

**Credit Committee
Board Meeting**

June 24, 2025

Committee Chair Slaven and Board Chair Mullin are calling a regular meeting of the Credit Committee and Board of Commissioners for **Tuesday, June 24, 2025. The Credit Committee meeting will start at 2:00 p.m., and the Board meeting will start immediately following the Credit Committee meeting** in the Board Room of the Saint Paul Port Authority, **400 Wabasha Street No., Suite 240, St. Paul, MN.**

**Credit Committee
June 24, 2025 | 2:00 p.m.**

Minutes

Approval of the Minutes from the May 27, 2025 Credit Committee Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

1. Swearing In of Commissioner Noecker
2. Wabasha Partners LLC – Forbearance Agreement
3. Purple Ninja Holdings LLC – Approval of a \$90,000 PACE Trillion BTU Loan
4. Energy Park Utility Company Franchise Approval of Rates

Such Other Business that May Come Before the Committee

**Regular Board Meeting
June 24, 2025 | 2:00 p.m.**

Minutes

Approval of the Minutes from the May 27, 2025 Regular Board Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

Credit Committee

1. Resolution No. 4817 - Energy Park Utility Company Franchise Approval of Rates

Such Other Business that May Come Before the Board

cc: City Clerk
Reporters

**CREDIT COMMITTEE MEETING
MAY 27, 2025**

The meeting of the Port Authority Credit Committee was held on April 22, 2025, at 1:46 p.m. in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street, Suite 240, Saint Paul, Minnesota, 55102.

The following Board Members were present:

Amy Brendmoen
Matt Slaven

Cheniqua Johnson
Mindy Utesch

Don Mullin

Also present were the following:

Jan Almquist
Todd Hurley
Annamarie Kosel
Francis Onu
Gao lab Thao
Kristine Williams
Sukaina Jaffri
Kaily Mateffy
Jenny Boulton, Kutak Rock

Ashley Aram
Holly Huston
Dana Krueger
Kathryn Sarnecki
Phoua Vang
Linda Williams

Tonya Bauer
Emma Kasiga
Emily Lawrence
Mike Solomon
Annie Watson

APPROVAL OF MINUTES

Committee Member Mullin made a motion to approve the minutes of the April 22, 2025, regular Credit Committee meeting. The motion was seconded by Committee Member Brendmoen and carried unanimously.

CONFLICTS OF INTEREST

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

AGENDA ITEMS**BOB'S CABINS, LLC – APPROVAL OF A \$120,000 PACE TRILLION BTU LOAN**

Ms. Huston reviewed her memorandum with the Committee, requesting approval for the Port Authority of the City of Saint Paul (the “Port Authority”) to initiate a PACE Trillion BTU loan for approximately \$120,000 to Bob’s Cabins, LLC (the “Borrower”) to add solar to the property owned by the Borrower located in Two Harbors, Minnesota. Committee Member Utesch made a motion to approve the request. The motion was seconded by Committee Member Mullin and carried unanimously.

**RESOLUTION MAKING CERTAIN FINDINGS WITH RESPECT TO A
STRUCTURALLY SUBSTANDARD BUILDING AND OTHER IMPROVEMENTS PRIOR
TO DEMOLITION IN CONNECTION WITH THE KMART SITE; DISTRICT 6, WARD 5**

Mr. Solomon reviewed his memorandum with the Committee requesting approval of a resolution: (1) accepting a report of inspection procedures and results for determining qualifications of a Tax Increment Financing (“TIF”) District at the former Kmart redevelopment site located at 245 Maryland Avenue E. (the “Site”); (2) finding that the condition of the Site satisfies the requirements of Minnesota Statutes, Sections 469.174-469.1794, as amended, for the creation of one or more eligible redevelopment districts; (3) authorizing the financing and performance of the demolition or removal of the building and other improvements on the Site; (4) authorizing the inclusion of the Site in one or more redevelopment TIF Districts, if established in the future, preserving the right of the Port Authority to create a TIF District at the Site in the future; and (5) amending the previously approved interfund loan approved by Board Resolutions Nos. 4808 and 4812, both adopted December 17, 2024, to designate additional expenses, including but not limited to demolition and environmental expenses. Ms. Williams also presented her report on the status and project timeline of the Site. Committee Member Brendmoen made a motion to approve the request. The motion was seconded by Committee Member Mullin and carried unanimously.

