

**Regular Board Meeting**

August 27, 2019 - 2:00 p.m.

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

**Minutes**

Approval of Minutes from the July 23, 2019 Regular Board Meeting

**Conflicts of Interest**

Conflicts with any Items on the Agenda

**New Business**

**Administrative Committee**

1. Resolution No. 4657 - Preliminary Certification of Tax Levy
2. Acceptance of June 30, 2019 YTD Financial Statements

**Credit Committee**

1. Resolution No. 4658 - 2019 Lease Renewal and Rental Rate Adjustment – Hawkins, Inc. – Red Rock Terminal
2. Resolution No. 4659 - District Energy St. Paul, Inc. – Authorization for Tax Exempt Financing Allocation Application

**General Matters**

1. Appointment of Credit Committee Members
2. Such Other Business That May Come Before the Board

**SAINT PAUL PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
JULY 23, 2019**

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The regular meeting of the Port Authority Board was held on July 23, 2019, at 2:13 p.m. in the Board Room of the Saint Paul Port Authority located at 380 St. Peter Street, Suite 850, Saint Paul, Minnesota 55102.

The following Board Members were present:

John Bennett	Nneka Constantino	John Marshall
Don Mullin		

Also present were the following:

Lee Krueger	Todd Hurley	Kathryn Sarnecki
Ava Langston-Kenney	Bruce Kessel	Dana Krueger
Michael Linder	George Hoene	David Johnson
Laurie Siever		
Eric Larson, General Counsel, City of Saint Paul		
Sam Richie, Fryberger Law Firm		
David Moberg, City of Saint Paul		

**APPROVAL OF MINUTES**

Commissioner Mullin made a motion to approve the minutes of the June 18, 2019 Special Board meeting. The motion was seconded by Commissioner Marshall, submitted to a vote and carried unanimously.

**CONFLICT OF INTEREST**

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

**NEW BUSINESS**

**CREDIT COMMITTEE**

**RESOLUTION NO. 4654**

**2019 LEASE AMENDMENT AND RENTAL RATE ADJUSTMENT  
CONTANDA TERMINALS, LLC AT BARGE TERMINAL NO. 1**

Motion was made by Chair Bennett to approve Resolution No. 4654 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

**RESOLUTION NO. 4655**  
**COMPLIANCE WITH GRANT REQUIREMENTS FOR**  
**MINNESOTA'S PORT DEVELOPMENT ASSISTANCE PROGRAM FOR**  
**A DIRECT BARGE-RAIL-TRUCK TRANSLOAD FACILITY AT SOUTHPORT TERMINAL**

Motion was made by Chair Bennett to approve Resolution No. 4655 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

**RESOLUTION NO. 4656**  
**COMPLIANCE WITH GRANT REQUIREMENTS FOR MINNESOTA'S PORT DEVELOPMENT**  
**ASSISTANCE PROGRAM FOR A BARGE RECEIVING SYSTEM AT BARGE TERMINAL NO. 1**

Motion was made by Chair Bennett to approve Resolution No. 4656 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

**GENERAL MATTERS**

**LEGISLATIVE UPDATE**

Mr. Sam Richie from Fryberger, Buchanan, Smith & Frederick, P.A. presented the legislative update and highlighted the following items: PACE financing authorized for new construction, PACE investment in long-term care facilities, support for DEED program funding, and 2020 Legislative Session priorities.

There being no further business, the meeting was adjourned at 2:30 p.m.

By \_\_\_\_\_

Its \_\_\_\_\_

## MEMORANDUM

**To:** BOARD OF COMMISSIONERS  
**From:** Todd P. Hurley   
**Subject:** **PRELIMINARY CERTIFICATION OF TAX LEVY  
RESOLUTION NO. 4657**

**Meeting Date:** August 27, 2019

**Action Requested:**

Approval of the preliminary Truth in Taxation Certification.

