

Regular Board Meeting

January 22, 2019 - 2:00 p.m.

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

Administration

1. Election of Officer

Minutes

Approval of Minutes from the November 27, 2018 Regular Board Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business**Credit Committee**

1. Resolution No. 4640 Public Hearing - Concordia University, St. Paul – Authorization for the Issuance of Bank-Qualified Tax-Exempt Conduit Revenue Bonds in the Approximate Amount of \$5,500,000
2. Resolution No. 4641 Approval of Designated Depositories of the Port Authority
3. Resolution No. 4642 2019 Grant Application and Acceptance Authorization
4. Resolution No. 4643 Acceptance of Grant Funding from Minnesota's Port Development Assistance Program for a Direct Barge-Rail-Truck Transload Facility at Southport Terminal with Alter Logistics Company
5. Resolution No. 4644 Acceptance of Grant Funding from Minnesota's Port Development Assistance Grant Program for a Barge Receiving System at Barge Terminal No. 1 with BThree, LLC
6. Resolution No. 4645 Acceptance of Grant Funding from Minnesota's Port Development Assistance Program for Fender Replacement Project at Barge Terminal No. 1
7. Resolution No. 4646 2018 – 2022 Lease – Origination, Inc. at 637 Barge Channel Road – Southport Terminal
8. Resolution No. 4647 2019 Lease Amendment and Rental Rate Adjustments – Hawkins, Inc. at 701 Barge Channel Road and 0 Barge Channel Road – Southport Terminal

General Matters

1. Such Other Business That May Come Before the Board

**SAINT PAUL PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
NOVEMBER 27, 2018**

The regular meeting of the Port Authority Board was held on November 27, 2018 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 55102.

The following Board Members were present:

John Bennett
Dan Bostrom
John Marshall

Paul Williams
Dai Thao

Nneka Constantino
Don Mullin

Also present were the following:

Lee Krueger

Laurie Hansen

Monte Hilleman

Andrea Novak

Michael Linder

Deb Forbes

George Hoene

Tonya Bauer

Laurie Siever

Linda Williams

Ann Kosel

Dana Krueger

Sarah Savela

Kathryn Sarnecki

Pete Klein

David Johnson

Ava Langston-Kenney

Rhett Hebig

Bruce Kessel

Angie Helms

Eric Larson, General Counsel, City of Saint Paul

Robyn Hansen

Stephanie Dworak

Olivia Dworak

Terry Garvey

Mike Strand, Self-Employed

Bill Morin

Ken Johnson

Brenda Kyle, Saint Paul Area Chamber of Commerce

Janet Ludden

Randy Raddatz, Colliers

Louis Jambois

Joan Grzywinski

Bob Grzywinski

John Regal

Patrick Klinger, Patrick Klinger and Company

APPROVAL OF MINUTES

Commissioner Marshall made a motion to approve the minutes of the October 23, 2018 Board meeting. The motion was seconded by Commissioner Williams, submitted to a vote and carried unanimously.

CONFLICT OF INTEREST

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

NEW BUSINESS

ADMINISTRATIVE COMMITTEE

RESOLUTION NO. 4638

ENERGY PARK UTILITY COMPANY FRANCHISE APPROVAL OF RATES

Motion was made by Commissioner Marshall to approve Resolution No. 4638 which was reviewed by the Administrative Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

RESOLUTION NO. 4639

CERTIFICATION OF TAX LEVY

Motion was made by Commissioner Marshall to approve Resolution No. 4639 which was reviewed by the Administrative Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

APPROVAL OF 2019 BUDGET

Motion was made by Commissioner Marshall to approve the 2019 Budget which was reviewed by the Administrative Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

ACCEPTANCE OF SEPTEMBER 2018 YEAR-TO-DATE FINANCIAL STATEMENTS

Motion was made by Commissioner Marshall to accept the September 30, 2018 year-to-date financial statements which were reviewed by the Administrative Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

GENERAL MATTERS

Mr. Monte Hilleman introduced David Johnson to the Board, the Port Authority's newest employee and a member of the Development Team.

Ms. Andrea Novak provided an update on the Port Authority's #SaintPaulMade campaign and shared three videos highlighting local manufacturing.

Mr. Rhett Hebig shared his video from the November 14, 2018 Equity on Ice fundraiser.

The Board, Port staff, and many friends and family celebrated Laurie's accomplishments and career at the Saint Paul Port Authority and wished her the best in her upcoming retirement.

There being no further business, the meeting was adjourned at 2:24 p.m.


By _____

Its _____

/amk

MEMORANDUM

To: BOARD OF COMMISSIONERS **Meeting Date:** January 22, 2019

From: Peter M. Klein 

Subject: **PUBLIC HEARING – CONCORDIA UNIVERSITY, ST. PAUL – AUTHORIZATION FOR THE ISSUANCE OF BANK-QUALIFIED TAX-EXEMPT CONDUIT REVENUE BONDS IN THE APPROXIMATE AMOUNT OF \$5,500,000**
RESOLUTION NO. 4640

Action Requested:

Provide approval for the Port Authority to issue approximately \$5,500,000 of bank-qualified conduit tax-exempt revenue bonds to be used to finance the acquisition of the Central Midway building located at 393 Dunlap Street in Saint Paul.

Public Purpose:

The financing will allow Concordia to more efficiently provide educational services benefitting its students in Saint Paul.

Business Subsidy:

The proposed issuance of bonds is for a not-for-profit organization and is exempt from treatment as a business subsidy.

Background:

Concordia University is a liberal arts university in Saint Paul, Minnesota. Concordia was founded in 1893 and currently enrolls approximately 5,000 students. The institution is an affiliate of the nine-member Concordia University system. Concordia is currently a tenant in the Central Midway building, occupying over 30% of the rentable space.

Proposal:

Type of Bonds:	The tax-exempt revenue bonds will be “bank-qualified” under Section 265 of the Code. This will allow a bank to hold the tax-exempt bonds without a reduction in their effective yield which would otherwise impact a “non-bank qualified” tax-exempt holding.
Rate:	Approximately 4.25% fixed for 7 years
Security:	First secured interest and mortgage on the project in favor of the bondholders, including the land, building and personal property associated with the project.
Term:	Twenty-five year fully amortizing

Issuer:	Saint Paul Port Authority
Borrower:	Concordia University, St. Paul
Borrower's Counsel:	McGrann Shea
Bank:	Bremer Bank
Bank's Counsel:	Christoffel & Elliott
Bond Counsel:	Kennedy & Graven

Conduit Financing:

The bonds will be a conduit financing of the Port Authority and will not constitute or give rise to a liability of the Port Authority, the City of Saint Paul or the State of Minnesota or a charge against their general credit or taxing powers. The bondholders will not have the right to demand payment on the bonds out of any funds to be raised from taxation or from any revenue sources other than those expressly pledged to payment of the bonds pursuant to the funding agreement. The Port Authority's role in this loan is that of Issuer only.

