs that had been or will be incurred in the redevelopment of the District; and

WHEREAS, Port Authority management has prepared a revised budget for the District which is set forth in the proposed amendment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Port Authority of the City of Saint Paul as follows:

1. The proposed amendment to the tax increment financing plan for the Griffin District identified on Exhibit A is hereby approved and adopted and shall be placed in a file in the office of the Port Authority.
2. Port Authority management, along with the Port Authority's legal counsel, is hereby authorized to proceed with the implementation of the amended Plan.
3. Port Authority management is hereby authorized to forward a copy of the amended plan to the Ramsey County Auditor and the Minnesota Department of Revenue pursuant to Minnesota Statutes, Section 469.175, subd. 2

Adopted: November 26, 2019

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

ST. PAUL PORT AUTHORITY
2020 Managerial Budget Report
Administrative and Development Operations

	2019 Budget	2019 Projection	2020 Budget	Budget Change Increase/(Decrease)
REVENUES:				
Tax revenues	\$ 1,712,866	\$ 1,875,283	\$ 1,969,500	\$ 256,634
Fiscal and administrative fees	818,018	697,566	632,300	(185,718)
Interest on loans	1,040,910	1,471,582	948,700	(92,210)
Reimbursed direct labor	50,000	50,185	210,000	160,000
Other operating revenue	349,976	300,321	366,000	16,024
Interest on investments	32,000	300,206	61,000	29,000
CCP & Other Grant income	1,150,000	1,000,000	1,150,000	-
Total Revenues	5,153,770	5,695,143	5,337,500	183,730
EXPENSES:				
Personnel costs	2,867,428	2,721,055	2,906,300	38,872
Professional services:				
Audit fees	58,710	53,400	56,500	(2,210)
Attorney costs	292,057	217,001	295,000	2,943
Other professional fees	242,400	180,701	260,550	18,150
Total professional services	593,167	451,102	612,050	18,883
Other general costs:				
Office rent	246,818	246,700	253,125	6,307
Insurance	132,430	105,250	105,000	(27,430)
General & administrative expenses	233,640	227,185	192,985	(40,655)
Equipment maintenance	100,466	96,466	76,650	(23,816)
Depreciation	110,945	110,945	105,000	(5,945)
Marketing	106,500	95,507	118,000	11,500
Development	545,000	421,960	685,500	140,500
Interest on loans	84,435	25,000	75,000	(9,435)
Property Maintenance	64,330	53,123	134,250	69,920
Total other general costs	1,624,564	1,382,136	1,745,510	120,946
Total Expenses	5,085,159	4,554,293	5,263,860	178,701
Net Operating Income (Loss)	68,611	1,140,850	73,640	5,029
OTHER REVENUES(EXPENSES):				
Net Grants	-	(50,000)	-	-
Transfers, other funds, net	-	214,026	-	-
Other nonoperating expenses	-	4,012	-	-
Total Other Revenue (Expense)	-	168,038	-	-
Net Income (Loss) from Administrative & Development Operations	68,611	1,308,888	73,640	5,029

ST. PAUL PORT AUTHORITY
2019 & 2020 Administrative and Development Operations Budget
Separated For Illustrative and Comparative Purposes

	2020 Budget			2019 Budget			Budget Change 2019 to 2020
	Operating	Development	Total	Operating	Development	Total	
REVENUES:							
Tax revenues	\$ 1,593,700	\$ 375,800	\$ 1,969,500	\$ 1,712,866	\$ -	\$ 1,712,866	\$ 256,634
Fiscal and administrative fees	632,300	-	632,300	818,018	-	818,018	(185,718)
Interest on loans	450,000	498,700	948,700	373,230	667,680	1,040,910	(92,210)
Reimbursed direct labor	210,000	-	210,000	50,000	-	50,000	160,000
Other operating revenue	277,500	88,500	366,000	262,390	87,586	349,976	16,024
Interest on investments	42,000	19,000	61,000	32,000	-	32,000	29,000
CCP & Other Grant income	1,150,000	-	1,150,000	1,150,000	-	1,150,000	-
Total Revenues	4,355,500	982,000	5,337,500	4,398,504	755,266	5,153,770	183,730
EXPENSES:							
Personnel costs	2,906,300	-	2,906,300	2,867,428	-	2,867,428	38,872
Professional services:							
Audit fees	56,500	-	56,500	58,710	-	58,710	(2,210)
Attorney costs	295,000	-	295,000	292,057	-	292,057	2,943
Other professional fees	260,550	-	260,550	242,400	-	242,400	18,150
Total professional services	612,050	-	612,050	593,167	-	593,167	18,883
Other general costs:							
Office rent	253,125	-	253,125	246,818	-	246,818	6,307
Insurance	105,000	-	105,000	132,430	-	132,430	(27,430)
General & administrative expenses	128,450	64,535	192,985	188,735	44,905	233,640	(40,655)
Equipment maintenance	76,650	-	76,650	100,466	-	100,466	(23,816)
Depreciation	105,000	-	105,000	110,945	-	110,945	(5,945)
Marketing	118,000	-	118,000	106,500	-	106,500	11,500
Development	-	685,500	685,500	-	545,000	545,000	140,500
Interest on loans	-	75,000	75,000	-	84,435	84,435	(9,435)
Property Maintenance	-	134,250	134,250	-	64,330	64,330	69,920
Total other general costs	786,225	959,285	1,745,510	885,894	738,670	1,624,564	120,946
Total Expenses	4,304,575	959,285	5,263,860	4,346,489	738,670	5,085,159	178,701
Net Operating Income (Loss)	50,925	22,715	73,640	52,015	16,596	68,611	5,029