**Background:**

Minnesota Truth in Taxation Law provides that special taxing districts (including port authorities), counties, municipalities, and school districts must certify to the County Auditor by the 15<sup>th</sup> of September of each year, the proposed tax levy for taxes levied in the subsequent calendar year.

The recommended 2019 tax levy payable in 2020 is:

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

**Recommendation:**

We recommend approval of the preliminary Truth in Taxation Certification.

**Attachments:** Comparison of Tax Levy  
Resolution

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

**TAX LEVY PAYABLE**

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

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

**[PRELIMINARY CERTIFICATION OF TAX LEVY]**

WHEREAS, pursuant to Minnesota Statutes Section 275.065, all taxing districts are required to certify the preliminary levy they may impose for the current tax year payable in 2020 prior to September 15, 2019.

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

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

Adopted: August 27, 2019

PORT AUTHORITY OF THE CITY OF  
SAINT PAUL

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

ATTEST:

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

**ST. PAUL PORT AUTHORITY**  
**Managerial Report**  
**Statement of Administrative and Development Operations**  
**Year to Date as of June 30, 2019**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Notes</b>
<b>REVENUES:</b>				
Tax revenues	\$ 16	\$ -	\$ 16	
Fiscal and administrative fees	319,488	269,398	50,090	
Interest on loans	96,829	87,881	8,948	
Reimbursed direct labor	27,407	25,250	2,157	
Other operating revenue	134,335	73,792	60,543	
Interest on investments	174,720	16,002	158,718	
CCP Grant income	600,000	600,000	0	
<b>Total Revenues</b>	<b>1,352,794</b>	<b>1,072,323</b>	<b>280,471</b>	
<b>EXPENSES:</b>				
<b>Personnel costs</b>	<b>1,227,119</b>	<b>1,359,658</b>	<b>(132,539)</b>	
<b>Professional services:</b>				
Audit fees	53,400	58,710	(5,310)	
Attorney costs	52,364	143,500	(91,136)	
Other professional fees	97,786	124,950	(27,164)	
<b>Total professional services</b>	<b>203,550</b>	<b>327,160</b>	<b>(123,610)</b>	
<b>Other general costs:</b>				
Office rent	141,058	143,873	(2,815)	
Insurance	48,972	64,992	(16,020)	
General & administrative expenses	112,005	129,976	(17,971)	
Equipment maintenance	47,205	50,118	(2,913)	
Depreciation	41,625	55,470	(13,845)	
Marketing	41,333	53,250	(11,917)	
Development	208,657	272,508	(63,851)	
Property Maintenance	8,926	27,164	(18,238)	
<b>Total other general costs</b>	<b>649,782</b>	<b>797,351</b>	<b>(147,569)</b>	
<b>Total Expenses</b>	<b>2,080,451</b>	<b>2,484,169</b>	<b>(403,718)</b>	
<b>Net Operating Income (Loss)</b>	<b>(727,657)</b>	<b>(1,411,846)</b>	<b>684,189</b>	
<b>OTHER REVENUES(EXPENSES):</b>				
Net Grants	178,317	-	178,317	
Other nonoperating expenses	(11,239)	-	(11,239)	
<b>Total Other Revenue (Expense)</b>	<b>167,078</b>	<b>-</b>	<b>167,078</b>	
<b>Net Income (Loss) from Administrative &amp; Development Operations</b>	<b>(560,580)</b>	<b>(1,411,846)</b>	<b>851,266</b>	

Notes (Explanations are provided for variances over \$200,000 and 10% of the YTD Budget:

**ST. PAUL PORT AUTHORITY**  
**Managerial Report**  
**Statement of Administrative and Development Operations - Budget to Actual**  
**Year to Date as of June 30, 2019**