The Port Authority will receive fees in the amount of 1/8 of a point (approximately \$6,875.00) at closing and 1/8 of a point on the outstanding balance, annually, for the life of the bonds.

Workforce Implications:

N/A

Policy Exceptions:

None.

Disclosure:

The Port Authority Commissioners by SEC rules are obligated to disclose any risks or facts you may be aware of that would affect the probability of repayment on these bonds.

Recommendation:

We recommend approval for the Port Authority to issue approximately \$5,500,000 of bank-qualified conduit tax-exempt revenue bonds to be used to finance the acquisition of the Central Midway building located at 393 Dunlap Street in Saint Paul.

Attachment: Resolution

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

**[RESOLUTION AUTHORIZING THE ISSUANCE OF CONDUIT REVENUE
OBLIGATIONS FOR THE BENEFIT OF CONCORDIA UNIVERSITY, ST. PAUL, OR ANY
OF ITS AFFILIATES; AUTHORIZING THE EXECUTION OF THE REVENUE
OBLIGATIONS AND RELATED DOCUMENTS; AND TAKING OTHER ACTIONS
RELATED THERETO]**

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority") is authorized by Minnesota Statutes, Sections 469.048 through 469.068 and 469.084, as amended (the "Port Authority Act"), and by Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the "Development Act"), to issue its revenue bonds to, among other things, finance, in whole or in part, the cost of the acquisition, construction, improvement, or extension of a revenue producing enterprise, whether or not operated for profit; and

WHEREAS, the revenue bonds issued under the Port Authority Act and the Development Act are not a debt of the City of Saint Paul (the "City"), are not secured by a pledge of the full faith and credit of the City, and are payable solely from the revenues expressly pledged to the revenue bonds; and

WHEREAS, Concordia University, St. Paul, a Minnesota nonprofit corporation, or any of its affiliates (the "Borrower"), has proposed that the Port Authority issue its conduit revenue obligations, in one or more series, as taxable or tax-exempt obligations (the "Notes"), in an estimated aggregate principal amount not to exceed \$5,500,000, for the benefit of the Borrower, for the purposes of (i) financing a portion of the costs of the acquisition of a building located at 393 North Dunlap Street in the City (the "Project") to be owned and operated by the Borrower for educational purposes; (ii) funding required reserves, if any; and (iii) paying costs of issuance of the Notes; and

WHEREAS, the Borrower has represented to the Port Authority that it is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as a result of the application of Section 501(c)(3) of the Code; and

WHEREAS, Section 147(f) of the Code, and regulations promulgated thereunder, and Section 469.154, subdivision 4 of the Development Act require that, prior to the issuance of the Notes, the Board of Commissioners of the Port Authority (the "Board") approve the issuance of the Notes after conducting a public hearing thereon preceded by publication of a notice of public hearing (in the form required by Section 147(f) of the Code and applicable regulations) in the official newspaper of the Port Authority and a newspaper of general circulation in the City at least fourteen (14) days prior to the public hearing date; and

WHEREAS, a notice of public hearing was published at least fourteen (14) days prior to the regularly scheduled meeting of the Board in the *Legal Ledger*, the official newspaper of the Port Authority, and in the *Pioneer Press*, a newspaper of general circulation in the City, with respect to the required public hearing under Section 147(f) of the Code and the Development Act; and

WHEREAS, on the date hereof, the Board conducted a duly noticed public hearing at which a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing, on the issuance of the Notes pursuant to the requirements of Section 147(f) of the Code and the regulations promulgated thereunder; and

WHEREAS, pursuant to Section 469.154 of the Development Act, prior to the issuance of the Notes by the Port Authority, the Commissioner of the Minnesota Department of Employment and Economic Development (“DEED”) must approve the costs of the Project to be funded by the Notes on the basis of an application submitted by the Port Authority with all required attachments and exhibits (the “DEED Application”); and

WHEREAS, the Notes are proposed to be issued under the terms of this resolution, will be issued in one or more series, as taxable or tax-exempt obligations, and will be sold to Bremer Bank, National Association, a national banking association (the “Lender”); and

WHEREAS, the Port Authority will loan the proceeds derived from the sale of the Notes to the Borrower pursuant to a Loan Agreement (the “Loan Agreement”) between the Port Authority and the Borrower; and

WHEREAS, the Loan Agreement requires the Borrower to make loan repayments to produce revenue sufficient to pay the principal of, premium, if any, and interest on the Notes when due, and the Port Authority will assign its rights to the loan repayments (excluding certain reserved rights of the Port Authority), additional payments, and certain other rights under the Loan Agreement to the Lender pursuant to the terms of a Pledge Agreement (the “Pledge Agreement”) between the Port Authority and the Lender; and

WHEREAS, in order to secure the Borrower’s obligations under the Loan Agreement, the Borrower will execute and deliver to the Lender a Combination Mortgage, Security Agreement, and Fixture Financing Statement (the “Mortgage”) and an Assignment of Leases and Rents (the “Assignment of Leases and Rents”); and

WHEREAS, the Borrower may execute, deliver, or cause to be executed and delivered, to the Lender one or more security agreements and/or guaranties as security; and

WHEREAS, Port Authority management has reviewed the proposal to issue the Notes with the Credit Committee, all as more specifically set forth in the staff memorandum on file, and the Credit Committee recommends approval of this resolution, the issuance of the Notes,

and the execution of all documents outlined herein and in the staff memorandum, or otherwise necessary to the consummation of these transaction;

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

1. The Board hereby finds, determines, and declares that:

(a) The issuance and sale of the Notes, the execution and delivery by the Port Authority of the Loan Agreement and the Pledge Agreement, and the performance of all covenants and agreements of the Port Authority contained in the Loan Agreement and the Pledge Agreement are undertaken pursuant to the Development Act.

