



December 30, 2022

**REGULAR BOARD MEETING  
NOTICE  
JANUARY 24, 2023  
2:00 P.M.**

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Chair Slaven is holding the regular Board Meeting of the Port Authority of the City of Saint Paul on Tuesday, January 24, 2023, at 2:00 p.m. in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street, Suite 240, Saint Paul, Minnesota 55102.

A handwritten signature in blue ink, reading "Todd P. Hurley". The signature is fluid and cursive, with the first name "Todd" being more prominent.

Todd P. Hurley  
President

/amk

cc: Port Authority Commissioners  
Shari Moore, City Clerk  
Members of the Press  
ENS List

**Regular Board Meeting**

January 24, 2023 - 2:00 p.m.

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

Chair Slaven is calling a meeting of the Board of Commissioners for **Tuesday, January 24, 2023 at 2:00 p.m.** in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street No., Suite 240, St. Paul, MN.

The purpose of the meeting is:

**Minutes**

Approval of the Minutes from the November 22, 2022 Regular Board Meeting

**Conflicts of Interest**

Conflicts with any Items on the Agenda

**New Business**

Administrative Committee

1. Resolution No. 4735 - Pension Plan Amendment – Allow In-Service Distributions
2. Acceptance of 2023 Legislative Priorities

**General Matters**

1. Resolution No. 4736 - Eric Larson's Farewell Resolution
2. Such Other Business That May Come Before the Board

**SAINT PAUL PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
NOVEMBER 22, 2022**

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The regular meeting of the Port Authority Board was held on November 22, 2022, at 2:16 p.m. in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street, Suite 240, Saint Paul, Minnesota 55102.

The following Board Members were present:

John Bennett	Nneka Constantino	Don Mullin
John Marshall	Matt Slaven	Amy Brendmoen

Also present were the following:

Todd Hurley	Pete Klein	Andrea Novak
Linda Tran	Angie Helms	Sarah Illi
Annamarie Kosel	Kathryn Sarnecki	Linda Williams
Monte Hilleman	Bruce Kessel	Dana Krueger
Laurie Siever	Cathy Mohr	George Hoene
Phoua Vang		
Eric Larson, City of Saint Paul		
Evan Jensen, University of St. Thomas Law Student		
Angela Riffe, City of Saint Paul		

**APPROVAL OF MINUTES**

Commissioner Constantino made a motion to approve the minutes of the October 25, 2022 Annual Board meeting. The motion was seconded by Commissioner Marshall, submitted to a roll call vote, and carried unanimously.

**CONFLICT OF INTEREST**

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

**NEW BUSINESS**

***ADMINISTRATIVE COMMITTEE***

**APPROVAL OF 2023 BUDGET**

Motion was made by Commissioner Slaven to approve the 2023 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.

**RESOLUTION NO. 4730**

**FINAL CERTIFICATION OF TAX LEVY**

Motion was made by Commissioner Slaven to approve Resolution No. 4730 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. 4731**  
**SELECTION OF EXTERNAL AUDITORS**

Motion was made by Commissioner Slaven to approve Resolution No. 4731 which was 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. 4732**  
**APPROVAL OF A LEASE AMENDMENT, RENEWAL AND RENTAL**  
**RATE ADJUSTMENT – BARENTZ NORTH AMERICA, LLC f/k/a ORIGINATION, LLC**

Motion was made by Commissioner Mullin to approve Resolution No. 4732 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. 4733**  
**PUBLIC HEARING – CONVEYANCE OF LAND TO ENERGY LANE PARKING, L.L.C., AN**  
**ENTITY AFFILIATED WITH POWER/MATION LOCATED IN THE ENERGY PARK BUSINESS CENTER**

Motion was made by Commissioner Mullin to approve Resolution No. 4733 which was reviewed by the Credit Committee and recommended for approval by the Board.

Chair Bennett stated that in accordance with Minnesota Law, the Port Authority is required to hold a public hearing regarding Resolution No. 4733 and declared the Public Hearing open. He asked if anyone in attendance wished to address the Board.

Chair Bennett declared the Public Hearing closed and asked to take a roll call vote.

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

Commissioner Constantino	- aye	Commissioner Mullin	- aye
Commissioner Marshall	- aye	Commissioner Slaven	- aye
Chair Brendmoen	- aye	Chair Bennett	- aye

The motion carried unanimously.

**RESOLUTION NO. 4734**  
**AUTHORIZATION TO APPLY FOR AND ACCEPT UP TO \$1,330,000 IN GRANT AND LOAN**  
**FUNDS FROM THE DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT FOR**  
**REDEVELOPMENT OF THE HEIGHTS, 2200 LARPEUR AVENUE EAST, SAINT PAUL, MINNESOTA**

Motion was made by Commissioner Mullin to approve Resolution No. 4734 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**

Mr. Hurley introduced Cathy Mohr, the Port Authority's newest staff member, to the Board.

