

**Credit Committee  
Board Meeting**

**December 16, 2025**

Board Chair Mullin and Committee Chair Slaven are calling regular meetings of the Board of Commissioners and Credit Committee for **Tuesday, December 16, 2025. The Board Meeting will start at 2:00 p.m., and the Credit Committee meeting will start at 1:30 p.m.,** in the Board Room of the Saint Paul Port Authority, **400 Wabasha Street No., Suite 240, St. Paul, MN.**

**Credit Committee  
December 16, 2025 | 1:30 p.m.**

**Minutes**

Approval of the Minutes from the November 25, 2025 regular Credit Committee Meeting

**Conflicts of Interest**

Conflicts with any Items on the Agenda

**New Business**

1. Approval of Lease Renewal and Rental Rate Adjustment for Cemstone Products Company – Barge Terminal No. 1
2. Approval of Lease Renewal and Rental Rate Adjustment for Bulk Silos, LLC – Barge Terminal No. 1
3. Approval of an Updated River Lease for BWC Terminals, LLC – Barge Terminal No. 1
4. Approval of 2026 Renewal of Dredge Facility Operation and Management Agreement with L.S. Marine, Inc. for Southport Terminal
5. Authorization to Accept a Subgrantee Reimbursement from the City of Saint Paul from Funding Awarded by the MNDOT State Aid IJA Discretionary Grant Technical Assistance Program
6. Authorization and Approval to Establish and Implement the Capitol Area Economic Development Grant Program and Adopt the Associated Program Guidelines
7. Approval of Resolutions Authorizing Redevelopment of a Portion of the St. Joseph's Hospital Site

Such Other Business That May Come Before the Committee

**Board Meeting**

**December 16, 2025 | 2:00 p.m.**

**Minutes**

Approval of the Minutes from the November 25, 2025 regular Board Meeting

**Conflicts of Interest**

Conflicts with any Items on the Agenda

**New Business**

**Credit Committee**

1. Resolution No. 4837 - Approval of Lease Renewal and Rental Rate Adjustment for Cemstone Products Company – Barge Terminal No. 1
2. Resolution No. 4838 - Approval of Lease Renewal and Rental Rate Adjustment for Bulk Silos, LLC – Barge Terminal No. 1
3. Resolution No. 4839 - Approval of an Updated River Lease for BWC Terminals, LLC – Barge Terminal No. 1
4. Resolution No. 4840 - Approval of 2026 Renewal of Dredge Facility Operation and Management Agreement with L.S. Marine, Inc. for Southport Terminal
5. Resolution No. 4841 - Authorization to Accept a Subgrantee Reimbursement from the City of Saint Paul from Funding Awarded by the MNDOT State Aid IJA Discretionary Grant Technical Assistance Program
6. Resolution No. 4842 - Authorization and Approval to Establish and Implement the Capitol Area Economic Development Grant Program and Adopt the Associated Program Guidelines
7. Resolution Nos. 4843 - Approval of Resolutions Authorizing Redevelopment of a Portion and 4844 of the St. Joseph’s Hospital Site

Such Other Business That May Come Before the Board

**Closed Session**

Performance Evaluation of Saint Paul Port Authority President, Todd Hurley

cc: City Clerk

**CREDIT COMMITTEE MEETING  
NOVEMBER 25, 2025**

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The meeting of the Port Authority Credit Committee was held on November 25, 2025, at 1:48 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	Courtney Henry	Don Mullin
Matt Slaven	Trinidad Uribe	Mindy Utesch

Also present were the following:

Ashley Aram	Nick Dragisich	Holly Huston
Emma Kasiga	Emily Lawrence	Kathryn Sarnecki
Michael Solomon	Nikki Tix	Phoua Vang
Annie Watson	Kristine Williams	JP Yohannes
Rebecca Noecker, City of Saint Paul		

**APPROVAL OF MINUTES**

Committee Member Henry made a motion to approve the minutes of October 27, 2025 Special Credit Committee meeting. The motion was seconded by Committee Member Uribe and carried unanimously.

**CONFLICTS OF INTEREST**

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

**AGENDA ITEMS**

**AUTHORIZATION TO ACCEPT GRANT FUNDS APPROPRIATED BY STATE LEGISLATURE FOR A CAPITAL AREA ECONOMIC GRANT PROGRAM TO BE ADMINISTERED BY THE PORT AUTHORITY AND ENTER INTO RELATED GRANT AGREEMENT WITH THE STATE**

Ms. Huston reviewed her memorandum with the Committee requesting authorization for the Port Authority of the City of Saint Paul (the “Port Authority”) to (1) accept \$1,000,000 in funds appropriated by the State Legislature for a Capitol Area Economic Development Grant Program (the “Grant Program”) to be administered by the Port Authority; and (2) to enter into a related Grant Agreement with the State. Ms. Huston explained that this action is just to accept grant funding and that the Board will be asked to approve further details relating to the Port Authority’s administration of the Grant Program at its December meeting. Committee Member Uribe made a motion to approve the request. The motion was seconded by Committee Member Utesch and carried unanimously.

There being no further business, the meeting was adjourned at 1:58 p.m.

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

Its: \_\_\_\_\_

**MEMORANDUM**

**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** December 16, 2025

**From:** Linda K. Williams *lkw*

**Subject: APPROVAL OF LEASE RENEWAL AND RENTAL RATE ADJUSTMENT FOR CEMSTONE PRODUCTS COMPANY – BARGE TERMINAL NO. 1 RESOLUTION NO. 4837**

**Action Requested:**

Approval of a Lease Renewal and Rental Rate Adjustment (“Lease Renewal”) for the Port Authority of the City of Saint Paul (the “Port Authority”) to extend the term and adjust the rental rates for land leased by Cemstone Products Company (“Tenant”), located in Barge Terminal No. 1 at 936 Childs Road in Saint Paul, Minnesota (the “Leased Premises”).

**Background:**

The Tenant and the Port Authority entered into a Lease dated January 1, 2016, (the “Lease”) for 103,237 square feet (101,090 rentable square feet) of land in the Leased Premises. The Leased Premises is used for the compounding, manufacturing, and storing of cement and concrete. The term of the Lease is currently scheduled to expire December 31, 2025, and Tenant has exercised its right under the Lease to extend the term of the Lease through December 31, 2030 (the “Renewal Term”). Tenant has one remaining option to renew the term of the Lease.

**Negotiated Annual Rental Rate Adjustment for Renewal Term: 2.5% per year**

Term Date	Square Footage Included	PSF Rate	Annual Rent	Quarterly Rent
<i>2025 Rates for Reference</i>	<i>101,090</i>	<i>0.3201</i>	<i>\$32,357.25</i>	<i>\$8,089.31</i>
1/1/2026-12/31/2026	101,090	0.3281	\$33,167.88	\$8,291.97
1/1/2027-12/31/2027	101,090	0.3363	\$33,997.08	\$8,499.27
1/1/2028-12/31/2028	101,090	0.3447	\$34,847.01	\$8,711.75
1/1/2029-12/31/2029	101,090	0.3533	\$35,718.18	\$8,929.55
1/1/2030-12/31/2030	101,090	0.3622	\$36,611.14	\$9,152.78

**Tenant’s Maintenance Responsibilities:** Tenant shall continue to pay any and all Common Area Maintenance Costs, Actual Operating Costs, Real Estate Taxes, and any other amounts payable under the Lease.

**Recommendation:**

Approval of a Lease Renewal for the Port Authority to extend the term of the Lease and adjust the rental rates for the Leased Premises.

Attachment: Resolution

**RESOLUTION OF THE  
PORT AUTHORITY OF THE CITY OF SAINT PAUL  
[LEASE RENEWAL AND RENTAL RATE ADJUSTMENT  
CEMSTONE PRODUCTS COMPANY – BARGE TERMINAL NO. 1]**

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

WHEREAS, the Port Authority has negotiated certain terms to be incorporated into a Lease Renewal and Rental Rate Adjustment (“Lease Renewal”) to continue leasing 103,237 square feet (101,090 rentable square feet) of land in Barge Terminal No. 1 at 936 Childs Road in Saint Paul, Minnesota (the “Leased Premises”) to Cemstone Products Company (the “Tenant”) pursuant to the Lease between the Port Authority and Tenant, dated January 1, 2016 (the “Lease”);

WHEREAS, the Port Authority has agreed to extend the term of the Lease for an additional five (5) years, so that the Lease will now expire December 31, 2030; and

WHEREAS, rental rates for the next five years of the Lease have been agreed upon as part of a negotiation between the Port Authority, as Landlord, and Tenant with a 2.5% per year increase for the term beginning January 1, 2026 through December 31, 2030:

Term Date	Square Footage Included	PSF Rate	Annual Rent	Quarterly Rent
<i>2025 Rates for Reference</i>	<i>101,090</i>	<i>0.3201</i>	<i>\$32,357.25</i>	<i>\$8,089.31</i>
1/1/2026-12/31/2026	101,090	0.3281	\$33,167.88	\$8,291.97
1/1/2027-12/31/2027	101,090	0.3363	\$33,997.08	\$8,499.27
1/1/2028-12/31/2028	101,090	0.3447	\$34,847.01	\$8,711.75
1/1/2029-12/31/2029	101,090	0.3533	\$35,718.18	\$8,929.55
1/1/2030-12/31/2030	101,090	0.3622	\$36,611.14	\$9,152.78

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the terms of Lease Renewal as contained in the Memorandum to the Board are hereby approved.

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 Lease Renewal in accordance with the above-referenced terms in a form as approved by counsel.

Adopted: December 16, 2025

PORT AUTHORITY OF THE CITY OF SAINT PAUL

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

ATTEST:

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

## MEMORANDUM

**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** December 16, 2025

**From:** Kristine M. Williams



**Subject: APPROVAL OF LEASE RENEWAL AND RENTAL RATE ADJUSTMENT FOR BULK SILOS, LLC –  
BARGE TERMINAL NO. 1  
RESOLUTION NO. 4838**

**Action Requested:**

Approval of a Lease Renewal and Rental Rate Adjustment (“Lease Renewal”) for the Port Authority of the City of Saint Paul (the “Port Authority”) to extend the lease term and adjust the rental rates for land leased by Bulk Silos, LLC (“Tenant”), located in Barge Terminal No. 1 at 2145 Childs Road in Saint Paul, Minnesota (the “Leased Premises”).

**Background:**

The Tenant, as successor in interest to BThree, LLC, and the Port Authority entered into a Lease dated January 1, 2016 (the “Lease”) for 154,163 square feet of land in the Leased Premises.

The term of Lease is currently scheduled to expire December 31, 2025, and Tenant has exercised its right under the Lease to extend the term of the Lease through December 31, 2030 (the “Renewal Term”).

Under this Lease Renewal, the square footage of the Leased Premises shall be increased to 4.79 acres/208,575 square feet, although rent for the additional area shall be waived for the first five months of the Renewal Term, due to the fact that the additional square footage shall be licensed by a third party during this time. See the chart below for a complete layout of dates and rental rates for the Leased Premises.

Tenant recently completed work on a new Barge Receiving System and will commence construction on the associated Material Storage and Transfer System in 2026. These projects leverage over \$6.5 million in funds from the Minnesota Department of Transportation’s Port Development Assistance Program (“PDAP”) and \$11.5 million in private investment by Bulk Silos. These improvements will increase capacity and efficiency at the facility and allow Bulk Silos to store additional materials at this location, reducing regional vulnerability to shortages of cementitious materials caused by supply chain disruptions.

**Negotiated Annual Rental Rate Adjustment for Renewal Term: 2.5% per year**

Term Date	Leased Square Footage	PSF Rate	Annual Rent	Quarterly Rent
<i>2025 Rates for Reference</i>	<i>154,163</i>	<i>0.2935</i>	<i>\$ 45,246.90</i>	<i>\$11,311.72</i>
1/1/2026-5/31/2026	159,878	0.3008	\$56,636.00	\$14,159.00
6/1/2026-12/31/2026	208,575			
1/1/2027-12/31/2027	208,575	0.3083	\$64,303.67	\$16,075.92
1/1/2028-12/31/2028	208,575	0.3160	\$65,909.70	\$16,477.42
1/1/2029-12/31/2029	208,575	0.3239	\$67,557.44	\$16,889.36
1/1/2030-12/31/2030	208,575	0.3320	\$69,246.90	\$17,311.72

**Tenant’s Maintenance Responsibilities:** Tenant will conduct river infrastructure inspections, at Tenant’s expense, a minimum of once every five (5) years or more as needed. The Tenant shall continue to pay any and all Common Area Maintenance Costs, Actual Operating Costs, Real Estate Taxes, and any other amounts payable under the Lease.

**Recommendation:**

Approval of a Lease Renewal for the Port Authority to extend the term of the Lease and adjust the rental rates of Tenant for the Leased Premises.

Attachment: Resolution

**RESOLUTION OF THE  
PORT AUTHORITY OF THE CITY OF SAINT PAUL  
[LEASE RENEWAL AND RENTAL RATE ADJUSTMENT  
FOR BULK SILOS, LLC – BARGE TERMINAL NO. 1]**

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

WHEREAS, the Port Authority has negotiated certain terms to be incorporated into a Lease Renewal and Rental Rate Adjustment (“Lease Renewal”) to lease 208,575 square feet of land in Barge Terminal No. 1 at 2145 Childs Road in Saint Paul, Minnesota (the “Leased Premises”) to Bulk Silos, LLC (the “Tenant”) pursuant to the Lease between the Port Authority and Tenant, dated January 1, 2016 (the “Lease”);

WHEREAS, the Port Authority has agreed to extend the term of the Lease for an additional five (5) years, so that the Lease will now expire December 31, 2030; and

WHEREAS, rental rates for the next five years of the Lease have been agreed upon as part of a negotiation between the Port Authority, as Landlord, and Tenant with a 2.5% per year increase for the term beginning January 1, 2026 through December 31, 2030:

Term Date	Leased Square Footage	PSF Rate	Annual Rent	Quarterly Rent
<i>2025 Rates for Reference</i>	<i>154,163</i>	<i>0.2935</i>	<i>\$ 45,246.90</i>	<i>\$11,311.72</i>
1/1/2026-5/31/2026	159,878	0.3008	\$56,636.00	\$14,159.00
6/1/2026-12/31/2026	208,575			
1/1/2027-12/31/2027	208,575	0.3083	\$64,303.67	\$16,075.92
1/1/2028-12/31/2028	208,575	0.3160	\$65,909.70	\$16,477.42
1/1/2029-12/31/2029	208,575	0.3239	\$67,557.44	\$16,889.36
1/1/2030-12/31/2030	208,575	0.3320	\$69,246.90	\$17,311.72

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the terms of Lease Renewal as contained in the Memorandum to the Board are hereby approved.

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 Lease Renewal in accordance with the above-referenced terms in a form as approved by counsel.

Adopted: December 16, 2025

PORT AUTHORITY OF THE CITY OF SAINT PAUL

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

ATTEST:

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

**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** December 16, 2025

**From:** Kristine M. Williams 

**Subject: APPROVAL OF AN UPDATED RIVER LEASE FOR BWC TERMINALS, LLC- BARGE  
TERMINAL NO. 1  
RESOLUTION NO. 4839**

**Action Requested:**

Approval of a new 10-year river lease (“Lease”) with tenant, BWC Terminals, LLC. (“BWC”), for 511,717 square feet of land (the “Leased Premises”) located in Barge Terminal No. 1 (“BT1”).

**Background:**

BWC’s predecessors have been leasing portions of the Leased Premises at this location in BT1 since 1976. Tenant is the successor to Westway Terminal Company, Inc. and shares office space and equipment at the Leased Premises with Westway Terminal Company, LLC, also a successor to Westway Terminal Company, Inc.

The Leased Premises is used as a port facility for storing, processing, and transloading agricultural commodities. BWC operates as a national bulk liquid storage and distribution facility, handling specialty chemicals, caustic soda, fertilizer, acids, petroleum products, base oils, biodiesel, wax, vegetable oil, and molasses at this location. BWC currently operates this transload terminal using rail and truck transportation.

**Lease Terms and Conditions:**

The new Lease will be on the Port Authority’s updated template that is used for all river tenants going forward.

**A. LAND/FACILITY RENT**

New 10- Year Lease Term: January 1, 2026 through December 31, 2035  
Renewal Options: Four 5-year renewal options

Annual rental rate increases at 3.5% for the initial 10-year term.

Period	Total Annual Base Rent	Total Monthly Base Rent
January 1, 2026 to December 31, 2026	\$ 169,021.54	\$ 14,085.13
January 1, 2027 to December 31, 2027	\$ 174,937.30	\$ 14,578.11
January 1, 2028 to December 31, 2028	\$ 181,060.10	\$ 15,088.34
January 1, 2029 to December 31, 2029	\$ 187,397.21	\$ 15,616.43
January 1, 2030 to December 31, 2030	\$ 193,956.11	\$ 16,163.01
January 1, 2031 to December 31, 2031	\$ 200,744.57	\$ 16,728.71
January 1, 2032 to December 31, 2032	\$ 207,770.63	\$ 17,314.22
January 1, 2033 to December 31, 2033	\$ 215,042.61	\$ 17,920.22
January 1, 2034 to December 31, 2034	\$ 222,569.10	\$ 18,547.42
January 1, 2035 to December 31, 2035	\$ 230,359.02	\$ 19,196.58

**B. TONAGE RENT**

Tonnage fees of \$0.12 per ton will be paid for inbound tonnage shipped by river. Tonnage fees of \$0.15 per ton will be paid for tonnage shipped by other transportation modes.