(b) It is hereby found and determined that the Project furthers the purposes set forth in the Development Act, and therefore the Project constitutes a “project” within the meaning of Section 469.153, subdivision 2(b) of the Development Act. The Port Authority acknowledges, finds, determines, and declares that the issuance of the Notes is authorized by the Development Act and is consistent with the purposes of the Development Act and that the issuance of the Notes and the other actions of the Port Authority under the Loan Agreement, the Pledge Agreement, and this resolution constitute a public purpose and are in the best interests of the Port Authority.

(c) The loan repayments to be made by the Borrower under the Loan Agreement are fixed to produce revenues sufficient to provide for the prompt payment of principal of, premium, if any, and interest on the Notes issued under this resolution when due, and the Loan Agreement also provides that the Borrower is required to pay all expenses of the operation and maintenance of the Project, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all lawfully imposed taxes and special assessments levied upon or with respect to the Project and payable during the term of the Loan Agreement.

(d) As provided in the Loan Agreement, the Notes shall not be payable from or charged upon any funds other than the revenues or funds and assets pledged to its payment, nor shall the Port Authority or the City be subject to any liability thereon, except as otherwise provided in this paragraph. No holder of the Notes shall ever have the right to compel any exercise by the Port Authority or by the City of its taxing powers to pay any of the Notes or the interest or premium thereon, or to enforce payment thereof against any property of the Port Authority or the City except the interests of the Port Authority in the Loan Agreement and the revenues and assets thereunder, which will be assigned to the Lender under the Pledge Agreement. The Notes shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Port Authority or the City, except the interests of the Port Authority in the Loan Agreement, and the revenues and assets thereunder, which will be assigned to the Lender under the Pledge Agreement. The Notes shall recite that the Notes are issued pursuant to the Development Act; that the Notes, including interest and premium, if any, thereon, are

payable solely from the revenues and assets pledged to the payment thereof; and that the Notes shall not constitute a debt of the Port Authority or the City within the meaning of any constitutional or statutory limitations.

2. In accordance with Section 469.154 of the Development Act, Port Authority staff are hereby authorized and directed to cause a draft copy of the DEED Application, together with drafts of all required attachments and exhibits, to be prepared by Kennedy & Graven, Chartered, as bond counsel ("Bond Counsel"). Port Authority staff and other officers, employees, attorneys, and agents of the Port Authority are hereby authorized to provide DEED with any information needed for this purpose, and Port Authority staff is authorized to initiate and assist in the preparation of such documents as may be deemed appropriate by Bond Counsel.

3. The Port Authority hereby authorizes the issuance of the Notes in a principal amount not to exceed \$5,500,000, subject to approval of the costs related to the Project by DEED. The Notes shall be issued pursuant to the terms set forth in the forms of Notes now on file with the Port Authority. The aggregate principal amount of the Notes, the interest rate of the Notes, the terms for adjustment of the interest rate on the Notes, the date of the documents referenced in this resolution and the Notes, and the terms of redemption of the Notes may be established or modified with the approval of the Port Authority. The execution and delivery of the Notes shall be conclusive evidence that the Port Authority has approved such terms as subsequently established or modified. The offer of the Lender to purchase the Notes at the price of par plus accrued interest, if any, to the date of delivery at the interest rate or rates specified in the Notes is hereby accepted.

4. The Notes shall be special, limited obligations of the Port Authority payable solely from the revenues provided by the Borrower pursuant to the Loan Agreement. The Board hereby authorizes and directs the Chair of the Port Authority (or any commissioner) and the President of the Port Authority (together, the "Port Authority Officials") to execute and deliver the Notes in substantially the forms now on file with the Port Authority. The Port Authority Officials are hereby authorized to execute and deliver any agreements with any depository institution, including any representation letter or amendment to any existing representation letter, in the event the Port Authority and the Lender elect to register the Notes in book-entry form.

5. The Loan Agreement and the Pledge Agreement are hereby approved in substantially the forms on file with the Port Authority on the date hereof. The terms of the Loan Agreement and the Pledge Agreement may be established or modified with the approval of the Port Authority. The execution and delivery of such documents shall be conclusive evidence that the Port Authority has approved such terms as subsequently established or modified. The Port Authority Officials are authorized and directed to execute and deliver the Loan Agreement and the Pledge Agreement. Copies of all of the documents necessary to the transaction herein described shall be delivered, filed, and recorded as provided herein and in the Loan Agreement.

6. The Port Authority Officials and other officers, employees, and agents of the Port Authority are hereby authorized and directed to prepare and furnish to Bond Counsel and the Lender certified copies of all proceedings and records of the Port Authority relating to the issuance of the Notes, including a certification of this resolution. Such officers, employees, and agents are hereby authorized to execute and deliver, on behalf of the Port Authority, all other certificates, instruments, and other written documents that may be requested by Bond Counsel, the Lender, or other persons or entities in conjunction with the issuance of the Notes. Without imposing any limitation on the scope of the preceding sentence, such officers, employees, and agents are specifically authorized to execute and deliver one or more certificates of the Port Authority, one or more endorsements of the Port Authority to the tax certificate of the Borrower, an Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, and all other documents and certificates as shall be necessary and appropriate in connection with the issuance, sale, and delivery of the Notes. The Port Authority hereby authorizes Kennedy & Graven, Chartered, acting as Bond Counsel, to prepare, execute, and deliver one or more approving legal opinions with respect to the Notes.

7. The Port Authority hereby authorizes the Borrower to provide such security for payment of its obligations under the Loan Agreement and for payment of the Notes, as is agreed upon by the Borrower and the Lender, and the Port Authority hereby approves the execution and delivery of such security, including but not limited to the Mortgage and the Assignment of Leases and Rents.

8. The United States Department of the Treasury has promulgated final regulations governing the use of the proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the Port Authority or a borrower from the Port Authority for project expenditures paid prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the Port Authority adopt a statement of official intent to reimburse an original expenditure not later than sixty (60) days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds occur within eighteen months after the later of: (i) the date the expenditure is paid; or (ii) the date the project is placed in service or abandoned, but in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

To the extent any portion of the proceeds of the Notes will be applied to expenditures with respect to the Project, the Port Authority reasonably expects to reimburse the Borrower for the expenditures made for costs of the Project from the proceeds of the Notes after the date of payment of all or a portion of such expenditures. All reimbursed expenditures shall be capital expenditures, costs of issuance of the Notes, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations and also qualifying expenditures under the Development Act.