There being no other further business, the meeting was adjourned at 2:05 pm.

By: _____

Its: _____

To: CREDIT COMMITTEE**Meeting Date:** June 24, 2025**From:** Holly Huston**Subject:** WABASHA PARTNERS LLC - FORBEARANCE AGREEMENT**Action Requested:**

Approval of forbearance agreement from February 1, 2025 to December 31, 2025, including an extension of the maturity date of the Loan from November 1, 2032 to October 1, 2033, with six months of interest-only payments to re-commence beginning January 1, 2026 (the "Forbearance") with Wabasha Partners LLC (the "Borrower").

Background:

On August 1, 2022, the Port Authority of the City of Saint Paul (the "Port Authority") entered into a Trillion BTU Loan Agreement, with the Borrower in the principal amount of \$371,000 (the "Loan"). The Loan has a ten-year term and a 5.00% interest rate. The financed property was a manufacturing facility, and Borrower repurposed the building into an event center called Lowlands. The Loan was used for energy efficiency investments including HVAC, roof, and LED lighting. This is not a PACE loan, but the Port Authority does have five personal guarantees from the Borrower's owners. The Loan is current through January 2025, and the Borrower has made \$62,814 in principal payments and \$35,561 in interest payments. The outstanding principal is \$308,186, and at present, the outstanding payments due are \$19,675.15.

Current Status:

Borrower is currently facing significant cash flow constraints due to increased financing costs associated with the interest rate on their first mortgage. As a result, they have been unable to make payments on the Loan while also managing these financial burdens. However, they have proactively developed a forecasted cash flow plan aimed at paying down debt. Once these obligations are cleared, they will be able to begin repaying the Loan.

If forbearance is granted, their projections indicate profitability over the next five years. In 2024, they successfully booked 35 weddings and 35 corporate events, and they remain on track to achieve their event and revenue goal of 80 events in 2025.

Proposal:

Provide Borrower an eleven month forbearance starting in February 2025, with the current outstanding amount being reversed. Interest will accrue during the forbearance period, and the accrued interest will be added to the outstanding principal amount of the Loan. Payments will resume on January 1, 2026, with interest-only payments, and will continue for six months, through May 31, 2026. Beginning June 1, 2026, principal and interest payments will resume. This proposal will provide Borrower with \$3,935 of monthly cash flow relief for twelve months. The Loan currently matures on November 1, 2032, and as part of this forbearance, the maturity date of the Loan will be extended through October 1, 2033.

Recommendation:

We recommend approval of the Forbearance with the Borrower.

MEMORANDUM

To: CREDIT COMMITTEE

Meeting Date: June 24, 2025

From: Holly Huston 

**Subject: PURPLE NINJA HOLDINGS LLC
APPROVAL OF A \$90,000 PACE TRILLION BTU LOAN**

Action Requested:

Provide approval for the Port Authority of the City of Saint Paul (the “Port Authority”) to initiate a PACE Trillion BTU loan for approximately \$90,000 (the “Loan”) to Purple Ninja Holdings LLC (the “Borrower”) to install solar panels on the property owned by the Borrower located in Mankato, Minnesota (the “Project”).

Background:

Borrower owns and operates office space, located at 121 St. Andrews Court, Mankato, MN (the “Property”). Originally constructed in 2008, the Property expanded with an additional building in 2014. It remains owner-occupied, with the Borrower’s owner also operating Birkholz Law housed within the space.

An energy improvement project is set to enhance sustainability by installing solar panels, reducing annual electrical costs by \$3,382, and conserving 39,300 kilowatt hours (kWh) of electricity. Located within Xcel Energy’s territory, the Project will take advantage of rebate programs to offset installation costs, further boosting its long-term efficiency.