**C. CAPITAL INVESTMENT COMMITMENT**

As further consideration in this Lease, BWC will invest up to \$10,000,000 in capital improvements in the Leased Premises within the first 5 years. Specifically excluded from these capital improvements are non-infrastructure projects, equipment, tanks, and piping. The purpose of these capital improvements is to repair and enhance the river infrastructure at the Leased Premises and support river commerce.

**Recommendation:**

Approval of the Lease to BWC for the Leased Premises.

Attachments: Resolution

**RESOLUTION OF THE  
PORT AUTHORITY OF THE CITY OF SAINT PAUL  
[APPROVAL OF AN UPDATED RIVER LEASE  
FOR BWC TERMINALS, LLC – BARGE TERMINAL NO. 1]**

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

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

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

WHEREAS, BWC Terminals, LLC (the “Tenant”) has leased and operated 511,717 square feet of land (the “Leased Premises”) located in the Port Authority’s Barge Terminal NO. 1 (“BT1”) from the Port Authority since 1976;

WHEREAS, the Port Authority has negotiated updated terms to be incorporated into a new Lease with the Tenant (the “Lease”) to continue leasing the Leased Premises to the Tenant;

WHEREAS, the Port Authority and Tenant have agreed to a new ten-year term for the Lease, commencing January 1, 2026 and continuing through December 31, 2035, and Tenant shall have four additional options to extend the term of the Lease for periods of five years each;

WHEREAS, land rental rates for the Lease have been agreed upon as follows:

Period	Total Annual Base Rent	Total Monthly Base Rent
January 1, 2026 to December 31, 2026	\$ 169,021.54	\$ 14,085.13
January 1, 2027 to December 31, 2027	\$ 174,937.30	\$ 14,578.11
January 1, 2028 to December 31, 2028	\$ 181,060.10	\$ 15,088.34
January 1, 2029 to December 31, 2029	\$ 187,397.21	\$ 15,616.43
January 1, 2030 to December 31, 2030	\$ 193,956.11	\$ 16,163.01
January 1, 2031 to December 31, 2031	\$ 200,744.57	\$ 16,728.71
January 1, 2032 to December 31, 2032	\$ 207,770.63	\$ 17,314.22
January 1, 2033 to December 31, 2033	\$ 215,042.61	\$ 17,920.22
January 1, 2034 to December 31, 2034	\$ 222,569.10	\$ 18,547.42
January 1, 2035 to December 31, 2035	\$ 230,359.02	\$ 19,196.58

WHEREAS, tonnage rent will be set at \$0.12 per ton for inbound tonnage shipped by river; and \$0.15 per ton for tonnage shipped by other transportation modes; and

WHEREAS, Tenant shall invest up to \$10,000,000 in capital improvements into the Leased Premises within the first five years of the Lease term for the purpose of repairing and enhancing the river infrastructure at the Leased Premises.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the terms of the Lease as contained in the Memorandum to the Board are hereby approved.

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 updated river Lease in accordance with the above-referenced terms in a form as approved by counsel.

Adopted: December 16, 2025

PORT AUTHORITY OF THE CITY OF SAINT PAUL

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

ATTEST:

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

## MEMORANDUM

**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** December 16, 2025

**From:** Kristine M. Williams 

**Subject: APPROVAL OF 2026 RENEWAL OF DREDGE FACILITY OPERATION AND MANAGEMENT AGREEMENT WITH L.S. MARINE, INC. FOR SOUTHPORT TERMINAL RESOLUTION NO. 4840**

**Action Requested:**

Approval of a 2026 Renewal of the Dredge Facility Operation and Management Agreement--Southport Terminal (“Management Agreement Renewal”) for the Port Authority of the City of Saint Paul (the “Port Authority”) to extend the term, adjust permit information, update dredging terms and conditions, use provisions, and compensation for dredge material management services provided by L.S. Marine, Inc. (“Operator”) at the Southport Dredge Material Management Facility located at 637 Barge Channel Road, Saint Paul, Minnesota (the “Facility”).

**Background:**

Since 1998, Operator has managed the Facility as a part of its agreement with the Port Authority. Over the past 22 years, the Port Authority has been committed to finding a beneficial reuse of the dredge materials, often selling the dredge material as blended soils for use at offsite locations. Historically, the sale of these blended soils has offset the cost of operating the Facility. Though the characteristics of the material have not changed, recent changes in state standards have limited the Port Authority’s ability to sell the dredge material for use at offsite locations. This dredge material can no longer be used as unrestricted fill and the dredge material will need to be disposed of at a landfill if no alternative restricted site can be located.

The Operator and the Port Authority entered into a Dredge Facility Operation and Management Agreement–Southport Terminal dated January 1, 2021 (the “Management Agreement”) for dredge material management services at the Facility. The term of Agreement is currently scheduled to expire December 31, 2025, and the Port Authority and Operator have mutually agreed to renew the Agreement for a five-year term, which will commence as of January 1, 2026 and will end December 31, 2030 (the “Renewal Term”).

**Operator’s Responsibilities, Use, and Compensation:**

Operator’s responsibilities under the Management Agreement Renewal include dredging at the Port Authority’s four terminals, with material removed in the dredging process placed at the designated dredge site in the Port Authority’s Southport terminal. Operator will manage the dredge site and dredge materials, oversee stormwater management best practices for the dredge site, and identify a location or user for the beneficial reuse of the dredge material removed from the river. In addition, the Management Agreement Renewal allows Operator to place dredge material from the Port Authority’s tenants at the dredge site for a fee.

## MEMORANDUM

Operator’s rates for the term of the Management Agreement Renewal have been updated as follows:

Line No.	Task/ Description	Unit	Unit Price	Annual Cost Escalator
1	Dredging of Red Rock Terminal (includes pre- and post-dredging hydrographic survey)	Cubic yard	\$ 15.85	3.00%
2	Dredging of Southport Terminal (includes pre- and post-dredging hydrographic survey)	Cubic yard	\$ 15.85	3.00%
3	Hydrographic Survey for Barge Terminal One	Square foot	\$ 0.03	3.00%
4	Hydrographic Survey for Barge Terminal Two	Square foot	\$ 0.03	3.00%
5	Rocking of Haul Roads for Stabilization at Southport Terminal (Scope and Budget to be approved by Port Authority each occurrence)	At Cost	-	-
6	Any maintenance required to be performed by Operator under Section 2.6 of the Agreement and not included in this Exhibit E shall be subject to the Port Authority’s prior approval of scope and cost.	At Cost		

**Recommendation:**

Approval of the Management Agreement Renewal for the Facility.

Attachment: Resolution

**RESOLUTION OF THE  
PORT AUTHORITY OF THE CITY OF SAINT PAUL  
[APPROVAL OF 2026 RENEWAL OF DREDGE FACILITY OPERATION  
AND MANAGEMENT AGREEMENT WITH L.S. MARINE, INC.  
FOR SOUTHPORT TERMINAL]**

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

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

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

WHEREAS, the Port Authority and L.S. Marine, Inc. (“Operator”) are parties to that certain Dredge Facility Operation and Management Agreement – Southport Terminal, dated January 1, 2021 (the “Agreement”) for dredge material management services for the Port Authority’s Southport Dredge Material Management Facility located at 637 Barge Channel Road in Saint Paul;

WHEREAS, the Port Authority has negotiated certain amendments to the Agreement to be incorporated into a 2026 Renewal of the Dredge Facility Operation and Management Agreement—Southport Terminal (“Management Agreement Renewal”);

WHEREAS, the Port Authority has agreed to extend the term of the Agreement for an additional five (5) years, so that it will now expire on December 31, 2030; and

WHEREAS, the Port Authority and the Operator have agreed to amend other certain business and financial terms of the Agreement, including amendments to provisions relating to permit information, dredging terms and conditions, use, and compensation, as further detailed in the Memorandum presented to the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the terms of Management Agreement Renewal as contained in the Memorandum to the Board are hereby approved.

BE IT FURTHER RESOLVED that Operator's rates under the Management Agreement Renewal shall be as follows:

Line No.	Task/ Description	Unit	Unit Price	Annual Cost Escalator
1	Dredging of Red Rock Terminal (includes pre- and post-dredging hydrographic survey)	Cubic yard	\$ 15.85	3.00%
2	Dredging of Southport Terminal (includes pre- and post-dredging hydrographic survey)	Cubic yard	\$ 15.85	3.00%
3	Hydrographic Survey for Barge Terminal One	Square foot	\$ 0.03	3.00%
4	Hydrographic Survey for Barge Terminal Two	Square foot	\$ 0.03	3.00%
5	Rocking of Haul Roads for Stabilization at Southport Terminal (Scope and Budget to be approved by Port Authority each occurrence)	At Cost	-	-
6	Any maintenance required to be performed by Operator under Section 2.6 of the Agreement and not included in this Exhibit E shall be subject to the Port Authority's prior approval of scope and cost.	At Cost		

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 Management Agreement Renewal in accordance with the above-referenced terms in a form as approved by counsel.

Adopted: December 16, 2025

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By \_\_\_\_\_

Its Chair

ATTEST:

By \_\_\_\_\_

Its Secretary

## MEMORANDUM

**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** December 16, 2025

**From:** Sarah M. Illi 

**Subject:** **AUTHORIZATION TO ACCEPT A SUBGRANTEE REIMBURSEMENT FROM THE CITY OF SAINT PAUL FROM FUNDING AWARDED BY THE MNDOT STATE AID IIJA DISCRETIONARY GRANT TECHNICAL ASSISTANCE PROGRAM**  
**RESOLUTION NO. 4841**

**Action Requested:**

The Port Authority of the City of Saint Paul (the “Port Authority”) seeks authorization to accept a subgrantee reimbursement of \$30,000 from the City of Saint Paul (“the City”) from funding awarded by the Minnesota Department of Transportation’s State Aid for Infrastructure Investment and Jobs Act Discretionary Grant Technical Assistance Program (the “MNDOT IIJA TA Grant Funding”) to support the Port Authority’s September 2024 application to the Federal Railroad Administration’s Railroad Crossing Elimination Grant Program (the “2024 FRA RCE Grant Application”) for the Southport Terminal Grade Separation Feasibility Study (the “Southport Feasibility Study”).

**Background:**

In August 2024, the Port Authority received authorization from the Board of Commissioners (the “Board”) to apply for a federal IIJA discretionary grant from the FRA’s RCE Grant program to help fund the Southport Feasibility Study. Prior to preparing the 2024 FRA RCE Grant Application, the Port Authority identified a potential source of grant funding through a MNDOT State Aid Program providing technical assistance to local units of government for preparing federal IIJA discretionary grant applications.

**Subgrantee Reimbursement Agreement:**

The Port Authority was not an eligible applicant for the identified MNDOT State Aid Program but collaborated with the City to apply for MNDOT IIJA TA Grant Funding on the Port Authority’s behalf. In August 2024, MNDOT awarded \$30,000 of IIJA TA Grant Funding to the City to support the Port Authority’s 2024 FRA RCE Grant Application. The City has entered into a grant agreement with MNDOT and approval from the Board is needed for the Port Authority to enter into a Subgrantee Reimbursement Agreement with the City to receive the technical assistance grant funding.

## MEMORANDUM

**Recommendation:**

We recommend approval of a resolution authorizing the Port Authority to accept a subgrantee reimbursement of \$30,000 from the City from the MNDOT IJA TA Grant Funding awarded to support the Port Authority's 2024 FRA RCE Grant Application for the Southport Feasibility Study.

Attachment: Resolution

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

**[AUTHORIZATION TO ACCEPT A SUBGRANTEE REIMBURSEMENT FROM THE  
CITY OF SAINT PAUL FROM FUNDING AWARDED BY THE MNDOT STATE AID IJJA  
DISCRETIONARY GRANT TECHNICAL ASSISTANCE PROGRAM]**

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

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

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

WHEREAS, under Minn. Stat. §§ 469.048 to 469.061, the Port Authority has the powers and duties conferred upon all port authorities;

WHEREAS, under Minn. Stat. § 469.084, Subds. 1 to 15, the Port Authority of the City of Saint Paul has additional statutory duties and powers including powers related to recreational facilities and small business capital;

WHEREAS, under Minn. Stat. § 469.084, Subd. 8, the Port Authority has the power of and is authorized to do what a redevelopment agency may do or must do under sections 469.152 to 469.165 (Municipal Industrial Development);

WHEREAS, the Port Authority operates its Southport Terminal located on Barge Channel Road, near the intersection of Concord Avenue and US Highway 52 in Saint Paul, Minnesota ("Southport");

WHEREAS, the Port Authority desires to advance planning and feasibility study efforts to eliminate the at-grade railroad crossing at Southport in order to enhance safety, reliability, and critical connections at the site (the "Project");

WHEREAS, the Port Authority was not an eligible applicant for a grant from the Minnesota Department of Transportation's State Aid for Infrastructure Investment and Jobs Act Discretionary Grant Technical Assistance Program (the "MNDOT IJJA TA Grant Funding Program");

WHEREAS, the City of Saint Paul (the "City") applied on behalf of the Port

Authority for, and was awarded, a \$30,000 grant (the "Grant") through the MNDOT IIJA TA Grant Funding Program; and

WHEREAS, the City desires to subgrant the Grant funds to the Port Authority (the "Subgrant"), and the Port Authority desires to enter into a Subgrantee Reimbursement Agreement with the City in order to receive the Subgrant.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL: That the President is hereby authorized to (a) accept the Subgrant; and (2) enter into a Subgrantee Reimbursement Agreement with the City of Saint Paul (the "Agreement"); and

BE IT FURTHER RESOLVED, that the President or anyone acting under his direction is hereby authorized and directed to execute the Agreement and any and all other documents necessary to accept the Subgrant and implement the Project.

Adopted: December 16, 2025

PORT AUTHORITY OF THE CITY OF  
SAINT PAUL

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

ATTEST:

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

**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** December 16, 2025

**From:** Holly Huston 

**Subject:** AUTHORIZATION AND APPROVAL TO ESTABLISH AND IMPLEMENT THE CAPITOL AREA ECONOMIC DEVELOPMENT GRANT PROGRAM AND ADOPT THE ASSOCIATED PROGRAM GUIDELINES

**RESOLUTION NO. 4842**

**Action Requested:**

Authorization and approval for the Port Authority of the City of Saint Paul (the “Port Authority”) to establish and implement the Capitol Area Economic Development Grant Program (the “Program”), also known as the CORE Grant Program, and to adopt the associated Program Guidelines.

**Background:**

In 2025, the Minnesota Legislature appropriated \$1,000,000 to the Port Authority under Minnesota Session Laws – 2025 (1st Special Session), Chapter 14, H.F. No. 17, Section 3, Subd. 3 (the “CORE Law”), to create a grant initiative supporting new and existing businesses within the Capitol Area, as defined in Minnesota Statutes § 15B.02 and shown on the attached map. This investment advances recommendations from the 2024 Capitol Area Architectural and Planning Board (CAAPB) Community Vitality Task Force, which identified economic and community revitalization as a priority for the district.

On November 25, 2025, the Port Authority Board approved Resolution No. 4836 authorizing execution of a grant agreement (the “Grant Agreement”) with the Minnesota Department of Administration. The Grant Agreement enables the Port Authority to use the appropriated funds to administer the Capitol Outreach for Revitalization and Expansion (CORE) Grant Program.

The CORE Grant Program will provide awards in amounts between \$50,000 and \$150,000 to eligible businesses for capital improvements including equipment purchases, façade enhancements, and accessibility or energy-efficiency upgrades. Up to ten percent (10%) of the total appropriation may be used for program administration. Based on legislative parameters, the Port Authority anticipates awarding between six and seventeen grants.

**Budget**

Grant Awards	\$ 870,000
SPPA Administration	\$ 100,000
Department of Administration	<u>\$ 30,000</u>
<b>Total</b>	<b>\$1,000,000</b>

**Proposal:**

Port Authority management recommends adoption of the guidelines included as Exhibit A (the “Guidelines”) for use in administering the CORE Grant Program.

