

Regular Board Meeting

February 23, 2021 - 2:00 p.m.

400 Wabasha Street No., Suite 240 | Saint Paul, MN 55102

Chair Bennett is calling a meeting of the Board of Commissioners for Tuesday, February 23, 2021 at 2:00 p.m. Chair Bennett has determined, due to the emergency declared by the Governor of Minnesota and the Mayor of Saint Paul regarding the COVID-19 health pandemic, that it is not practical nor prudent for the Saint Paul Port Authority Board and members of the staff to meet in-person or pursuant to Minnesota Statutes, Section 13D.02. In light of the COVID-19 health pandemic, it is not feasible for any member of the Saint Paul Port Authority Board and staff to be present at the regular location, and all staff and Board members of the Saint Paul Port Authority will attend this meeting by telephone or other electronic means.

It is also not feasible for members of the public to attend the meeting at its regular location due to the health pandemic and emergency. Accordingly, no meeting will be held at the Saint Paul Port Authority offices which are located at 400 Wabasha Street No., Suite 240, St. Paul, MN. Members of the public may monitor this meeting remotely at 651-395-7858, Conference ID: 925 850 374#. The purpose of the meeting is:

Minutes

Approval of Minutes of the January 26, 2021 Regular Board Meeting and the Closed Session Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business**Credit Committee**

1. Resolution No. 4690 - Public Hearing - Conveyance of Land to Buhl 102, LLC – Riverview West Industrial Park
2. Resolution No. 4691 - 2021 Grant Application and Acceptance Authorization
3. Resolution No. 4692 - Assignment and Assumption of Lease from Gerdau Ameristeel US, Inc. to Alter Trading Corporation of 780, 750 and 740 Barge Channel Road – Southport Terminal

General Matters

1. Legislative Update – Sarah Erickson, United Strategies
2. Such Other Business That May Come Before the Board

Closed Session

1. Performance Evaluation of SPPA President

**SAINT PAUL PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
JANUARY 26, 2021**

The regular meeting of the Port Authority Board was held on January 26, 2021 at 2:09 p.m. via Microsoft Teams.

The following Board Members were present:

John Bennett	John Marshall	Dai Thao
Nneka Constantino	Don Mullin	Mitra Jalali

Also present were the following:

Lee Krueger	Todd Hurley	Andrea Novak
Ava Langston-Kenney	Bruce Kessel	Dana Krueger
Laurie Siever	Michael Linder	Nelly Chick
Peter Klein	Ann Kosel	Monte Hilleman
Tonya Bauer	David Johnson	George Hoene
Kathryn Sarnecki	Linda Williams	
Eric Larson, City of Saint Paul		
Brianne Hamm, Securian Financial		
Michael Auger, Ever-Green Energy		
Andrew Kasid, Ever-Green Energy		

APPROVAL OF MINUTES

Commissioner Mullin made a motion to approve the minutes of the November 24, 2020 Regular Board Meeting. The motion was seconded by Commissioner Marshall, submitted to a roll call 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. 4687

**PUBLIC HEARING – DISTRICT ENERGY ST. PAUL, INC. –
AUTHORIZATION FOR AN APPROXIMATE \$15,000,000 TAX-EXEMPT
CONDUIT BOND ISSUE AND APPROVE THE AMENDED AND RESTATED
JOINT POWERS AGREEMENT WITH THE HRA OF THE CITY OF SAINT PAUL**

Motion was made by Chair Mullin approve Resolution No. 4687 which was reviewed by the Credit Committee and recommended for approval by the Board.

Chair Bennett stated that in accordance with Minnesota Law, the Port Authority is required to hold a public hearing regarding Resolution No. 4687 and declared the Public Hearing open. He asked if anyone in attendance wished to address the Board. No one came forward and, therefore, Chair Bennett declared the Public Hearing closed and asked to take a roll call vote.

Chair Bennett stated that a roll call vote is required under Chapter 469 and the Commissioners voted as follows:

Commissioner Constantino	- aye	Commissioner Mullin	- aye
Commissioner Marshall	- aye	Commissioner Thao	- aye
Commissioner Jalali	- aye	Chair Bennett	- aye

The motion was submitted to a roll call vote and carried unanimously.

RESOLUTION NO. 4688
2021 LEASE RENEWAL AND RENTAL RATE
ADJUSTMENT – J.F. BRENNAN – SOUTHPORT TERMINAL

Motion was made by Chair Mullin to approve Resolution No. 4688 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a roll call vote and carried unanimously.