Proposed Project:

The Project will include labor and materials to install and commission a 35.2 KW DC solar array on the Property.

Use of Funds	
Solar	\$90,000
Total Use	\$90,000
Sources	
Trillion BTU Loan	\$90,000
Total Sources	\$90,000

Financial Analysis:

The Property was recently appraised at \$2.5 million, with two outstanding mortgages totaling \$1.5 million and 60% loan to value ensuring healthy equity. The financial ratios meet the requirements of the Trillion BTU Loan Program, confirming strong financial viability.

Ratios:

Debt Service Coverage:	1.74	Trillion Standard of at Least:	1.15
Debt-to-Equity:	3.64	Trillion Standard of less Than:	4.00
Loan to Value:	60%	Industry Standard of less Than:	80%

Loan Terms:

Source of Funds:	Trillion BTU - Xcel
Collateral:	PACE Assessment
Use of Funds:	Solar
Amount of Loan:	\$90,000
Rate:	5.25%
Term:	10 years
Assessment Start:	2026

Trillion BTU and PACE Criteria Compliance:

- ☒ Loan amount is less than or equal to 30% of the Property's assessed or appraised value.
30% (appraisal \$2.5MM X 30% = \$750,000)
- ☒ Energy Audit provided, estimated annual savings is \$3,382 and 39,300 kWh
- ☒ Davis Bacon applies.
- ☒ Licensed Contractor.
- ☒ Lender Acknowledgment.

Workforce Implications:

1 FTE for construction jobs.

Policy Exceptions:

No.

Recommendation:

We recommend approval for the Port Authority to initiate the Loan for approximately \$90,000 to the Borrower for the Project.

MEMORANDUM

To: CREDIT COMMITTEE
BOARD OF COMMISSIONERS

Meeting Date: June 24, 2025

From: Holly Huston 

Subject: ENERGY PARK UTILITY COMPANY FRANCHISE APPROVAL OF RATES
RESOLUTION NO. 4817

Action Requested:

Approval of Schedule A – Energy Park Utility Company (“EPUC”) rates effective October 1, 2025.

Background:

The EPUC Franchise Ordinance Section 6(e) requires the Board of the Port Authority of the City of Saint Paul (the “Port Authority”) to approve any changes in the schedule of rates and charges. The rates typically change each year based on the budgeted costs of operating EPUC. The customers of EPUC acknowledged the Franchise Agreement and the periodic change in rates in the First Amendment to the Hot and Chilled Water Service Agreement. The rates effective October 1, 2025, reflect the budgeted costs for 2025-2026.

Proposal:

Attached please find Schedule A, which includes a complete list and the methodology for establishing the new rates effective October 1, 2025. In summary, new rates will be:

	Current Charges	Proposed Charges 10/01/2025	% Change
Demand Charge (\$/MMBtu/Mo):			
Heating Demand Charge	\$1,888.00	\$1,925.76	2.00%
Chilled Water Demand Charge	\$1,988.00	\$2,027.76	2.00%
Hot Water Commodity Charge Base (\$/MMBtu)	\$ 3.80	\$ 3.80	0.00%
Chilled Water Commodity Charge Base (\$/MMBtu)	\$ 3.73	\$ 3.73	0.00%
Fuel Adjustment Charge – Difference Between Actual Cost and Base Variable Cost (\$/MMBtu)		Varies	

Rate increases from 2014 – 2024 have ranged from 1.78% to 4.20%, with an average increase of 2.7%. The last rate increase took effect on October 1, 2024.

Recommendation:

We recommend approval of Schedule A – Energy Park Utility Company (EPUC) rates effective October 1, 2025.