	Operations				Development				EPA Revolving Loans & Reserves				Total			
	Actual	Budget	Variance	Notes	Actual	Budget	Variance	Notes	Actual	Budget	Variance	Notes	Actual	Budget	Variance	Notes
<b>REVENUES:</b>																
Tax revenues	\$ 16	\$ -	\$ 16		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ 16	\$ -	\$ 16	
Fiscal and administrative fees	314,638	269,398	45,240		4,850	-	4,850		-	-	-		319,488	269,398	50,090	
Interest on loans	97,268	85,002	12,266		2,521	2,879	(358)		(2,960)	-	(2,960)		96,829	87,881	8,948	
Reimbursed direct labor	27,407	25,250	2,157		-	-	-		-	-	-		27,407	25,250	2,157	
Other operating revenue	134,335	73,792	60,543		(0)	-	(0)		-	-	-		134,335	73,792	60,543	
Interest on investments	104,544	16,002	88,542		32,993	-	32,993		37,183	-	37,183		174,720	16,002	158,718	
CCP & Other Grant income	600,000	600,000	-		0	-	0		-	-	-		600,000	600,000	0	
<b>Total Revenues</b>	<b>1,278,208</b>	<b>1,069,444</b>	<b>208,764</b>		<b>40,363</b>	<b>2,879</b>	<b>37,484</b>		<b>34,223</b>	<b>-</b>	<b>34,223</b>		<b>1,352,794</b>	<b>1,072,323</b>	<b>280,471</b>	
<b>EXPENSES:</b>																
<b>Personnel costs</b>	<b>1,227,119</b>	<b>1,359,658</b>	<b>132,539</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>1,227,119</b>	<b>1,359,658</b>	<b>132,539</b>	
<b>Professional services:</b>																
Audit fees	53,400	58,710	5,310		-	-	-		-	-	-		53,400	58,710	5,310	
Attorney costs	52,364	143,500	91,136		-	-	-		-	-	-		52,364	143,500	91,136	
Other professional fees	97,786	124,950	27,164		-	-	-		-	-	-		97,786	124,950	27,164	
<b>Total professional services</b>	<b>203,550</b>	<b>327,160</b>	<b>123,610</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>203,550</b>	<b>327,160</b>	<b>123,610</b>	
<b>Other general costs:</b>																
Office rent	141,058	143,873	2,815		-	-	-		-	-	-		141,058	143,873	2,815	
Insurance	48,972	64,992	16,020		-	-	-		-	-	-		48,972	64,992	16,020	
General & administrative expenses	112,005	129,976	17,971		-	-	-		-	-	-		112,005	129,976	17,971	
Equipment maintenance	47,205	50,118	2,913		-	-	-		-	-	-		47,205	50,118	2,913	
Depreciation	41,625	55,470	13,845		-	-	-		-	-	-		41,625	55,470	13,845	
Marketing	41,333	53,250	11,917		-	-	-		-	-	-		41,333	53,250	11,917	
Development	-	-	-		208,657	272,508	63,851		-	-	-		208,657	272,508	63,851	
Property Maintenance	8,926	27,164	18,238		-	-	-		-	-	-		8,926	27,164	18,238	
<b>Total other general costs</b>	<b>441,125</b>	<b>524,843</b>	<b>83,718</b>		<b>208,657</b>	<b>272,508</b>	<b>63,851</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>649,782</b>	<b>797,351</b>	<b>147,569</b>	
<b>Total Expenses</b>	<b>1,871,795</b>	<b>2,211,661</b>	<b>339,866</b>		<b>208,657</b>	<b>272,508</b>	<b>63,851</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>2,080,451</b>	<b>2,484,169</b>	<b>403,718</b>	
<b>Net Operating Income (Loss)</b>	<b>(593,587)</b>	<b>(1,142,217)</b>	<b>548,630</b>		<b>(168,294)</b>	<b>(269,629)</b>	<b>101,335</b>		<b>34,223</b>	<b>-</b>	<b>34,223</b>		<b>(727,657)</b>	<b>(1,411,846)</b>	<b>684,189</b>	
<b>OTHER REVENUES(EXPENSES):</b>																
Net Grants	-	-	-		178,317	-	178,317		-	-	-		178,317	-	178,317	
Transfers, other funds, net	(9,527)	-	(9,527)		9,527	-	9,527		-	-	-		-	-	-	
<b>Total Other Revenue (Expense)</b>	<b>(9,527)</b>	<b>-</b>	<b>(9,527)</b>		<b>187,843</b>	<b>-</b>	<b>187,843</b>		<b>(11,239)</b>	<b>-</b>	<b>(11,239)</b>		<b>167,078</b>	<b>-</b>	<b>167,078</b>	
<b>Net Income (Loss) from Administrative &amp; Development Operations</b>	<b>(603,113)</b>	<b>(1,142,217)</b>	<b>539,104</b>		<b>19,550</b>	<b>(269,629)</b>	<b>289,179</b>		<b>22,984</b>	<b>-</b>	<b>22,984</b>		<b>(560,580)</b>	<b>(1,411,846)</b>	<b>851,266</b>	

