

**Regular Board Meeting**

January 23, 2018 - 2:00 p.m.

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

**Minutes**

Approval of minutes from the November 28, 2017 Regular Board Meeting

**Conflict of Interest**

Conflicts with any items on the agenda

**New Business**

**Credit Committee**

1. Resolution No. 4621 - Fund Allocation
2. Resolution No. 4622 - **Public Hearing** – Conveyance of Land to Camada Limited Partnership/Vomela Companies – Beacon Bluff – Parcel 2
3. Resolution No. 4623 - **Public Hearing** - Conveyance of Land to Yeadon Real Estate, LLC/ Yeadon Domes – Beacon Bluff – Parcel 4 West
4. Resolution No. 4624 - Grant Application to Minnesota Department of Transportation Corridors of Commerce Grant Program for Construction of a Grade Separated Entrance to Southport Terminal

**General Matters**

1. Legislative update by Kevin Walli, Fryberger Law Firm
2. Resolution No. 4625 - Tribute to the late Howard Guthmann
3. Such other business that may come before the Board

**PORT AUTHORITY OF THE CITY OF SAINT PAUL  
MINUTES OF THE REGULAR BOARD MEETING  
NOVEMBER 28, 2017**

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The regular meeting of the Port Authority Board was held on November 28, 2017 at 2:00 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:

John Bennett

Paul Williams

John Marshall

Don Mullin

Nneka Constantino

Also present were the following:

Lee Krueger

Laurie Hansen

Pete Klein

Bruce Kessel

Michael Linder

Dana Krueger

Sarah Savelle

Ava Langston-Kenney

Linda Williams

Ann Kosel

Keith Mensah

Laurie Siever

Andrea Novak

Kathryn Sarnecki

Eric Larson, General Counsel, City of Saint Paul

**APPROVAL OF MINUTES**

Motion was made by Commissioner Mullin to approve the minutes of the Board meeting held on October 24, 2017. The motion was seconded by Commissioner Williams, submitted to a vote and carried unanimously.

**CONFLICT OF INTEREST**

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

**NEW BUSINESS**

**ADMINISTRATIVE**

**RESOLUTION NO. 4616  
CERTIFICATION OF TAX LEVY**

Motion was made by Commissioner Marshall to approve Resolution No. 4616 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. 4617**  
**APPOINTMENT OF PENSION COMMITTEE MEMBERS**

Motion was made by Commissioner Marshall to approve Resolution No. 4617 which was reviewed by the Administrative Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

**2018 BUDGET**

Motion was made by Commissioner Marshall to approve the Port Authority's 2018 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.

**SEPTEMBER 2017 YEAR-TO-DATE FINANCIAL STATEMENTS**

Motion was made by Commissioner Marshall to accept the Port Authority's September 2017 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.

**CREDIT COMMITTEE**

**RESOLUTION NO. 4618**  
**RENEW ARMY CORPS OF ENGINEERS LICENSE AGREEMENT TO DEPOSIT  
DREDGE MATERIALS ON SOUTHPORT DREDGE MATERIAL MANAGEMENT FACILITY**

Motion was made by Commissioner Williams to approve Resolution No. 4618 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

**RESOLUTION NO. 4619**  
**2018 LEASE AMENDMENT AND RENTAL RATE**  
**ADJUSTMENT – FLINT HILLS RESOURCES PINE BEND, LLC**

Motion was made by Commissioner Williams to approve Resolution No. 4619 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

**RESOLUTION NO. 4620**  
**AWARD OF CONTRACT – ENERGY PARK UTILITY COMPANY BOILER REPLACEMENT**

Motion was made by Commissioner Williams to approve Resolution No. 4620 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

## **GENERAL MATTERS**


President Krueger presented the Board with a summary of the Port Authority's 2017 goals.

There being no further business, the meeting was adjourned at 2:25 p.m.

By: \_\_\_\_\_

Its: \_\_\_\_\_

## MEMORANDUM

**To:** BOARD OF COMMISSIONERS  
**From:** Laurie Hansen   
**Subject:** **FUND ALLOCATION  
RESOLUTION NO. 4621**

**Meeting Date:** January 23, 2018

**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, 2017 for use in the 2017 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"><li>• Fund grants &amp; loans</li><li>• Promote business retention &amp; attraction</li><li>• Enhance job creation</li><li>• Assist businesses moving to “green” practice</li></ul>

<p>Loan &amp; Grant Funds</p> <ul style="list-style-type: none"> <li>• Business Development Fund</li> <li>• Trillion BTU Energy Efficiency Loan Program</li> <li>• Energy Savings Partnership</li> <li>• EPA Revolving Loan Funds</li> </ul>	<p>Provide loan, grant, and guarantee funds as allowed by the program agreements.</p>
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**Recommendation:**