Attachments: Resolution
Schedule A

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

[ENERGY PARK UTILITY COMPANY FRANCHISE – 2025-2026 RATE SCHEDULE]

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

WHEREAS, the Energy Park Utility Company franchise ordinance requires the Port Authority Board to approve any changes in the schedule of rates and charges and recommend such changes for approval by the Saint Paul City Council; and

WHEREAS, Port Authority staff has proposed a new rate structure reflecting the proposed 2025-2026 budget as set forth in Schedule A attached hereto.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, that the rates for the Energy Park Utility Company as set forth in Schedule A are hereby adopted effective October 1, 2025; and

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

Adopted: June 24, 2025

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____

Its _____

ATTEST:

By _____

Its _____

Attachment: Schedule A

SCHEDULE A (AMENDED)
to
ENERGY PARK UTILITY COMPANY FRANCHISE
granted to the
SAINT PAUL PORT AUTHORITY
by the
CITY OF SAINT PAUL

(C.F. No. 05-344, § 2, 5-11-05; Ord No. 10-59, § 1, 1-12-11; Ord 16-11, § 1, 6-22-16; Ord 21-44, § 1, 11-10-21)

COMPANY CHARGES: Pursuant to the Energy Park Utility Company Franchise, the following rates shall be effective beginning October 1, 2025 and shall remain in effect until superseded:

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

DEMAND CHARGE: Beginning on October 1, 2025, the Demand Charge portion of the Hot Water and Chilled Water rate schedules shall be as follows:

i)	Budgeted Operating Expenses (10/1/25 to 9/30/26)	\$1,033,770
ii)	All Debt Service Costs and Requirements	937,550
iii)	Fixed Reimbursement	<u>0</u>
	Subtotal	\$1,971,320
	Multiplied By	1
iv)	Budgeted demand revenues before Reserve for Repairs, Replacements, Modifications, and Expansions	\$1,971,320
	Divided By	<u>89.57%</u>
	Budgeted Total Demand Revenues	\$2,200,847
	Divided by Budgeted Cooling Energy Demand (Total MMBtuh)	<u>575.184</u>
	Chilled Water Demand Charge (\$ per MMBtuh per Month)	\$2,027.00
	Divided by Budgeted Heating Energy Demand (Total MMBtuh)	<u>537.636</u>
	Heating Demand Charge (\$ per MMBtuh per Month)	\$1,925.00

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

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

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

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

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

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

**REGULAR BOARD MEETING
MAY 27, 2025**

The regular meeting of the Port Authority Board was held on May 27, 2025, at 2:05 p.m. in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street, Suite 240, Saint Paul, Minnesota, 55102.

The following Board Members were present:

Amy Brendmoen
Matt Slaven

Cheniqua Johnson

Don Mullin

Also present were the following:

Jan Almquist

Ashley Aram

Tonya Bauer

Todd Hurley

Holly Huston

Emma Kasiga

Annamarie Kosel

Dana Krueger

Emily Lawrence

Francis Onu

Kathryn Sarnecki

Mike Solomon

Gao lab Thao

Phoua Vang

Annie Watson

Kristine Williams

Linda Williams

Sukaina Jaffri

Kaily Mateffy

Mindy Utesch, Bremer Bank

Jenny Boulton, Kutak Rock

APPROVAL OF MINUTES

Commissioner Slaven made a motion to approve the minutes of the April 22, 2025, regular Board meeting. The motion was seconded by Commissioner Johnson and carried unanimously.

CONFLICTS OF INTEREST

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

NEW BUSINESS**CREDIT COMMITTEE****RESOLUTION NO. 4816****RESOLUTION MAKING CERTAIN FINDINGS WITH RESPECT TO A
STRUCTURALLY SUBSTANDARD BUILDING AND OTHER IMPROVEMENTS PRIOR
TO DEMOLITION IN CONNECTION WITH THE KMART SITE; DISTRICT 6, WARD 5**

Motion was made by Commissioner Slaven to approve Resolution No. 4816, which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was seconded by Commissioner Johnson and carried unanimously.

GENERAL MATTERS

Such Other Business That May Come Before the Board:

1. Introduction of Kaily Meteffy, Finance Intern
2. Update regarding Port Authority participation in and recognition at national PACE conferences

There being no further business, the meeting was adjourned at 2:21 p.m.

By: _____

Its: _____