MEMORANDUM

To: BOARD OF COMMISSIONERS

Meeting Date: November 26, 2019

From: Tonya Bauer 

Subject: PUBLIC HEARING – CONVEYANCE OF LAND TO SHIDLER/WEST FINANCE PARTNERS V LP, ARLINGTON JACKSON BUSINESS CENTER, PORTION OF PID 19.29.22.42.0017
RESOLUTION NO. 4665

Action Requested:

Approval of the conveyance of approximately .14 acres (6,130 sq/ft) of land located at Arlington Jackson Business Center to Shidler/West Finance Partners V LP.

Background:

In the mid-1990's the Port Authority redeveloped 28.04 acres of property located along L'Orient Street between Maryland Avenue East and Arlington Avenue East into the Port Authority's Arlington Jackson Business Center. The redevelopment and platting process at that time had resulted in a remnant parcel that was created along the right-of-way of L'Orient Street. A portion of this remnant parcel is the ingress and egress access to an adjacent property which houses a Kmart department store. See attached a map outlining the Arlington Jackson Business Center and remnant parcel to be sold. The Port Authority neither uses nor has an expressed purpose for ownership of this portion of remnant land.

The adjacent property owner (Shidler/West Finance Partners V LP) has expressed interest to purchase this land to maximize future redevelopment potential of the former Kmart site. The land has no development potential as a stand-alone parcel and has significant limitations for development activity to any party other than the owner of the Kmart site.

Shidler/West Finance Partners V LP has owned the adjacent site for nearly 30 years and Kmart has been a long-term leasehold tenant. It is important to note that while Kmart has recently announced their store closing, they are not in default of their leasehold and currently possess site control. Shidler/West Finance Partners V LP has been involved with the redevelopment of a variety of Kmart real estate assets throughout the country, including two Twin Cities locations; Maplewood, MN and Minnetonka, MN. Shidler/West Finance Partners V LP is a reputable developer and tend to be long-term owners of their real estate assets. They see the future redevelopment potential for this site and are looking to optimize future development outcomes.

The Port Authority has no active interest in retaining ownership of this remnant land. On the contrary the Port Authority's interest is to devise title to the property to resolve title and to increase the use and maximize tax revenue of the real estate.

Recommendation:

Approval of the conveyance of approximately .14 acres (6,130 sq/ft) of land located at Arlington Jackson Business Center to Shidler/West Finance Partners V LP.

Attachments: Map, Survey and Resolution

**SAINT PAUL PORT AUTHORITY
LAND CONVEYANCE TRANSACTION**

Action Requested:

Approval of the conveyance of approximately .14 acres (6,130 sq/ft) of land located at Arlington Jackson Business Center to Shidler/West Finance Partners V LP.

Development Officer:

Tonya Bauer

Grantee:

Shidler/West Finance Partners V LP

Grantee Address:

1 Lincoln Plaza, Suite 37K1
New York, NY 10023

Location of Property to be Conveyed:

The property measures approximately .14 acres (6,130 sq/ft). See the attached updated survey dated November 11, 2019.

Conveyance Structure:

The purchase price that has been offered is \$15,000 cash, which equates to approximately \$2.44 per square foot of land. Property will be sold "as-is, where is" and conveyance of land will be by a Quit Claim Deed.

Nature of Intended Use:

Continued use as a parking lot, at this time.

Business Subsidy Agreement

There is no business subsidy agreement required for this transaction.

Development Officer's Comments:

The Port Authority has no active interest in retaining ownership of this portion of remnant land. On the contrary the Port Authority's interest is to devise title to the property to resolve title and to increase the use and maximize tax revenue of the real estate.