9. All agreements, covenants, and obligations of the Port Authority contained herein and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the Port Authority to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the Port Authority and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the Board, or of any officer, employee, or agent of the Port Authority in that person's individual capacity. Neither the members of the Board nor any officer executing the Notes shall be liable personally on the Notes or be subject to any personal liability or accountability by reason of the issuance of the Notes.

10. Except as herein otherwise expressly provided, nothing herein or in the Loan Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm, or corporation other than the Port Authority and the registered and beneficial owners of the Notes, any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provision hereof or of the Loan Agreement or any provision thereof; this resolution, the Loan Agreement and all of their provisions being intended to be, and being for the sole and exclusive benefit of the Port Authority and the registered and beneficial owners of the Notes issued under the provisions of this resolution and the Loan Agreement, and the Borrower to the extent expressly provided in the Loan Agreement.

11. In case any one or more of the provisions of this resolution, other than the provisions contained in the first sentence of Section 4 hereof, or of the documents mentioned herein, or of the Notes issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Notes, but this resolution, the aforementioned documents, and the Notes shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein. If for any reason the Port Authority Officials, or any other officers, employees, or agents of the Port Authority authorized to execute certificates, instruments, or other written documents on behalf of the Port Authority, shall for any reason cease to be an officer, employee, or agent of the Port Authority after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Port Authority Officials are unable to execute and deliver the documents referred to in this resolution, such documents may be executed by any member of the Board or any officer of the Port Authority delegated the duties of such Port Authority Officials with the same force and effect as if such documents were executed and delivered by the Port Authority Officials.

12. The authority to approve, execute, and deliver future amendments to the Loan Agreement, the Pledge Agreement, and other financing documents entered into by the Port Authority in connection with the issuance of the Notes and the other transactions herein contemplated, is hereby delegated to the President of the Port Authority, subject to the following conditions: (i) such amendments do not require the consent of the holders of the Notes, or if such consent is required it has been obtained; (ii) such amendments do not

materially adversely affect the interests of the Port Authority as the issuer of the Notes; (iii) such amendments do not contravene or violate any policy of the Port Authority; and (iv) such amendments are acceptable in form and substance to Bond Counsel. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this resolution. The execution of any instrument by the Port Authority Officials shall be conclusive evidence of the approval of such instruments in accordance with the terms thereof.

13. The Borrower has agreed to pay directly or through the Port Authority any and all costs paid or incurred by the Port Authority in connection with the transactions authorized by this resolution, whether or not the Notes are issued.

14. This resolution shall take effect and be in force from and after its passage.

Adopted: January 22, 2019

PORT AUTHORITY OF THE CITY OF SAINT
PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: BOARD OF COMMISSIONERS

Meeting Date: January 22, 2019

From: Bruce A. Kessel



**Subject: APPROVAL OF DESIGNATED DEPOSITORIES OF THE PORT AUTHORITY
RESOLUTION NO. 4641**

Action Requested:

Approval of an updated list of financial institutions as designated depositories of the Port Authority, attached hereto as Exhibit A.

Background:

Minnesota Statutes Chapter 469.052 requires port authorities to designate depositories every two years and permits the governing body to authorize its treasurer or chief financial officer to make such designations. A governmental entity's deposits and investments must comply with Minnesota Statutes Chapter 118A, entitled "Deposit and Investment of Local Public Funds".

In the past, all banks with locations in Saint Paul and the East Metro, as well as the 4M Fund which was established by the League of Minnesota Cities, have been designated as depositories. Any deposits above insured amounts as established by FDIC or NCUA also will require collateralization in accordance with state statutes.

In conjunction with the PACE Program, several financial institutions are willing to fund PACE loans provided they have a temporary source that can be drawn on in the event that a PACE assessment is paid late. To achieve this, funds could be placed in an interest-bearing account at such institution to fund such a reserve. When the list of depositories was approved in August 2018, no credit unions in the east metro were included on the list. Several are interested in purchasing PACE loans provided we establish a reserve account. As such, we are requesting that they be added to the list of approved depositories.

Recommendation:

We recommend approval, as well as authorization for the President or their designee to execute all related documents necessary to establish and maintain the necessary account(s) and the authorization of the Chief Financial Officer to make or amend such designations hereafter.

Attachments: Exhibit A – List of financial institutions
Resolution

EXHIBIT A

General

4M Fund (Minnesota Municipal Money Market)

Saint Paul Area

Alliance Bank
Associated Bank
BankCherokee
BMO Harris Bank
Bridgewater Bank
Bremer Bank
Coulee Bank
Drake Bank
First Bank & Trust
First Farmers and Merchants Bank
Highland Bank
Old National Bank
Sunrise Banks
TCF Bank
US Bank
Wells Fargo
Western Bank

East Metro Area

Boundary Waters Bank
Lake Elmo Bank
Premier Banks

Credit Unions

Hiway Federal Credit Union
Spire Credit Union

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

[APPROVAL OF DESIGNATED DEPOSITORIES OF THE PORT AUTHORITY]

WHEREAS, pursuant to Minnesota Statute Chapter 469.052, all governmental entities are required to designate depositories every two years and a governmental entity's deposits and investments must comply with Minnesota Statutes Chapter 118A.

NOW THEREFORE, BE IT RESOLVED, that the financial institutions (Banks and Credit Unions) set forth on Exhibit A attached hereto are hereby designated depositories of the Port Authority of the City of Saint Paul. Any funds deposited in said institutions are to be insured by the appropriate United States Governmental entity (FDIC or NCUA) or collateralized in accordance with the appropriate state statute. Funds deposited in said Banks may be withdrawn by check, draft, or other orders when countersigned by the President or the Chief Financial Officer and impressed with facsimile signatures of the Chair and Treasurer. The President and Chief Financial Officer are authorized to endorse in the name of said Port Authority checks or other negotiable instruments for deposit in said account; and be it

FURTHER RESOLVED that the Banks are hereby authorized and directed to honor and pay any checks so drawn by any of said officers, whether said checks be payable to the order of the officer signing such checks, or any of said officers in their individual capacities or not, and whether such checks or drafts are deposited to the individual credit of any of the other officers, or not; and be it

FURTHER RESOLVED, that the Chief Financial Officer may designate one or more financial institutions as a depository of the Port Authority's funds and make investments of funds under Sections 118A.01 to 118A.06 or other applicable laws; and be it

FINALLY RESOLVED, that the authority granted by this Resolution shall be effective as of January 22, 2019 and shall expire on January 22, 2021.