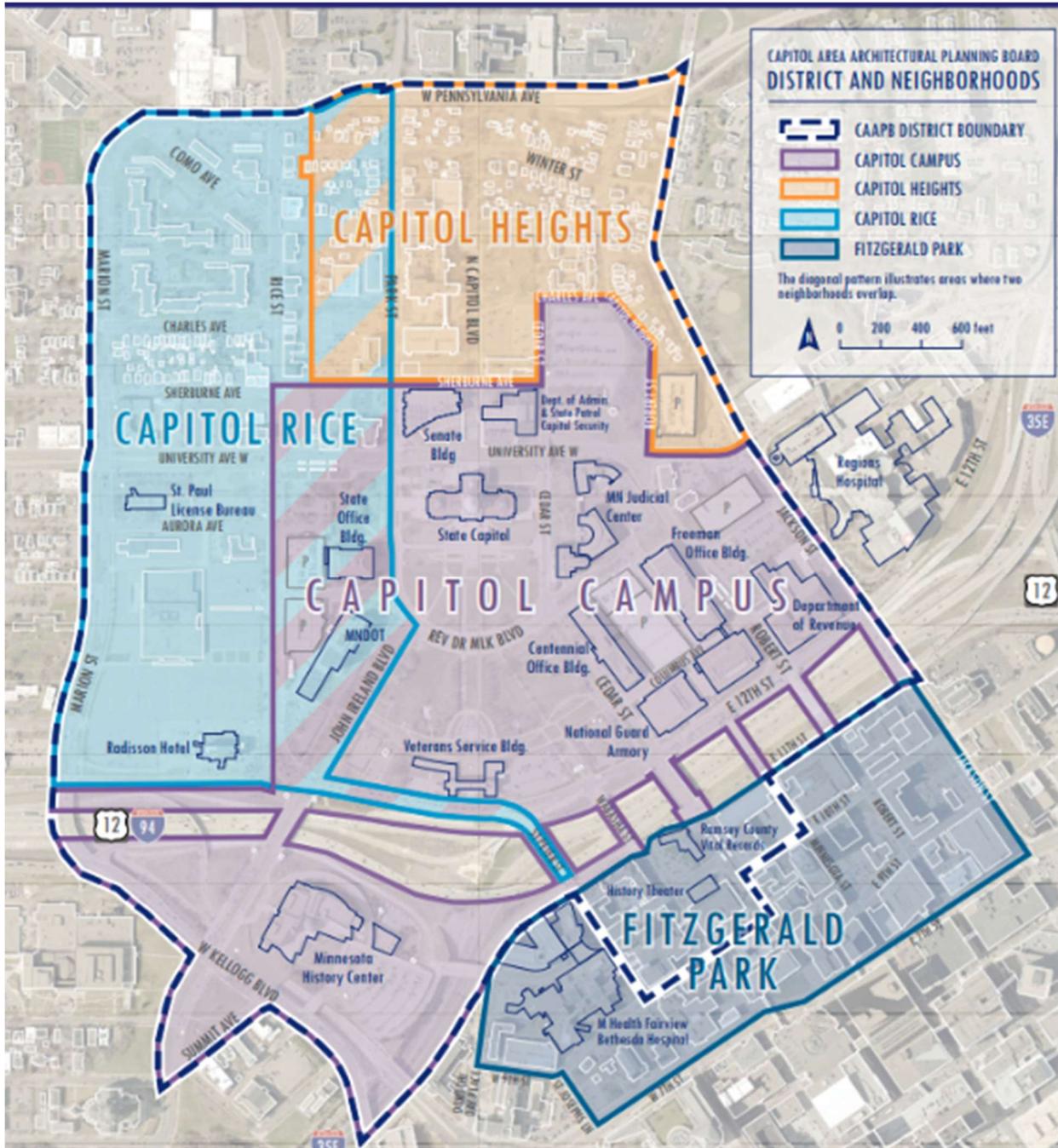
The Program as proposed would be administered by the Port Authority’s Internal Credit Committee, which will have the authority to review grant applications and award grants in accordance with the Guidelines, with the Credit Committee of the Board having authority to amend the Guidelines in its discretion. Staff will present periodic updates to the Board regarding grants that have been awarded.

**Recommendation:**

Authorize and approve the Port Authority to establish and implement the CORE Grant Program and Guidelines.

Attachments:     Map of Capitol Area  
                          Exhibit A – CORE Grant Program Guidelines  
                          Resolution

## Map of Capitol Area





## Program Overview

The Saint Paul Port Authority received \$1 million from the State of Minnesota in the last legislative session for the Capitol Area Economic Development Grant Program.

The Saint Paul Port Authority is calling this the CORE Grant Program (Capitol Outreach for Revitalization and Expansion). The grant program will award \$870,000 in grants designed to revitalize the Capitol Area of Saint Paul. The remaining funds support the program administration. The grants will support local businesses with grants between \$50,000 and \$150,000 awards for capital improvements, supporting 6 to 17 businesses. The program aligns with the Port Authority's mission to grow quality jobs and expand the local tax base — two critical drivers of long-term economic health.

## Who is eligible

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- **Eligible Applicants:** New, existing, or relocating for-profit businesses located within the defined Capitol Area.

**Non Eligible Applicants:** *Mobile businesses, home-based businesses, nonprofits, schools, or government entities. Capital projects that are already complete.*

## What is eligible

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- **Eligible uses:** Capital improvements such as equipment modernization, facade or accessibility improvement, safety and energy upgrades.
- Grant funds are for future projects.

*All grants must adhere to the Capitol Area Architectural and Planning Board (CAAPB) permitting review and approval process and comply with its rules and regulations.*

## When to apply

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There will be two rounds of grant funding; the \$870,000 available for grants will be split in half. If not all the funds are awarded in the first round, there will be more available in the second. First round applicants that were not selected may reapply.

Phase	Application Open	Grants Award
Round 1	January – March	April and May
Round 2	June - August	September and October

## How to apply

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There will be an online grant application on the Saint Paul Port Authority's website.

## What you need to apply

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**Business and Project Description** – Briefly describe your business, the project, and its goals.

**Two Bids** – Include at least two vendor bids for proposed work or purchases.

**Project Budget** – Provide a detailed budget showing all funding sources and uses.

**Financial Information** –

- Established businesses: Submit 3 years of financial statements or tax returns.
- New businesses: If your business is newly established, please indicate whether you have a lead bank financing any portion of your business plan or related project costs and include a pro forma with 3-year cash flow projections.

## How will applications be selected

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The applications will be reviewed, scored, and awarded by the Saint Paul Port Authority's internal credit committee. Grant awards will be reviewed through a point-based, competitive process that prioritizes projects that support employment, tax base expansion, and economic and community vitality.

## Once grants are awarded

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- Grantees will meet with staff to kick off the project.
- Grantees will submit reimbursement requests to obtain grant funds. *Direct vendor payment may be available in limited cases.*
- Progress reports will be included with reimbursement requests to track progress and impact.
- **The Internal Credit Committee will report back to the Board Credit Committee in June and November with details on grant awards and impact.**

## Reporting and compliance

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The grant agreement with the Minnesota Department of Administration requires that we comply with state requirements and report on grant impact. The application will be designed to capture baseline data to measure the impact of the grants.

### **Key reporting measures:**

**Job impact** – Indicate the number of jobs created or retained.

**Property value and/or tax impact** – If applicable, estimate in dollars how the proposed capital improvement is expected to increase the property's assessed value. Or estimate how the capital improvement will increase sales.

### **Reporting frequency:**

- The grantee will submit progress reports throughout the project with reimbursement requests.
- The grantee will submit a final report when the project is completed.
- The Saint Paul Port Authority reports to the Credit Committee two times a year and when all funds are spent.
- The Saint Paul Port Authority reports annually to the Minnesota Department of Administration and when the project is complete.

**Compliance** - Projects must comply with prevailing wage, Americans with Disabilities Act standards, as well as all applicable permitting process and state contractor requirements.

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

**[AUTHORIZATION AND APPROVAL TO ESTABLISH AND IMPLEMENT  
THE CAPITOL AREA ECONOMIC DEVELOPMENT GRANT PROGRAM  
AND ADOPT THE ASSOCIATED PROGRAM GUIDELINES ]**

WHEREAS, via Minnesota Session Laws – 2025 (1st Special Session), Chapter 14, H.F. No. 17, Section 3, Subdivision 3, *Capitol Area Economic Development Grant Program* (the “CORE Law”), the Minnesota Legislature provided for a grant of \$1 million (the “Grant”) to the Port Authority of the City of Saint Paul (the “Port Authority”) for the purpose of establishing a grant initiative to provide grants to new and existing businesses within the Capitol Area, as defined in Minnesota Statutes, Section 15B.02;

WHEREAS, the Port Authority has entered into a grant agreement (the “Grant Agreement”) with the Minnesota Department of Administration (the “State”), as previously authorized by Resolution No. 4836, with respect to the Grant to allow the Port Authority to use proceeds of the Grant in connection with a grant program supporting new and existing businesses within the Capitol Area, identified by the Port Authority as the Capitol Outreach for Revitalization and Expansion program (the “CORE Grant Program”);

WHEREAS, through the CORE Grant Program, the Port Authority anticipates using proceeds of the Grant to provide subgrants to qualifying businesses within the Capitol Area, in amounts between \$50,000 and \$150,000, for capital improvements, such as equipment purchases, façade upgrades, and accessibility or energy-efficiency enhancements;

WHEREAS, the CORE Grant Program advances recommendations from the 2024 Capitol Area Architectural and Planning Board (CAAPB) Community Vitality Task Force, which identified economic and community revitalization as a top priority for the Capitol Area;

WHEREAS, the implementation of the CORE Grant Program is in the best interest of the residents of the City of Saint Paul;

WHEREAS, Resolution No. 4836 authorized the Port Authority to undertake further development and exploration of the parameters and details for the creation and implementation of the CORE Grant Program; and

WHEREAS, Port Authority management has recommended that the guidelines attached as Exhibit A (the “Guidelines”) be adopted for use in connection with the CORE Grant Program.

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 is authorized to undertake the creation and implementation of the CORE Grant Program, as outlined in the CORE Law, and in the materials provided to the Board at this meeting.

2. The Guidelines presented to the Board at this meeting are the Guidelines to be used by Port Authority staff and its Internal Credit Committee for purposes of providing grants under the CORE Grant Program. The Credit Committee of the Port Authority is hereby authorized to consider future amendments to the Guidelines.

3. The Internal Credit Committee of the Port Authority is further authorized, without further action by this Board, to review and provide approval for the use of the CORE Grant Program funds.

4. The President of the Port Authority is hereby authorized to work with management of and counsel to the Port Authority to negotiate and finalize all documents reasonably required for the creation and implementation of the CORE Grant Program. The President, or anyone acting under his direction, is hereby authorized to execute any and all such documents once finalized to the satisfaction of the President, or anyone acting under his direction.

5. Once executed, the authority to approve execute, and deliver future amendments to any documents entered into by the Port Authority in connection with the CORE Grant Program is hereby delegated to the President of the Port Authority, or anyone acting under his direction, subject to the following conditions:

- a. if such amendments require the consent of any other parties to the CORE Grant Program, such consent is obtained;
- b. such amendments do not materially adversely affect the interests of the Port Authority;
- c. such amendments do not contravene or violate any policy of the Port Authority; and
- d. such amendments are acceptable in form and substance to counsel to the Port Authority.

6. The authorization hereby given shall be further construed as an authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements entered into in connection with the CORE Grant Program. The execution of any instrument by the President of the Port Authority, or anyone acting under his direction, shall be conclusive evidence of the approval of such instrument in accordance with the terms hereof.

7. Any agreements entered into by the Port Authority in connection with the CORE Grant Program shall not constitute an indebtedness of the Port Authority, the City of Saint Paul, or the State of Minnesota within the meaning of any constitutional or

statutory debt limitation and shall not constitute or give rise to a pecuniary liability of the Port Authority, the City of Saint Paul, the State of Minnesota or a charge against their general taxing powers.

Adopted: December 16, 2025

PORT AUTHORITY OF THE CITY OF SAINT PAUL

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

ATTEST:

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

EXHIBIT A

CORE Grant Program Guidelines

Adopted: December 16, 2025

## UPDATED MEMORANDUM

**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** December 16, 2025

**From:** Michael Solomon 

**Subject:** **APPROVAL OF RESOLUTIONS AUTHORIZING REDEVELOPMENT OF A PORTION OF THE ST. JOSEPH'S HOSPITAL SITE:**

**RESOLUTION APPROVING A TAX INCREMENT PLAN AND TAKING RELATED ACTIONS INCLUDING REQUESTING THE CITY OF SAINT PAUL APPROVE THE FORMATION OF SUCH TAX INCREMENT FINANCING DISTRICT AND THE ISSUANCE OF GENERAL OBLIGATION TAX INCREMENT BONDS IN CONNECTION WITH THE ST. JOSEPH'S HOSPITAL SITE; DISTRICT 17, WARD 2  
RESOLUTION NO. 4843**

**RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN TAX INCREMENT ELIGIBLE COSTS IN CONNECTION WITH THE ST. JOSEPH'S HOSPITAL SITE; DISTRICT 17, WARD 2  
RESOLUTION NO. 4844**

**Action Requested:**

Approval of resolutions authorizing the Port Authority of the City of Saint Paul's (the "Port Authority") participation in the redevelopment of a portion of the St. Joseph's Hospital site (the "Project") at or about 69 Exchange Street, Saint Paul (the "Site"), currently owned by Fairview Health Services ("FHS"), including the following:

- Approving the Tax Increment Financing ("TIF") Plan for the Site;
- Making a blight determination and finding that the Project is not reasonably expected to occur solely through private investment within the reasonably foreseeable future, and the use of TIF is necessary;
- Approving an Acquisition and Demolition Agreement, Disbursing Agreement, and Bond Payment Agreement, and any supporting agreements or certificates (the "Redevelopment Documents") between the Port Authority and FHS, authorizing the Port Authority's acquisition of a portion of the Site (the "Redevelopment Parcel") and the Port Authority's anticipated issuance of approximately \$6,000,000 in tax increment general obligation bonds (the "Bonds");
- Setting forth general parameters for the proposed Bonds, which will be fully determined in a future resolution to be adopted by the Board, and designating a Pricing Committee;

## UPDATED MEMORANDUM

- Requesting that the City Council of the City of Saint Paul (the “City”) consider the adoption of an Ordinance for the issuance of Bonds (the “Ordinance”) and hold a related TIF public hearing; and
- Authorizing and approving an interfund loan and declaring the Port Authority’s official intent to reimburse certain expenditures from the proceeds of the Bonds.

### **Background:**

Following the closure of St. Joseph’s Hospital in 2020, FHS has worked with the Port Authority to identify a buyer or redevelopment partner for the former hospital on the Redevelopment Parcel, consisting of the portion of FHS’s campus south of 10<sup>th</sup> Street shown in Exhibit A. In that time, it has been determined that the existing, functionally obsolete buildings are a barrier to sale or redevelopment. Therefore, a demolition project was identified as the best path to ensure the Site does not remain vacant and underused.

In July 2025, the Port Authority and FHS entered into a non-binding term sheet for the Port Authority to acquire and prepare the Site for redevelopment in a public private partnership. The Port Authority Board of Commissioners (the “Board”) previously approved a reimbursement resolution, Resolution 4821, that enabled costs, including those related to demolition planning, blight finding, and the drafting of a TIF Plan to be reimbursed from the proceeds of tax-exempt bonds, if issued in the future.

The term sheet anticipated that the Port Authority would be: (1) acquiring the Site; (2) bidding and holding contracts related to the decoupling of the dePaul Tower located on the Site (the “Wellness Hub”); and (3) demolishing the remaining hospital buildings and performing remediation work on the Site. To fund this work, the Port Authority was to issue bonds up front. FHS was to be responsible for Site holding costs and bond principal and interest for a 10-year period from the acquisition date.

### **Current Status and Future Actions:**

Significant ongoing negotiations and analysis between FHS and the Port Authority have occurred since July, and the action described in this memo authorizes the Port Authority to enter into the Redevelopment Documents that will detail a significantly improved approach to accomplishing the public goals in a more efficient way.

In summary, the parties will still collaborate to ready the Site for redevelopment, bringing needed vitality to this area of downtown Saint Paul. The Port Authority will still pursue the establishment of a TIF district via a City Council public hearing and issuance of \$6M of General Obligation Bonds authorized via City Council ordinance.

However, multiple changes have been incorporated to reduce the risk to the public in the Project. Most significantly, FHS will now retain ownership of the Site through the decoupling, demolition, and remediation phases of the Project. FHS will hold the contracts for the decoupling, demolition,

## UPDATED MEMORANDUM

and remediation and pay vendors directly under a Project Labor Agreement and other labor standards. The Port Authority will review and approve FHS's plans for the decoupling, demolition, subdivision, and remediation (the "Project Plans") throughout the Project, which is expected to last 24 months. Upon completion of the decoupling, demolition, subdivision, and remediation, the Port Authority will then acquire the Redevelopment Parcel, which will be a portion of the Site, for \$1. On or before the acquisition, the Port Authority will issue the Bonds to reimburse FHS for TIF eligible costs up to \$6M for the demolition and remediation portions of the Project, not the decoupling.

### **Project Details:**

Notably, FHS must retain a portion of the Site to support the continued operation of the existing Wellness Hub, including an ambulance bay and loading dock (the "Retained Property"). The Port Authority has the right to approve the design of the Retained Property. Upon approval by the Port Authority, the Retained Property will be subdivided from the Site, and the remaining area will constitute the Redevelopment Parcel that will be acquired by the Port Authority and marketed for redevelopment. The Port Authority will retain the right to future (1) access easements; (2) air rights; and (3) signage rights over the Retained Property, maximizing the potential for shared amenities benefiting the Redevelopment Parcel. The existing 9th Street Parking Ramp will be acquired by the Port Authority and is anticipated to be a tool to facilitate the sale of the Redevelopment Parcel.