I recommend approval of the conveyance of land to Shidler/West Finance Partners V LP.

Shidler/West Finance Partners V, LP

Document Path: K:\GIS\WORKING\MXDs\2019 1112 Shidler Board Memo.mxd





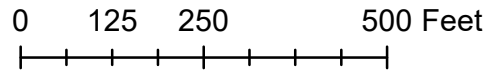
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

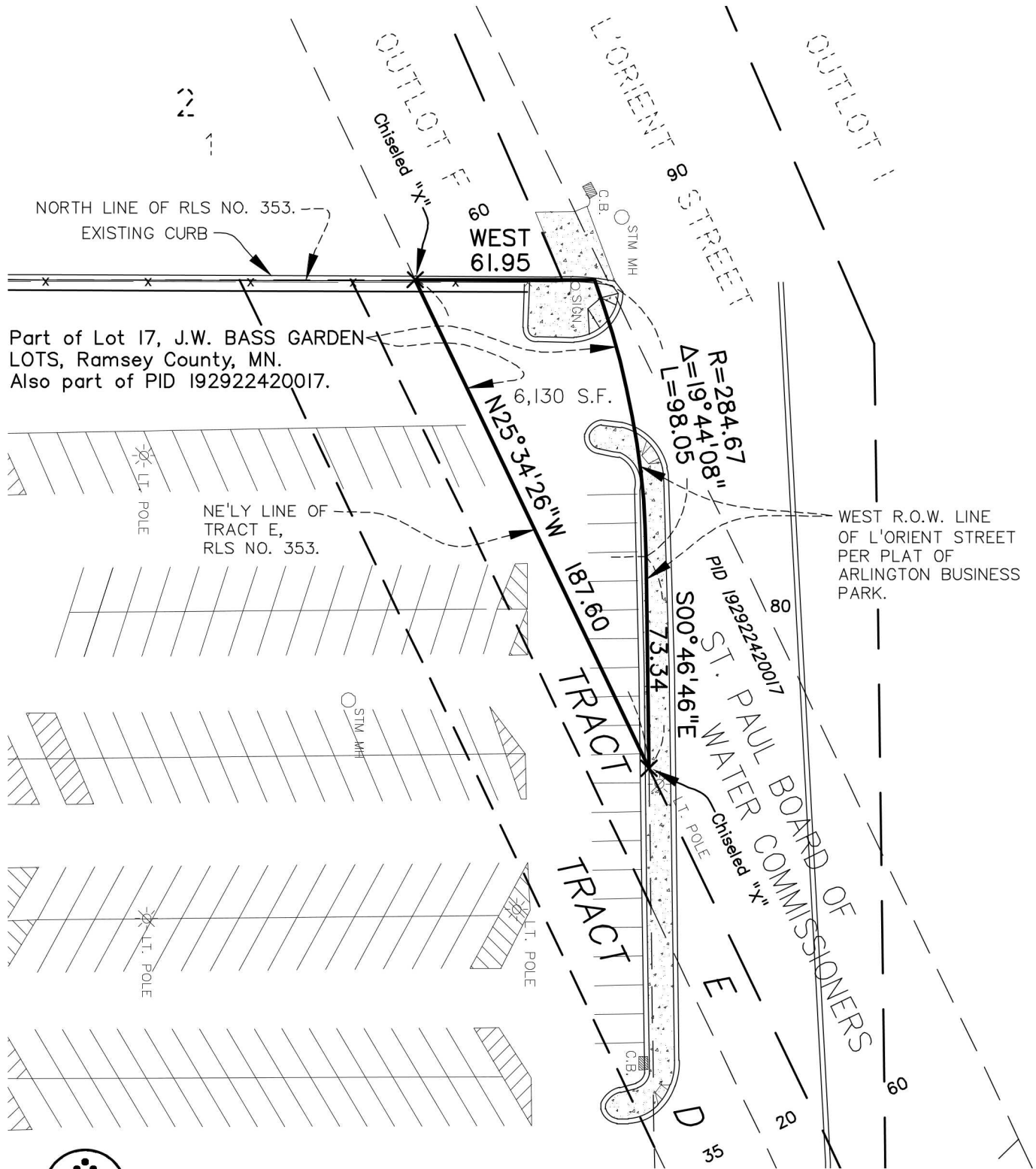
Data contained on this map has not been field verified and should be used as reference only. It is the user's responsibility for field-verifying elevations, locations, dimensions, etc. to conduct detail design.

The Saint Paul Port Authority specially disclaims all warranties, expressed or implied, including but not limited to implied warranties of fitness for a particular purpose, with respect to the information contained on this map. The Saint Paul Port Authority shall have no liability with respect to any loss or damage directly or indirectly arising out of the use of this data.