Adopted: January 22, 2019

PORT AUTHORITY OF THE CITY OF
SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

EXHIBIT A

General

4M Fund (Minnesota Municipal Money Market)

Saint Paul Area

Alliance Bank
Associated Bank
BankCherokee
BMO Harris Bank
Bridgewater Bank
Bremer Bank
Coulee Bank
Drake Bank
First Bank & Trust
First Farmers and Merchants Bank
Highland Bank
Old National Bank
Sunrise Banks
TCF Bank
US Bank
Wells Fargo
Western Bank

East Metro Area

Boundary Waters Bank
Lake Elmo Bank
Premier Banks

Credit Unions

Hiway Federal Credit Union
Spire Credit Union

MEMORANDUM

To: BOARD OF COMMISSIONERS

Meeting Date: January 22, 2019

From: Eric D. Larson 

**Subject: 2019 GRANT APPLICATION AND ACCEPTANCE AUTHORIZATION
RESOLUTION NO. 4642**

Action Requested:

Approval for 2019 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.

At the May 22, 2012, April 23, 2013, December 17, 2013, December 16, 2014, December 15, 2015, January 24, 2017, and April 24, 2018 Board meetings, Board approval was given to Resolution Nos. 4426, 4457, 4490, 4525, 4560, 4590, and 4629 respectively, authorizing the application for and acceptance of financial or resource assistance for 2012, 2013, 2014, 2015, 2016, 2017, and 2018. This new resolution would authorize this assistance for 2019.

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**

[2019 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, 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 2019, 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: January 22, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: BOARD OF COMMISSIONERS **Meeting Date:** January 22, 2019

From: Ava Langston-Kenney *ALK*

Subject: **ACCEPTANCE OF GRANT FUNDING FROM MINNESOTA'S PORT DEVELOPMENT ASSISTANCE PROGRAM FOR A DIRECT BARGE-RAIL-TRUCK TRANSLOAD FACILITY AT SOUTHPORT TERMINAL WITH ALTER LOGISTICS COMPANY
RESOLUTION NO. 4643**

Action Requested:

Approval for the Port Authority to accept, receive and administer funding from the Minnesota Port Development Assistance Program for a grant in the amount of \$1,818,050 for final design and construction of a Direct Barge-Rail-Truck Transload Facility located in the Southport Terminal, Alter Logistics Company, 801 Barge Channel Road, Saint Paul, Minnesota.

Background:

Commercial navigation on the Mississippi River enhances our regional economy by providing a cost effective, environmentally sound way to transport commodities to global markets. This project will increase the Port Authority's capacity to provide terminal access for river shipping.

The Minnesota Port Development Assistance (PDA) Program has provided the Port Authority with grant dollars for capital improvements in the Saint Paul Harbor since 1996. The Ports & Waterways Section of MNDOT administers the Program which is funded by State Legislature. The grant requires a minimum local match of 20% of the improvement cost.

This Project proposes to:

- Rehabilitate an existing rail spur
- Install a new rail spur
- Install a reinforced load/unloading pad and associated road paving to improve traffic circulation within the Project. See Attachment 1 - A map, depicting the project site and its surrounding area.

The facility currently has some limited rail access and is served by the Union Pacific Railroad, a Class 1 rail line. Installing a new rail spur and rehabilitating the existing rail spur would greatly enhance the terminal's ability to transload to/from barge and rail for all commodities/freight as well as provide the ability to move oversized freight unable to be trucked over long distances on the highway system. Alter Logistics is leasing approximately 22.33 acres of land from the Port Authority in Southport Terminal. Their lease runs from April 1, 1981 through March 31, 2021 with eight five-year renewal options and one final four-year renewal option that would extend their lease to March 31, 2035.

The Port Authority is working with Alter Logistics concerning funding for all Project costs not covered by the PDA grant; thus, more than meeting the 20% match required by the PDA grant. The Port Authority does not anticipate participating in the Project costs. In the event the Port Authority would need to do so, the Port Authority will use its River Maintenance funds.

Accordingly, this Project adds to Southport Terminal's capacity to move overweight and oversize freight directly from a barge to rail as well as to a truck, providing maximum intermodal flexibility to the terminal. The Project has the added advantage of reducing fugitive dust and idling CO2 and NOx emissions, which improve the air quality for terminal workers and the surrounding community.

This Project is the first phase of a larger Southport Terminal Intermodal Improvement Project.

Projected Construction Transload Facility Cost:

<u>SOURCE OF FUNDS</u>	<u>COST</u>
PDA Grant	\$ 1,818,050
Alter Logistics	\$ 681,950 ¹
SPPA River Maintenance Funds	
Total Project Estimated Cost	\$ 2,500,000

Recommendation:

Approval for the Port Authority to accept, receive and administer \$1,818,050 of grant funds awarded by the Port Development Assistance Program for the construction of a new rail spur extension, rehabilitation of a connecting rail spur, and paving of a reinforced load/unloading pad including associated circulation road paving at the Southport Terminal – Alter Logistics, 801 Barge Channel Road, Saint Paul, Minnesota.

Attachments: Map
 Resolution

¹The projected costs are initial estimates subject to securing a construction bid and a resulting construction contract, these and other construction-related details are still to be determined. As a result, Alter Logistics' actual contribution may well vary from this estimate.

SPPA Southport Terminal Alter Direct Barge-Rail-Truck Transload Facility



Ramsey County

Project Area

Dakota County

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

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The Saint Paul Port Authority specially disclaims all warranties, expressed or implied, including but not limited to implied warranties of fitness for a particular purpose, with respect to the information contained on this map. The Saint Paul Port Authority shall have no liability with respect to any loss or damage directly or indirectly arising out of the use of this data.



 Project Area



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

**[ACCEPTANCE OF GRANT FUNDING FROM MINNESOTA'S
PORT DEVELOPMENT ASSISTANCE PROGRAM FOR A DIRECT
BARGE-RAIL-TRUCK TRANSLOAD FACILITY AT THE 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, the district of the Port Authority is the City of Saint Paul.

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.

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

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

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

WHEREAS, under Minn. Stat. § 469.084, Subd. 8, the Port Authority 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).

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.

WHEREAS, the Port Authority desires to request and accept a grant from the Minnesota Port Development Assistance (PDA) Program in the amount of \$1,818,050 for a direct barge-rail-truck transload facility at the Southport Terminal, Alter Logistics, 801 Barge Channel Road, Saint Paul, Minnesota.