RESOLUTION NO. 4689
2021 LEASE RENEWAL AND RENTAL RATE
ADJUSTMENT – LS MARINE, INC. – SOUTHPORT TERMINAL

Motion was made by Chair Mullin to approve Resolution No. 4689 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a roll call vote and carried unanimously.

GENERAL MATTERS

There being no further business, the meeting was adjourned at 2:16 p.m.

By _____

Its _____

Minutes of the Executive Session

St Paul Port Authority Board Meeting of January 26, 2021

Purpose: The Annual Performance Review of Lee J. Krueger as President and CEO of the St. Paul PORT Authority for the year 2020.

The executive session commenced immediately following the regularly scheduled January monthly board meeting.

The following highlights and summary results were shared with the group:

- The scope of work involved, timeline, the participants and the reason for departure from the previous years review process.
- This year's review process was coordinated under the direction of CFO /COO Todd Hurley and his associate Ann Kosel.
- Participants in the review process included people from the following groups:
 - Board Members
 - Senior Staff Members
 - Outside peer groups including:
 - The City of St. Paul leadership personnel
 - Local Business Leaders
 - Business partners with the Port Authority
- The interview process and minute taking from these interviews was conducted by Vice Chair- Nneka Constantino and Board Chair- John Bennett
- Summary results from these interviews was consolidated into 1 highlight document and distributed to the board members for their review in preparation for this discussion today.
- Lee submitted a self-appraisal which was also distributed prior to the meeting and was to be included in the group's discussion.
- Highlights regarding Lee Krueger's Performance.
 - It is the general census of the board that Lee J. Krueger is meeting the expectations of the board as to the leadership and representation of the St. Paul Port Authority.
 - Despite the economic and social challenges faced on federal, state and local levels the PORT managed to navigate effectively and without disruption through:
 - The Covid 19 Crisis /international pandemic
 - The social unrest related to the George Floyd tragedy
 - The relocation of the PORT Authority physical offices from The Lawson Building to the TI Center
 - The restructuring of the TI Center ownership and the refinancing of the Capital City Properties, INC debt structure to GO WILLD, LLC
 - The Work From Home practice and procedures ensuring timely delivery and execution of expected workflow.
 - While there were several questions asked of each participant in the interview there were a few questions which surfaced additional discussion:
 - Regarding the staffing and succession planning.
 - We believe that the senior management team currently in place can effectively lead this organization if there was a sudden departure of the President/CEO.

- The board was pleased to learn of the growth and professional development of several staff members in the past year. Names were provided but not warranted in these minutes
- In 2021 the board will look forward to seeing the revised /formalized strategic plan for the PORT.
- The board would like to engage an executive / professional coach commensurate to level of CEO/President to assist Lee in expanding his role as leader in the City, State, and National playing field. As the PORT continues to improve upon and already good reputation as an economic development engine additional resources not presently available need to be employed to achieve the desired future results.
- The board also recognizes that relations between the City of St. Paul and the Port Authority is and will likely be an ongoing process. Concerted efforts by both parties going forward is necessary. **The board will look for consistent and regular updates and progress reports on these efforts and the subject matter of discussion.**
- Going Forward:
 - Board Chair John Bennett will summarize the material discussed in the executive session and distribute to the board for their private review.
 - Board Chair John Bennett will revisit the current compensation package as it relates to the State of Minnesota guidelines
 - Board Chair will present a salary adjustment recommendation to board members via email and will be discussed in the upcoming executive session following February's board meeting. This adjustment will be retroactive to January 1st, 2021.

Comments and Observations by the Board Chair- John Bennett regarding this evaluation process:

The members of the board are pleased to be of service to the City of St. Paul and the St. Paul Port Authority. Playing an active role is demonstrated in many ways to which as board members we need to be mindful. Are there limitations and boundaries? As well as participation expectations. As our board continues to grow/mature/ and change and the reputation of the PORT moves toward platforms on a State, Regional and National level the role and participation level of board members should be reviewed. With this in mind the voice, direction , and action of the PORT Authority as seen before the public needs to come through a common voice namely that of the President and CEO.