We recommend approval of the resolution to restrict Port Authority funds to specific uses as 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, 2017, 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: January 23, 2018

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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Its Chair

ATTEST:

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Its Secretary



## MEMORANDUM

**To:** BOARD OF COMMISSIONERS

**Meeting Date:** January 23, 2018

**From:** Monte Hilleman



**Subject: PUBLIC HEARING - CONVEYANCE OF LAND TO CAMADA LIMITED  
PARTNERSHIP/VOMELA COMPANIES – BEACON BLUFF – PARCEL 2  
RESOLUTION NO. 4622**

**Action Requested:**

Approval of the sale of approximately 11.5 acres of land to Camada Limited Partnership for the construction of an approximately 250- 300,000 square foot office/warehouse/manufacturing facility for the Vomela Companies.

**Background:**

The Port Authority acquired the former 3M world headquarters facility in 2008 and 2009, remediated the site and installed infrastructure from 2010-2012, and immediately began recruiting companies to the site, now Beacon Bluff Business Center. The subject property is the largest shovel-ready developable land site for industrial development in the City of Saint Paul. If approved, the proposed user, the Vomela Companies, will bring at least 230 employees to the site over ten years and contribute approximately \$750,000 in annual property taxes. On a square footage basis, this will be the second largest development ever within a Port Authority business center.

The proposed buyer, Camada Limited Partnership, operates the Vomela Companies, a network of printing companies currently headquartered in leased and owned space in the West Side Flats neighborhood of Saint Paul. Vomela was founded in 1947 as a printing and die-cutting company and purchased by the Auth family in 1990. The company has since grown through acquisitions to be one of the preeminent printing companies in America with twenty locations in the US and Canada. Vomela produces collateral, point-of-purchase, store décor, event and exhibit, and transit and vehicle printing across several industries. The Vomela Companies will utilize the facility for its North American headquarters. It will encompass office and administrative functions, manufacturing of printed goods, warehousing and distribution.

Vomela's current average hourly rate is approximately \$17.00/hour and will be between \$17-18.00/hour in the new facility. The minimum hourly wage paid at the facility will be no lower than \$12.61/hour. Employees are offered health, dental, life and disability benefits in addition to profit sharing and retirement benefits.

Attached is a memo outlining the terms of the land conveyance transaction with Camada Limited Partnership for the property located at Beacon Bluff Business Center, Parcel 2 (see attached).

**Recommendation:**

We recommend approval of the conveyance of land to Camada Limited Partnership.

Attachment

**SAINT PAUL PORT AUTHORITY  
LAND CONVEYANCE TRANSACTION**

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**Action Requested:**

To approve the sale of real property, generally located along Phalen Boulevard at Arcade Street, bounded by Arcade Street, Phalen Boulevard, Minnehaha Avenue, and Forest Street, for the construction of an office/warehouse/manufacturing facility for the Vomela Companies.

**Development Officer:**

Monte M. Hilleman

**Grantee:**

Camada Limited Partnership, a Minnesota limited partnership

**Grantee Address:**

Camada Limited Partnership  
c/o Camada, Inc.  
274 Fillmore Avenue  
Saint Paul, MN 55107  
Attn: Mark T. Auth, President

**Location of Property to be Conveyed:**

The site is as per the attached site plan and measures approximately 11.5 acres.

**Conveyance Structure:**

Conveyance of land via Limited Warranty Deed. The property is being sold for \$1.00 plus buyer obligations that include adherence to the Beacon Bluff protective covenants and entering into a Port Authority Workforce Agreement. Both buyer and seller have conditions that must be met prior to transferring title of the real estate. Buyer's contingencies include site and building approvals, its Board approval, and financing. The Port Authority's contingencies include Board of Commissioner's approval and approval of the buyer's site and architectural design and buyer's financing. The closing is anticipated to take place June 1, 2018 with construction commencing within 60 days thereafter. Full occupancy is anticipated late 2019.

Other terms and conditions of the proposed purchase agreement include:

- A. The buyer has agreed to analyze and implement sustainable design concepts, as appropriate, into the design of their facility.
- B. The buyer has agreed to pay a \$100,000 earnest money deposit which is held by seller until the completion of the building and site improvements.