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

That the President is hereby encouraged and authorized to request and accept, if awarded, a grant from the Minnesota Port Development Assistance (PDA) Program in the amount of \$1,818,050 for a direct barge-rail-truck transload facility located in the Southport Terminal.

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 the grant application and secure its receipt, including any matching fund requirements.

Adopted: January 22, 2019

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS

Meeting Date: January 22, 2019

From: Ava Langston-Kenney

ARK-K

Subject: **ACCEPTANCE OF GRANT FUNDING FROM MINNESOTA'S PORT DEVELOPMENT ASSISTANCE GRANT PROGRAM FOR A BARGE RECEIVING SYSTEM AT BARGE TERMINAL NO. 1 WITH BTHREE, LLC
RESOLUTION NO. 4644**

Action Requested:

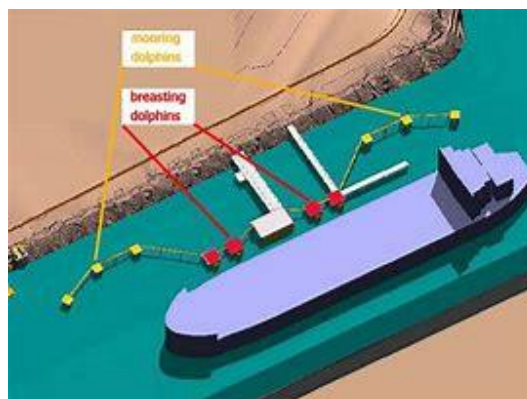
Approval for the Port Authority to accept, receive and administer funding from the Minnesota Port Development Assistance Program for a grant in the amount of \$2,590,000 for construction of a new Barge Receiving System located at Barge Terminal No. 1, BThree, LLC, 2145 Childs Road, Saint Paul, Minnesota.

Background:

Commercial navigation on the Mississippi River enhances our regional economy by providing a cost-effective, environmentally-sound way to transport commodities to global markets. This project will increase the Port Authority's capacity to provide terminal access for river shipping.

The Minnesota Port Development Assistance (PDA) Program has provided the Port Authority with grant dollars for capital improvements in the Saint Paul Harbor since 1996. The Ports & Waterways Section of MNDOT administers the Program which is funded by State Legislature. The grant requires a minimum local match of 20% of the improvement cost.

This Project includes the installation of a new barge receiving system complete with a new bulkhead (dockwall) equipment platform, two barge breasting dolphins, (illustrated below), as



well as, the construction of a new barge access bridge and walkway and a new underground pneumatic transport pipeline from the waterfront to the storage tanks located at the tenant site at 2145 Childs Road in Barge Terminal No. 1. See Attachment 1 - A map depicting the project site and its surrounding area.

Constructing the Barge Receiving System at Barge Terminal No. 1 will provide a water-borne commodities/freight-handling system where the old loading cell is no longer useable. Installation of this new system and equipment will increase Barge Terminal No. 1's capacity for barge unloading, adding an estimated 65,000-110,000 tons of cementitious commodity materials transferred each year. BThree, LLC is leasing approximately 3.5 acres of land from the Port Authority in Barge Terminal No. 1. Their lease runs from January 1, 2016 through December 31, 2025 with two five-year renewal options that would extend their lease to 2035. This Project will position this important inland river terminal to take full advantage of economic development opportunities in the long term.

Overall Project Budget:

<u>SOURCE OF FUNDS</u>	<u>Barge Receiving System</u>
PDA Grant	\$ 2,590,000
BThree, LLC	\$ 648,000
SPPA River Maintenance Funds	
Total Project Estimate	\$ 3,238,000

Recommendation:

Approval for the Port Authority of the City of Saint Paul to accept, receive and administer \$2,590,000 of grant funds awarded by the Port Development Assistance Program for the construction of a new Barge Receiving System located in Barge Terminal No. 1, BThree, LLC, 2145 Childs Road, Saint Paul, Minnesota.

Attachments: Map
 Resolution

SPPA: PDAP-BT1 Barge Receiving System Project Area



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

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SPPA: PDAP-BT1 Barge Receiving System Project Area

 Project Area



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

**[ACCEPTANCE OF GRANT FUNDING FROM MINNESOTA'S
PORT DEVELOPMENT ASSISTANCE PROGRAM FOR A BARGE
RECEIVING SYSTEM AT BARGE TERMINAL NO. 1 WITH BTHREE, LLC]**

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 district of the Port Authority is the City of Saint Paul.

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.

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

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

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

WHEREAS, under Minn. Stat. § 469.084, Subd. 8, the Port Authority 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).

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.

WHEREAS, the Port Authority desires to request and accept a grant from the Minnesota Port Development Assistance (PDA) Program in the amount of \$2,590,000 for a barge receiving system at Barge Terminal No. 1, BThree, LLC, 2145 Childs Road, Saint Paul, Minnesota.

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

That the President is hereby encouraged and authorized to request and accept, if awarded, a grant from the Minnesota Port Development Assistance (PDA) Program in the amount of \$2,590,000 for a barge receiving system at Barge Terminal No. 1.

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 the grant application and secure its receipt, including any matching fund requirements.

Adopted: January 22, 2019

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS

Meeting Date: January 22, 2019

From: Kathryn L. Sarnecki 

**Subject: ACCEPTANCE OF GRANT FUNDING FROM MINNESOTA'S PORT DEVELOPMENT ASSISTANCE PROGRAM FOR FENDER REPLACEMENT PROJECT AT BARGE TERMINAL NO. 1
RESOLUTION NO. 4645**

Action Requested:

Approval for the Port Authority to accept, receive and administer \$108,295 of grant funding from the Minnesota Port Development Assistance Program for replacement of fenders along the dock wall located at Barge Terminal No. 1, utilized at Aggregate Industries leased property, 1177 Childs Road, Saint Paul, Minnesota.

Background:

Commercial navigation on the Mississippi River enhances our regional economy by providing a cost effective, environmentally sound way to transport commodities to global markets. This project will increase the Port Authority's capacity to provide terminal access for river shipping.

The Minnesota Port Development Assistance (PDA) Program has provided the Port Authority with grant dollars for capital improvements in the Saint Paul Harbor since 1996. The Ports & Waterways Section of MNDOT administers the Program which is funded by State Legislature. The grant requires a local match of 20% of the improvement cost.

Aggregate Industries is leasing approximately 15 acres of land from the Port Authority in Barge Terminal No. 1 and said Lease runs from December 31, 2014 through December 30, 2029, with two five-year options, which would extend said Lease out to December 30, 2039.

