



**AGENDA
BOARD MEETING
FEBRUARY 28, 2017 – 2:00 P.M.**

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

MINUTES

1. Approval of the Minutes from the January 24, 2017 Regular Board Meeting

CONFLICT OF INTEREST

NEW BUSINESS

ADMINISTRATIVE COMMITTEE

1. **Resolution No. 4593** Fund Allocation

CREDIT COMMITTEE

1. **Resolution No. 4594** Public Hearing – Sale of Land
Conveyance of Land to Regions Hospital

GENERAL MATTERS

1. Such Other Business as May Come Before the Board

**PORT AUTHORITY OF THE CITY OF SAINT PAUL
MINUTES OF THE REGULAR BOARD MEETING
JANUARY 24, 2017**

The regular meeting of the Port Authority Board was held on January 24, 2017 at 2:02 p.m. in the Board Room of the Saint Paul Port Authority located at 380 St. Peter Street, Suite 850, Saint Paul, Minnesota.

The following Commissioners were present:

Harry Melander
Paul Williams

John Regal
Dai Thao

John Bennett
Dan Bostrom

Also present were the following:

Lee Krueger
Monte Hilleman
Dana Krueger
Linda Williams

Laurie Hansen
Laurie Siever
Michael Linder

Bruce Kessel
Sarah Savelle
Andrea Novak

Eric Larson, General Counsel, City of Saint Paul

Peter Callahan, MinnPost

Jane McClure, Highland Villager

Matt Johnson, Finance and Commerce

Tom Goldstein, St. Paul Mayoral Candidate

Kevin Walli, Fryberger, Buchanan, Smith & Frederick, P.A.

APPROVAL OF MINUTES

Motion was made by Commissioner Bennett, seconded by Commissioner Williams, to approve the minutes of the Board meeting held on November 22, 2016. The motion carried unanimously.

CONFLICT OF INTEREST

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

NEW BUSINESS

CREDIT COMMITTEE

RESOLUTION NO. 4590

GRANT/FINANCIAL ASSISTANCE RESOLUTION APPROVAL

Motion was made by Commissioner Williams to approve Resolution No. 4590 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion carried unanimously.

RESOLUTION NO. 4591
TILLER CORPORATION, D/B/A BARTON ENTERPRISES, INC. - LEASE
RENEWAL/AMENDMENT AND RENTAL RATE ADJUSTMENT - RED ROCK TERMINAL

Motion was made by Commissioner Williams to approve Resolution No. 4591 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion carried unanimously.

RESOLUTION NO. 4592
MIDWAY SHOPPING CENTER – APPROVAL TO ENTER INTO A
MASTER LEASE AGREEMENT WITH RK MIDWAY SHOPPING CENTER, LLC

Motion was made by Commissioner Williams to approve Resolution No. 4592 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion carried unanimously.

GENERAL MATTERS

Mr. Kevin Walli from Fryberger, Buchanan, Smith & Frederick, P.A. presented the Board with a legislative update and highlighted the following items: the new political landscape (particularly in the Minnesota Senate), key legislators relating to the Senate Jobs and Economic Development Growth Committee, the Senate Capital Investment Committee and the House Jobs Growth and Energy Affordability Committee; proposed Bonding Bill; the 2016 Omnibus Supplemental Appropriations; and the Land Assembly Bill. Mr. Walli also mentioned that he and key Port Authority staff would be meeting with area legislators and key chairmen regarding projects and objectives.

President Krueger introduced Michael Linder, the Port Authority's newest employee, to the Board. Mr. Linder was hired to work with the Finance Department as a loan officer and will work closely with Peter Klein.

There being no further business, the meeting was adjourned at 2:18 p.m.

By: _____

Its: _____

/amk

SAINT PAUL PORT AUTHORITY

MEMORANDUM

TO: BOARD OF COMMISSIONERS
(Regular Meeting of February 28, 2017) **DATE:** February 22, 2017

FROM: Laurie J. Hansen 

SUBJECT: FUND ALLOCATION
RESOLUTION NO. 4593

Action Requested:

Approval of resolution to restrict Port Authority funds to specific uses.

Background:

The purpose of this Board action is to restrict the use of funds to their intended purposes. This resolution will establish the restricted fund balance designations by Board resolution as of December 31, 2016 for use in the 2016 audited financial statements.