- C. The buyer has agreed to pay \$126,600 as reimbursement of certain redevelopment costs incurred by the Port in connection with preparing the property for sale.
- D. Buyer has agreed to pay prevailing wages, or more, for all skilled and unskilled labor for the proposed construction and enter into a Project Labor Agreement.
- E. At closing, the buyer will enter into the Port Authority's Job Training and Workforce Agreement. This agreement calls for the following:
  - 1. The buyer has agreed to bring a workforce of at least 180 full-time equivalent employees to the site and add five employees each year of the ten-year term, for a total of 230 employees by year ten.
  - 2. All employees will be paid at or above the Ports minimum goal of \$12.61 per hour, with additional benefits.
  - 3. The buyer has agreed to make a good faith effort to ensure that at least 70% of all newly hired employees are residents of the City of Saint Paul, and to work with, the Port and its neighborhood workforce service providers to achieve this goal.
- F. Workforce agreement defaults are subject to a penalty of \$3,000 per year/per employee default, capped at the value of the subsidy, which is approximately \$1,000,000. The penalty cap decreases 10% each year in years 6-10.

**Nature of Intended Use:**

The Vomela Companies will utilize the facility for its North American headquarters. It will encompass office and administrative functions, manufacturing of printed goods, warehousing and distribution.

**Business Subsidy Agreement:**

A business subsidy agreement is required for this transaction.

**Exception from Port's Development Criteria/Covenants:**

The Port Authority's Development Criteria for our business centers calls for a minimum of one job per 1,000 square feet of building. The Vomela Companies are willing to enter into a workforce agreement with a starting FTE count of 180 and grow an additional 50 jobs over ten years resulting in 230 jobs in a 250-300,000 square foot facility, which is slightly below the Port's job density goal on a square footage basis.

**Development Officer's Comments:**

Our Development Criteria call for a minimum 35% building-to-land coverage, and building a typical Port business center office/warehouse facility much beyond that density can require extraordinary costs. At 35% coverage, the subject property has been marketed and projected for

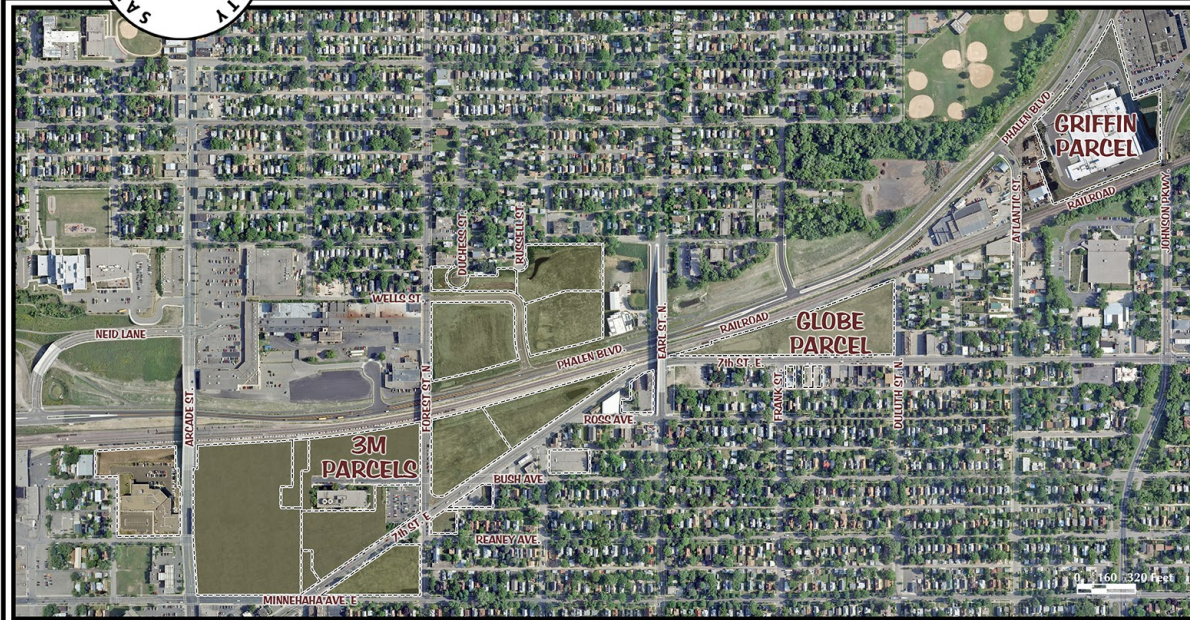
years to house an approximate 175,000 square foot office/warehouse building which would mean 175 jobs at 1 per 1,000 square feet. However, the facility proposed by Vomela is substantively larger than anything previously projected for the site. The facility will contribute approximately \$100,000 more in annual property taxes than projections, and create and retain at least as many jobs as the 175 jobs projected for the site, and likely more. To accomplish this additional density, Vomela will incur substantial additional construction costs associated with raising the grade of the site (over \$1,000,000), reconfiguring stormwater management (likely under the parking lot), and building retaining wall(s). While the job density number may be below our target on a square footage basis, this project will deliver more economic development impact at the site than we have historically modelled. The facility will be one of the largest printing facilities in the United States and therefore have intrinsic asset value well into the future. This project also retains a very healthy long time Saint Paul business with low barrier to entry jobs that is willing to invest in being at the site. This project continues to show that Saint Paul is open for business and that the East Side is ripe for investment.