In 2015, the Saint Paul Port Authority received PDA Grant #00839 to repair the dockwall at Barge Terminal No. 1 at properties leased to Aggregate Industries and Hawkins, Inc. The total project cost was \$2,495,000. Since completion, some of the fenders have not been able to withstand the forces applied by Aggregate Industries' day-to-day operations. The Port Authority and Aggregate Industries design did not account for their need to move the barges (once docked/moored) by sliding them along the dockwall. The designed fenders are rubber which has been great for absorbing impact, however, because of the curvature of the wall, these rubber fenders are getting stuck on the barge corners hindering the movement of barges during unloading. As a result, more force is used to move the barges and the fenders become warped and shredded and then unable to effectively protect the new wall face.

Aggregate Industries contributed \$800,000 to the dockwall repairs. Of that contribution, \$700,000 was used during construction, and the remaining \$100,000 will be used to replace the damaged fenders. Additionally, Aggregate Industries annually contributes \$35,000 to our river maintenance fund to be used for common area maintenance.

The Port Authority requested and has been awarded remaining available PDA grant dollars in the amount of \$108,295 to replace the damaged fenders and add additional horizontal fenders to protect the new dockwall. This project will position this important inland river terminal to take full advantage of economic development opportunities in the long-term. See Attachment 1 - A map, depicting the project site and its surrounding area.

Overall Project Budget:

<u>SOURCE OF FUNDS</u>	<u>2015 DOCK WALL REPAIR COST</u>	<u>2019 FENDER REPLACEMENT COST</u>
PDA Grant	\$ 1,395,000	\$108,295
Aggregate Industries	\$700,000	\$100,000
SPPA River Maintenance (includes other tenant contributions)	\$400,000	\$78,155
Total Cost	\$ 2,495,000	\$286,450

Recommendation:

Approval for the Port Authority to accept, receive and administer \$108,295 of grant funds awarded by the Port Development Assistance Program for the replacement of fenders along 725 feet of dockwall located at Barge Terminal No. 1, Aggregate Industries, 1177 Childs Road, Saint Paul, Minnesota.

Attachments: Map
 Resolution

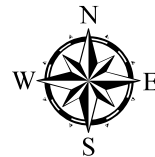
SPPA: PDAP-BT1 Barge Terminal #1 Fender Replacement



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

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SPPA: PDAP-BT1 Barge Terminal #1 Fender Replacement

 Project Area



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

**[ACCEPTANCE OF GRANT FUNDING FROM MINNESOTA'S PORT DEVELOPMENT
ASSISTANCE PROGRAM FOR FENDER REPLACEMENT PROJECT AT BARGE TERMINAL NO. 1]**

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 district of the Port Authority is the City of Saint Paul.

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.

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

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

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

WHEREAS, under Minn. Stat. § 469.084, Subd. 8, the Port Authority 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).

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.

WHEREAS, the Port Authority desires to request and accept a grant from the Minnesota Port Development Assistance (PDA) Program in the amount of \$108,295 for the replacement of fenders along the dockwall located in Barge Terminal No. 1, Aggregate Industries, 1177 Childs Road, Saint Paul, Minnesota.

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

That the President is hereby encouraged and authorized to request and accept, if awarded, a grant from the Minnesota Port Development Assistance (PDA) Program in the amount of \$108,295 for the replacement of fenders along the dockwall located in Barge Terminal No. 1, Aggregate Industries, 1177 Childs Road, Saint Paul, Minnesota.

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 the grant application and secure its receipt, including any matching fund requirements.

Adopted: January 22, 2019

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS

Meeting Date: January 22, 2019

From: Kathryn L. Sarnecki 

**Subject: 2018-2022 LEASE – ORIGATION, INC. AT 637 BARGE CHANNEL ROAD -
SOUTHPORT TERMINAL
RESOLUTION NO: 4646**

Action Requested:

Approval of a five-year Lease for leased premises with dockwall access at 637 Barge Channel Road, Saint Paul, Minnesota in the Southport Terminal with Origination, Inc.

Background:

The Port Authority previously licensed the area adjacent to the highdock wall at the Southport Terminal. Origination has had five consecutive years of use under our license agreements and would like to be able to plan river shipping transportation for more than one year at a time. Therefore, we are considering a five-year lease of the same areas as were previously covered under a license agreement.

The leased area will consist of a barge loading area that is 600 linear feet of the high dockwall at the Southport slip consisting of up to six barge stations (three along the wall and staged two-deep off the wall). The leased area includes 50 feet northeast (perpendicular) to the dockwall for a leased area of 30,000 square feet of land (the “Leased Premises”) at 637 Barge Channel Road in the Southport Terminal in Saint Paul, Minnesota. A map depicting the area is attached hereto for your reference. This Lease with Origination, Inc. goes back to January 1, 2018 and is to exist through December 31, 2022. The Leased Premises is primarily used for the loading and unloading of bulk commodities.

Lease Terms and Conditions:

Proposed Lease: January 1, 2018 to December 31, 2022

Annual rental rate adjustments 3.0% per year (with a multiplier of 1.030)

Base Rent	Annual Rent	Per Square Foot	Square Feet Included
Jan. 1, 2018 – Dec. 31, 2018	\$7,500	0.25	30,000
Jan. 1, 2019 – Dec. 31, 2019	\$7,725	0.2575	30,000
Jan. 1, 2020 – Dec. 31, 2020	\$7,950	0.265	30,000
Jan. 1, 2021 – Dec. 31, 2021	\$8,190	0.273	30,000
Jan. 1, 2022 – Dec. 31, 2022	\$8,430	0.281	30,000

Tonnage fees will be \$0.25 per ton of product moved through the site.

Origination previously paid an annual \$5,000 license fee but had non-exclusive rights. The proposed lease gives them exclusive rights as long as they unload for all public clients and also makes them responsible for maintenance. These rental rates are in line with the other comparable leases in our river terminals. 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 Obligations:

Origination is obligated to load/unload product for public clients at market rates. Origination and other Southport tenants are responsible for dockwall and common area (including roadways and stormwater management areas) maintenance and repairs.

Recommendation:

Approval of the 2018 Lease for the Leased Premises at 637 Barge Channel Road, Saint Paul, Minnesota, in the Southport Terminal for Origination, Inc.