There being no further business, the meeting was adjourned at 2:27 p.m.

By \_\_\_\_\_

Its \_\_\_\_\_

**To:** BOARD OF COMMISSIONERS

**Meeting Date:** January 24, 2023

**From:** Bruce A. Kessel

**Subject:** **PENSION PLAN AMENDMENT– ALLOW IN-SERVICE DISTRIBUTIONS  
RESOLUTION NO. 4735**

**Action Requested:**

Approve an amendment to the Port Authority 414(d) Pension Plan to allow for in-service distributions for members age 59 ½ or older.

**Proposal:**

The Port Authority offers a 414(d) governmental pension plan to the employees hired prior to July, 2003, who did not elect to join the State of Minnesota Public Employees Retirement Association pension plan (PERA). There is currently one employee contributing to the Plan, as well as three employees and one retiree with assets in the plan. One of these employees is under the age of 59 ½.

Our Plan administrator, Securian Financial, has sold its retirement plan business line to The Standard, a Washington state company. As the plan assets continue to decline (currently approximately \$1 million) and the number of retirement plan administrators continue to decline, the ability to hire a plan administrator for reasonable fees will be challenging. As such, it appears prudent to allow in-service distributions to plan participants who meet the plan's in-service distribution requirements, one of which is the participant must be over the age of 59 1/2. If a participant rolls their assets to qualified plan, the distribution would not be a taxable event.

At some point in the future, the plan will need to be terminated. Allowing an in-service distribution at this time will allow the participants more time to explore options to move their plan assets to another qualified plan and/or take a taxable distribution, prior to being required to do so when the plan is terminated.

**Recommendation:**

We recommend approval of an amendment to the Port Authority 414(d) Pension Plan to allow for in-service distributions for members age 59 ½ or older.

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

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority" or "Employer") sponsors the Port Authority of the City of Saint Paul Pension Plan (the "Plan") for certain of its employees;

WHEREAS, pursuant to section 13.1 of the Plan, the Employer reserved the right to amend the Plan by action of the Board of Commissioners;

WHEREAS, the Employer desires to allow participants to take in-service distributions after attaining the age of 59 ½, as permitted by the Setting Every Community Up for Retirement Enhancement Act of 2019; and

NOW THEREFORE, BE IT RESOLVED, the Amendment to the Plan is hereby approved, effective as indicated therein, in substantially the same form presented to the Board of Commissioners.

FURTHER RESOLVED, that the appropriate officers of the Employer are authorized and empowered to execute such documents and to do all acts as they may deem necessary or appropriate to effectuate and comply with the intent and purpose of the foregoing resolutions.

Adopted: January 24, 2023

PORT AUTHORITY OF THE CITY  
OF SAINT PAUL

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

ATTEST:

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

## MEMORANDUM

**To:** BOARD OF COMMISSIONERS

**Meeting Date:** January 24, 2023

**From:** Todd Hurley/Kathryn Sarnecki

**Subject:** ACCEPTANCE OF 2023 LEGISLATIVE PRIORITIES

**Action Requested:**

Acceptance of 2023 Legislative priorities.

**Session Overview:**

The 2023 Legislative Session began on Tuesday, January 3, 2023, and will adjourn on May 22, 2023. The Port Authority of the City of Saint Paul (the "Port Authority") has retained Sarah Erickson, United Strategies LLC for legislative services for the 2023 Session. Additionally, as part of the Minnesota Ports Association we are working with Sam Richie of the Fryberger Law Firm on legislative services.

The focus of the Port Authority's 2023 Legislative efforts is funding to pay for infrastructure needs at The Heights Redevelopment, the Saint Paul Harbor, along with the expansion of PACE financing to include commercial farmland property. In addition, we will continue to support the legislative initiatives of others, including DEED for its loan and grant fund programs, Ramsey County remediation fund and other initiatives that pertain to the Port Authority's core purpose and mission.

The 2022 elections produced a reversal of power at the Legislature. Both the House and Senate have returned to DFL control, putting the party in full control of state government for the first time since 2014. Minnesota lawmakers will head into the 2023 session with a \$17.6 billion projected budget surplus with a focus on passing the \$1.1 billion bonding bill that was left unfinished from the last session.

**Port Authority Priorities:**

**Bonding Bill/The Heights Infrastructure**

The Port Authority's 112-acre redevelopment project, The Heights, is a top priority. We look forward to revitalizing a brownfield with no infrastructure located in Saint Paul's far east side into a thriving live-work community, bringing much needed jobs and affordable housing options to a neighborhood that has experienced historic disinvestment.