Current Status:

The Operating Fund and including the Reserve Account is intended to provide adequate funding for the Port Authority operations. We are recommending the Operating Fund be restricted for use in funding Port Authority operations with a maximum balance of up to one year of operating expenses and any additional funds transferred to the Development Fund.

The Development Fund is intended to pay project expenses on Port Authority redevelopment not otherwise funded by bond proceeds or grant receipts. Every effort is made to make the funding a loan so that the Development Fund continues to be revolved and replenished. We are recommending the Development Fund be restricted for use in funding redevelopment projects of the Port Authority.

In addition to the Operating Fund and the Development Fund, we have several other specific development program funds with more specific intended uses. A recap of all funds and their purposes follows:

FUND	PURPOSE
Operating Fund & Operating Reserve Account	Port Authority Operating Costs
Development Funds	Finance activities undertaken as part of development budget
Economic Development Incentive Fund	<ul style="list-style-type: none">• Fund grants & loans• Promote business retention & attraction• Enhance job creation• Assist businesses moving to “green” practice
Loan & Grant Funds <ul style="list-style-type: none">• Business Development Fund• Trillion BTU Energy Efficiency Loan Program• Energy Savings Partnership• EPA Revolving Loan Funds	Provide loan, grant, and guarantee funds as allowed by the program agreements.

Recommendation:

We recommend approval of the resolution to restrict Port Authority funds to the uses defined above.

LJH:amk

Attachment

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

[FUND ALLOCATION]

WHEREAS, in connection with the preparation of the audit for the Port Authority of the City of Saint Paul (the "Port Authority") for the calendar year ending December 31, 2016, Port Authority management has identified and categorized various funds and accounts created and used by the Port Authority for its various operations and identified various Port Authority actions imposing restrictions on various funds and accounts; and

WHEREAS, Port Authority management has suggested that board restrictions relating to the funds and accounts described below be updated to reflect the Board's current intent with respect to these funds and accounts and their uses in support of Port Authority activities and to reflect and restrict the uses to which certain of the Port Authority's funds and accounts can be used; and

WHEREAS, the Administrative Committee of the Port Authority has recommended approval of this resolution.

NOW, THEREFORE, be it resolved by the Port Authority of the City of Saint Paul that the sums held in, or hereinafter credited to, the following funds and accounts established and maintained by the Port Authority shall be used solely to pay costs, which by generally accepted accounting principles are reasonably attributable to the purposes and activities described below and undertaken by the Port Authority in the City of Saint Paul in the East Metro Area or (with respect to the Trillion BTU Fund and Energy Saving Partnership) in the State of Minnesota:

1. Operating Fund, including the Operating Reserve Account therein – The Operating Reserve Account was established as a separate account in the Operating Fund by Resolution No. 3300 to establish and protect a level of funding determined to be appropriate to permit the Port Authority to carry out its covenants with bondholders. Pursuant to Resolution No. 3300, and subsequent resolutions adopted to update and reaffirm that resolution, sums currently held in, or hereafter credited to, the Operating Fund, including the Operating Reserve Account (including earnings thereon) shall continue to be used solely to pay costs (the "Operating Costs") which by generally accepted accounting principles are reasonable operational and administrative costs of the Port Authority, and such sums are hereby irrevocably appropriated for that purpose. It is the intention of the Port Authority that sums in the Operating Fund be used first for these expenses, and that sums in the Operating Reserve Account be applied toward the payment of Operating Costs only if there are otherwise insufficient funds in the Operating Fund for such purpose. The irrevocable pledge and appropriation to the Operating Reserve Account of all fiscal and administrative fees paid to the Port Authority with respect to any properties from time to time owned, leased or otherwise financed by the Port Authority and of any other sums paid to the Port Authority to pay or reimburse the Port Authority for the payment of Operating Costs or to otherwise compensate the Port

Authority for services rendered by the Port Authority originally made in the Port Authority's Resolution No. 3300 shall continue until further action by this Board at a level determined to be appropriate, from time to time, by the President and Chief Financial Officer of the Port Authority.

2. Development Fund - The Development Fund has previously been created by the Port Authority to pay project expenses on Port Authority redevelopment projects not otherwise funded by bond proceeds or grant receipts. Funds in the Development Fund shall continue to be used by the Port Authority to finance activities undertaken by the Port Authority as part of the development budget, to the extent that other funding sources are not available.