In my opinion the Port Authority is enjoying a favorable reputation, meeting the expectations of the board on behalf of the City of St. Paul. They work extremely well with the resources available and are resourceful and enterprising in developing new revenue streams and diligent in managing expenses. During 2020 the PORT faced adversity and uncertainty as did most businesses. There is no text book on how to manage, lead, and handle the fears and unrest experienced last year. Yet all things considered I believe that Lee and his senior management team handled these difficult times with great poise, professionalism. I applaud Lee Krueger for his leadership as President/CEO of the St Paul Port Authority and his performance during 2020. I hope that 2021 brings us all good fortune, health and safety. And in

these times when you share the company with good friends and family memories are created that you carry in your heart for many years to come.

With great respect and admiration,

John Bennett

Board Chair

The St. Paul Port Authority

Approved: February 23, 2021

By: _____
Its: Chair

MEMORANDUM

To: BOARD OF COMMISSIONERS

Meeting Date: February 23, 2021

From: Tonya Bauer



**Subject: PUBLIC HEARING - CONVEYANCE OF LAND TO BUHL 102, LLC
RIVERVIEW WEST INDUSTRIAL PARK, PID 06.28.22.42.0014
RESOLUTION NO. 4690**

Action Requested:

Approval of the conveyance of land to Buhl 102, LLC consisting of an approximate .10 acre (4,356 sq/ft) remnant parcel located in the Riverview West Industrial Park in Saint Paul, Minnesota.

Background:

The Saint Paul Port Authority (the "Port Authority") developed the Riverview West Industrial Park located on the south side of the Mississippi River, adjacent to Harriet Island in the late 1960's. The redevelopment and platting process at the time had created various remnant parcels throughout the industrial park. Public records list the Port Authority as the fee owner of a .10-acre remnant parcel as identified as Parcel ID 06.28.22.42.0014 at the Ramsey County Recorder's Office and outlined on the attached map. The Port Authority neither uses nor has any expressed purpose for ownership of this remnant parcel. The parcel is listed as tax exempt, is generating no tax base and is subject to special assessments, fees, and liabilities to the Port Authority. Accordingly, the Port Authority seeks to convey remnant parcels to appropriate parties as the opportunity arises to further its mission of expanding the tax base.

The adjacent property owner, Buhl 102, LLC, has expressed interest to purchase this land to maximize the redevelopment potential for 102 Water Street and the surrounding area. This remnant parcel has no development potential as a stand-alone parcel and has significant limitations for development activity to any party other than the adjacent property owner.

By way of background, 102 Water Street is a 6-story brick and timber building located within the west side neighborhood of Saint Paul. It totals approximately 200,000 square feet and has been used as cold storage for many years. Originally built in 1911 for Farwell Ozmun Kirk, the property served as an important manufacturing facility of their paint division and general warehouse. The building was occupied by Farwell Ozmun Kirk until the 1970's at which point it sat vacant for nearly 15 years. Today it is home to a variety of storage tenants, along with some artist lofts/maker studios.

Buhl 102, LLC purchased the 102 Water Street building in February 2019 and has proceeded with a plan to convert two floors of space into self-storage with the intention to convert the 6th floor (comprising of 30,000 square feet) into job-creating office space. Acquisition of this parcel will complement their project, allowing for increased parking density for more jobs, along with enhanced landscaping and beautification for site connectivity to the Harriet Island park entrance to the west.

MEMORANDUM

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

Recommendation:

Approval of the conveyance of land to Buhl 102, LLC consisting of an approximate .10 acre (4,356 sq/ft) remnant parcel located in the Riverview West Industrial Park in Saint Paul, Minnesota.

Attachments: Map
 Resolution

**SAINT PAUL PORT AUTHORITY
LAND CONVEYANCE TRANSACTION**

Action Requested:

Approval of the conveyance of land to Buhl 102, LLC consisting of an approximate .10 acre (4,356 sq/ft) remnant parcel located in the Riverview West Industrial Park in Saint Paul, Minnesota.

Development Officer:

Tonya Bauer

Grantee:

Buhl 102, LLC

Grantee Address:

5100 Eden Avenue, Suite 240
Edina, MN 55436

Location of Property to be Conveyed:

The property measures approximately .10 acres (4,356 sq/ft). See the attached map.

Conveyance Structure:

The purchase price that has been agreed upon is \$1,000 cash; Buyer pays all closing costs. Property will be sold “as-is, where is” with no environmental liabilities and the conveyance of land will be by a Quit Claim Deed.