After executing the Redevelopment Documents, FHS and the Port Authority plan to move forward with work on the design of the Retained Property and the development of the Project Plans. If upon review the parties are unable to agree on the Project Plans, and remedies for resolving disagreement including mediation are unsuccessful:

1. Either party can terminate the Redevelopment Documents;
2. The Port Authority will not acquire the Redevelopment Parcel;
3. FHS will reimburse the Port Authority for its costs incurred to date, as further outlined below; and
4. No Bonds will be issued.

If the Project moves forward as anticipated, the Port Authority will acquire the Redevelopment Parcel and then issue the Bonds to reimburse FHS for eligible project costs incurred up to \$6M. This amount would be reduced by any grants awarded to assist in the Project.

### **Financial Details:**

As contemplated in the original term sheet, FHS is responsible for principal and interest payments on the Bonds for the first 10 years after issuance or until the sale of the Redevelopment Parcel, whichever comes first. It is anticipated that the Bonds would be issued as Temporary General Obligation Bonds, with interest only payments in years 1-6 after issuance, and permanent debt with an anticipated term of 25 years and principal repayment starting in year 7. Additionally, FHS is responsible for the costs of bond issuance, TIF development, and Site holding costs for a period

## UPDATED MEMORANDUM

of 10 years from the date of issuance, anticipated to be 24 months after the Project begins or until sale, whichever comes first.

Payments on the Bonds will be made under the terms of the Bond Payment Agreement, which includes the requirement for FHS to deposit funds 90 days prior to a Bond payment date. Additionally, FHS will be required to post a Letter of Credit securing their payments under the Bond Payment Agreement in the case of a material downgrade to their credit rating, to below Baa3/BBB-.

FHS is also required to reimburse the Port Authority for legal, financial, construction project management costs, and costs related to its development and execution of the Redevelopment Documents, in addition to staff costs, excluding the President and CFO, and costs related to the future redevelopment of the Site.

### **TIF Details:**

While FHS is required to make principal and interest payments on the Bonds for a significant period, they are supported by TIF, and so the Port Authority must take the steps to approve a future TIF district now for the Project to move forward. To support the creation of the TIF district, the Port Authority contracted with LHB to prepare a report of inspection procedures and results for determining qualifications of a TIF District (the “Report”). The Report found that the proposed TIF District meets:

1. the coverage test, having 100% of the parcels occupied by buildings, streets, utilities, paved or gravel roads, or similar structures;
2. the condition of building test, with the only existing building on the Site being structurally substandard; and,
3. the distribution test, with such conditions being reasonably distributed throughout the Site.

The Port Authority must also authorize the demolition of the existing buildings on the Site, which were found by the Report to be structurally substandard, to allow for the ability to establish a future TIF district.

Finally, to establish a TIF district, the Port Authority must approve a TIF plan (the “TIF Plan”). The TIF Plan is attached as Exhibit B and includes a copy of the Report, models a future redevelopment scenario, and establishes a TIF budget, showing that the potential tax increment a theoretical redevelopment produces is sufficient to support any obligations incurred in the redevelopment. The Port Authority must make a determination based on the TIF Plan that the redevelopment would not occur “but-for” the use of tax increment financing. Given the blighted nature of the

## UPDATED MEMORANDUM

Site and significant barriers it poses to redevelopment, the “but-for” test is well supported. While the Port Authority worked with consultants and discussed redevelopment scenarios with developers, there is no certainty that the development modeled will come to fruition, and any tax increment may be larger or smaller than the amounts modeled. Utilizing expert opinions and assumptions based on what we know today, the TIF budget is conservative and fully supports the relatively small amount of debt expected to be incurred to facilitate the redevelopment by removing blight.

### **Acquisition and Future Redevelopment:**

After completion of decoupling, subdivision, construction on the Retained Property, demolition, environmental remediation, and issuance of the Bonds, the Port Authority would finally acquire the Redevelopment Parcel for \$1. As completion nears, an advisory board consisting of the Port Authority, FHS, and the City of Saint Paul Planning and Economic Development staff would assist with the marketing of the Redevelopment Parcel and associated air rights, easements, and signage rights to potential redevelopers.

Upon sale, any proceeds would be utilized to first pay back the Bonds, then reimburse the Port Authority for any eligible unreimbursed costs incurred in the Project, and finally to reimburse FHS for any eligible costs related to unreimbursed Project work.

### **Timeline Overview and Next Steps:**

After adoption of the proposed resolutions, FHS will begin efforts to solicit bids for design, decoupling, demolition, and further environmental testing. The Port Authority will work with the City Council to introduce a resolution and hold a public hearing authorizing the establishment of the TIF district and an ordinance authorizing the issuance of the Bonds, both of which are expected to be executed closer to the time of the acquisition. Upon receipt of the Project Plans for the Retained Property and testing results related to environmental remediation, Port Authority staff and consultants will review and approve or deny the proposed designs and remediation plans. If the parties are not able to agree on either item and mediation is not successful, the Redevelopment Documents could be amended or terminated, with FHS being responsible for any eligible Port Authority costs incurred. If the parties agree to the Project Plans, the demolition could begin as soon as Spring of 2026 and could be completed as soon as summer of 2028, allowing for an acquisition by the Port Authority to occur, anticipating a sale of the Bonds, and certification of a TIF district, in late 2027 or early 2028.

## UPDATED MEMORANDUM

### **Recommendation:**

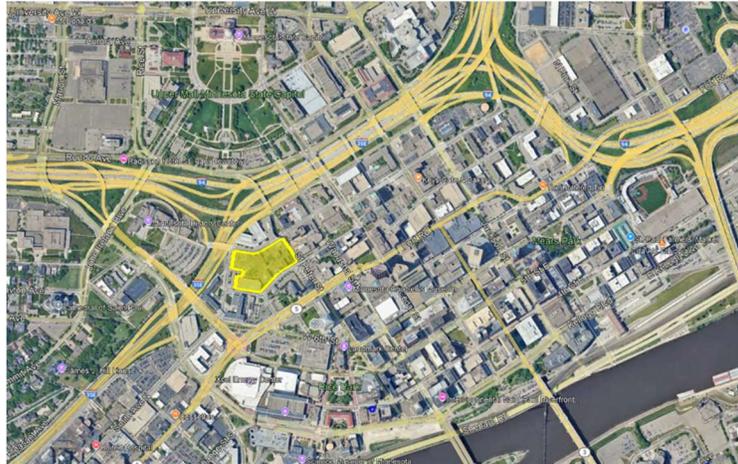
We recommend approval of resolutions authorizing the Port Authority's participation in the redevelopment of the Project, as follows:

- Approving of the TIF Plan for the Site;
- Making a blight determination and finding the Project is not reasonably expected to occur solely through private investment within the reasonably foreseeable future, and the use of TIF is necessary;
- Approving the Redevelopment Documents, authorizing the Port Authority's acquisition of the Redevelopment Parcel and the Port Authority's anticipated issuance of the Bonds;
- Setting forth general parameters for the Bonds, which will be fully determined in a future resolution to be adopted by the Board, and designating a Pricing Committee;
- Requesting that the City Council adopt the Ordinance for the issuance of Bonds and hold a related TIF public hearing; and
- Authorizing and approving of an interfund loan and declaring the Port Authority's official intent to reimburse certain expenditures from the proceeds of the Bonds

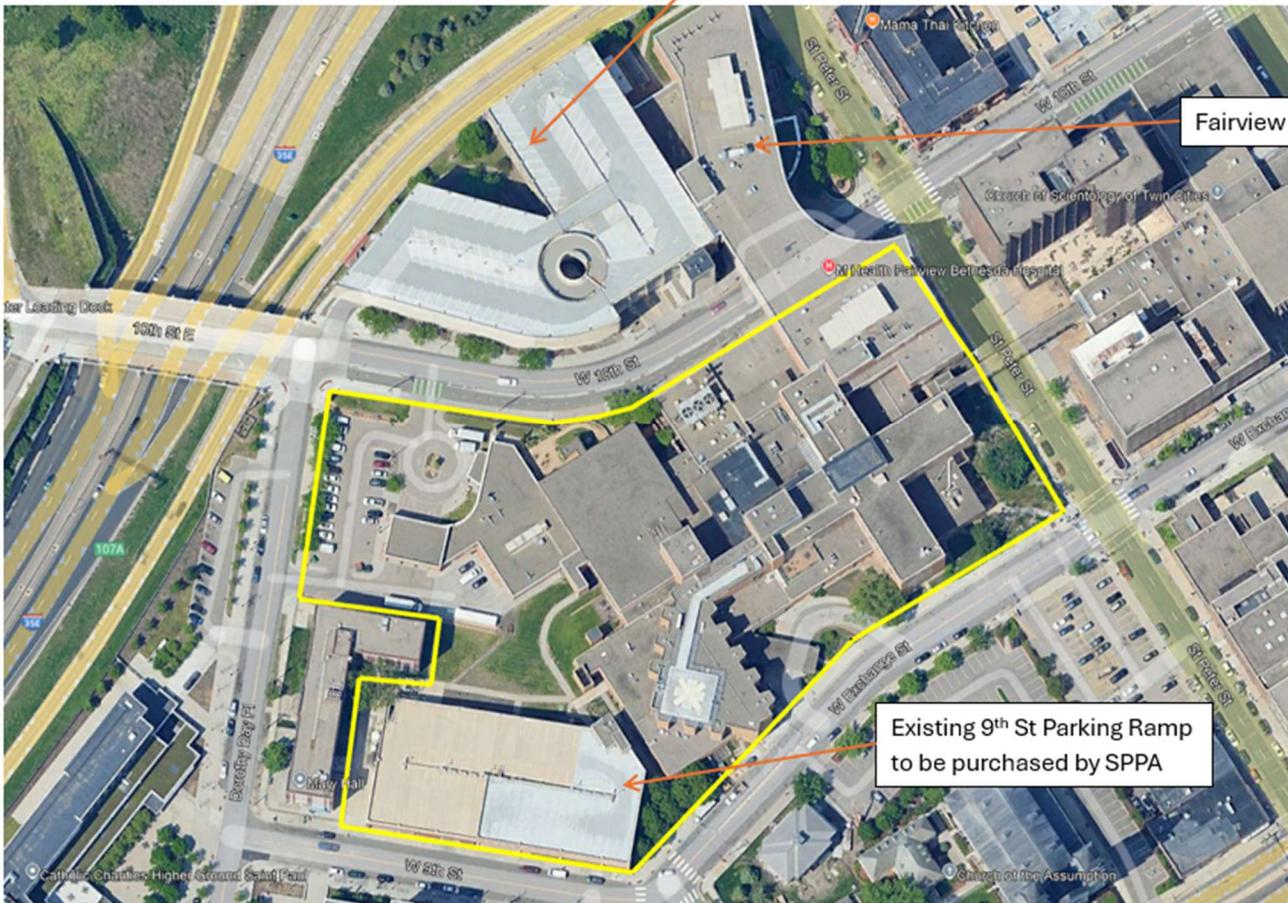
Attachments:     Exhibit A: Site Map  
                         Exhibit B: TIF Plan  
                         Resolutions

**Exhibit A**

**Site Map**



Existing Parking Ramp to be retained by Fairview



## Exhibit B

Approved by the Port Authority: December 16, 2025  
Adoption Date by the City Council: February 4, 2026

# Saint Paul Port Authority City of Saint Paul, Ramsey County, Minnesota

## MODIFICATION TO THE REDEVELOPMENT PLAN

Downtown St. Paul Industrial Development District

&

## Tax Increment Financing (TIF) Plan

Establishment of Fairview / St. Joe's  
Tax Increment Financing District  
(a redevelopment district)



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Prepared by:

Ehlers  
3001 Broadway Street, Suite 320  
Minneapolis, Minnesota 55413

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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

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# **Modification to the Redevelopment Plan for Downtown St. Paul Industrial Development District**

## **FOREWORD**

The following text represents a Modification to the Redevelopment Plan for Downtown St. Paul Industrial Development District. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for Downtown St. Paul Industrial Development District. Generally, the substantive changes include the establishment of the Fairview / St. Joe's Tax Increment Financing District.

For further information, a review of the Redevelopment Plan for the Downtown St. Paul Industrial Development District, is recommended. It is available from the Chief Financial Officer at the Port Authority. Other relevant information is contained in the tax increment financing plans for the tax increment financing districts located within Downtown St. Paul Industrial Development District.

# Tax Increment Financing Plan for the Fairview / St. Joe's Tax Increment Financing District

## FOREWORD

The Saint Paul Port Authority (the "Port Authority"), the City of Saint Paul (the "City"), staff and consultants have prepared the following information to expedite the Establishment of the Fairview / St. Joe's Tax Increment Financing District (the "District"), a redevelopment tax increment financing district, located in the Downtown St. Paul Industrial Development District.

## STATUTORY AUTHORITY

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the Port Authority and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.048 - 469.068*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Redevelopment Plan for the Downtown St. Paul Industrial Development District.

## STATEMENT OF OBJECTIVES

The District currently consists of one (1) parcel of land and adjacent roads and internal rights-of-way. The District is being created to facilitate the demolition of a portion of the existing building and construction of up to 170-units of market rate apartments and approximately 100,000 sq. ft. of office/commercial space and rehabilitation or removal of an existing parking facility in the City. The Port Authority has not entered into an agreement or designated a developer at the time of preparation of this TIF Plan, but development is likely to occur within the next five years. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Downtown St. Paul Industrial Development District.

The activities contemplated in the Modification to the Redevelopment Plan and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of the Downtown St. Paul Industrial Development District and the District.

# REDEVELOPMENT PLAN OVERVIEW

Pursuant to the Redevelopment Plan and authorizing state statutes, the Port Authority or City is authorized to undertake the following activities in the District:

1. Property to be Acquired – All or a portion of the property located within the District may be acquired by the Port Authority or City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer’s plan relating to the project and completion of the necessary legal requirements, the Port Authority or City may sell to a developer selected property that it may acquire within the District or may lease land or facilities to a developer.
4. The Port Authority or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

## DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED

The District encompasses all property and adjacent roads rights-of-way and abutting roadways identified by the parcel listed below. Fairview Hospital plans to subdivide the parcel to retain a portion of the site to accommodate their existing Wellness Center and needed parking, access and loading for the facility (approximately +/- 1.2 acres).

Parcel number	Address	Owner
* 06.28.22.21.0053	45 10th Street West	Fairview

*\* This parcel will be re-platted and the District will only contain a portion of the parcel (approximately +/- 4.53 acres).*

Please also see the map in Appendix A for further information on the location of the District.

The Port Authority intends to acquire all or a portion of the property from Fairview, including interior and adjacent street rights of way. Any property acquired by the Port Authority is to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The Port Authority or City may acquire property by gift, dedication, condemnation or direct purchase from willing seller(s) in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

## **DISTRICT CLASSIFICATION**

The Port Authority and City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, find that the District, to be established, is a redevelopment district pursuant to *M.S., Section 469.174, Subd. 10(a)(1)*.

- The District is a redevelopment district consisting of one (1) parcel.
- An inventory shows that the parcel consists of more than 70% of the area in the District is occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures.
- An inspection of the building located within the District finds the building is structurally substandard as defined in the TIF Act. (See Appendix D).

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 273.112, or 273.114 or Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

## **DURATION & FIRST YEAR OF DISTRICT'S TAX INCREMENT**

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the Port Authority or City (a total of 26 years of tax increment). The Port Authority or City elects to receive the first tax increment in 2030, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2055, or when the TIF Plan is satisfied. The Port Authority or City reserves the right to decertify the District prior to the legally required date.

# ORIGINAL TAX CAPACITY, TAX RATE & ESTIMATED CAPTURED NET TAX CAPACITY VALUE/INCREMENT & NOTIFICATION OF PRIOR PLANNED IMPROVEMENTS

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor when the land is sold for private development and the land transitions from tax exempt to taxable.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2030) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the District;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the Port Authority or City.

The original local tax rate for the District will be the local tax rate for taxes payable 2026, assuming the request for certification is made before June 30, 2026. The rates for 2026 were not available at the time the District was established. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Downtown St. Paul Industrial Development District, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The Port Authority and City request 100% of the available increase in tax capacity be used for repayment of the obligations of the Port Authority or City and current expenditures, beginning in the tax year payable 2030. The Project Tax Capacity listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity		
Development estimated Tax Capacity upon completion	1,194,933	
Less: Original Net Tax Capacity (ONTC)	(81,789)	
Less: Fiscal Disparities	<u>(179,318)</u>	
Estimated Captured Tax Capacity (CTC)	<b>933,826</b>	
Original Local Tax Rate	<u>144.2344%</u>	Pay 2025
Estimated Annual Tax Increment	<b>\$1,346,899</b>	
Percent Retained by the City	100%	

Note: Tax capacity includes a 1% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 26. The tax capacity of the District in year three when fully valued for taxes payable in 2032 is estimated to be 950,500.

Pursuant to *M.S., Section 469.177, Subd. 4*, the Port Authority shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City has reviewed the area to be included in the District and found no building permits were issued for improvements that would add value to the property in the past 18 months prior to the public hearing.

## SOURCES OF REVENUE/BONDS TO BE ISSUED

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES	
Tax Increment	\$ 29,443,173
Interest	<u>2,944,317</u>
<b>TOTAL</b>	<b>\$ 32,387,490</b>

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The Port Authority or City reserves the right to issue bonds (as defined in the TIF Act) or incur other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District

will be financed by bonds, pay-as-you-go notes and interfund loans. Any refunding amounts will be deemed a budgeted cost without a formal modification to this TIF Plan. This provision does not obligate the Port Authority to incur debt. The Port Authority will issue bonds or incur other debt only upon the determination that such action is in the best interest of the Port Authority.