3. Economic Development Incentive Fund - Funds in the Economic Development Incentive Fund shall continue to be used by the Port Authority as provided in Resolution No. 4242, adopted December 18, 2007, to fund loans and grants, promote business retention and attraction, and enhance job creation and assist businesses moving to "green" practices.

4. Loan & Grant Fund (including the Business Development Fund, the Trillion BTU Energy Efficiency Loan Program, the Energy Savings Partnership and EPA Revolving Loan Funds) – Loan and grant funds shall be used to provide loan, grant and guarantee funds as allowed by the applicable program agreements.

5. Nothing in this resolution is intended to revise or override restrictions imposed by the Board on other funds and accounts not identified in this resolution.

Adopted: February 28, 2017

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

Its Chair

ATTEST:


Its Secretary

SAINT PAUL PORT AUTHORITY

MEMORANDUM

TO: BOARD OF COMMISSIONERS
(Regular Meeting of February 28, 2017)

DATE: February 23, 2017

FROM: MONTE M. HILLEMAN 

SUBJECT: PUBLIC HEARING – CONVEYANCE OF LAND TO REGIONS HOSPITAL
RESOLUTION NO. 4594

Action Requested:

Approval of the sale of a 0.18 acre remnant parcel of land to Regions Hospital for site assembly.

Background

Attached is a memo outlining the terms of the land conveyance transaction with Regions Hospital for the property located at 0 Mississippi Street, Saint Paul, MN. The property lies within the Port Authority's Williams Hill Industrial Development District and the Williams Hill Tax Increment Financing District.

Recommendation

We recommend approval of the sale of a 0.18 remnant parcel of land to Regions Hospital for site assembly.

MMH

Attachments

**PORT AUTHORITY OF THE CITY OF SAINT PAUL
LAND SALE TRANSACTION**

Action Requested: Approval of the sale of a remnant parcel of land to Regions Hospital for site assembly.

Development Officer: Monte Hilleman

Purchaser: Regions Hospital

Purchaser Address: Regions Hospital
c/o HealthPartners
8170 33rd Avenue South
PO Box 1309
Minneapolis, MN 55440

Location of Property to be Conveyed: 0 Mississippi Street, Saint Paul MN 55130
(PID 312922140096), see Exhibit A

Conveyance Structure: The Port Authority entered into a contingent purchase agreement on January 27, 2017 with Regions Hospital for the sale of the Port's interest in the property listed above. The purchase price is \$40,000 (\$5.11 per SF), which reflects a fair market value. The property is to be sold AS-IS, with no further obligations of the Port Authority after closing. Closing is expected to occur in July 2017.