-  Remnant Parcel to be sold
-  Arlington - Jackson





Proposed Description:

That part of Lot 17, J. W. BASS GARDEN LOTS, Ramsey County, Minnesota which lies South of the Easterly extension of the North line of REGISTERED LAND SURVEY NO. 353 in said Ramsey County, West of the West line of L'Orient Street as dedicated in the plat of ARLINGTON BUSINESS PARK in said Ramsey County and Northeast of the Northeast line of Tract E of said REGISTERED LAND SURVEY NO. 353.

FILE NAME: SHW19001 DESC.dwg

PROJECT NUMBER: SHW19001

Proposed Description

Lot 17, J.W. BASS GARDEN LOTS

Parcel Description • 11.11.2019

SHEET 1 OF 1



in collaboration with:
Shidler West Finance
Partners V, LP

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

**[PUBLIC HEARING – CONVEYANCE OF LAND TO SHIDLER/WEST FINANCE
PARTNERS V LP – ARLINGTON JACKSON BUSINESS CENTER]**

WHEREAS, The Port Authority of the City of Saint Paul (the "Port Authority"), pursuant to Minnesota Statutes, Section 469.065, did place a notice, a copy of which with proof of publication is on file in the office of the Port Authority, of a public hearing on the proposed conveyance of property owned by the Port Authority in a legal newspaper, said hearing to be held to determine whether it is in the best interests of the port district of Saint Paul and the people thereof and in furtherance of the general plan of port improvement and industrial development to convey real estate located at the Arlington Jackson Business Center, and by reference made a part hereof and any personal property of the Port Authority included therewith (collectively, the "Property").

WHEREAS, the Port Authority did conduct a public hearing pursuant to said notice on November 26, 2019, at which hearing all taxpayers in the port district, both for and against the conveyance, were allowed to state their views.

WHEREAS, Shidler/West Finance Partners V LP ("Shidler") has entered into a Purchase Agreement to purchase real estate at the Arlington Jackson Business Center, which Property is owned by the Port Authority.

WHEREAS, it is in the best interests of the port district and the people thereof, and in furtherance of the general plan of port improvement and industrial development, to approve the real estate conveyance.

WHEREAS, the Port Authority has investigated the facts of the proposal with said investigation including the terms and conditions of said agreement, the proposed use of the Property, and the relationship thereof to the port district of Saint Paul and the business facilities of the Port Authority in general.

WHEREAS, the proposal presented meets the terms and conditions set forth by the Port Authority as its guide in determining if such proposals are in the best interests of the port district and of the public.

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

1. That the Board of Commissioners of the Port Authority hereby finds, determines and declares that it is for the best interests of the port district and the people thereof, and in furtherance of the general plan of industrial development, to enter into said agreement to convey the land; and

2. That the actions of the President of the Port Authority in causing public notice of the proposed conveyance, and in describing the terms and conditions of such conveyance, which have been available for inspection by the public at the office of the Port Authority from and after the publication of notice of hearing, are in all respects ratified and confirmed; and

3. That the President of the Port Authority is hereby authorized and directed to complete and execute said agreement to purchase in substantially the form as is on file in the office of the Port Authority, and the proper Port Authority officers are hereby authorized and directed to complete and execute all documents necessary to convey title in form as approved by counsel.

Adopted: November 26, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

Attest:

By _____
Its Secretary

MEMORANDUM

To: BOARD OF COMMISSIONERS **Meeting Date:** Nov. 26, 2019

From: Kathryn L. Sarnecki 

Subject: **2020 LEASE RENEWAL AND RENTAL RATE ADJUSTMENT – AGGREGATE INDUSTRIES-MWR, INC. - BARGE TERMINAL NO. 1 RESOLUTION NO. 4666**

Action Requested:

Approval of a 2020 lease renewal and rental rate adjustment for the leased premises at 1177 Childs Road in Saint Paul at Barge Terminal No. 1 with Tenant, Aggregate Industries-MWR, Inc. ("Tenant").

Background:

The Port Authority leased 651,206 square feet of property to Tenant extending to December 30, 2029, with two five-year renewal options through December 30, 2039 in Barge Terminal No. 1 in Saint Paul, Minnesota (the "Leased Premises"). A map depicting the Leased Premises is attached hereto for your reference. The Leased Premises is primarily used for shipping, handling and storage of sand, gravel and crushed rock and for any use associated with the blending or processing of aggregate products.

Lease Terms and Conditions:

Original Lease: 12/31/2014 to 12/30/29 with two five-year renewal options through 12/30/39.