Notes (Explanations are provided for variances over \$200,000 and 10% of the YTD Budget:



## MEMORANDUM

**To:** BOARD OF COMMISSIONERS **Meeting Date:** August 27, 2019

**From:** Kathryn L. Sarnecki 

**Subject:** **2019 LEASE RENEWAL AND RENTAL RATE ADJUSTMENT – HAWKINS, INC. –  
RED ROCK TERMINAL  
RESOLUTION NO. 4658**

**Action Requested:**

Approval of a 2019 lease renewal and rental rate adjustment for leased premises at 1425 Red Rock Road in the Red Rock Terminal with Tenant, Hawkins, Inc.

**Background:**

The Port Authority leased 10.71 acres (466,528 sq/ft) at 1425 Red Rock Road in the Red Rock Terminal in Saint Paul, Minnesota to Hawkins, Inc. with the 30-year lease extending to July 31, 2029 (the “Leased Premises”). A map depicting the Leased Premises is attached hereto for your reference. The Leased Premises is primarily used for bulk chemical blending and distribution and the loading and unloading of bulk commodities.

**Lease Terms and Conditions:**

Current Lease: Through July 31, 2029

Proposed Five-Year Rental Rate Adjustment: August 1, 2019 through July 31, 2024

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

*Base Rent for year ending 7/31/2019 - \$189,037.15*  
*Base Rent Multiplier beginning 8/1/2019: 1.035*

Base Rent	SF Included	Period Total	Quarterly
Aug. 1, 2019 – July 31, 2020	466,528	\$195,653.45	\$48,913.36
Aug. 1, 2020 – July 31, 2021	466,528	\$202,501.32	\$50,625.33
Aug. 1, 2021 – July 31, 2022	466,528	\$209,588.86	\$52,397.22
Aug. 1, 2022 – July 31, 2023	466,528	\$216,924.47	\$54,231.12
Aug. 1, 2023 – July 31, 2024	466,528	\$224,516.82	\$56,129.21

Tonnage fees will be increased from \$0.10 per ton to \$0.12 per ton of loaded product, pursuant to the method of measurement in the original Leases.