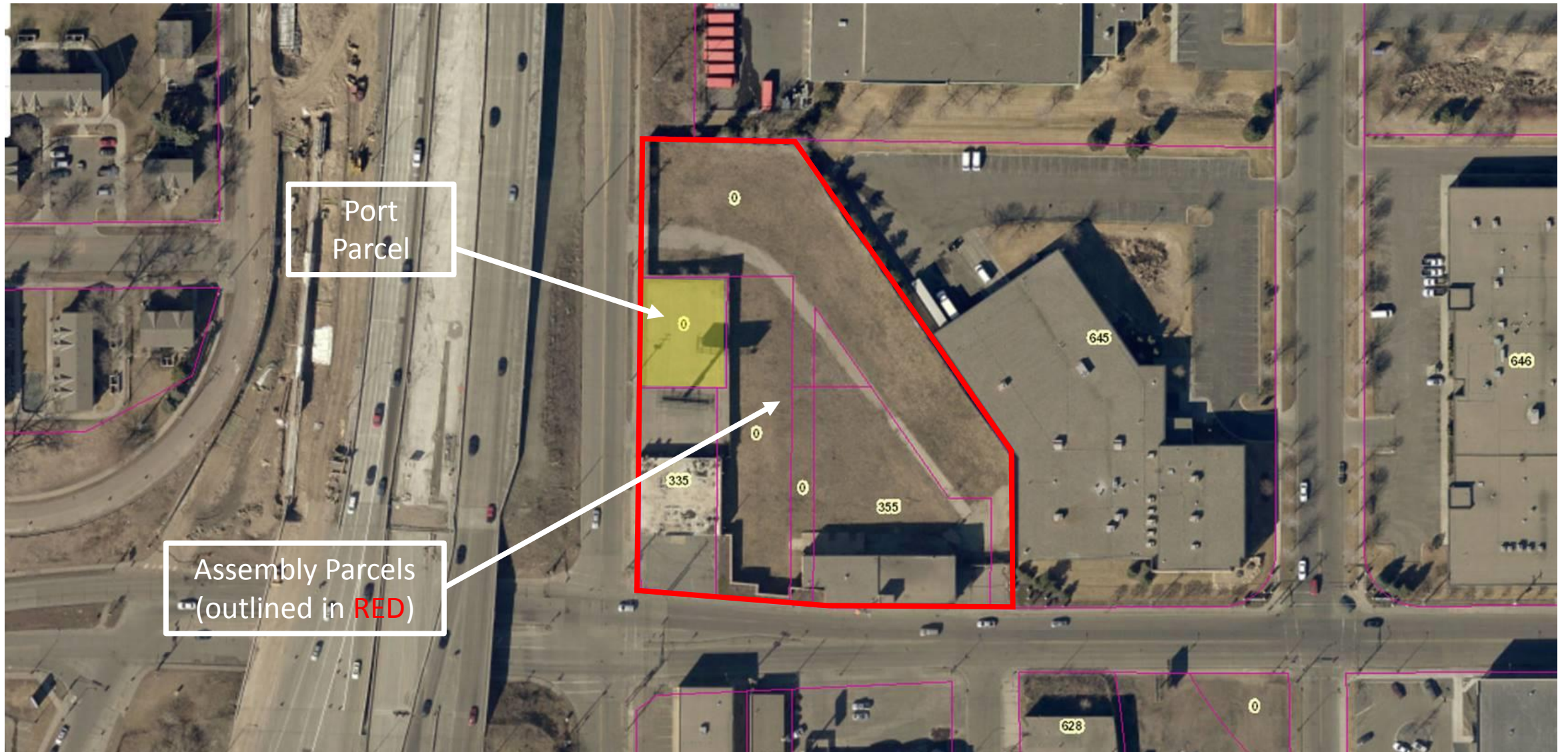
Nature of Intended Use: Short term to be used as parking per Exhibit B (attached), long term to be used for construction of a health care facility to-be-determined.

Business Subsidy Agreement:
None.

Exception from Port's Development Goals/Covenants:
None.

Development Officer's Comments:
Approval is recommended, as this allows for the assembly of this and several other parcels into a developable lot.