Attachment: Map
Resolution



Southport Terminal

Barge Staging 2018 - 2022

Legend

-  NOPARKING_STAGINGAREA
-  LOWDOCK
-  Ingredient Transport Lease
-  Ingredient Transport Barge Stations
-  Origination Lease
-  50' x 600' Land Area Lease



380 St. Peter Street
Suite 650
St. Paul, MN 55102
(651) 224-5686
www.sppa.com



**RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL
[2018-2022 LEASE WITH ORIGATION, INC. AT
637 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, the Port Authority wants to enter into a five-year Lease for leased premises with dockwall access at 637 Barge Channel Road, Saint Paul, Minnesota in the Southport Terminal with Origination, Inc. (the “Tenant”), which adjusts the rates in the Lease through December 31, 2022 as set forth below:

Base Rent	Annual Rent	Per Square Foot	Square Feet Included
Jan. 1, 2018 – Dec. 31, 2018	\$7,500	0.25	30,000
Jan. 1, 2019 – Dec. 31, 2019	\$7,725	0.2575	30,000
Jan. 1, 2020 – Dec. 31, 2020	\$7,950	0.265	30,000
Jan. 1, 2021 – Dec. 31, 2021	\$8,190	0.273	30,000
Jan. 1, 2022 – Dec. 31, 2022	\$8,430	0.281	30,000

WHEREAS, tonnage fees will be set at \$0.25 per ton of product moved through the site.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed 2018 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 Lease in accordance with the above-referenced terms in the form as approved by counsel.

Adopted: January 22, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL


By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS **Meeting Date:** January 22, 2019

From: Kathryn L. Sarnecki 

Subject: **2019 LEASE AMENDMENT AND RENTAL RATE ADJUSTMENTS – HAWKINS, INC.
AT 701 BARGE CHANNEL ROAD AND 0 BARGE CHANNEL ROAD-SOUTHPORT
TERMINAL
RESOLUTION NO. 4647**

Action Requested:

Approval for two 2019 lease amendment and rental rate adjustments for leased premises at 701 Barge Channel Road and 0 Barge Channel Road in the Southport Terminal with Hawkins, Inc.

Background:

The Port Authority leased 2.1757 acres (94,774 sq/ft) at 701 Barge Channel Road and 1.0542 acres (45,921 sq/ft) at 0 Barge Channel Road in the Southport Terminal in Saint Paul, Minnesota to Hawkins, Inc. with a separate Lease for each property extending to December 31, 2034, with two five-year periods extending the Leases to December 31, 2044 (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 Leases: Through December 31, 2034

Current Options to Renew: Two five-year periods to December 31, 2044

Proposed Five-Year Rental Rate Adjustment: January 1, 2019 through December 31, 2023

Annual rental rate adjustments for both five-year periods are 3.5% per year (with a multiplier of 1.035).

701 Barge Channel Road:

Base Rent	Annual Rent	Per Square Foot	Square Feet Included
Jan. 1, 2019 – Dec. 31, 2019	\$27,563.59	0.291	94,774
Jan. 1, 2020 – Dec. 31, 2020	\$28,528.31	0.301	94,774
Jan. 1, 2021 – Dec. 31, 2021	\$29,526.80	0.312	94,774
Jan. 1, 2022 – Dec. 31, 2022	\$30,560.24	0.322	94,774
Jan. 1, 2023 – Dec. 31, 2023	\$31,629.85	0.334	94,774

0 Barge Channel Road:

Base Rent	Annual Rent	Per Square Foot	Square Feet Included
Jan. 1, 2019 – Dec. 31, 2019	\$13,355.43	0.291	45,921
Jan. 1, 2020 – Dec. 31, 2020	\$13,822.87	0.301	45,921
Jan. 1, 2021 – Dec. 31, 2021	\$14,306.67	0.312	45,921
Jan. 1, 2022 – Dec. 31, 2022	\$14,807.40	0.322	45,921
Jan. 1, 2023 – Dec. 31, 2023	\$15,325.66	0.334	45,921

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.

These rental rates are in line with the other comparable leases in our river terminals. 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:

Pursuant to the agreement in the current Leases (2014 and 2015), it was tenant's responsibility to invest at least \$1.5 million in capital improvements at each leased location. Since 2015, tenant has invested a total of \$5.9 million on the two properties combined; this includes: construction of 8 new storage tanks, new tank and truck containment areas, and new rail spur with rail containment structures, all with associated roadways and stormwater pond.

Recommendation:

Approval for the 2019 lease amendment and rental rate adjustment for the Leased Premises at 701 Barge Channel Road and 0 Barge Channel Road in the Southport Terminal for Hawkins, Inc.

Attachment: Map
Resolution

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

**[2019 LEASE AMENDMENT AND RENTAL RATE ADJUSTMENTS – HAWKINS, INC. AT
701 BARGE CHANNEL ROAD AND 0 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, the Port Authority wants to enter into two 2019 Lease Amendment and Rental Rate Adjustments for leased premises at 701 Barge Channel Road and 0 Barge Channel Road in the Southport Terminal with Hawkins, Inc. (the “Tenant”), which adjust the rates in the Leases through December 31, 2023 as set forth below:

701 Barge Channel Road:

Base Rent	Period Total	Per Square Foot	Square Feet Included
Jan. 1, 2019 – Dec. 31, 2019	\$27,563.59	0.291	94,774
Jan. 1, 2020 – Dec. 31, 2020	\$28,528.31	0.301	94,774
Jan. 1, 2021 – Dec. 31, 2021	\$29,526.80	0.312	94,774
Jan. 1, 2022 – Dec. 31, 2022	\$30,560.24	0.322	94,774
Jan. 1, 2023 – Dec. 31, 2023	\$31,629.85	0.334	94,774

0 Barge Channel Road:

Base Rent	Period Total	Per Square Foot	Square Feet Included
Jan. 1, 2019 – Dec. 31, 2019	\$13,355.43	0.291	45,921
Jan. 1, 2020 – Dec. 31, 2020	\$13,822.87	0.301	45,921
Jan. 1, 2021 – Dec. 31, 2021	\$14,306.67	0.312	45,921
Jan. 1, 2022 – Dec. 31, 2022	\$14,807.40	0.322	45,921
Jan. 1, 2023 – Dec. 31, 2023	\$15,325.66	0.334	45,921

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 Leases.

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 Amendment and Rental Rate Adjustments, 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 two Lease Amendments in accordance with the above-referenced terms in form as approved by counsel.

Adopted: January 22, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____