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

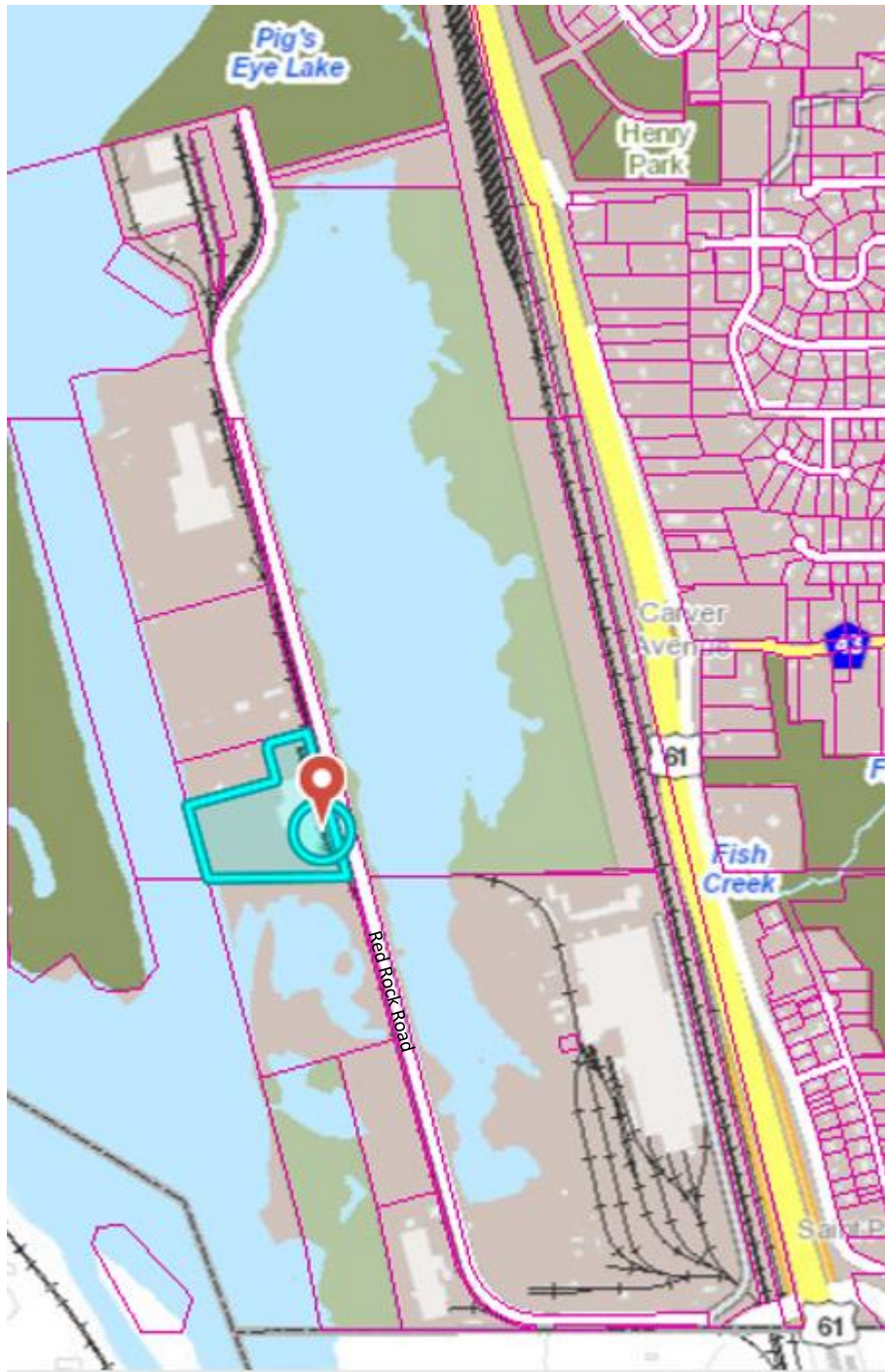
**Tenant Improvements:**

Tenant's responsibility to invest in capital improvements to the Leased Premises pursuant to Section 11 of the original Lease has been satisfied by the investment by Tenant of \$20.8 million into the Leased Premises to date.

**Recommendation:**

Approval for the 2019 lease renewal and rental rate adjustment for the Leased Premises at 1425 Red Rock Road in the Red Rock Terminal for Hawkins, Inc.

Attachment: Map  
Resolution



= Hawkins, Inc.  
1425 Red Rock Road  
Saint Paul, MN

**RESOLUTION OF THE  
PORT AUTHORITY OF THE CITY OF SAINT PAUL  
[2019 LEASE RENEWAL AND RENTAL RATE  
ADJUSTMENT – HAWKINS, INC. – RED ROCK TERMINAL]**

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

WHEREAS, the Port Authority wants to enter into a 2019 Lease Renewal and Rental Rate Adjustment for the leased premises at 1425 Red Rock Road in the Red Rock Terminal with Hawkins, Inc. (the “Tenant”), which adjusts the rates in the Lease through July 31, 2024 as set forth below:

<i>Base Rent for year ending 7/31/2019 - \$189,037.15</i> <i>Base Rent Multiplier beginning 8/1/2019: 1.035</i>
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Base Rent	SF Included	Period Total	Quarterly
Aug. 1, 2019 – July 31, 2020	466,528	\$195,653.45	\$48,913.36
Aug. 1, 2020 – July 31, 2021	466,528	\$202,501.32	\$50,625.33
Aug. 1, 2021 – July 31, 2022	466,528	\$209,588.86	\$52,397.22
Aug. 1, 2022 – July 31, 2023	466,528	\$216,924.47	\$54,231.12
Aug. 1, 2023 – July 31, 2024	466,528	\$224,516.82	\$56,129.21

WHEREAS, tonnage fees will be increased from \$0.10 per ton to \$0.12 per ton of loaded product, pursuant to the method of measurement in the original Lease.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed 2019 Lease Renewal and Rental Rate Adjustment, as contained in the Memorandum to the Board, is hereby approved; and

BE IT FURTHER RESOLVED that the President of the Port Authority, or anyone acting under his direction, is hereby authorized and directed to execute on behalf of the Port Authority the 2019 Lease Renewal and Rental Rate Adjustment in accordance with the above-referenced terms in form as approved by counsel.

Adopted: August 27, 2019

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL


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

ATTEST:

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

## MEMORANDUM

**To:** BOARD OF COMMISSIONERS **Meeting Date:** August 27, 2019

**From:** Peter M. Klein 

**Subject:** **DISTRICT ENERGY ST. PAUL, INC. - AUTHORIZATION FOR TAX EXEMPT FINANCING ALLOCATION APPLICATION RESOLUTION NO. 4659**

**Action Requested:**

1. Provide preliminary approval for the Port Authority to issue taxable and tax-exempt bonds in the approximate amount of \$20,000,000 to finance the proposed extension of the Company's distribution system in downtown Saint Paul to connect new customers and thermal improvements and capacity to the system.
2. Authorization for application for up to a \$15,000,000 allocation of bonding authority from the Minnesota Management and Budget, Treasury Division.

**Public Purpose:**

The \$20,000,000 financing and up to \$15,000,000 allocation will enable District Energy St. Paul, Inc. to finance the proposed extension of the Company's distribution system in downtown Saint Paul to connect new customers and thermal improvements and capacity to the system.

**Business Subsidy:**

This proposal does not involve a business subsidy.

**Background:**

District Energy is a 501(c)(3) non-profit company that provides energy services to 200 buildings with nearly 32 million building square feet in downtown Saint Paul. It has operated since 1983 and continues to steadily grow.

**Proposal:**

District Energy has requested that the Port Authority apply for an allocation of tax-exempt bonding authority from the Public Facilities pool, which is administered by the Minnesota Management and Budget, Treasury Division. This pool has been established to finance public utility projects throughout the State and is similar to the Small Issue pool that the Port Authority utilizes to finance small manufacturing projects.

Approval of this resolution and authorization to make an application for allocation of bonding authority now will ensure that the upcoming expenses that the company may be incurring will be considered eligible expenses under the tax-exempt financing law. The authorization to make an application will allow the Port Authority to apply for an allocation of bonding authority from the State of Minnesota. The inducement resolution expresses a preliminary intention of the Port

Authority to issue obligations for this project, identifies the proposed project, and discloses the proposed amount of the bonds. Once the company determines the specifics of its construction project, it will be required to provide additional information to the Port Authority's Credit Committee for consideration prior to the final approval of the bond issue. In order for this portion of the project to proceed on a tax-exempt revenue bond basis, District Energy, through the Port Authority, must obtain an allocation of bonding authority from the Minnesota Management and Budget, Treasury Division.

**Workforce Implications:**

No direct implications other than construction jobs.

**Policy Exceptions:**

None.

**Recommendation:**

We recommend approval of an application for up to a \$15,000,000 allocation of bonding authority from the Minnesota Management and Budget, Treasury Division.