Exhibit A - Property Map



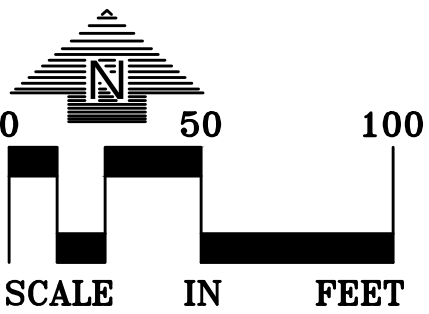
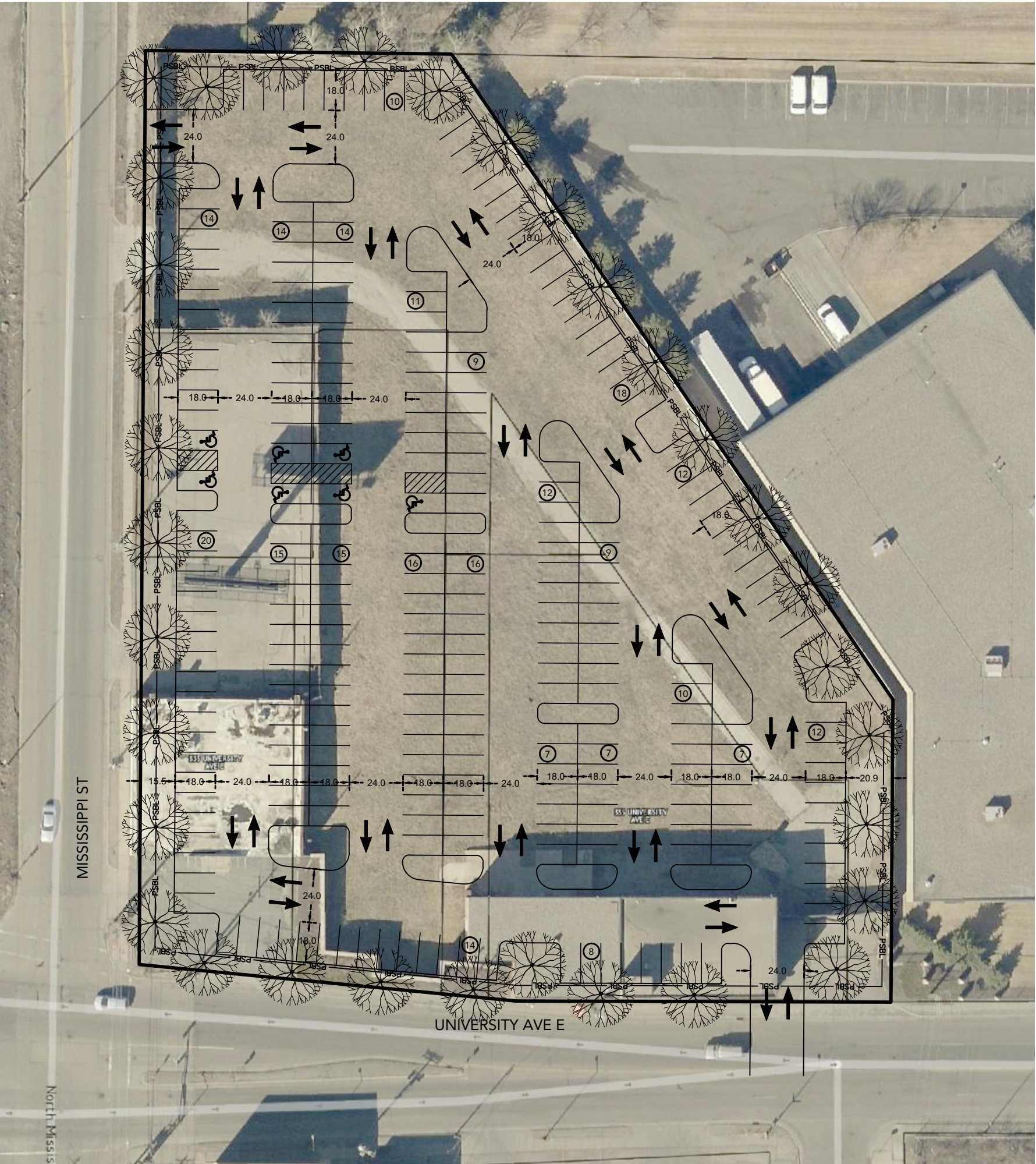


Exhibit B - Proposed Parking

SITE DATA

AREA	
TOTAL SITE AREA	~ 112,430 SF, 2.58 ACRES, 100%
PERVIOUS SURFACE AREA	~ 23,113 SF, 0.53 ACRES, 20.6%
IMPERVIOUS SURFACE AREA	~ 89,317 SF, 2.05 ACRES, 79.4%

SETBACKS-PARKING

FRONT YARD:	7 FT
STREET SIDE YARD:	7 FT
SIDE YARD:	7 FT
REAR YARD:	7 FT

PARKING

SURFACE REGULAR STALLS:	263 STALLS
SURFACE ACCESSIBLE STALLS:	7 STALLS
TOTAL SURFACE STALLS:	270 STALLS

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

[CONVEYANCE OF LAND TO REGIONS HOSPITAL]

WHEREAS, the Port Authority of the City of Saint Paul ("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 land 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 grant the conveyance of land at 0 Mississippi Street in Saint Paul, Minnesota, to Regions Hospital (the "Property").

WHEREAS, the Port Authority did conduct a public hearing pursuant to said notice on Tuesday, February 28, 2017, at which hearing all taxpayers in the port district, both for and against the conveyance, were allowed to state their views.

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 conveyance.

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.

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.

3. That the President of the Port Authority is hereby authorized and directed to complete and execute said agreement to convey, in substantially the form as is on file in the office of the Port Authority, and the proper Port Authority officers are hereby authorized and

directed to complete and execute all documents necessary to convey title in form as approved by counsel.

Adopted: February 28, 2017

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

Attest:

By _____
Its Secretary