I recommend approval of the conveyance of land to Camada Limited Partnership.





# BEACON BLUFF BUSINESS CENTER



## KEY

PARCELS





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

**[CONVEYANCE OF LAND TO CAMADA LIMITED PARTNERSHIP/VOMELA  
COMPANIES – BEACON BLUFF – PARCEL 2]**

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 at Beacon Bluff Business Center, Parcel 2, 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 January 23, 2018, at which hearing all taxpayers in the port district, both for and against the conveyance, were allowed to state their views.

WHEREAS, Camada Limited Partnership ("Camada") has entered into a Purchase Agreement to purchase real estate at Beacon Bluff Business Center, Parcel 2, 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 and directed 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 and directed to complete and execute all documents necessary to convey title in form as approved by counsel.

Adopted: \_\_\_\_\_

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

Attest:

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



## MEMORANDUM

**To:** BOARD OF COMMISSIONERS

**Meeting Date:** January 23, 2018

**From:** Monte Hilleman



**Subject: PUBLIC HEARING - CONVEYANCE OF LAND TO YEADON REAL ESTATE, LLC/YEADON DOMES – BEACON BLUFF – PARCEL 4 WEST  
RESOLUTION NO. 4623**

**Action Requested:**

Approval of the sale of approximately 3.21 acres of land to Yeadon Real Estate, LLC for the construction of an approximate 49,000 square foot office/fabric domed manufacturing facility for Yeadon Domes.

**Background:**

The Port Authority acquired the former 3M world headquarters facility in 2008 and 2009, remediated the site and installed infrastructure from 2010-2012, and immediately began recruiting companies to the site, now known as Beacon Bluff Business Center. The subject property is located at East 7<sup>th</sup> Street and Forest Street, Beacon Bluff Business Center, Parcel 4, adjacent to Loomis Armored. If approved, the proposed user, Yeadon Domes will bring at least 80 employees to the site over ten years and contribute approximately \$150,000 in annual property taxes, which is equal to or greater than previous projections.

The proposed buyer, Yeadon Domes, was founded in 1980 and is one of the world's largest manufacturers and installers of fabric dome facilities, with numerous facilities around the globe and growing into emerging international markets (ex. China, Saudi Arabia). Local examples include the new dome at the Hmong Academy on Snelling Avenue, Augsburg College, Concordia University and a new facility in Chanhassen, MN. National examples include Harvard University, University of Pennsylvania and numerous professional and college teams around the country. Yeadon Domes will utilize this facility for the sales, design, manufacturing, and international distribution of its fabric domes.

Yeadon's workforce philosophy is quite progressive. They actively recruit employees from probation, recovery programs, job training programs and those with low English literacy. They believe in hiring based on a person's trajectory for the future, "it's not where you've been, but where you're going". They focus on a skills ladder to build a career path for their employees, who receive raises based on their initiative to learn the various skills required in dome manufacturing.

Yeadon's current average hourly rate is approximately \$14.10/hour and will increase in the new facility. The minimum hourly wage paid at the facility will be no lower than \$12.61/hour. Employees are offered health benefits and training opportunities. After learning the basics they can receive a \$0.50/hour raise with an additional \$0.25 – 0.50/hour raise for each additional skill they learn. Many employees with Yeadon less than one year make over \$14.00/hour.

Attached is a memorandum outlining the terms of the land conveyance transaction with Yeadon Real Estate, LLC for the property located at Beacon Bluff Business Center.

**Recommendation:**

We recommend approval of the conveyance of land to Yeadon Real Estate, LLC.

Attachment

**SAINT PAUL PORT AUTHORITY  
LAND CONVEYANCE TRANSACTION**

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**Action Requested:**

To approve the sale of real property, generally located at East 7<sup>th</sup> Street and Forest Street, bounded by East 7<sup>th</sup> Street, Forest Street, Phalen Boulevard, and property housing Loomis Armored, for the construction of an approximate 49,000 square foot office/fabric domed manufacturing facility for Yeadon Domes.

**Development Officer:**

Monte M. Hilleman

**Grantee:**

Yeadon Real Estate, LLC, a Minnesota limited liability company

**Grantee Address:**

Yeadon Real Estate, LLC  
575 – 9<sup>th</sup> Street SE, Suite 50  
Minneapolis, MN 55414  
Attn: Joe Gaylord

**Location of Property to be Conveyed:**

The site is as per the attached site plan and measures approximately 3.21 acres.