Attachment: Resolution

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

**[District Energy St. Paul, Inc.  
Approval for Tax-Exempt Financing Allocation Application]**

WHEREAS, the Port Authority of the City of Saint Paul, Minnesota (the “Port Authority”) has received a request from District Energy St. Paul, Inc. (hereinafter referred to as “Company”) that the Port Authority consider the issuance of its revenue bonds (which may be in the form of one or more notes) to finance the proposed extension of the Company’s distribution system in downtown Saint Paul to connect new customers and thermal improvements and capacity additions to the system (the “Projects”).

WHEREAS, the Port Authority desires to facilitate the selective development of the City of Saint Paul and the metro east community, to retain and improve its tax base and to help it provide the range of services and employment opportunities required by its population, and said Projects will assist in achieving that objective by increasing the assessed valuation of the metro east community; helping to maintain a positive relationship between assessed valuation and debt; and enhancing the image and reputation of the metro east community.

WHEREAS, the Projects to be financed by revenue bonds will result in additional employment opportunities in the City of Saint Paul and the metro east community.

WHEREAS, the Port Authority has been advised by representatives of the Company that the Company has been acting to date in anticipation that the Port Authority would favorably consider this financing proposal.

WHEREAS, the Port Authority's Credit Committee has adopted its Resolution giving preliminary approval to the proposed issuance of bonds.

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

1. On the basis of information available to the Port Authority it appears, and the Port Authority hereby finds, that: said Projects constitutes properties, used or useful in connection with one or more revenue producing enterprises engaged in any business within the meaning of Minnesota Statutes, Sections 469.152 to 469.1655 (the “Act”); the Projects furthers the purposes stated in the Act; and it is in the best interests of the port district and the people of the City of Saint Paul and metro east community and in furtherance of the general plan of development to assist the Company in financing the Projects.

2. The Authority hereby indicates its intention to issue its tax-exempt and/or taxable revenue bonds, in a principal amount to be determined, to provide funds to the Company to finance the Projects, provided that the Port Authority, the Company and the purchaser of the



revenue bonds are able to reach agreement as to the details of the revenue agreement and other documents necessary to evidence and effect the financing of the Projects and the issuance of the revenue bonds, and further provided that the Projects and its financing receive approval by the Department of Employment and Economic Development of the State of Minnesota and an allocation of any bonding authority necessary for the tax-exempt bonds from the Minnesota Management and Budget, Treasury Division.

3. The staff of the Port Authority is authorized and directed to prepare and submit the application for allocation of bonding authority, as needed, for approximately \$15,000,000, and to continue negotiations with the Company so as to resolve the issues necessary to the preparation of the revenue agreement and other documents necessary to the approval by the Port Authority of the proposed revenue bond financing.

4. If issued, the revenue bonds (including any interim note or notes) and interest thereon shall not constitute an indebtedness of the Port Authority or the City of Saint Paul within the meaning of any constitutional or statutory limitation and shall not constitute or give rise to a pecuniary liability of the Port Authority or the City of Saint Paul or a charge against their general credit or taxing powers and neither the full faith and credit nor the taxing powers of the Port Authority or the City of Saint Paul is pledged for the payment of the bonds (and interim note or notes) or interest thereon.

5. Approval of this resolution is not a commitment from the Port Authority, and final approval of the Projects, and the issuance of revenue bonds to finance the Projects, is subject to further review by the Port Authority following submission of a full application by the Company and satisfaction of the conditions and approvals described in paragraph 2, above.

6. The Company intends to make expenditures for the capital projects financed by the obligations and reimburse such expenditures from the proceeds of the obligations. This resolution is intended to constitute a declaration of the Port Authority's official intent, for purposes of Section 1.150-2 of the Treasury Regulations, with respect to certain original expenditures made from any sources other than the proceeds of the obligations, in conjunction with the capital projects financed thereby for the Projects.

Adopted: August 27, 2019

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

ATTEST

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