Proposed Five-Year Renewal and Rental Rate Adjustment (through the year 2024): 12/31/2019 to 12/31/2020 and then beginning January 1, 2021 and ending December 31, 2021, and similarly each year throughout the Lease term ending December 31, 2024. By doing so, this will revise the Lease Term to be based on a January to December calendar year.

Annual rental rate adjustments is 3.5% per year (with a multiplier of 1.035).

<p><i>Base Rent for year ending 12/30/2019: \$166,708.73</i></p> <p><i>Base Rent Multiplier beginning 12/31/2019: 1.035</i></p>

Base Rent	SF Included	Period Total	Quarterly
Dec. 31, 2019 – Dec. 31, 2020	651,206	\$172,543.53	\$43,135.88
Jan. 1, 2021 – Dec. 31, 2021	651,206	\$178,582.55	\$44,645.64
Jan. 1, 2022 – Dec. 31, 2022	651,206	\$184,832.93	\$46,208.23
Jan. 1, 2023 – Dec. 31, 2023	651,206	\$191,302.08	\$47,825.52
Jan. 1, 2024 – Dec. 31, 2024	651,206	\$197,997.65	\$49,499.41

Tonnage fees are as follows: for 2020 is \$0.020/ton; for 2021 and 2022 is \$0.030/ton; and for 2023 and 2024 is \$0.040/ton and are capped pursuant to the original Lease at \$60,000 per year through 2024.

All the base rent from this lease and half of the tonnage will go to 876 bondholders. The other half of the tonnage will go to our River Maintenance Fund.

Tenant Improvements:

Tenant's responsibility to invest in capital improvements to the Leased Premises pursuant to the Lease has been satisfied by the investment by Tenant of \$1,050,000 into the Leased Premises to date, along with their common annual maintenance charges of \$35,000/year.

Recommendation:

Approval for the 2020 lease renewal and rental rate adjustment to extend the lease out to the year 2034 for the Leased Premises at 1177 Childs Road in Barge Terminal No. 1 for Aggregate Industries-MWR, Inc.

Attachment: Map
Resolution

Aggregate Industries - MWR, Inc.

1177 Childs Road Saint Paul, MN

Barge Terminal No. 1

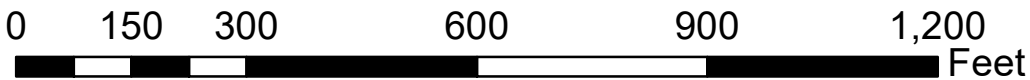
14.95 Acres (651,206 sq ft)

Lessee

 Aggregate Industries - MWR, Inc

 Dock Wall: 677 Feet

 Railroad



Data contained on this map has not been field verified and should be used as reference only. It is the user's responsibility for field verifying elevations, locations, dimensions, etc. to conduct detail design.

The Saint Paul Port Authority specially disclaims all warranties, expressed or implied, including but not limited to implied warranties of fitness for a particular purpose, with respect to the information contained on this map. The Saint Paul Port Authority shall have no liability with respect to any loss or damage directly or indirectly arising out of the use of this data.



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

**[2020 LEASE RENEWAL AND RENTAL RATE ADJUSTMENT –
AGGREGATE INDUSTRIES-MWR, INC. – BARGE TERMINAL NO. 1]**

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

WHEREAS, the Port Authority wants to enter into a 2020 Lease Renewal and Rental Rate Adjustment for the leased premises at 1177 Childs Road in Barge Terminal No. 1 with Aggregate Industries-MWR, Inc. (the "Tenant"), which adjusts the rates in the Lease through December 31, 2024 as set forth below:

<i>Base Rent for year ending 12/30/2019 - \$166,708.73</i> <i>Base Rent Multiplier beginning 12/31/2019: 1.035</i>

Base Rent	SF Included	Period Total	Quarterly
Dec. 31, 2019 – Dec. 31, 2020	651,206	\$172,543.53	\$43,135.88
Jan. 1, 2021 – Dec. 31, 2021	651,206	\$178,582.55	\$44,645.64
Jan. 1, 2022 – Dec. 31, 2022	651,206	\$184,832.93	\$46,208.23
Jan. 1, 2023 – Dec. 31, 2023	651,206	\$191,302.08	\$47,825.52
Jan. 1, 2024 – Dec. 31, 2024	651,206	\$197,997.65	\$49,499.41

WHEREAS, tonnage fees are as follows: for 2020 is \$0.020/ton; for 2021 and 2022 is \$0.030/ton; and for 2023 and 2024 is \$0.040/ton and are capped pursuant to the original Lease at \$60,000 per year through 2024.