**Conveyance Structure:**

Conveyance of land via Limited Warranty Deed. The property is being sold for \$1.00 plus buyer obligations that include adherence to the Beacon Bluff protective covenants and entering into a Port Authority Workforce Agreement. Both buyer and seller have conditions that must be met prior to transferring title of the real estate. Buyer's contingencies include site and building approvals, its Board approval, and financing. The Port Authority's contingencies include Board of Commissioner's approval and approval of the buyer's site and architectural design and buyer's financing. The closing is anticipated to take place no later than June 1, 2018 with construction commencing within 60 days thereafter. Full occupancy is anticipated late 2018.

Other terms and conditions of the proposed purchase agreement include:

- A. The buyer has agreed to analyze and implement sustainable design concepts, as appropriate, into the design of their facility.
- B. The buyer has agreed to pay a \$30,000 earnest money deposit which is held by seller until the completion of the building and site improvements.

- C. The buyer has agreed to pay \$35,000 as reimbursement of certain redevelopment costs incurred by the Port in connection with preparing the property for sale.
- D. Buyer has agreed to pay prevailing wages, or more, for all skilled and unskilled labor for the proposed construction and enter into a Project Labor Agreement.
- E. At closing, the buyer will enter into the Port Authority's Job Training and Workforce Agreement. This agreement calls for the following:
  - 1. The buyer has agreed to bring a workforce of at least 50 full-time equivalent employees to the site and add 3 employees each year of the ten-year term, for a total of 80 jobs by year ten.
  - 2. All employees will be paid at or above the Ports minimum goal of \$12.61 per hour, with additional benefits.
  - 3. The buyer has agreed to make a good faith effort to ensure that at least 70% of all newly hired employees are residents of the City of Saint Paul, and to work with the Port and its neighborhood workforce service providers to achieve this goal.
- F. Workforce agreement defaults are subject to a penalty of \$3,000 per year/per employee default and capped at the value of the subsidy, approximately \$560,000.

**Nature of Intended Use:**

Yeadon Domes will utilize this facility for the sales, design, manufacturing, and international distribution of its fabric domes.

**Business Subsidy Agreement**

A business subsidy agreement is required for this transaction.

**Exception from Port's Development Criteria/Covenants:**

No development criteria exceptions. As the manufacturing facility itself is a fabric dome, it is atypical of most Port business center buildings, which are usually constructed from insulated precast concrete wall panels. Fabric is not specifically an approved building material per the Beacon Bluff restrictive covenants. The need for a space without columns makes the dome an ideal structure for Yeadon's manufacturing operations and Yeadon is committed to maximizing energy efficiency in the facility. Port staff will ensure this is given careful consideration in our Green Design Review process and Xcel's Energy Design Assistance modelling.

**Development Officer's Comments:**

In the words of the President of Yeadon, Matt Mejia, *"We began developing an evaluation method that looked at where a person was trying to go rather than where they had been. Yeadon has a strong belief in a second chance workforce. Today most of our production staff has spent*

*some time in prison, struggled with addiction or both. We actively recruit through probation / parole officers, halfway houses, job retraining programs etc. Yeadon is a for-profit social enterprise.*