Nature of Intended Use:

Continued use as a parking lot and enhanced landscaping area.

Business Subsidy Agreement

There is no business subsidy agreement required for this transaction.

Development Officer's Comments:

The Port Authority has no active interest in retaining ownership of this remnant land. It would be in the Port's best interest to devise title resolving future Port Authority liabilities associated with fee ownership, while fostering the Port's mission of creating jobs, tax base, and sustainable development.

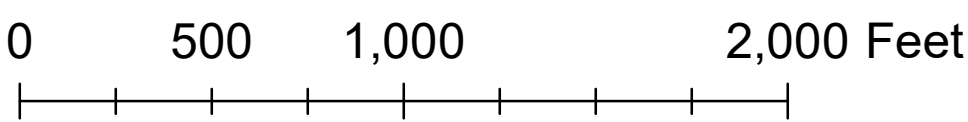
I recommend approval of the conveyance of land to Buhl 102, LLC.

Conveyance of land to Buhl 102, LLC

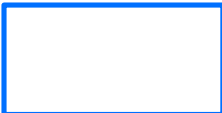


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Data contained on this map has not been field verified and should be used as reference only. It is the user's responsibility for field verifying elevations, locations, dimensions, etc. to conduct detail design.
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Subject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



Buhl 102 LLC

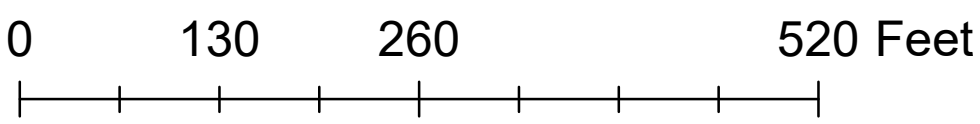


Conveyance of land to Buhl 102, LLC

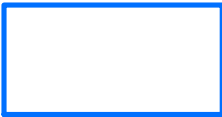


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Subject Parcel



Buhl 102 LLC



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

**[PUBLIC HEARING – CONVEYANCE OF LAND
TO BUHL 102, LLC - RIVERVIEW BUSINESS CENTER]**

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

WHEREAS, the Port Authority did conduct a public hearing pursuant to said notice on February 23, 2021 at which hearing all taxpayers in the port district, both for and against the conveyance, were allowed to state their views.

WHEREAS, Buhl 102, LLC ("Buhl 102") has entered into a Purchase Agreement to purchase real estate at the Riverview Business Center, which Property is owned by the Port Authority.

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

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

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

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

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

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

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

Adopted: February 23, 2021

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

Attest:

By _____
Its Secretary

MEMORANDUM

To: BOARD OF COMMISSIONERS **Meeting Date:** February 23, 2021
From: Ava Langston-Kenney
Subject: **2021 GRANT APPLICATION AND ACCEPTANCE AUTHORIZATION**
RESOLUTION NO. 4691

Action Requested:

Approval for 2021 for the President of the Port Authority of the City of Saint Paul or anyone acting under his direction to apply for and accept any grant or other financial or resource assistance so long as the assistance furthers the Port Authority's mission.

Background:

The Port Authority seeks programs that provide grants or other financial or resource assistance that can help the Port Authority further its mission. Some of the programs require a Board resolution enclosed with the application authorizing the applicant to apply for and receive a grant or other financial or resource assistance. At times the application deadline date precedes the Port Authority's next Board meeting and, therefore, the Port Authority has not been able to provide a Board resolution in support of its application. In such instances, the Port Authority has supplemented its application as soon as possible afterwards. To the best of the Port Authority's knowledge, the lack of any such resolution has not precluded an award to the Port Authority. Regardless, Port Authority staff recommends that the Board approve a resolution, which contains many of the standard board representations and statutory information required for such program assistance and further authorizes the Port Authority to apply for and accept any grant or other financial or resource assistance so long as the assistance furthers the Port Authority's mission. This resolution may help further the Port Authority's application especially as the competition for such assistance becomes greater.

Since 2012, this has been an annual resolution authorizing the application for and acceptance of financial or resource assistance. Any and all previous resolutions are available for review upon request. This new resolution would authorize this assistance for the year 2021.

Recommendation:

It is therefore recommended that the Board approve a resolution authorizing the President of the Port Authority of the City of Saint Paul or anyone acting under his direction to apply for and accept any grant or other financial or resource assistance so long as the assistance furthers the Port Authority's mission.