WHEREAS, Tenant's responsibility to invest in capital improvements to the Leased Premises pursuant to the Lease has been satisfied by Tenant's investment of \$1,050,000 to date.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed 2020 Lease Renewal and Rental Rate Adjustment, as contained in the Memorandum to the Board, is hereby approved; and

BE IT FURTHER RESOLVED that the President of the Port Authority, or anyone acting under his direction, is hereby authorized and directed to execute on behalf of the Port Authority the 2020 Lease Renewal and Rental Rate Adjustment in accordance with the above-referenced terms in form as approved by counsel.

Adopted: November 26, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL


By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS **Meeting Date:** Nov. 26, 2019

From: Kathryn L. Sarnecki 

Subject: **2020 LEASE RENEWAL AND RENTAL RATE ADJUSTMENT AND ADDITION OF ONE FIVE-YEAR RENEWAL OPTION – CONTINENTAL CEMENT COMPANY, L.L.C. – RED ROCK TERMINAL
RESOLUTION NO. 4667**

Action Requested:

Approval of a 2020 lease renewal and rental rate adjustment and the addition of one five-year renewal option to extend the lease out to the year 2034 for the leased premises for PID 23.28.22.23.0006 at 0 Red Rock Road (with entrance easement at 1363 Red Rock Road) in the Red Rock Terminal with Tenant, Continental Cement Company, L.L.C. ("Tenant").

Background:

The Port Authority leased 144,992 square feet of property to Tenant with a 15-year lease extending to December 31, 2029: 137,519 square feet at 0 Red Rock Road and 7,473 feet at 1363 Red Rock Road as access to their facility in the Red Rock Terminal in Saint Paul, Minnesota (the "Leased Premises"). A map depicting the Leased Premises is attached hereto for your reference. The Leased Premises is primarily used for shipping, handling and storage of cement and concrete additives.

Lease Terms and Conditions:

Original Lease: 1/1/2015 to 12/31/29

Proposed Five-Year Renewal and Rental Rate Adjustment: 1/1/20 through 12/31/24

Provide one additional 5-year renewal option to extend lease out to 2034 based on capital investment completed and planned.

Annual rental rate adjustments is 2.0% per year (with a multiplier of 1.02).

Base Rent for year ending 12/31/2019 - \$58,721.76

Base Rent Multiplier beginning 1/1/2020: 1.02

Base Rent	SF Included	Period Total	Quarterly
Jan. 1, 2020 – Dec. 31, 2020	144,992	\$59,896.20	\$14,974.05
Jan. 1, 2021 – Dec. 31, 2021	144,992	\$61,094.12	\$15,273.53
Jan. 1, 2022 – Dec. 31, 2022	144,992	\$62,316.00	\$15,579.00
Jan. 1, 2023 – Dec. 31, 2023	144,992	\$63,562.32	\$15,890.58
Jan. 1, 2024 – Dec. 31, 2024	144,992	\$64,833.57	\$16,208.39

Tonnage fees will remain the same at 0.10 ton of loaded product inbound tonnage only. High volume tonnage rate of \$0.75/ton will apply at 200,001 tons, pursuant to the method of measurement in the original Leases. All the base rent from this lease and half of the tonnage will go to 876 bondholders. The other half of the tonnage will go to our River Maintenance Fund.

Rail Blockages:

Tenant has been having restricted access in and out of their site as a result of physical train and railcar blockage of access to the Leased Premises. The Port Authority is committed to continue to address mitigation options to resolve issues involving Canadian Pacific railroad operations (servicing Gavilon with unit trains) at the greater Red Rock Terminal presently affecting Tenant's access to safe use of the Leased Premises. Rental rates are likely to increase in the next rental rate adjustment period once this issue has been addressed.

Tenant Improvements:

Tenant's responsibility to invest in capital improvements to the Leased Premises pursuant to the Lease has been satisfied by the investment by Tenant of \$1,934,500 into the Leased Premises to date. Once the rail issue and blockage issue has been resolved, their capital improvement budget for the next five years is approximately \$1,977,000 on top of their annual maintenance budget of approximately \$150,000.

Recommendation:

Approval for the 2020 lease renewal and rental rate adjustment and the addition of one five-year renewal option to extend the lease out to the year 2034 for the Leased Premises at 0 Red Rock Road with site access through 1363 Red Rock Road in the Red Rock Terminal for Continental Cement Company, L.L.C.

Attachment: Map
Resolution

Document Path: K:\GIS\WORKING\MXDs\2019 11\12 Red Rock Terminal Continental Cement LLC.mxd



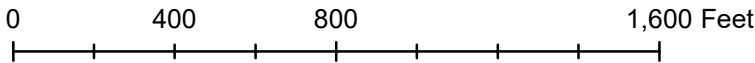
Red Rock Termianl	
Continental Cement Company L.L.C.	
1363 Red Rock Road	0 Red Rock Road
Saint Paul MN	Saint Paul MN
137,519 sq. ft.	at 0 Red Rock Road
7,473 sq. ft.	at 1363 Red Rock Road
144,992 Total sq/ft.	