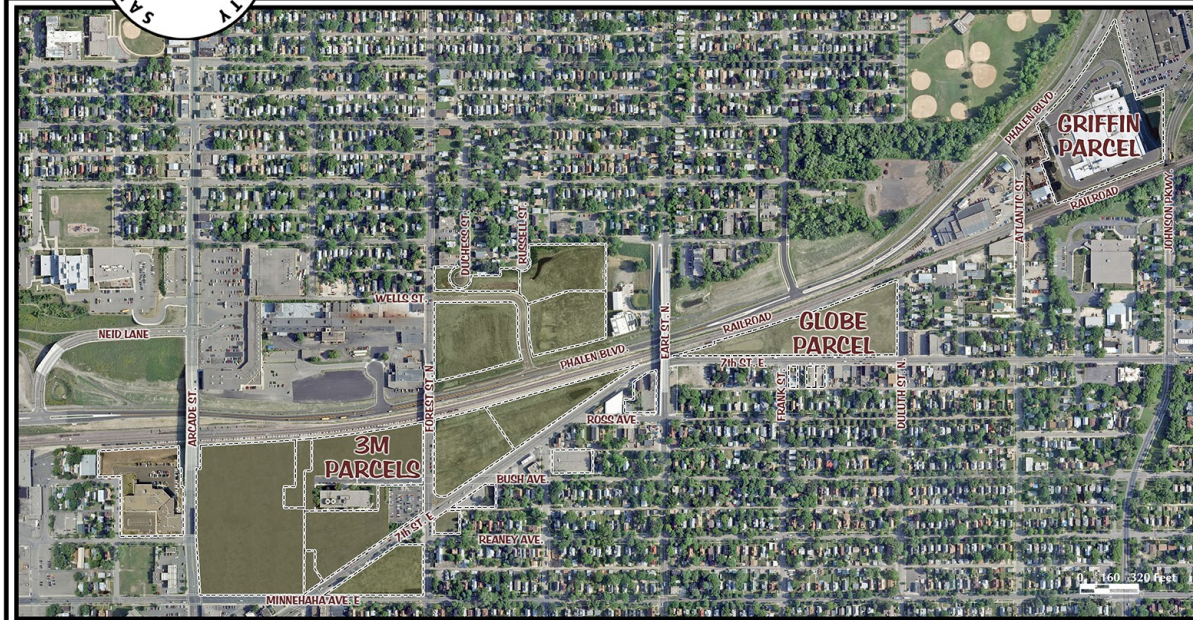
*In addition, we have a pay scale that rewards employees for the skills they have accumulated rather than the time worked. Traditional companies pay a starting wage and raises are granted as an employee has performance reviews. Reviews are typically based on time, i.e. 90 days, 6 months etc. No one ever comes to us with dome manufacturing experience. We wanted people to learn as many skills as possible, as quickly as possible. We have a series of skills identified in an employee "Passport". Once skills are learned and demonstrated on the job and through a test, they can earn and additional \$.25/hour and \$.50/hour at the expert level, per skill."*

I recommend approval of the conveyance of land to Yeadon Real Estate LLC.





# BEACON BLUFF BUSINESS CENTER





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

**[CONVEYANCE OF LAND TO YEADON REAL ESTATE, LLC/  
YEADON DOMES – BEACON BLUFF – PARCEL 4 WEST]**

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 grant the current tenant an option to convey real estate located at East 7<sup>th</sup> Street and Forest Street, Beacon Bluff Business Center, Parcel 4, adjacent to Loomis Armored, 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 January 23, 2018, at which hearing all taxpayers in the port district, both for and against the conveyance, were allowed to state their views.

WHEREAS, Yeadon Real Estate, LLC ("Yeadon") has entered into a Purchase Agreement to purchase real estate at East 7<sup>th</sup> Street and Forest Street, Beacon Bluff Business Center, Parcel 4, 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 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: \_\_\_\_\_

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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


Attest:

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



## MEMORANDUM

**To:** BOARD OF COMMISSIONERS **Meeting Date:** January 23, 2018

**From:** Kathryn Sarnecki 

**Subject:** **GRANT APPLICATION TO MINNESOTA DEPARTMENT OF TRANSPORTATION'S CORRIDORS OF COMMERCE GRANT PROGRAM FOR CONSTRUCTION OF A GRADE SEPARATED ENTRANCE TO SOUTHPORT TERMINAL**  
**RESOLUTION NO: 4624**

**Action Requested:**

Approval for the Port Authority to request and accept funding from the Minnesota Department of Transportation's ("MnDOT") Corridors of Commerce program for a grade separated entrance to the Southport Shipping Terminal from Concord Avenue (TH 156).

**Background:**

In 2017, the state legislature added \$300 million in trunk highway bonds to be spread over four years and authorized \$25 million per year in cash. MnDOT has decided to select \$400 million of projects in the next round of Corridors of Commerce with the hope to foster economic growth with transportation investments.

The Port Authority continues to seek funding for a grade separated entrance to the Southport Shipping River Terminal. We have identified this project as a bottleneck in getting goods and services into and out of the regional marketplace and continue to seek funding for the project. In 2017, the Port Authority applied for state and federal grants to help fund this project. We were not awarded state funds and are waiting to hear results of the highly competitive federal TIGER and INFRA programs funded under the FAST Act.

This project solves the current single point of entry at an at-grade rail crossing, which causes traffic back-ups and associated diesel exhaust emissions that have proven to be problematic in the West Side neighborhood of Saint Paul. By constructing a new access point over the current Union Pacific Railroad main line, the project will remove a traffic and commerce bottleneck. This project seeks to improve commodity movement through a multi-modal shipping terminal to provide for the most efficient and cost-effective transportation of commodities and products into and out of the State of Minnesota. These improvements have regional significance as the Saint Paul Port is the northern-most cargo terminus on the Mississippi River.

**Current Status:**

Port Authority staff are working with our consultants at Quetica to prepare an approximate \$9 million project recommendation to the Minnesota Department of Transportation Corridors of Commerce Program.