Attachment: Resolution

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

[2021 GRANT APPLICATION AND ACCEPTANCE AUTHORIZATION]

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; and

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

WHEREAS, the Port Authority's Board of Commissioners are appointed by the Mayor of the City of Saint Paul, subject to the approval of the Council of the City of Saint Paul; and, two of the Port Authority Commissioners must be members of the Council of the City of Saint Paul; and

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; and

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

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; and

WHEREAS, under Minn. Stat. § 469.084, Subd. 8, the Port Authority of the City of Saint Paul, furthermore, 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); and

WHEREAS, federal, state, county, city, and other governmental entities and agencies have established grant, or other various assistance programs, which the Port Authority could use in furtherance of its statutory mission; and

WHEREAS, for instance, the Minnesota legislature established environmental assistance grant programs to provide financial assistance in the development of environmentally sustainable practices in Minnesota through voluntary partnerships and goal-oriented, economically driven approaches to pollution prevention and resource conservation; and

WHEREAS, many non-profit organizations have established grant, or other various assistance programs, which the Port Authority could use in furtherance of its statutory mission; and

WHEREAS, the Port Authority represents that it has undertaken reasonable and good faith efforts to procure funding in pursuit of its mission from other sources in addition to grant, or other program resources to which it may seek assistance.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL: That the Port Authority has the legal authority to apply for financial assistance, and has the institutional, managerial, and financial capability to ensure adequate project administration of any financial assistance received; and

BE IT FURTHER RESOLVED that any sources and amounts of any matching funds, local or otherwise, identified in the Port Authority's application will be committed to the identified project per the application; and

BE IT FURTHER RESOLVED that the Port Authority has not violated any federal, state or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice; and

BE IT FURTHER RESOLVED that the Port Authority certifies that it will comply with all applicable laws and regulations as stated in the grant/assistance agreements; and

BE IT FURTHER RESOLVED for the year 2021, that the President or anyone acting under his direction is hereby encouraged and authorized to apply to, and accept from, if awarded, a grant or some other financial or resource assistance in any amount from any federal, state, county, city, and other governmental entities and agencies or non-profit organizations so long as the assistance furthers the Port Authority's mission; and

BE IT FURTHER RESOLVED that the President or anyone acting under his direction is hereby authorized and directed to execute any and all necessary documents to complete grant/assistance applications and secure their receipt; and

BE IT FURTHER RESOLVED, that notwithstanding the above, all loans and other financial or resource assistance that needs to be repaid by the Port Authority will require Board approval prior to the execution of documents imposing the specific debt obligation and amount by and upon the Port Authority.

Adopted: February 23, 2021

PORT AUTHORITY OF THE
CITY OF SAINT PAUL


By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: BOARD OF COMMISSIONERS **Meeting Date:** Feb. 23, 2021

From: Kathryn L. Sarnecki 

Subject: **APPROVAL OF ASSIGNMENT AND ASSUMPTION OF LEASE FROM GERDAU AMERISTEEL US, INC. TO ALTER TRADING CORPORATION of 780, 750 and 740 BARGE CHANNEL ROAD – SOUTHPORT TERMINAL RESOLUTION NO. 4692**

Action Requested:

Approval of the assignment and of the lease for 780, 750, and 740 Barge Channel Road, approximately 7 acres/304,920 square feet (“Leased Premises”) at the Southport Terminal from Gerdau Ameristeel US, Inc. (“Gerdau”) to Alter Trading Corporation (“Alter”).

Background:

This assignment is consistent with the Saint Paul Port Authority’s (“Port Authority”) ongoing mission to support commercial navigation on the Mississippi River, which enhances our regional economy by providing a cost-effective, environmentally sound way to transport commodities to global markets.

Gerdau and the Port Authority entered into a ten-year lease for the Leased Premises, that, pursuant to a lease amendment in 2013, was extended a year due to delays in site readiness from January 1, 2012 to December 31, 2023, with two five-year renewals which will bring the lease term out to December 31, 2033. The facility is used as a metal collection facility to provide raw materials to their mill in the Red Rock Terminal in Saint Paul.

In June of 2020, Gerdau shuttered much of their mill operations in the Red Rock Terminal due to business issues. Gerdau has requested that the Port Authority assign its lease to Alter who will take over the Leased Premises as is and continue operations of collecting and processing scrap metal.