The Port Authority may issue bonds secured in whole or in part with tax increments from the District in a maximum principal amount of \$25,811,586. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

## USES OF FUNDS

Currently under consideration for the District is a proposal to facilitate the demolition of a portion of the existing building and construction of up to 170- units of market rate apartments and approximately 100,000 sq. ft. of office/commercial space and rehabilitation or removal of an existing parking structure. The Port Authority has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described herein.

The Port Authority has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES	
Land/Building Acquisition	\$ 6,000,000
Site Improvements/Preparation	6,500,000
Utilities	1,000,000
Other Qualifying Improvements	9,367,269
Administrative Costs (up to 10%)	2,944,317
<b>PROJECT COSTS TOTAL</b>	<b>\$ 25,811,586</b>
Interest	6,575,904
<b>PROJECT AND INTEREST COSTS TOTAL</b>	<b>\$ 32,387,490</b>

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

Estimated costs associated with the District are subject to change among categories without a modification to the TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25% of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of the Downtown St. Paul Industrial Development District, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in the TIF Plan.

**FISCAL DISPARITIES ELECTION**

Pursuant to *M.S., Section 469.177, Subd. 3*, the Port Authority or City may elect one of two methods to calculate fiscal disparities.

The Port Authority will choose to calculate fiscal disparities by clause b (inside).

**ESTIMATED IMPACT ON OTHER TAXING JURISDICTIONS**

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the Port Authority or City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Estimated Impact on Tax Base			
Entity	2024/Pay 2025 Total NTC	CTC upon completion	Percent of CTC to Entity Total
Ramsey County	741,551,260	933,826	<b>0.1259%</b>
City of Saint Paul	342,004,326	933,826	<b>0.2730%</b>
ISD No. 625 (Saint Paul Public Schools)	342,004,543	933,826	<b>0.2730%</b>

Estimated Impact on Taxes				
Entity	Pay 2025 Extension Rate	Percent of Total	CTC	Potential Taxes
Ramsey County	43.6102%	30.24%	933,826	\$ 407,244
City of Saint Paul	52.6967%	36.54%	933,826	492,096
ISD No. 625 (Saint Paul Public Schools)	34.4779%	23.90%	933,826	321,964
Other	13.4495%	9.32%	933,826	125,595
	<b>144.2344%</b>	<b>100.00%</b>		<b>\$1,346,899</b>

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2025 rate. The total net capacity for the entities listed above are based on Pay 2025 figures. The District will be certified under the Pay 2026 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S., Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$29,443,173;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction. The existing buildings, located at the site will be eliminated for the new development. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume, if any, generated from the proposed development. Based on the development plans, there are no

additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks.

The probable impact of the issuance of any general obligation tax increment bonds payable from tax increment revenues from the District on the City's ability to issue debt for general fund purposes is not expected.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$7,038,121;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$8,902,334;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S., Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

## SUPPORTING DOCUMENTATION

Pursuant to *M.S., Section 469.175, Subd. 1 (a), clause 7* this TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S., Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

- (i) In making said determination, reliance has been placed upon (1) Port Authority staff awareness of the feasibility of developing the project site within the District, which is further outlined in the city council resolution approving the establishment of the District and Appendix C; and (ii) feedback obtained from the development community regarding the site and feasibility related to redevelopment.

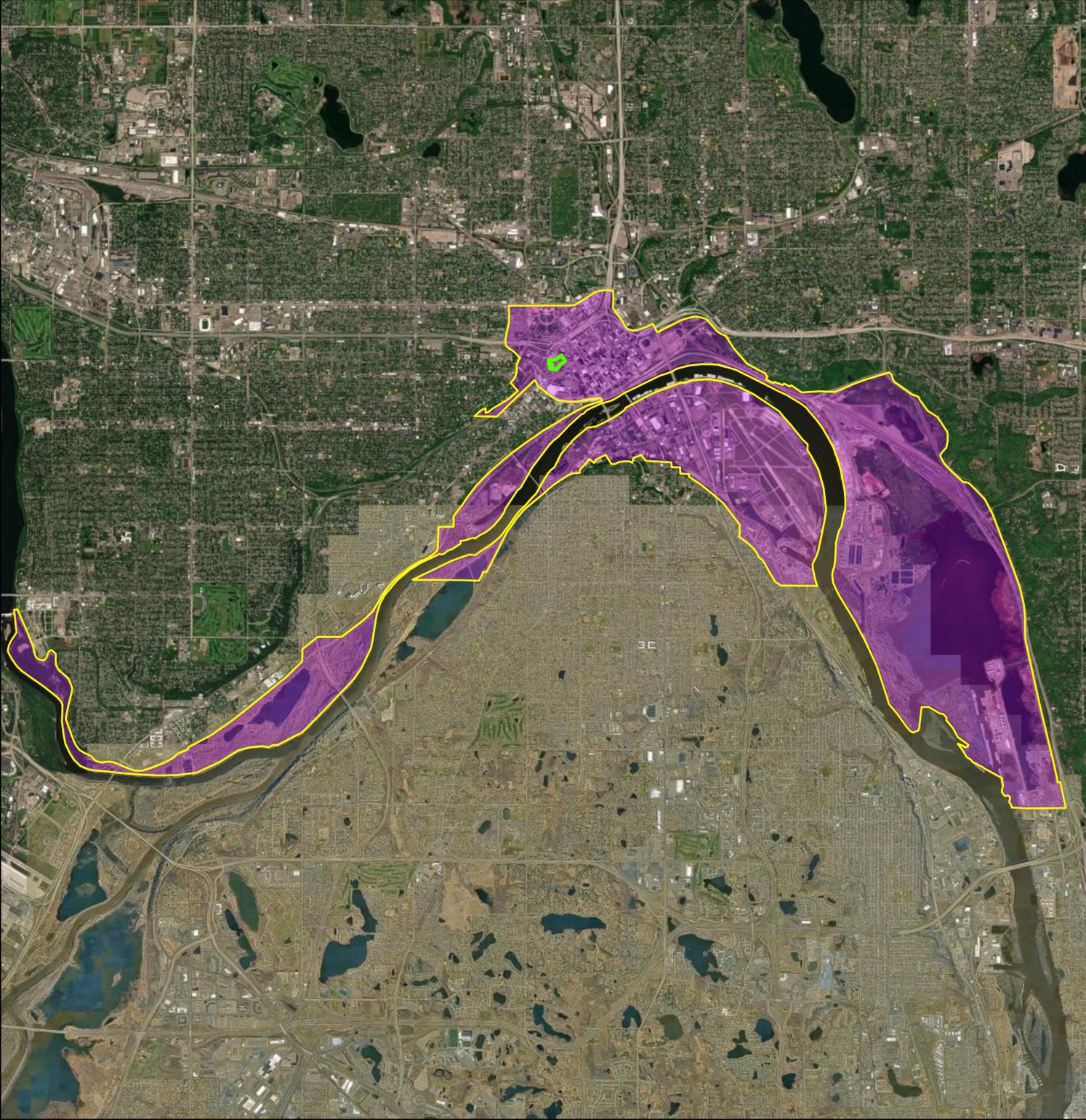
(ii) A comparative analysis of estimated market value both with and without establishment of the District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

## **DISTRICT ADMINISTRATION**

Administration of the District will be handled by the Chief Financial Officer of the Port Authority.

# Appendix A: Map of Downtown St. Paul Industrial Development District and the TIF District

# Downtown Saint Paul Industrial Development District



## Legend

- Redevelopment Area
- Proposed TIF District







# Appendix B: Estimated Cash Flow for the District

## St. Joes Redevelopment

City of St. Paul, MN

170 Market Rate Apartments and 100,000 Sq. Ft. Office / Commercial



### ASSUMPTIONS AND RATES

<b>DistrictType:</b>	<b>Redevelopment</b>
<b>District Name/Number:</b>	
<b>County District #:</b>	
<b>First Year Construction or Inflation on Value</b>	<b>2028</b>
<b>Existing District - Specify No. Years Remaining</b>	
Inflation Rate - Every Year:	<b>1.00%</b>
Interest Rate:	<b>2.00%</b>
Present Value Date:	<b>1-Aug-29</b>
First Period Ending	<b>1-Feb-30</b>
Tax Year District was Certified:	<b>Pay 2026</b>
Cashflow Assumes First Tax Increment For Development:	<b>2030</b>
Years of Tax Increment	<b>26</b>
Assumes Last Year of Tax Increment	<b>2055</b>
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	<b>Inside(B)</b>
Incremental or Total Fiscal Disparities	<b>Incremental</b>
Fiscal Disparities Contribution Ratio	34.0220% Pay 2025
Fiscal Disparities Metro-Wide Tax Rate	123.8880% Pay 2025
Maximum/Frozen Local Tax Rate:	144.234% Pay 2025
Current Local Tax Rate: (Use lesser of Current or Max.)	144.234% Pay 2025
State-wide Tax Rate (Comm./Ind. only used for total taxes)	28.8570% Pay 2025
Market Value Tax Rate (Used for total taxes)	0.18222% Pay 2025

Tax Rates		
Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First \$150,000		1.50%
Over \$150,000		2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First \$100,000		0.25%
Over \$100,000		0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First \$500,000		1.00%
Over \$500,000		1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First \$500,000		1.00%
Over \$500,000		1.25%
Agricultural Non-Homestead		1.00%

### BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
1	06.28.22.21.0053	Fairview	45 10th Street West	3,793,100	2,750,000	6,543,100	100%	6,543,100	Pay 2026	Exempt	-	Rental	81,789	1
				3,793,100	2,750,000	6,543,100		6,543,100			0		81,789	

**Note:**

1. Base values are for pay 2026 based on discussion with County Assessor on 9-10-25 and for a net acreage amount of 4.35 (net of what Fairview may retain).
2. Located in SD #625 & Capital Region WS

## St. Joes Redevelopment

City of St. Paul, MN  
170 Market Rate Apartments and 100,000 Sq. Ft. Office / Commercial



PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2028	Percentage Completed 2029	Percentage Completed 2030	Percentage Completed 2031	First Year Full Taxes Payable
	Apartments	250,000	250,000	170	42,500,000	Rental	531,250	3,125	25%	75%	100%	100%	2032
	Office	125	125	40,000	5,000,000	C/I Pref.	99,250	2	25%	80%	100%	100%	2032
	Medical Office	300	300	40,000	12,000,000	C/I	240,000	6	25%	80%	100%	100%	2032
	Retail	200	200	20,000	4,000,000	C/I	80,000	4	25%	80%	100%	100%	2032
<b>TOTAL</b>					<b>63,500,000</b>		<b>950,500</b>						
<b>Subtotal Residential</b>				<b>170</b>	<b>42,500,000</b>		<b>531,250</b>						
<b>Subtotal Commercial/Ind.</b>				<b>100,000</b>	<b>21,000,000</b>		<b>419,250</b>						

**Note:**

1. Market values are based upon estimates from discussions with County Assessor.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Apartments	531,250	0	531,250	766,245	0	0	77,444	843,689	4,962.88
Office	99,250	33,767	65,483	94,449	41,833	27,991	9,111	173,385	4.33
Medical Office	240,000	81,653	158,347	228,391	101,158	68,391	21,867	419,807	10.50
Retail	80,000	27,218	52,782	76,130	33,719	22,220	7,289	139,358	6.97
<b>TOTAL</b>	<b>950,500</b>	<b>142,637</b>	<b>807,863</b>	<b>1,165,216</b>	<b>176,710</b>	<b>118,602</b>	<b>115,710</b>	<b>1,576,239</b>	

**Note:**

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	1,576,239
less State-wide Taxes	(118,602)
less Fiscal Disp. Adj.	(176,710)
less Market Value Taxes	(115,710)
less Base Value Taxes	(117,968)
<b>Annual Gross TIF</b>	<b>1,047,248</b>

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	6,543,100
New Market Value - Est.	63,500,000
Difference	56,956,900
Present Value of Tax Increment	22,216,592
Difference	34,740,308
Value likely to occur without Tax Increment is less than:	<b>34,740,308</b>



## St. Joes Redevelopment

City of St. Paul, MN

170 Market Rate Apartments and 100,000 Sq. Ft. Office / Commercial

### TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date	
															02/01/30
100%	237,625	(81,789)	(35,659)	120,177	144.234%	173,336	86,668	(312)	(8,636)	77,721	76,189	0.5	2030	08/01/30	
							86,668	(312)	(8,636)	77,721	151,624	1	2030	02/01/31	
100%	733,838	(81,789)	(112,980)	539,069	144.234%	777,523	388,761	(1,400)	(38,736)	348,626	486,646	1.5	2031	08/01/31	
							388,761	(1,400)	(38,736)	348,626	818,352	2	2031	02/01/32	
100%	950,500	(81,789)	(142,637)	726,074	144.234%	1,047,248	523,624	(1,885)	(52,174)	469,565	1,260,703	2.5	2032	08/01/32	
							523,624	(1,885)	(52,174)	469,565	1,698,675	3	2032	02/01/33	
100%	960,005	(81,789)	(144,064)	734,153	144.234%	1,058,901	529,450	(1,906)	(52,754)	474,790	2,137,136	3.5	2033	08/01/33	
							529,450	(1,906)	(52,754)	474,790	2,571,255	4	2033	02/01/34	
100%	969,605	(81,789)	(145,504)	742,312	144.234%	1,070,669	535,335	(1,927)	(53,341)	480,067	3,005,853	4.5	2034	08/01/34	
							535,335	(1,927)	(53,341)	480,067	3,436,148	5	2034	02/01/35	
100%	979,301	(81,789)	(146,959)	750,553	144.234%	1,082,556	541,278	(1,949)	(53,933)	485,396	3,866,913	5.5	2035	08/01/35	
							541,278	(1,949)	(53,933)	485,396	4,293,413	6	2035	02/01/36	
100%	989,094	(81,789)	(148,429)	758,876	144.234%	1,094,561	547,280	(1,970)	(54,531)	490,779	4,720,372	6.5	2036	08/01/36	
							547,280	(1,970)	(54,531)	490,779	5,143,105	7	2036	02/01/37	
100%	998,985	(81,789)	(149,913)	767,283	144.234%	1,106,686	553,343	(1,992)	(55,135)	496,216	5,566,288	7.5	2037	08/01/37	
							553,343	(1,992)	(55,135)	496,216	5,985,282	8	2037	02/01/38	
100%	1,008,975	(81,789)	(151,412)	775,774	144.234%	1,118,933	559,466	(2,014)	(55,745)	501,707	6,404,718	8.5	2038	08/01/38	
							559,466	(2,014)	(55,745)	501,707	6,820,001	9	2038	02/01/39	
100%	1,019,065	(81,789)	(152,926)	784,349	144.234%	1,131,302	565,651	(2,036)	(56,361)	507,253	7,235,717	9.5	2039	08/01/39	
							565,651	(2,036)	(56,361)	507,253	7,647,317	10	2039	02/01/40	
100%	1,029,255	(81,789)	(154,456)	793,011	144.234%	1,143,794	571,897	(2,059)	(56,984)	512,855	8,059,343	10.5	2040	08/01/40	
							571,897	(2,059)	(56,984)	512,855	8,467,289	11	2040	02/01/41	
100%	1,039,548	(81,789)	(156,000)	801,759	144.234%	1,156,412	578,206	(2,082)	(57,612)	518,512	8,875,651	11.5	2041	08/01/41	
							578,206	(2,082)	(57,612)	518,512	9,279,971	12	2041	02/01/42	
100%	1,049,943	(81,789)	(157,560)	810,594	144.234%	1,169,156	584,578	(2,104)	(58,247)	524,226	9,684,698	12.5	2042	08/01/42	
							584,578	(2,104)	(58,247)	524,226	10,085,419	13	2042	02/01/43	
100%	1,060,443	(81,789)	(159,136)	819,518	144.234%	1,182,027	591,014	(2,128)	(58,889)	529,997	10,486,540	13.5	2043	08/01/43	
							591,014	(2,128)	(58,889)	529,997	10,883,689	14	2043	02/01/44	
100%	1,071,047	(81,789)	(160,727)	828,531	144.234%	1,195,027	597,514	(2,151)	(59,536)	535,826	11,281,231	14.5	2044	08/01/44	
							597,514	(2,151)	(59,536)	535,826	11,674,836	15	2044	02/01/45	
100%	1,081,758	(81,789)	(162,334)	837,634	144.234%	1,208,157	604,078	(2,175)	(60,190)	541,713	12,068,827	15.5	2045	08/01/45	
							604,078	(2,175)	(60,190)	541,713	12,458,916	16	2045	02/01/46	
100%	1,092,575	(81,789)	(163,958)	846,829	144.234%	1,221,418	610,709	(2,199)	(60,851)	547,659	12,849,383	16.5	2046	08/01/46	
							610,709	(2,199)	(60,851)	547,659	13,235,983	17	2046	02/01/47	
100%	1,103,501	(81,789)	(165,597)	856,115	144.234%	1,234,812	617,406	(2,223)	(61,518)	553,665	13,622,954	17.5	2047	08/01/47	
							617,406	(2,223)	(61,518)	553,665	14,006,093	18	2047	02/01/48	
100%	1,114,536	(81,789)	(167,253)	865,494	144.234%	1,248,340	624,170	(2,247)	(62,192)	559,731	14,389,594	18.5	2048	08/01/48	
							624,170	(2,247)	(62,192)	559,731	14,769,298	19	2048	02/01/49	
100%	1,125,681	(81,789)	(168,926)	874,967	144.234%	1,262,003	631,001	(2,272)	(62,873)	565,857	15,149,358	19.5	2049	08/01/49	
							631,001	(2,272)	(62,873)	565,857	15,525,654	20	2049	02/01/50	
100%	1,136,938	(81,789)	(170,615)	884,534	144.234%	1,275,803	637,901	(2,296)	(63,560)	572,044	15,902,299	20.5	2050	08/01/50	
							637,901	(2,296)	(63,560)	572,044	16,275,215	21	2050	02/01/51	
100%	1,148,308	(81,789)	(172,321)	894,197	144.234%	1,289,740	644,870	(2,322)	(64,255)	578,294	16,648,472	21.5	2051	08/01/51	
							644,870	(2,322)	(64,255)	578,294	17,018,034	22	2051	02/01/52	
100%	1,159,791	(81,789)	(174,045)	903,957	144.234%	1,303,817	651,909	(2,347)	(64,956)	584,606	17,387,930	22.5	2052	08/01/52	
							651,909	(2,347)	(64,956)	584,606	17,754,164	23	2052	02/01/53	
100%	1,171,389	(81,789)	(175,785)	913,815	144.234%	1,318,035	659,018	(2,372)	(65,665)	590,981	18,120,725	23.5	2053	08/01/53	
							659,018	(2,372)	(65,665)	590,981	18,483,658	24	2053	02/01/54	
100%	1,183,102	(81,789)	(177,543)	923,771	144.234%	1,332,395	666,198	(2,398)	(66,380)	597,419	18,846,912	24.5	2054	08/01/54	
							666,198	(2,398)	(66,380)	597,419	19,206,570	25	2054	02/01/55	
100%	1,194,933	(81,789)	(179,318)	933,826	144.234%	1,346,899	673,449	(2,424)	(67,103)	603,923	19,566,543	25.5	2055	08/01/55	
							673,449	(2,424)	(67,103)	603,923	19,922,951	26	2055	02/01/56	
<b>Total</b>							<b>29,549,551</b>	<b>(106,378)</b>	<b>(2,944,317)</b>	<b>26,498,855</b>					
<b>Present Value From 08/01/2031</b>							<b>22,216,592</b>	<b>(79,980)</b>	<b>(2,213,661)</b>	<b>19,922,951</b>					

## Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for Fairview / St. Joe's Tax Increment Financing District (the "District"), as required pursuant to *Minnesota Statutes (M.S.), Section 469.175, Subdivision 3* are as follows:

1. *Finding that Fairview / St. Joe's Tax Increment Financing District is a redevelopment district as defined in M.S., Section 469.174, Subd. 10.*

The District consists of one (1) parcel and vacant right-of-way, with plans to subdivide the parcel for Fairview Hospital to retain a portion of the site to accommodate their existing Wellness Center and needed parking, access and loading for the facility (approximately +/- 1.2 acres). The remaining portion of the site will be redeveloped for possible construction of up to 170-units of market rate apartment and approximately 100,000 sq. ft. office/commercial building and rehabilitation or removal of an existing parking facility. Parcels consisting of 70% of the area of the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50% of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix D of the TIF Plan.)

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Fairview / St. Joe's Tax Increment Financing District permitted by the TIF Plan.*

*The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future:* This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels currently occupied by a substandard building, the challenging location of the property, some incompatible land uses at close proximity, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing.

*The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan:* This finding is justified on the grounds that the cost of remediation and demolition of the existing, site and public improvements add to the total redevelopment cost. Historically, these costs in this area have made redevelopment infeasible without tax increment assistance. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
  - b. If the proposed development occurs, the total increase in market value will be \$56,956,900.
  - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$22,216,592.
  - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$34,740,308 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The City Council reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for Fairview / St. Joe's Tax Increment Financing District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Downtown St. Industrial Development District by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, the redevelopment of a substandard property, increased tax base of the State, availability of safe and decent life-cycle housing in the City and add a high-quality development to the City.

REPORT OF INSPECTION PROCEDURES AND RESULTS  
FOR  
DETERMINING QUALIFICATIONS  
OF A  
TAX INCREMENT FINANCING DISTRICT

ST JOE'S HOSPITAL  
REDEVELOPMENT TIF DISTRICT

*Prepared for*

SAINT PAUL PORT AUTHORITY  
SAINT PAUL, MINNESOTA  
NOVEMBER 14, 2025



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- APPENDIX B** Building Code, Condition Deficiency and Context Analysis Report
- APPENDIX C** Building Replacement Cost Report
  - Code Deficiency Cost Report
  - Photographs

# Part 1: Executive Summary

## Purpose of the Evaluation

LHB was hired by the Saint Paul Port Authority to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District ("TIF District") proposed to be established by the Authority. The proposed TIF District is located at the corner of Saint Peter Street and Exchange Street West (Diagram 1). The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether one building on one parcel, located within the proposed TIF District, meets the qualifications required for a Redevelopment District.

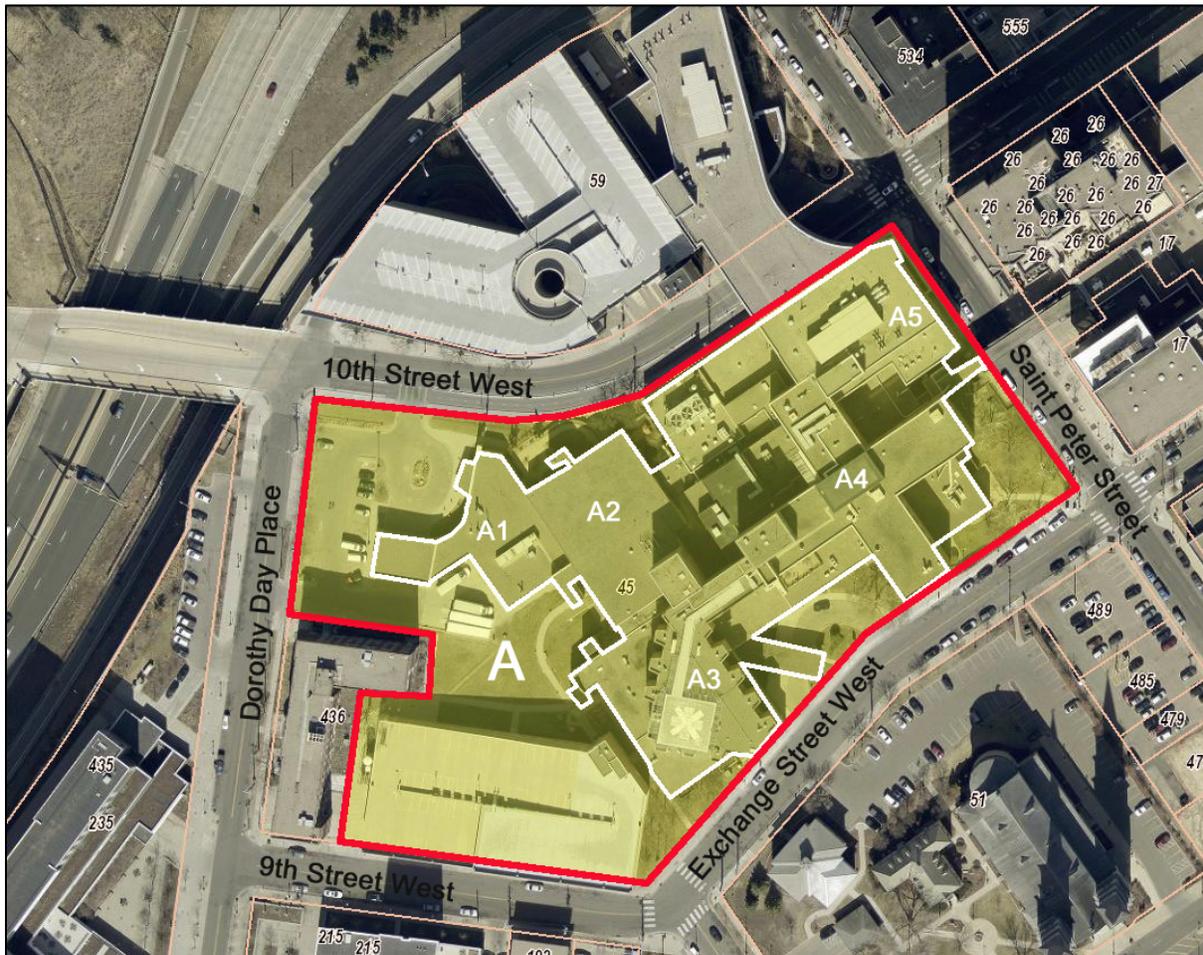


Diagram 1: Proposed TIF District

## Scope of Work

The proposed TIF District consists of one parcel with one building which is a conglomeration of at least five different additions built over several decades. The building was inspected on September 17 and 18, 2025. To keep the data manageable, Building Code and Condition Deficiency reports were organized by each building addition. The reports are in Appendix B.

A portion of the de Paul Tower (labeled as addition A5 in Diagram 1) is included in this TIF District. We calculated the replacement value of this portion of the building but chose not to inspect the building for code deficiencies as it was not necessary to meet the thresholds required for this TIF District.

For the purposes of our work, we are defining buildings as those structures inhabited by human beings. These structures would typically include water, sewer and electricity. Parking ramps are considered "infrastructure" which are not typically considered in TIF analysis because they have very few "building" code requirements and are not intended for continuous human occupation.

## Conclusion

After inspecting and evaluating the properties within the proposed TIF District and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the proposed TIF District qualifies as a Redevelopment District because:

- The proposed TIF District has a coverage calculation of 100 percent which is above the 70 percent requirement.
- 100 percent of the buildings are structurally substandard, which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

The remainder of this report describes our process and findings in detail.

## Part 2: Minnesota Statute 469.174, Subdivision 10 Requirements

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The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

### Interior Inspection

"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."

### Exterior Inspection and Other Means

"An interior inspection of the property is not required, if the municipality finds that

(1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and

(2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

### Documentation

"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3(1)."

### Qualification Requirements

*Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1)* requires three tests for occupied parcels:

#### 1. COVERAGE TEST

- a. *Minnesota Statutes, Section 469.174, Subdivision 10(a)(1)* states:

"Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots..."

- b. The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states:

"For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

## 2. CONDITION OF BUILDINGS TEST

- a. Minnesota Statutes, Section 469.174, Subdivision 10(a) states:

"...and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"

- b. Structurally substandard is defined under Minnesota Statutes, Section 469.174, Subdivision 10(b), which states:

"For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects, or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

- i. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

- c. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

"A building is not structurally substandard if it follows the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence based on reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."

"Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."

- i. LHB counts energy code deficiencies toward the 15 percent code threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c)) for the following reasons:
  - 1) The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
  - 2) Chapter 13 of the 2015 *Minnesota Building Code* states, "Buildings shall be designed and constructed in accordance with the *International Energy Conservation Code*." Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, "References to the *International Energy Conservation Code* in this code mean the *Minnesota Energy Code*..."
  - 3) Chapter 11 of the 2015 Minnesota Residential Code incorporates Minnesota Rules, Chapters 1322 and 1323 *Minnesota Energy Code*.
  - 4) The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
  - 5) In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.

- 6) Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

### 3. DISTRIBUTION OF SUBSTANDARD BUILDINGS

- a. Minnesota Statutes, Section 469.174, Subdivision 10, defines a Redevelopment District and requires one or more of the following conditions "reasonably distributed throughout the district."
  - "(1) Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.
  - (2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way.
  - (3) tank facilities, or property whose immediately previous use was for tank facilities..."
- b. Our interpretation of the distribution requirement is that the substandard buildings must be reasonably distributed throughout the district as compared to the location of all buildings in the district. For example, if all the buildings in a district are located on one half of the area of the district, with the other half occupied by parking lots (meeting the required 70 percent coverage for the district), we would evaluate the distribution of the substandard buildings compared with only the half of the district where the buildings are located. If all the buildings in a district are located evenly throughout the entire area of the district, the substandard buildings must be reasonably distributed throughout the entire area of the district. We believe this is consistent with the opinion expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

## Part 3: Procedures Followed

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LHB inspected one building with multiple additions on September 17 and 18, 2025.

## Part 4: Findings

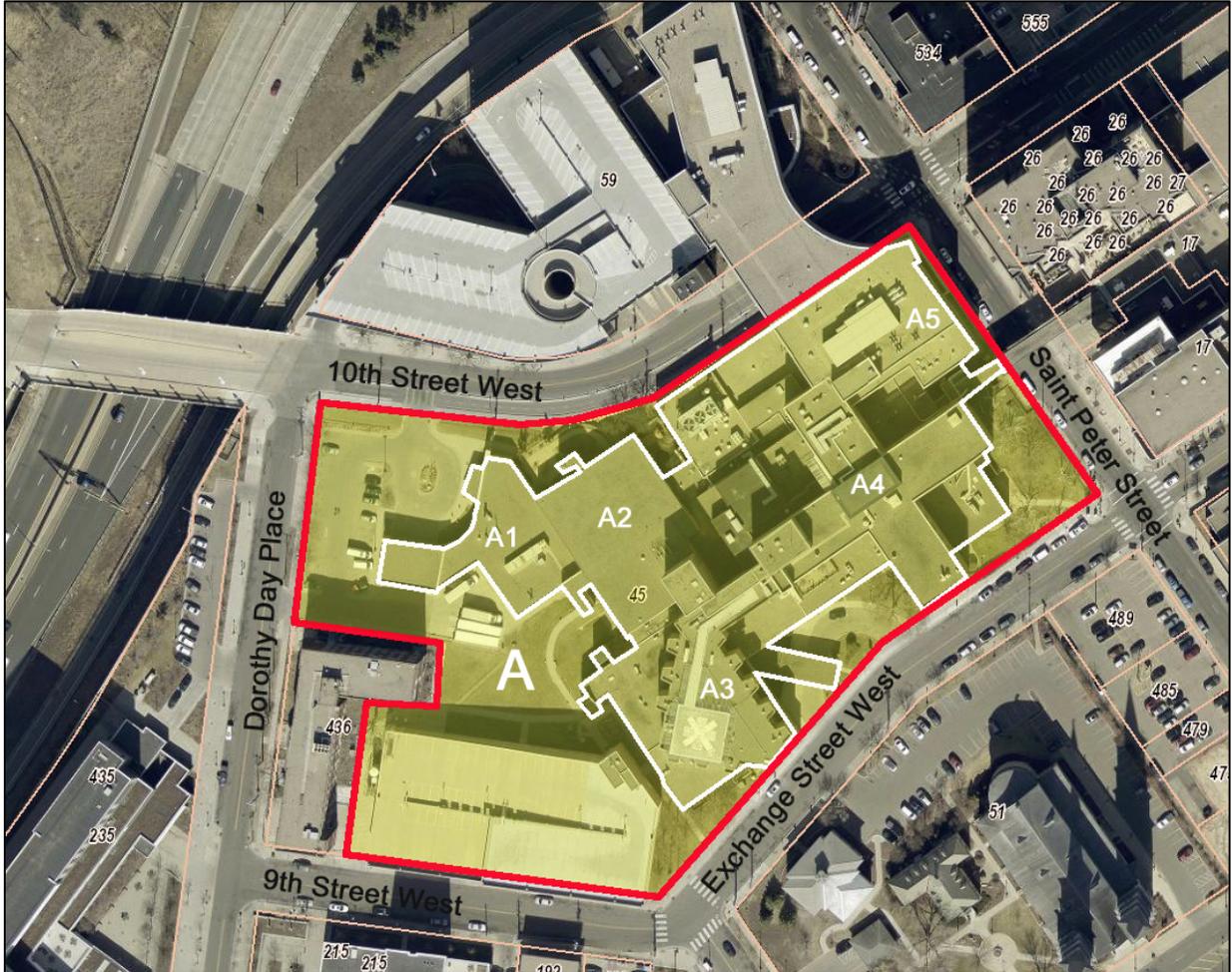
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### 1. Coverage Test

- a. The total square foot area of the parcels in the proposed TIF District were obtained from City records, GIS mapping and site verification.
- b. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District was obtained from City records, GIS mapping and site verification.
- c. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

**FINDING**

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 100 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision (a) (1)*.



**Diagram 2 – Coverage Diagram**

Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures

## 2. Condition of Building Test

### a. BUILDING INSPECTION

- i. The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether a building “appears” to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

### b. REPLACEMENT COST

- i. The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2025.
- ii. The replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Saint Paul, Minnesota.
- iii. Replacement cost includes labor, materials, and the contractor’s overhead and profit. Replacement costs do not include architectural fees, legal fees or other “soft” costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

### c. CODE DEFICIENCIES

- i. The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.
- ii. Minnesota Statutes, Section 469.174, Subdivision 10(c), specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.
- iii. The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is a series of provisional codes written specifically for Minnesota requirements, including the adoption of several international codes, and amendments to the adopted international codes.
- iv. After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2025; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

### FINDING

One out of one buildings (100 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c). Building Code, Condition Deficiency and Context Analysis reports for the building(s) in the proposed TIF District can be found in Appendix B of this report.