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Continental Cement Company, LLC



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

**[2020 LEASE RENEWAL, OPTION EXTENSION, AND RENTAL RATE
ADJUSTMENT – CONTINENTAL CEMENT COMPANY, L.L.C. – RED ROCK TERMINAL]**

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

WHEREAS, the Port Authority wants to enter into a 2020 Lease Renewal, Option Extension, and Rental Rate Adjustment for the leased premises at 1363 Red Rock Road in the Red Rock Terminal with Continental Cement Company, L.L.C. (the “Tenant”), which adjusts the rates in the Lease through December 31, 2024 as set forth below:

Base Rent for year ending 12/31/2019 - \$58,721.76
Base Rent Multiplier beginning 1/1/2020: 1.02

Base Rent	SF Included	Period Total	Quarterly
Jan. 1, 2020 – Dec. 31, 2020	144,992	\$59,896.20	\$14,974.05
Jan. 1, 2021 – Dec. 31, 2021	144,992	\$61,094.12	\$15,273.53
Jan. 1, 2022 – Dec. 31, 2022	144,992	\$62,316.00	\$15,579.00
Jan. 1, 2023 – Dec. 31, 2023	144,992	\$63,562.32	\$15,890.58
Jan. 1, 2024 – Dec. 31, 2024	144,992	\$64,833.57	\$16,208.39

WHEREAS, the Port Authority agrees to add one additional five-year renewal option to the above term, so as to extend the Lease to the year 2034. The additional five-year renewal option is based and contingent upon capital investment currently completed and future investment plans.

WHEREAS, tonnage fees will be paid annually at a rate of \$0.10 per ton of loaded product, with a high-volume tonnage rate of \$0.075 a ton at 200,001 tons, pursuant to this 2020 Lease Renewal.

WHEREAS, Tenant’s responsibility to invest in capital improvements to the Leased Premises pursuant to the Lease has totaled to date the sum of \$1,934,500. Tenant’s proposed capital improvement for the next five years is approximately \$1,977,000, subject to the satisfactory resolution of the restricted access issues due to rail blockages and the reasonable management approval thereof.

WHEREAS, because at the Red Rock Terminal, railroad blockage has been an ongoing public health, welfare and safety issue, as well as business interruption issue, the Tenant insisted on the following Lease section:

6. **Rail Blockages.** The Port Authority recognizes and confirms that it has a duty under Minn. Stat. § 469.055 “shall promote the efficient, safe, and economical handling of the commerce” and to “provide or promote adequate docks, railroad and terminal facilities open to all on reasonable and equal terms for the handling, storage, care, and shipment of freight . . . to, from, and through the port.” Tenant agrees to reasonably cooperate with the Port Authority and the Port Authority shall take all reasonable steps to help prevent trains of Soo Line Railroad Company (“CP”) from unduly blocking access to and from Tenant’s facilities, including but not limited to helping to ensure that CP switching is limited within the Terminal, train operations are limited to off-peak business hours, and undertaking reasonable capital improvements, in cooperation with CP, to minimize train blockages. The Port Authority recognizes and affirms that this is a critical business and safety concern. The terms of this renewal recognize in part the current circumstances in which Tenant has been having restricted access in and out of their site as a result of physical train and railcar blockage of access to the Leased Premises. Both parties are committed to continue to address and implement all reasonable mitigation options to resolve the issues involving railroad operations at the greater Red Rock Terminal presently affecting Tenant’s access to safely use the Leased Premises. Once these issues have been resolved, the Tenant understands that rental rates for any upcoming renewal options are likely to increase to cover any pro rata increases in costs reasonably incurred by the Port Authority to mitigate the train blockage issue for the benefit of the Terminal’s tenants.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed 2020 Lease Renewal, Option Extension, and Rental Rate Adjustment, as contained in the Memorandum to the Board, is hereby approved; and

BE IT FURTHER RESOLVED that the President of the Port Authority, or anyone acting under his direction, is hereby authorized and directed to execute on behalf of the Port Authority the 2020 Lease Renewal, Option Extension and Rental Rate Adjustment in accordance with the above-referenced terms in form as approved by counsel.