**Recommendation:**

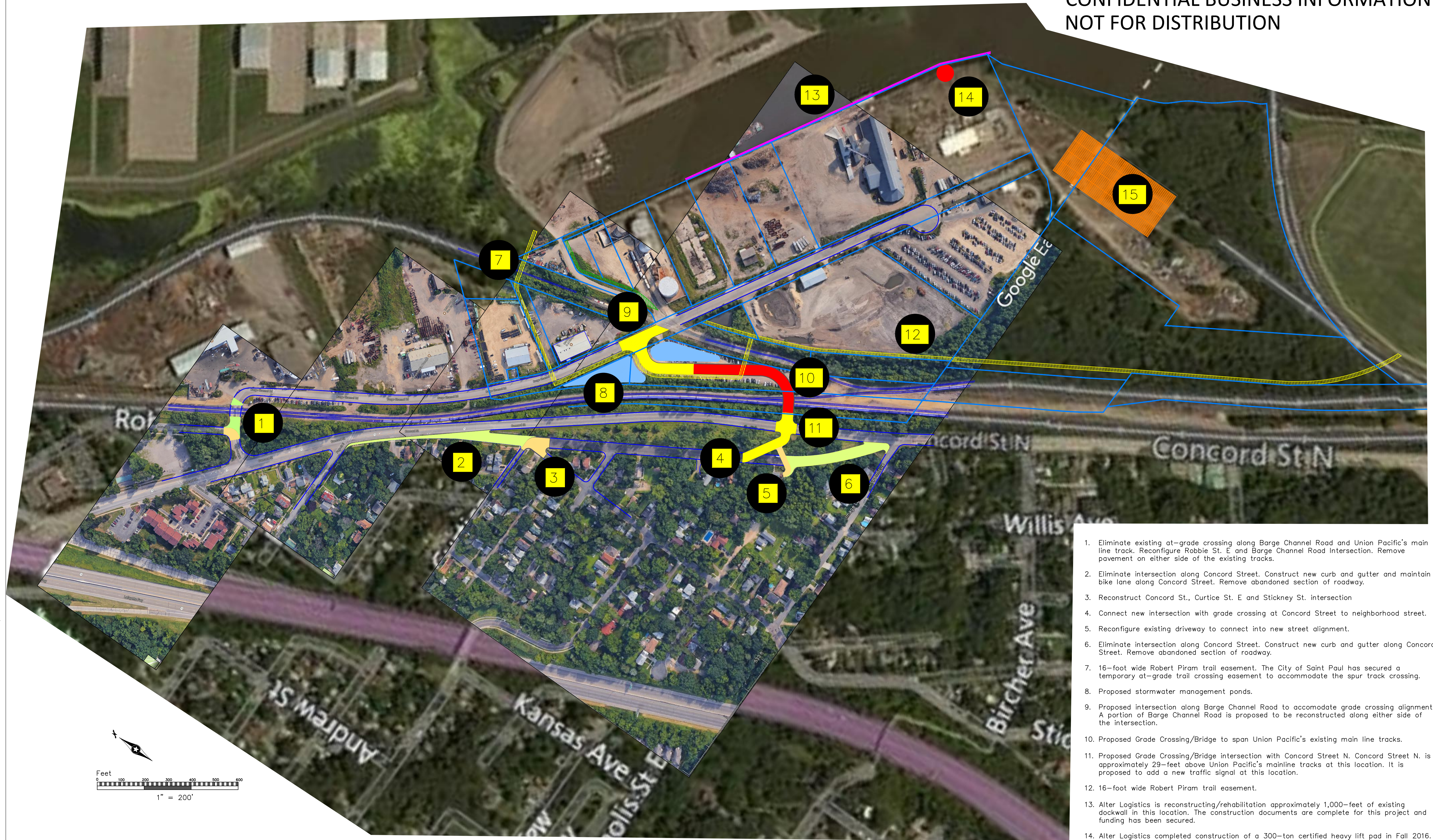
Approval for the Port Authority to request and accept funding from the MnDOT Corridors of Commerce Program for up to \$9 million for the design and construction of a grade separated entrance to the Southport River Shipping Terminal.

KLS/lkw

Attachments:     Map  
                         Resolution



CONFIDENTIAL BUSINESS INFORMATION  
NOT FOR DISTRIBUTION



CONCEPT  
NOT FOR CONSTRUCTION

Note: 1. Phase/Component B is not shown as it is a study, not actual infrastructure.  
2. Shown property boundaries are approximated.