### d. SYSTEM CONDITION DEFICIENCIES

- i. If a building meets the minimum code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), then for such building to be “structurally substandard” under Minnesota Statutes, Section 469.174, Subdivision 10(b), the building’s defects, or deficiencies should be of sufficient total significance to justify “substantial renovation or clearance.” Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), to

determine if the total deficiencies warranted “substantial renovation or clearance” based on the criteria we outlined above.

- ii. System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors, and doors.
- iii. The evaluation of system condition deficiencies was made by reviewing all available information contained in City records and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of “service life” used up for a particular component unless it was an obvious part of that component’s deficiencies.
- iv. After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify “substantial renovation or clearance.”

**FINDING**

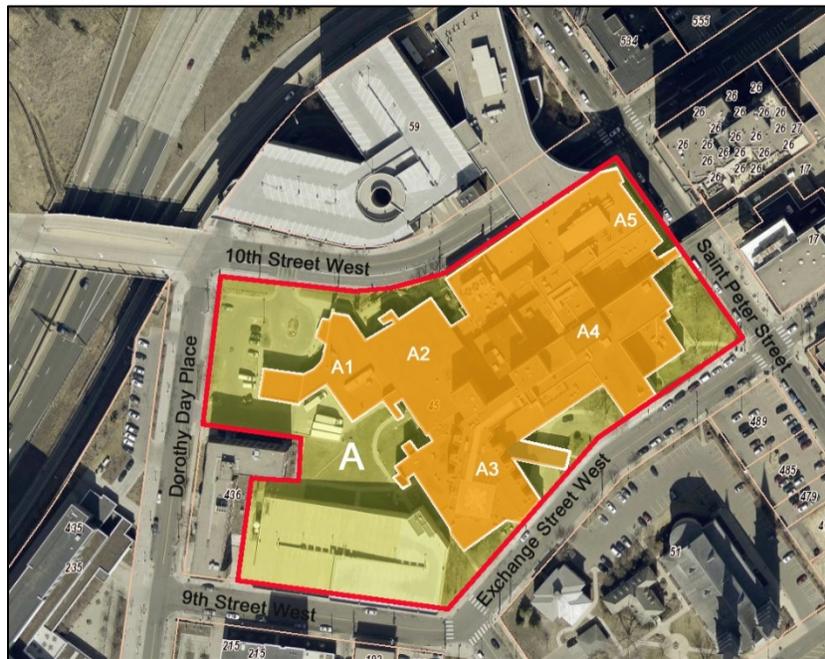
In our professional opinion, one out of one buildings (100 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

**3. Distribution of Substandard Structures**

Much of this report has focused on the condition of individual buildings as they relate to requirements identified by Minnesota Statutes, Section 469.174, Subdivision 10. It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District (Diagram 3).

**FINDING**

The parcels with substandard buildings are reasonably distributed compared to all parcels that contain buildings.



**Diagram 3 – Substandard Buildings**

Shaded yellow area depicts parcels with buildings.  
Shaded orange area depicts substandard buildings.

# Part 5: Team Credentials

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## Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael is a Principal and Vice President at LHB, with over 39-years of experience serving as a Project Principal, Project Manager, Project Designer and Project Architect on planning, urban design, educational, commercial, and governmental projects, he has become an expert on Tax Increment Finance District (TIF) analysis assisting over 130 cities with strategic planning for TIF Districts.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning master's degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards, and community task forces, including a term as a City Council President, Chair of a Metropolitan Planning Organization, and Chair of the Edina Planning Commission. Most recently, he served as a member of the Edina city council and Secretary of the Edina HRA. Michael has also managed and designed several award-winning architectural projects and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

## Phil Fisher – Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

# Appendices

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- APPENDIX A Property Condition Assessment Summary Sheet
- APPENDIX B Building Code, Condition Deficiency and Context Analysis Report
- APPENDIX C Building Replacement Cost Report
  - Code Deficiency Cost Report
  - Photographs

# APPENDIX A

Property Condition Assessment Summary Sheet

# St Joe's Hospital Redevelopment TIF District

Property Condition Assessment Summary Sheet

Saint Paul, Minnesota

TIF Map No.	PID #	Property Address/ Building Addition	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard
A	062822210053	45 10th Street West	Improved	Interior/Exterior	241,758	225,000	93%	241,758	1	\$178,043,133	\$26,706,470	\$36,830,471	1	1
A1		Emergency Department								\$5,206,908		\$428,126		
A2		Carondelet II								\$12,076,513		\$3,580,530		
A3		Carondelet I								\$45,429,431		\$10,911,050		
A4		JGM								\$83,592,144		\$21,910,765		
A5		de Paul Tower (partial)								\$31,738,137		*1		

<b>TOTALS</b>					241,758			241,758	1				1	1
					<b>Total Coverage Percent:</b>			100.0%						
										<b>Percent of buildings exceeding 15 percent code deficiency threshold:</b>			100.0%	
										<b>Percent of buildings determined substandard:</b>			100.0%	

\*NOTE: The 9th Street parking structure is considered "infrastructure" for purposes of this TIF District

\*1: The de Paul Tower portion of the building was not inspected for code deficiencies

M:\25Proj\250574\300 Design\Reports\One Building Version\Final Report\250574 St Joe's Hospital Redevelopment TIF Summary Spreadsheet.xlsx\Property Info

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

**[RESOLUTION APPROVING A TAX INCREMENT PLAN AND TAKING RELATED ACTIONS INCLUDING REQUESTING THE CITY OF SAINT PAUL APPROVE THE FORMATION OF SUCH TAX INCREMENT FINANCING DISTRICT AND THE ISSUANCE OF GENERAL OBLIGATION TAX INCREMENT BONDS IN CONNECTION WITH THE ST. JOSEPH'S HOSPITAL SITE; DISTRICT 17, WARD 2]**

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority") is proposing to establish the St. Joseph's Hospital Tax Increment Financing District (the "TIF District") within the boundaries of the Downtown Industrial Development District (the "Downtown IDD") previously established by the Port Authority and the City of Saint Paul, Minnesota (the "City");

WHEREAS, the TIF District is being established to redevelop a portion of the St. Joseph's Hospital Site (the "Redevelopment Property") currently owned by Fairview Health Services ("Fairview") and located in downtown Saint Paul at or about 69 West Exchange Street (the "Property") in the City and the boundaries of the TIF District are proposed to include the Redevelopment Property and adjacent roads and right of ways;

WHEREAS, by a separate resolution to be considered on the date hereof, the Board of Commissioners of the Port Authority will consider approving expenditures and a related interfund loan for the costs of the blight study, acquiring the Property after demolition, and consenting to Fairview demolishing buildings on the Property as contemplated by the Redevelopment Agreement (collectively, the "Expenditures") on a temporary basis from available funds, as determined by the Chief Financial Officer of the Port Authority, from which such advances, from time to time, may be legally made (the "Fund");

WHEREAS, Port Authority staff and the Port Authority's consultant, Ehlers & Associates, Inc. ("Ehlers"), have prepared a comprehensive tax increment financing plan related thereto (the "TIF Plan") and Port Authority staff and legal counsel ("Bond Counsel"), have also negotiated with Fairview (a) an Acquisition and Demolition Agreement (St. Joseph's Hospital), to be dated on or after December 1, 2025 (the "Redevelopment Agreement"), between the Port Authority and Fairview, (b) a Disbursing Agreement, to be dated on or after December 1, 2025 (the "Disbursing Agreement") between the Port Authority, Fairview, and a title company to be named as disbursing agent, and (c) a Bond Payment Agreement, to be dated on or after December 1, 2025 (the "Bond Payment Agreement"), between the Port Authority and Fairview;

WHEREAS, by this Resolution, the Port Authority is requesting that (i) the City Council (the "Council") of the City call for a public hearing on the TIF Plan and the establishment of the TIF District, and (ii) the City approve the TIF Plan and make the findings required by Minnesota Statutes, Section 469.175, Subd. 3, as amended, within sixty (60) days of the submission of the TIF Plan by the Port Authority to the City;

WHEREAS, in consultation with Fairview and Ehlers, Port Authority staff has prepared a budget for land acquisition, blight study, demolition, environmental remediation, and other tax increment eligible costs for the redevelopment of the Property (the "Project"), and the sources of funds to be used to accomplish the same, all of which is set forth in the TIF Plan;

WHEREAS, the Port Authority has performed all actions required by law to be performed prior to the establishment of the TIF District and after adoption of this resolution will notify Ramsey County and School District No. 625 (which have taxing jurisdiction over the property included in the TIF District) of the intention to create the TIF District;

WHEREAS, Port Authority staff has reviewed this proposal, all as more specifically set forth in the staff memorandum on file, and recommends approval of this Resolution; request the City to take the necessary actions to approve the TIF Plan and establishment of the TIF District; request to the City to authorize the pledge of its general obligation to secure bonds to be issued at a later date in accordance with the TIF Plan; and the execution of all documents outlined herein and in the staff memorandum, or otherwise necessary to the consummation of these transactions;

WHEREAS, Port Authority staff has recommended the issuance of approximately \$6,000,000 in original principal amount of temporary tax increment general obligation bonds (the "Bonds") in order to fund certain tax increment eligible costs identified and described in the Redevelopment Agreement and the TIF Plan;

WHEREAS, in connection with the Redevelopment Agreement and the redevelopment of the Property, Fairview also agrees in the Bond Payment Agreement to make certain payments in connection with the Bonds, including costs of issuance and the payment of debt service for a period of time as described in the Bond Payment Agreement;

WHEREAS, this Resolution also sets for the general parameters for the terms of the proposed Bonds with the specific details to be more fully described in a future resolution to be considered by the Board at a later date.

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

1. The TIF Plan is hereby approved and adopted. The TIF Plan shall be placed on file in the business office of the Port Authority and forwarded to the City for consideration and approval.

2. The parcels consisting of at least 70 percent of the area of the TIF District are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, in the TIF District, as shown in the TIF Plan which includes the blight study prepared by LHBcorp, are structurally substandard to a degree requiring substantial renovation or clearance.

3. The Port Authority hereby determines that there has been no significant development or redevelopment in the TIF District, the proposed development and redevelopment described in the TIF Plan and the Redevelopment Agreement are not reasonably expected to occur solely through private investment within the reasonably foreseeable future and, therefore, the use of tax increment financing is deemed necessary.

4. Subject to approval by the Council of the TIF Plan in compliance with the requirements of Minnesota Statutes, Section 469.175, Subd. 3, as amended, Port Authority staff, along with the Port Authority's legal counsel and Ehlers, is hereby authorized and directed to proceed with the implementation of the TIF Plan and for this purpose to negotiate and finalize all further plans, resolutions, documents and contracts necessary for this purpose.

5. Port Authority staff is hereby authorized to forward a copy of the TIF Plan to the Ramsey County Auditor and the Minnesota Department of Revenue pursuant to Minnesota Statutes, Section 469.175, subd. 2.

6. Forms of the following documents have been submitted to the Port Authority for review and/or approval in connection with the issuance and delivery of the Bonds and the obtaining of other funds from the City to finance the Project:

- (a) the TIF Plan;
- (b) the Redevelopment Agreement;
- (c) the Disbursing Agreement; and
- (d) the Bond Payment Agreement

(collectively the "Documents"). The Port Authority hereby approves the Documents in substantially the forms on file on the date hereof with the Board;

7. The Board hereby requests that the Council consider approval of the TIF Plan in compliance with the requirements of Minnesota Statutes, Section 469.175, Subd. 3, as amended, and take all necessary actions to approve the TIF Plan.

8. It is hereby found, determined and declared that:

(a) The Project, the execution and delivery by the Port Authority of the Documents and the performance of all covenants and agreements of the Port Authority contained in the Documents, and of all other acts and things required under the Constitution and laws of the State of Minnesota to make the Documents and the Bonds valid and binding obligations of the Port Authority in accordance with their terms, are authorized by Minnesota Statutes, Sections 469.174 through 469.179, and Sections 469.048 through 469.068 and 469.084, as amended (collectively, the "Act"); and

(b) It is desirable that the Bonds be issued by the Port Authority as described in the general terms set forth in the Documents, as applicable, Section 9 of this Resolution, and a future resolution of this Board; and

9. The Port Authority hereby designates a pricing committee (the "Pricing Committee") for the TIF Bonds. The Pricing Committee shall consist of the Chief Financial Officer or another representative of the Port Authority, the City's Treasurer or their designee, and a representative of Ehlers (the "Pricing Committee") and is hereby delegated the authority to determine the final pricing of the TIF Bonds either by negotiated or competitive sale and to authorize the Port Authority to enter into one or more Bid Forms or Bond Purchase Agreements with the initial purchaser or purchasers of the TIF Bonds (the "Bond Purchase Agreement"). The Pricing Committee is hereby delegated the authority to establish the terms and conditions of the TIF Bonds, subject to the limitations set forth in this Resolution. Subject to the parameters set forth in this Section 9 and the Ordinance, the details of the TIF Bonds shall be determined by a future resolution to be approved by the Board, including the annual amount of the tax levy to be certified to the Ramsey County Auditor (the "Auditor") with respect to the TIF Bonds. Subject to ratification by the Board by future resolution, the Pricing Committee is hereby authorized to determine the maturity dates, principal amounts of the stated maturities of the TIF Bonds, optional and mandatory redemption provisions with respect to the TIF Bonds, and such other terms of the

TIF Bonds, as the Pricing Committee deems most appropriate and in the best interests of the Port Authority, provided (i) the combined true-interest cost for the TIF Bonds shall not exceed 8.00% per annum, (ii) the final maturity date of the TIF Bonds shall be no later than three years from their initial date of issuance, and (iii) the combined original aggregate principal amount of the Bonds shall not exceed \$6,000,000 (net of any original issue discount).

10. The forms of the Documents and exhibits thereto are approved substantially in the forms submitted and on file in the offices of the Port Authority, with such subsequent changes as may be approved by Port Authority staff, counsel and Bond Counsel as contemplated by paragraph 11. The Chair and President of the Port Authority, or such other officer as may be appropriate in the absence of either the Chair or President, are hereby authorized and directed to execute the Documents (to the extent the Port Authority is a party thereto) in substantially the forms submitted, as modified pursuant to paragraph 11, and any other documents and certificates which in the opinion of Port Authority staff, counsel and Bond Counsel are necessary to the transactions herein described. The execution of any instrument by the appropriate officer or officers of the Port Authority herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. Copies of all of the documents necessary to the transaction described shall be delivered, filed and recorded as provided herein and in the Loan Agreement.

11. The President and other officers of the Port Authority are authorized and directed to prepare and furnish to the City and Bond Counsel certified copies of proceedings and records of the Port Authority relating to issuance of the Bonds and other transactions herein contemplated, and such other affidavits and certificates as may be required to show the facts relating to the legality of the Bonds and the other transactions herein contemplated as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Port Authority as to the truth of all statements contained therein.

12. The approval hereby given to the various Documents referred to above includes approval of such additional details therein as may be necessary and appropriate, including specifically details of the Bonds, and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Port Authority's President and Chief Financial Officer.

13. The authority to approve, execute and deliver future amendments to the financing documents entered into by the Port Authority in connection with the issuance of the Bonds and the other transactions herein contemplated, is hereby delegated to the President of the Port Authority, subject to the following conditions: (a) such amendments do not require the consent of the holder of the Bonds; (b) such amendments do not materially adversely affect the interests of the Port Authority as the issuer of the Bonds; (c) such amendments do not contravene or violate any policy of the Port Authority; and (d) such amendments are acceptable in form and substance to Bond Counsel. The execution of any instrument by the President of the Port Authority shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.

14. No covenant, stipulation, obligation or agreement contained herein or in the Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member of the Board of Commissioners of the Port Authority, or any officer, agent or employee of the Port Authority in that persons individual capacity, and neither the Board nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

15. A request is hereby made that the Council consider adoption of an ordinance (the "Ordinance") in substantially the form attached to this Resolution as Exhibit A, authorizing the issuance by the Port Authority in the future of Bonds in an approximate principal amount of \$6,000,000, to be backed by the general obligation pledge of the City, and to be secured by tax increments derived from the TIF District, and otherwise in the form and with the terms set forth in such Ordinance, and in such Ordinance to specifically consent to the pledge of the full faith, credit and resources of the City to the payment of principal and interest due on such Bonds, and to the use of the proceeds of such Bonds by the Port Authority to pay for or reimburse costs of the Project and make other eligible expenditures as authorized by the Act.

16. Port Authority staff is hereby authorized and directed to work with the Council, City staff and its counsel, and the Port Authority's Bond Counsel to finalize the proposed Ordinance and all other actions and/or matters which are necessary to the City's final approval of the TIF Plan and the Bonds as contemplated by this resolution and the proposed Ordinance, and the President of the Port Authority is hereby authorized and directed to execute any and all documents that might be necessary, in the opinion of the Port Authority and City staff, and the Port Authority's Bond Counsel, to bring the Ordinance to final approval of the Council.