Adopted: November 26, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL


By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS **Meeting Date:** November 26, 2019

From: Kathryn L. Sarnecki 

Subject: **2020 LEASE RENEWAL AND RENTAL RATE ADJUSTMENT – DISTRICT ENERGY – SOUTHPORT TERMINAL RESOLUTION NO. 4668**

Action Requested:

Approval of a 2020 lease renewal and rental rate adjustment for the leased premises at 571 Barge Channel Road in Saint Paul at the Southport Terminal with Tenant District Energy St. Paul, Inc. ("Tenant").

Background:

The Port Authority leased 85,075 square feet from Lot 2 and 27,632 square feet from Outlot A (formerly Parcel 3) totaling 112,707 square feet of property in the Southport Terminal in Saint Paul, Minnesota, to Tenant extending to December 31, 2019, with two one-year renewal options through December 31, 2021 (the "Leased Premises"). The Leased Premises recently became encumbered by a trail easement benefitting the City of Saint Paul that will result in a change to the leasable square feet. A map depicting the Leased Premises is attached hereto for your reference. The Leased Premises is primarily used for a maintenance and warehousing facility associated with its downtown operations.

The Port Authority has granted a temporary construction easement over part of the leased area of Outlot A consisting of 22 feet from the eastern property boundary and consisting of 2,050 square feet. Therefore, the leased square foot area for this two-year term (during Piram Trail construction) will be reduced to 110,657.

Tenant has requested and the Port Authority has approved an extension of the first one-year renewal option to a two-year renewal option through the year December 31, 2021.

Lease Terms and Conditions:

Original Lease: 1/1/2015 to 12/31/19 with two one-year renewal options through 12/31/21.

Proposed: Extension of the first renewal option by increasing it to be for a total of two years:

Two-Year Renewal and Rental Rate Adjustment: 1/1/20 through 12/31/21.

Annual rental rate adjustments is 3% per year (with a multiplier of 1.030).

<i>Base Rent for year ending 12/31/2019 (112,707 square feet):</i>	<i>\$31,670.67, or \$0.281 psf</i>
<i>Base Rent Multiplier beginning 1/1/2020: 1.030</i>	

Base Rent	SF Included	Per SF rate	Period Total	Monthly
Jan. 1, 2020 - Dec. 31, 2020	110,657	0.289	\$32,027.46	\$2,668.95
Jan. 1, 2021 – Dec. 31, 2021	110,657	0.298	\$32,975.79	\$2,747.98

Recommendation:

Approval for the 2020 two-year lease renewal and rental rate adjustment to extend the lease out to the year 2021 for the Leased Premises at 571 Barge Channel Road in the Southport Terminal for District Energy St. Paul, Inc.

Attachment: Map
Resolution



Exhibit A

Southport Terminal

District Energy Lease Area

571 Barge Channel Road

Saint Paul, MN 55107

District Engery Lease Area:	112,707 sq. ft.
Temp Const. Easment Area:	- 2,050 sq. ft.
Revised 2020 Lease Area:	110,657 sq. ft.

Legend

- Temporary Construction Easement for the Robert Piram Trail
- Outlot A
- Lot 2

0 0.02 0.04 0.08 Miles

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**RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL
[2020 LEASE RENEWAL AND RENTAL RATE
ADJUSTMENT – DISTRICT ENERGY – SOUTHPORT TERMINAL]**

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

WHEREAS, the Port Authority wants to enter into a 2020 Lease Renewal and Rental Rate Adjustment for the leased premises at 571 Barge Channel Road in the Southport Terminal with District Energy (the “Tenant”), which extends the first renewal option by increasing it to be for a total of two years and adjusts the rates in the Lease to be commiserate with the leasable square footage reduced to 110,657, due to a temporary construction easement granted to the City of Saint Paul for construction of the Piram Trail, through December 31, 2021 as set forth below:

<i>Base Rent for year ending 12/31/2019 (112,707 square feet): \$31,670.67, or \$0.281 psf</i> <i>Base Rent Multiplier beginning 1/1/2020: 1.030</i>
--

Base Rent	SF Included	Per SF rate	Period Total	Monthly
Jan. 1, 2020 - Dec. 31, 2020	110,657	0.289	\$32,027.46	\$2,668.95
Jan. 1, 2021 – Dec. 31, 2021	110,657	0.298	\$32,975.79	\$2,747.98

WHEREAS, the Leased Premises is primarily used for a maintenance and warehousing facility associated with Tenant’s downtown operations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed 2020 Lease Renewal and Rental Rate Adjustment, as contained in the Memorandum to the Board, is hereby approved; and

BE IT FURTHER RESOLVED that the President of the Port Authority, or anyone acting under his direction, is hereby authorized and directed to execute on behalf of the Port Authority the 2020 Lease Renewal and Rental Rate Adjustment in accordance with the above-referenced terms in form as approved by counsel.

Adopted: November 26, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____