1. Eliminate existing at-grade crossing along Barge Channel Road and Union Pacific's main line track. Reconfigure Robble St. E and Barge Channel Road Intersection. Remove pavement on either side of the existing tracks.
2. Eliminate intersection along Concord Street. Construct new curb and gutter and maintain bike lane along Concord Street. Remove abandoned section of roadway.
3. Reconstruct Concord St., Curtice St. E and Stickney St. intersection
4. Connect new intersection with grade crossing at Concord Street to neighborhood street.
5. Reconfigure existing driveway to connect into new street alignment.
6. Eliminate intersection along Concord Street. Construct new curb and gutter along Concord Street. Remove abandoned section of roadway.
7. 16-foot wide Robert Piram trail easement. The City of Saint Paul has secured a temporary at-grade trail crossing easement to accommodate the spur track crossing.
8. Proposed stormwater management ponds.
9. Proposed intersection along Barge Channel Road to accommodate grade crossing alignment. A portion of Barge Channel Road is proposed to be reconstructed along either side of the intersection.
10. Proposed Grade Crossing/Bridge to span Union Pacific's existing main line tracks.
11. Proposed Grade Crossing/Bridge intersection with Concord Street N. Concord Street N. is approximately 29-feet above Union Pacific's mainline tracks at this location. It is proposed to add a new traffic signal at this location.
12. 16-foot wide Robert Piram trail easement.
13. Alter Logistics is reconstructing/rehabilitation approximately 1,000-feet of existing dockwall in this location. The construction documents are complete for this project and funding has been secured.
14. Alter Logistics completed construction of a 300-ton certified heavy lift pad in Fall 2016.
15. Alter Logistics is planning to construct a 500-foot by 230-foot bituminous commodity storage and handling pad. Construction documents are completed for this project and funding has been secured.



**RESOLUTION OF THE  
PORT AUTHORITY OF THE CITY OF SAINT PAUL  
[GRANT APPLICATION TO MINNESOTA DEPARTMENT  
OF TRANSPORTATION'S CORRIDORS OF COMMERCE  
GRANT PROGRAM FOR CONSTRUCTION OF A GRADE  
SEPARATED ENTRANCE TO 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, 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 and will undertake reasonable and good faith efforts to procure funding in pursuit of its mission from other sources in addition to grant, loan, or other program resources to which it may seek assistance.

WHEREAS, the Port Authority desires to request and accept from, if awarded, a grant from the Minnesota Department of Transportation's Corridors of Commerce Grant Program in the amount of \$9,000,000 for the construction of a grade-separated entrance to the Southport Terminal.

WHEREAS, the Port Authority has discussed this proposed project with the City of Saint Paul and the City of South Saint Paul staff, as well as Southport Terminal area and interested businesses and community groups, who are all in agreement that this project will be a benefit to the community at large.

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 from, if awarded, a grant, from the Minnesota Department of Transportation's Corridors of Commerce program the amount of \$9,000,000; 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 the grant application and secure its receipt, including any matching fund requirements.

Adopted: January 23, 2018

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

ATTEST:

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

**RESOLUTION OF THE  
PORT AUTHORITY OF THE CITY OF SAINT PAUL  
IN MEMORY OF HOWARD GUTHMANN**

WHEREAS,

On December 6, 2017, at 95 years of age, Howard Guthmann passed away, and with his passing, the City of Saint Paul lost one of its great champions and citizens.

Mr. Guthmann worked for 70 years as a certified public accountant at the firm of Wilkerson Guthmann CPAs. He retired from the firm at the age of 93.

Mr. Guthmann served on numerous boards, including the Charter Commission, the Rotary Club, Regions Hospital, the Elder Learning Institute/University of Minnesota, the Board of Education and many, many more. The Port Authority of the City of Saint Paul was very fortunate to have him serve on its Board.

Mr. Guthmann was appointed by then-Mayor George Latimer to serve on the Board of Commissioners for the Port Authority on August 20, 1988, through August 27, 1996, as a Commissioner and later as Board Chair.

During his term as a Port Authority Commissioner and Chair, the Port Authority had experienced significant financial challenges just prior to his joining the Port Authority Board. Mr. Guthmann's financial acumen and expertise were instrumental in engineering the Port Authority's current financial stability and the revitalization of the Port Authority into an effective and active industrial/commercial redevelopment force in and for the City of Saint Paul. The Saint Paul Port Authority is now recognized nationally as a leading redevelopment government agency and, in large part, certainly owes its current vibrancy and success to Howard Guthmann.

NOW, THEREFORE BE IT RESOLVED, that the Port Authority of the City of Saint Paul recognizes the significant contributions of Howard Guthmann over the course of his career and celebrate his legacy of service to the Port Authority and the City of Saint Paul; and

Extends its sincere condolences to the family and friends of Howard Guthmann.

Adopted: January 23, 2018

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

Attest:

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