Approved by the Board of Commissioners of the Port Authority of the City of Saint Paul this 16th day of December, 2025.

PORT AUTHORITY OF THE CITY OF  
SAINT PAUL

By \_\_\_\_\_  
Its \_\_\_\_\_

ATTEST:

By \_\_\_\_\_  
Its \_\_\_\_\_

## EXHIBIT A

### FORM OF ORDINANCE FOR TIF BONDS

An ordinance granting authority to the Port Authority of the City of Saint Paul to issue and sell bonds in the principal amount of approximately \$6,000,000, and any bonds to refund such bonds, to secure such bonds with a pledge of the full faith, credit and resources of the City of Saint Paul, Minnesota (the "City") and to use the proceeds derived from the sale of such bonds to pay the cost and expense necessarily to be incurred by said Port Authority for a portion of the cost of the redevelopment of part of the St. Joseph's hospital site

WHEREAS, on December 16, 2025 the Port Authority of the City of Saint Paul (the "Port Authority") adopted its Resolution No. 4843 (the "Port Authority Resolution"), approving a Tax Increment Financing Plan finding that the land commonly known as the St. Joseph's Hospital Site (the "Redevelopment Property") is blighted and marginal properties within the meaning of Minnesota Statutes, Sections 469.048 et seq., and proposing to establish and create the St. Joseph's Hospital Tax Increment Financing District (the "TIF District") within the boundaries of the Downtown Industrial Development District (the "Downtown IDD") previously established by the Port Authority and the City; and

WHEREAS, the City has authority under Minnesota Statutes, Section 469.178, Subd. 2, to issue general obligation bonds payable from tax increments of a tax increment district created by the Port Authority, and the Port Authority has authority under Minnesota Statutes, Section 469.060, to issue bonds for its purposes in anticipation of income from any source which are secured by the full faith, credit and resources of the City, and pursuant to this Ordinance, the Port Authority will issue bonds to which are pledged both tax increments derived from the TIF District and the full faith, credit and resources of the City; and

WHEREAS, under the terms of the Port Authority Resolution, the Port Authority requested the authorization of the City Council of the City (the "Council"), pursuant to Minnesota Statutes, Section 469.060, for the issuance and sale by the Port Authority of its general obligation tax increment bonds in the original aggregate principal amount of approximately \$6,000,000 (the "Bonds") and the full faith, credit and resources of the City to the payment of such Bonds, which Bonds will also be secured by tax increments to be derived from the TIF District; and

WHEREAS, the Council being duly advised in the premises, finds and determines that it is necessary and appropriate that the Port Authority issue and sell the Bonds to pay for a portion of the cost of the redevelopment of the Redevelopment Property and to pay for the costs of issuance of the Bonds; and

WHEREAS, on the basis of the foregoing, it is now the intention of the Council to grant authority to the Port Authority for the issuance of the Bonds; to prescribe the manner for establishing the amount, maturity schedule, rates of interest, and the maximum rate of interest, to be borne by the Bonds; to authorize the Port Authority to establish the date, denomination, place of payment and other details of the Bonds, including the form of the Bonds; and to authorize and consent to the pledge by the Port Authority of the full faith, credit and resources of the City to the payment of the Bonds as the same shall be issued and sold by the Port Authority, pursuant to the authority of the Act, and pursuant to the authority granted by this Ordinance.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF SAINT PAUL DOES ORDAIN:

## Section 1

Authorization of Bonds. That subject to, and in accordance with, the applicable provisions, terms and conditions of this ordinance and those contained in Section 469.060 of the Act, authority is hereby granted to the Port Authority for the issuance and sale of its Bonds in the original aggregate principal amount of approximately \$6,000,000 and the use of the proceeds of such Bonds for purposes authorized by the Act. The tax increments from the TIF District shall be pledged by the Port Authority to the payment of debt service for the Bonds

## Section 2

Establishing Terms of the Bonds. That the Port Authority is hereby authorized to establish the date, denomination, place of payment, form and details of the Bonds, provided that the Bonds shall be issued and sold by the Port Authority as tax exempt and/or taxable bonds in one or more series, in the manner provided and allowed by law; the Bonds shall also be secured by a pledge of the tax increments to be received by the Port Authority from the TIF District; the initial principal amount of the Bonds shall be equal to an amount sufficient to pay costs incurred in connection with the issuance of the Bonds, and to fund a reserve as necessary to allow the tax levy to be canceled as provided in Section 4 below; the Bonds shall mature in the amounts and years and bear interest at the rate or rates per annum established by the offer to purchase the Bonds which is determined to be the most favorable by a Pricing Committee comprised of one representative each from the Port Authority, the City's Office of Financial Services and Ehlers & Associates, Inc. or such other fiscal consultant as may have been retained by the Port Authority in connection with the issuance of the Bonds; and the proceeds from the issuance and sale of the Bonds as received by said Port Authority shall be used for purposes authorized by the Act. The Bonds may be made subject to redemption and prepayment at the option of the Port Authority at such time and price or prices as shall be determined by the Port Authority and approved by the Pricing Committee described above and upon such notice as is required by law. It is recognized that Section 469.060 of the Act provides that the Bonds must be in the amount and form and bear interest at the rate set by the Council, that the Port Authority with the consent of the Council shall set the date, denominations, place of payment, form, and details of the Bonds and that the Council is required to decide whether the issuance of the Bonds by the Port Authority is proper, and if so, the amount of Bonds to be issued, and that the Council is required to give specific consent in the Ordinance to the pledge of the City's full faith, credit and resources to the Bonds. The standards and delegation to the Pricing Committee set forth herein are intended as such full required action of the Council, and except as provided herein, no further approval of the Council is required for the issuance of the Bonds under Section 469.060 of the Act.

## Section 3

Pledge of Full Faith and Credit. That as security for the prompt and faithful payment of both principal and interest of said Bonds the Port Authority is hereby authorized to pledge the full faith, credit and resources of the City, and such Bonds, both in respect of the principal amount of the same and with respect to the interest thereon, may be paid by the Port Authority from tax levies provided therefor and authorized by the Act.

## Section 4

Tax Levy. That the Port Authority, in the event of the issuance of any said Bonds authorized hereunder, shall before the issuance of the same, levy for each year, until the principal and interest are paid in full, a direct annual tax on all the taxable property in said City, in an amount

not less than 5% in excess of the sum required to pay the principal and interest of the same when and as such principal and interest mature and, after such Bonds have been delivered to the purchasers, such tax shall be irrevocable until all such indebtedness is paid, and after the issuance of such Bonds no further action by said Port Authority shall be necessary to authorize the extensions, assessments and collection of such tax. That the Secretary of said Port Authority shall forthwith furnish a certified copy of such levy to the County Auditor of Ramsey County, Minnesota (the "County"), the county in which said Port Authority and said City are located, together with full information regarding the Bonds of said Port Authority for which the tax is levied and such County Auditor shall extend and assess the tax so levied, and shall do so annually until the principal and interest have been paid in full. That any surplus resulting from the excess levy therein provided shall be transferred to a sinking fund after the principal and interest for which the tax was levied and collected has been paid; provided, that said Port Authority may, on or before September 15 in any year, by appropriate action cause its Secretary to certify to the said County Auditor the amount on hand and available in its own treasury from tax increments derived from the TIF District, earnings or other income, including any amounts in the sinking fund, which it will use to pay the principal and interest or both on each specified issue of its Bonds and the County Auditor shall reduce the levy for that year herein provided for by that amount. That the amount of funds so acquired shall be set aside by said Port Authority and be used for no other purpose than for the repayment of the principal and interest on such Bonds. That all taxes being authorized to be levied under Minnesota Statutes, Section 469.060, as amended, shall be collected and remitted to the Port Authority by the County Treasurer in accordance with provisions of law governing the collection of other taxes and shall be used solely for the payment of such Bonds when due.

#### Section 5

No Further Council Action. That said Port Authority may provide for the exercise of the authority hereby granted for its issuance and sale of the Bonds in the aggregate par value amount provided in Section 2 hereof, for the aforesaid purposes, and the pledge of the full faith, credit and resources of said City, as security for the payment of the same, by its appropriate resolution, and without further action of the Council. The authority to set the maturity amounts and interest rates on the Bonds has been delegated to the Pricing Committee as provided in Section 2 hereof. That in exercising the foregoing authority, the Port Authority shall make due compliance with all applicable requirements for this ordinance, said Section 469.060, Minnesota Statutes, as amended, Sections 469.174 through 469.179, as amended, Chapter 475, Minnesota Statutes, as amended, and all other applicable laws.

The authority to approve, execute and deliver future amendments to the Plan entered into by the HRA in connection with the formation of the District and any consents required under the Plan is hereby delegated to the Interim Executive Director, subject to the following conditions: (a) such amendments or consents do not materially adversely affect the interests of the HRA; (b) such amendments or consents do not contravene or violate any policy of the HRA, and (c) such amendments or consents are acceptable in form and substance to the counsel retained by the HRA to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Ordinance. The execution of any instrument by the Interim Executive Director shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Interim Executive Director, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the HRA or the City authorized to act in his/her place instead.

## Section 6

Authorization of Refunding Bonds. Pursuant to and in accordance with the provisions, terms and conditions of this Ordinance and the Act, authority is hereby granted to the Port Authority to issue and sell Bonds as authorized by Minnesota Statutes, Section 469.060, in aggregate principal amounts necessary for the purpose of securing funds as needed by the Port Authority to issue bonds under this Ordinance. The principal of the Bonds may exceed the principal of the Bonds to be issued to the extent necessary and appropriate to pay interest thereon (including interest accruing as capital appreciation), to pay costs of issuing the Bonds and to allow for discount upon sale, and to fund reserves and capitalized interest for the Bonds.

## Section 7

Effective Date: Nullification. That this ordinance shall take effect and be in force 45 days after the passage, approval and publication.

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

**[RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN  
TAX INCREMENT ELIGIBLE COSTS IN CONNECTION WITH THE ST. JOSEPH'S  
HOSPITAL SITE; DISTRICT 17, WARD 2]**

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority") is duly organized and existing under the Constitution and laws of the State of Minnesota;

WHEREAS, the Port Authority has determined to redevelop a portion of the St. Joseph's Hospital Site (the "Redevelopment Property") located in downtown Saint Paul at or about 69 West Exchange Street (the "Property") in the City of Saint Paul (the "City") and conduct a blight study thereof in connection with the redevelopment of the Property (the "Project");

WHEREAS, the Port Authority is considering establishing a Tax Increment Financing District which is anticipated to include the Property and adjacent roads and rights of way (the "TIF District") pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act");

WHEREAS, under Section 469.178, Subdivision 7 of the TIF Act, the Port Authority is authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid with tax increments derived from the TIF District under the terms of the TIF Act;

WHEREAS, the Port Authority has determined that it has funds currently available to pay for the costs of acquiring the Property, paying or reimbursing for the demolishing of buildings on the Property, environmental remediation, and conducting a blight study thereof (collectively, the "Expenditures") on a temporary basis from available funds, as determined by the Chief Financial Officer of the Port Authority, from which such advances, from time to time, may be legally made (the "Fund");

WHEREAS, the provisions of Section 469.176, Subdivision 5 of the TIF Act do not apply because bonds will be issued pursuant to Minnesota Statutes, Sections 469.048 to 469.068, as amended (the "Port Authority Act") (the "Bonds"), and particularly Section 469.060 thereof, rather than Section 469.178 of the TIF Act.

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

1. The Port Authority hereby designates the Expenditures as an interfund loan to be repaid from the tax increments from the applicable TIF District, when and if established, in an aggregate principal amount not to exceed \$6,250,000 (the "Interfund Loan"), together with interest thereon at the rate of 5.00%, which is the rate determined

in accordance with Minnesota Statutes, Section 469.178, Subdivision 7 as the greater of the rates specified under Minnesota Statutes, Sections 270C.40 or 549.09 at the time the Interfund Loan, or any part of it, is first made; provided, however, the Chief Financial Officer of the Port Authority is authorized to specify a lower rate.

2. Principal and interest (“Payments”) on the Interfund Loan will be paid annually on December 31 of each year (each a “Payment Date”), commencing on the first Payment Date on which the Port Authority has Available Tax Increment (defined below), or on any other dates determined by the Chief Financial Officer of the Port Authority, through the earlier of (i) the date the Interfund Loan and all accrued interest thereon are paid in full or (ii) the date of last receipt of tax increment from the applicable TIF District.

3. Payments on the Interfund Loan will be made solely from the tax increment from the TIF District received by the Port Authority from Ramsey County in the 12-month period before any Payment Date, net of the amount paid under any agreement with a private developer or otherwise pledged to the payment of any obligation (the “Available Tax Increment”). Payments shall be applied first to accrued interest, and then to unpaid principal, unless otherwise specified by the Chief Financial Officer of the Port Authority. Interest accruing from the Loan Date will be compounded semi-annually on February 1 and August 1 of each year and added to principal, unless otherwise specified by the Chief Financial Officer of the Port Authority. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes, or contracts secured in whole or in part with tax increments of the applicable TIF District, and are on a parity with any other outstanding or future interfund loans secured in whole or in part with tax increments of such TIF District. The principal sum and all accrued interest payable under this resolution are pre-payable in whole or in part at any time by the Port Authority without premium or penalty. As directed by the Chief Financial Officer of the Port Authority, such payments may be deposited in the Fund, or to any other fund or account of the Port Authority or to directly reimburse the Port Authority for the repayment of the Bonds which finance the Expenditures.

4. This resolution is evidence of internal borrowing by the Port Authority in accordance with Minnesota Statutes, Section 469.178, subdivision 7, and the Port Authority is authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act or any fund used to repay the Bonds which finance the Expenditures. The written terms and conditions of the Interfund Loan are set forth herein and may be modified or amended in writing by the Port Authority prior to the final Payment Date.

5. The Interfund Loan shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City or the Port Authority and is payable solely from Available Tax Increment.

6. The Port Authority may at any time make a determination to forgive the outstanding principal amount on the Interfund Loan, in whole or in part, on any date, to the extent permissible under law.

7. The Port Authority hereby declares its official intent to reimburse certain Expenditures from the proceeds of the Bonds in accordance with Section 1.150-2(d) of the federal tax code. All reimbursed Expenditures shall be capital expenditures, a cost of issuance of the Bonds or other expenditures eligible for reimbursement under Section 1.150-2(d) of the federal tax code.

Approved by the Board of Commissioners of the Port Authority of the City of Saint Paul this 16th day of December, 2025.

PORT AUTHORITY OF THE CITY OF  
SAINT PAUL

By \_\_\_\_\_  
Its \_\_\_\_\_

ATTEST:

By \_\_\_\_\_  
Its \_\_\_\_\_

**REGULAR BOARD MEETING  
NOVEMBER 25, 2025**

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The regular meeting of the Port Authority Board was held on November 25, 2025, at 2:09 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  
Rebecca Noecker

Courtney Henry  
Matt Slaven

Don Mullin

Also present were the following:

Ashley Aram

Holly Huston

Kathryn Sarnecki

Phoua Vang

JP Yohannes

Mindy Utesch, Old National Bank

Nick Dragisich

Emma Kasiga

Michael Solomon

Annie Watson

Todd Hurley

Emily Lawrence

Nikki Tix

Kristine Williams

**APPROVAL OF MINUTES**

Commissioner Noecker made a motion to approve the minutes of the October 27, 2025 Special Board meeting. The motion was seconded by Commissioner Slaven and carried unanimously.

**CONFLICTS OF INTEREST**

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

**NEW BUSINESS**

**ADMINISTRATIVE COMMITTEE**

**RESOLUTION NO. 4834**

**APPROVAL OF 2026 OPERATING BUDGET**

Motion was made by Commissioner Slaven to approve Resolution No. 4834, which was reviewed by the Administrative Committee and recommended to the Board. The motion was seconded by Commissioner Henry and carried unanimously.

**RESOLUTION NO. 4835**  
**APPROVAL OF FINAL CERTIFICATION OF TAX LEVY**

Motion was made by Commissioner Slaven to approve Resolution No. 4835, which was reviewed by the Administrative Committee and recommended to the Board. The motion was seconded by Commissioner Henry and carried unanimously.

**CREDIT COMMITTEE**

**RESOLUTION NO. 4836**  
**AUTHORIZATION TO ACCEPT GRANT FUNDS APROPRIATED BY STATE LEGISLATURE FOR A CAPITAL AREA ECONOMIC GRANT PROGRAM TO BE ADMINISTERED BY THE PORT AUTHORITY AND ENTER INTO RELATED GRANT AGREEMENT WITH THE STATE**

Motion was made by Commissioner Slaven to approve Resolution No. 4836, which was reviewed by the Credit Committee and recommended to the Board. The motion was seconded by Commissioner Henry and carried unanimously.

Such Other Business That May Come Before the Board

President Hurley provided the Board with updates relating to: (1) the Port Authority's Diversity, Equity, and Inclusion efforts; (2) project updates for the 245 Maryland redevelopment site, including those relating to demolition and efforts to identify a redevelopment partner; and (3) the potential St. Joseph's Hospital project, which will be presented to the Board in full at its December meeting.

There being no further business, the meeting was adjourned at 2:22 p.m.

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

Its: \_\_\_\_\_