Infrastructure funding for this project is our biggest financial challenge. The Port Authority has submitted a \$13 million Bonding Bill request (co-authored by Senators Sandy Pappas and Fong Hawj and by Representatives Jay Xiong and Liz Lee) to help fund roads and utilities at The Heights.

**Bonding Bill/Harbor Improvements**

The Minnesota Ports Association is comprised of the ports of Saint Paul, Duluth, Red Wing, Winona, and Wabasha. Significant funding is needed to keep pace with the renovation and reconstruction of aging



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infrastructure in all the shipping terminals in the ports' harbors. These critical efforts include maintaining and constructing dock walls, roads, and other infrastructure.

The MN Ports Association will request grant funds of \$40 million, with \$11.5 million of those funds potentially allocated for infrastructure improvements in the Saint Paul Harbor. Due to the backlog of infrastructure improvements needed, MN Ports Association members have consistently expended funds provided over the past 20 years.

### **PACE Financing Program Expansion to include Farmland Improvements**

Minnesota's PACE program ([minnpace.com](http://minnpace.com)) has provided low-cost financing for businesses implementing hundreds of clean energy projects across the state, stimulating investment, improving business cash flows, and reducing energy costs and environmental impacts.

Expanding the Minnesota's PACE program to include commercial farmland will position Minnesota as a national leader in agricultural innovation by giving farmers new options to improve the productivity and resiliency of their most valued asset.

### **Inflation Reduction Act – Green Bank/Minnesota Innovation Finance Authority**

The Federal Inflation Reduction Act of 2022 (IRA) has created a new grant program entitled the Greenhouse Gas Reduction Fund (GHGRF). GHGRF allocates \$27 billion to the EPA to make grants for the use of financial tools supporting clean energy investments. \$7 billion of the fund is accessible directly to cities and states to provide financial support for deployment of zero-emission technologies in low-income and disadvantaged areas. \$20 billion is accessible to non-profit entities that have the qualities of a green bank. Recipients of these grants must engage in both "direct" investment (investment directly in projects) and "indirect" investment (investment in state and local institutions doing mission-aligned work) at the state, local, and national levels.

In March of 2021, Representative Todd Lippert introduced House Bill 2044 proposing a state green bank with the creation of the Minnesota Innovation Finance Authority. While the bill did not pass the House in 2021, a coalition of individuals in the state have continued to push for the creation of a green bank for Minnesota and Representative Greenman will be reintroducing Representative Lippert's bill from last session.

The Port Authority's proven track record of success for the Trillion BTU and PACE Loan programs positions us well to be a recipient and deploy funds allocated through the IRA.

### **Support and Monitoring Items:**

#### **Department of Employment and Economic Development (DEED) Grant Funds and Programs**

The Port Authority will support DEED's budget requests for program funding that supports Brownfield redevelopment initiatives. DEED's remediation and redevelopment grant programs, and the demolition loan program, are all critical to the success of Brownfield redevelopment efforts and private sector investment. In addition, programs such as the Minnesota Investment Fund (MIF) and the Job Creation

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Fund (JCF) provide funding opportunities for communities and businesses to develop and grow their local and regional economies. We support continued and sustainable funding for MIF and JCF to assist communities in creating, growing, and retaining jobs.

### **Maintain Tax Increment Financing (TIF)**

Tax Increment Financing continues to be the only viable local redevelopment financing tool available at this time. It is a critical component of economic development project financing, along with the complementary grant program funds from various sources that help leverage this type of financing. The Port Authority will be available to the legislature to provide information on examples of economic and community growth outcomes regarding job creation, business growth, and spin-off effects as may be requested.

### **Local Government Aid (LGA)**

The Port Authority supports increasing the Local Government Aid (LGA) appropriation to address cities' unmet needs as defined by the LGA formula, as well as increases in the LGA appropriation to account for inflation. The Department of Revenue calculated that the state-wide unmet need for LGA formula for 2023 is \$767.9 million. However, the current funding is capped at \$564.4 million. The Port Authority supports increasing the LGA to close this \$203.5 million gap and fully fund the cities' needs. The Port Authority also supports adjusting the LGA each year to account for inflation.

LGA remains a key variable to fund critical city services and stabilize property taxes. The Port Authority strongly opposes freezes to the LGA appropriation or reductions of the LGA for balancing state budget deficits. The Port also opposes targeting reductions to specific cities as well as reductions or offsets for local policy or expenditure decisions.

### **Coordination with Partner Organizations**

The Port Authority collaborates very closely with the City of Saint Paul, Ramsey County, the Minnesota Ports Association, the Saint Paul Area Chamber of Commerce, Greater MSP, Economic Development Association of Minnesota (EDAM), State Building Trades Council, and other economic development partners on various legislative matters. We are collectively able to succeed on many issues because of our collaborative work.

### **Recommendation:**

Acceptance of 2023 Legislative priorities.