Economic Benefit to Saint Paul:

The assignment and assumption, which includes lease amendment language, facilitates Alter’s plans to move all scrap metal operations from the current Alter lease area in the Southport Terminal to allow for a \$20+ million dollar expansion at the terminal to allow for rail expansion, a new state of the art fertilizer building, and terminal-wide stormwater management system.

Financial Analysis:

The Port Authority finance team has reviewed Alter’s financials and are comfortable with the assignment.

MEMORANDUM

New Lease Inclusions:

Currently there is no road access to real estate located immediately south and adjacent to Southport Terminal in South Saint Paul, Dakota County, State of Minnesota. The City of South Saint Paul has asked the Port Authority if road access could be obtained to this real estate that is currently unused. Accordingly, as a condition to the assignment, Alter and the Port Authority have negotiated an amendment to the Gerdau lease granting the Port Authority rights to later secure road access across Gerdau/Alter leasehold interests and real estate for the Port Authority to design and construct a 10-ton rated industrial road to provide access to real estate located south of the Leased Premises. This will be conditioned on the construction of the road not commencing before April 2025, the development area is appropriately rezoned, and a purchaser/user reasonably interested in the adjacent site.

Recommendation:

Approval of the assignment and assumption of the lease for 780, 750, and 740 Barge Channel Road at the Southport Terminal from Gerdau Ameristeel US, Inc. to Alter Trading Corporation.

Attachment: Resolution

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

**[APPROVAL OF THE ASSIGNMENT AND ASSUMPTION OF LEASE
FROM GERDAU AMERISTEEL US, INC. TO ALTER TRADING CORP. OF
780, 750 and 740 BARGE CHANNEL ROAD–SOUTHPORT TERMINAL]**

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

WHEREAS, two of the Port Authority's tenants, Gerdau Ameristeel US, Inc. and Alter Trading Corporation, both located at the Southport Terminal, seek Port Authority approval to enter into an Assignment and Assumption of Lease from Gerdau to Alter of the premises at 780, 750 and 740 Barge Channel Road, which is approximately 7 acres/304,920 square feet.

WHEREAS, the Gerdau lease has a ten-year lease through December 31, 2023, with two five-year renewals, bringing the lease term out to December 31, 2033.

WHEREAS, the Port Authority acknowledges that Gerdau has shuttered much of their mill operations and by assigning this lease to Alter, the premises would continue to operate in the collecting and processing of scrap metal and would allow Alter to invest in and expand its current site, an economic benefit to Saint Paul.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed Assignment and Assumption of Lease, 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 Assignment and Assumption of Lease in accordance with the above-referenced terms in form as approved by counsel.

Adopted: February 23, 2021

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

UNITED STRATEGIES

TO: Saint Paul Port Authority
FROM: Sarah Erickson – United Strategies LLC
DATE: February 16th, 2021
SUBJECT: Port Authority Board Update

United Strategies is working on three priorities for the Saint Paul Port Authority for the 2021 Legislative Session.

Capital Investment Request: \$2M Bonding Request

The Saint Paul Port has a \$2M state bonding request for the Hillcrest site. Rep. Xiong and Sen. Hawj are authoring the bills on behalf of the Port Authority. The bonds will be used as follows:

Saint Paul Port may use the bond proceeds for the following: predesign, design, and engineering of the redevelopment of the former Hillcrest Golf Course site. This appropriation includes money for energy and land use planning and analysis; civil, environmental, geotechnical engineering, and net zero energy analysis; and surveying, platting, and the creation of private development lots, public rights-of-way, parkland, wetlands, stormwater infrastructure, and associated improvements to further economic development, housing, parkland, and energy goals.

The bill is in process of being introduced. After introduction, we will move forward with a bill hearing.

Property Assessed Clean Energy (PACE)

The Saint Paul Port Authority is working with Cargill to expand the use of PACE in Minnesota. The use of PACE will qualify permanent farmland resulting in improved agricultural productivity or resiliency and reduce environmental impact. Additionally, SSPA is interested in expanding the use of PACE to water conservation. This is not only a great idea but could greatly benefit Minnesota.

We are currently working with the MN Banking Association, the MN Credit Union Association, the Department of Commerce and legislative leaders to get this bill in shape to be passed in 2022.

PACE RFP at the Department of Human Services

A PACE RFP was issued by the DHS for long term care facilities but was interrupted by COVID. We are working to get it back on track.