

## **Regular Board Meeting**

January 28, 2020 - 2:00 p.m.

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

### **Minutes**

Approval of Minutes from the November 26, 2019 Regular Board Meeting

### **Conflicts of Interest**

Conflicts with any Items on the Agenda

### **New Business**

#### **Credit Committee**

1. Resolution No. 4669 - Approval of 2020 Grant Application and Acceptance Authorization
2. Resolution No. 4670 - Public Hearing – Conveyance of Land to BeHome Communities, LLC  
Beacon Bluff Business Center

### **General Matters**

1. Such Other Business That May Come Before the Board

### **Closed Meeting**

1. Performance Evaluation of SPPA President

**SAINT PAUL PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
NOVEMBER 26, 2019**

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The regular meeting of the Port Authority Board was held on November 26, 2019, at 2:03 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  
Don Mullin

Paul Williams  
Dai Thao

John Marshall  
Nneka Constantino

Also present were the following:

Lee Krueger  
Michael Linder  
David Johnson  
Tonya Bauer

Todd Hurley  
Bruce Kessel  
Linda Williams  
Laurie Siever

Monte Hilleman  
Andrea Novak  
Dana Krueger

Eric Larson, City of Saint Paul, General Counsel  
Andrew Kasid, Ever-Green Energy

**APPROVAL OF MINUTES**

Commissioner Mullin made a motion to approve the minutes of the October 22, 2019 Annual 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. 4662**

**ENERGY PARK UTILITY COMPANY FRANCHISE APPROVAL OF RATES**

Motion was made by Chair Marshall to approve Resolution No. 4662 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. 4663**  
**CERTIFICATION OF TAX LEVY**

Motion was made by Chair Marshall to approve Resolution No. 4663 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. 4664**  
**APPROVAL OF AMENDMENT TO THE GRIFFIN TAX INCREMENT FINANCING (TIF) PLAN**

Motion was made by Chair Marshall to approve Resolution No. 4664 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 2020 BUDGET**

Motion was made by Chair Marshall to approve the 2020 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.

**CREDIT COMMITTEE**

**RESOLUTION NO. 4665**  
**PUBLIC HEARING – CONVEYANCE OF LAND TO**  
**SHIDLER WEST LLC – ARLINGTON JACKSON BUSINESS CENTER**

Motion was made by Chair Mullin to approve Resolution No. 4665 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. 4665 and declared the Public Hearing open. He asked if anyone in attendance wished to address the Board. No one came forward and, therefore, Chair Bennett declared the Public Hearing closed and asked to take a roll call vote.

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

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

The motion carried unanimously.

**RESOLUTION NO. 4666**  
**LEASE RENEWAL AND RENTAL RATE ADJUSTMENT**  
**AGGREGATE INDUSTRIES – MWR, INC. – BARGE TERMINAL NO. 1**

Motion was made by Chair Mullin to approve Resolution No. 4666 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. 4667**  
**2019 LEASE RENEWAL AND RENTAL RATE ADJUSTMENT AND ADDITION OF ONE**  
**FIVE-YEAR RENEWAL OPTION – CONTINENTAL CEMENT COMPANY, LLC. – RED ROCK TERMINAL**

Motion was made by Chair Mullin to approve Resolution No. 4667 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. 4668**  
**2020 LEASE RENEWAL AND RENTAL RATE**  
**ADJUSTMENT – DISTRICT ENERGY – SOUTHPORT TERMINAL**

Motion was made by Chair Mullin to approve Resolution No. 4668 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**

Commissioner Thao and Mr. Hurley presented a summary of their visit to Changsha in the People's Republic of China. They were there to celebrate the 31-year old relationship between Saint Paul and Changsha Sister City Delegation.

Mr. Krueger gave an update on this year's Equity on Ice fundraising event and shared a video as well.

Mr. Hilleman presented a summary of his time at this year's Greenbuild International Conference and Expo.

There being no further business, the meeting was adjourned at 2:45 p.m.

By \_\_\_\_\_

Its \_\_\_\_\_

## MEMORANDUM

**To:** BOARD OF COMMISSIONERS

**Meeting Date:** January 28, 2020

**From:** Eric D. Larson 

**Subject:** **2020 GRANT APPLICATION AND ACCEPTANCE AUTHORIZATION  
RESOLUTION NO. 4669**

**Action Requested:**

Approval for 2020 for the President of the Port Authority of the City of Saint Paul or anyone acting under his direction to apply for and accept any grant or other financial or resource assistance so long as the assistance furthers the Port Authority's mission.

**Background:**

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

Since 2012, this has been an annual resolution authorizing the application for and acceptance of financial or resource assistance. Any and all previous resolutions are available for review upon request. This new resolution would authorize this assistance for the year 2020.

**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**

**[2020 GRANT APPLICATION AND ACCEPTANCE AUTHORIZATION]**

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

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

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

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

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

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

WHEREAS, under Minn. Stat. § 469.084, Subd. 8, the Port Authority of the City of Saint Paul, furthermore, has the power of and is authorized to do what a redevelopment agency may do or must do under sections 469.152 to 469.165 (Municipal Industrial Development); and

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

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED for the year 2020, 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 28, 2020

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

ATTEST:

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

## MEMORANDUM

**To:** BOARD OF COMMISSIONERS

**Meeting Date:** January 28, 2020

**From:** Monte Hilleman



**Subject: PUBLIC HEARING - CONVEYANCE OF LAND TO BEHOME COMMUNITIES, LLC  
BEACON BLUFF BUSINESS CENTER  
RESOLUTION NO. 4670**

**Action Requested:**

Approval of the conveyance of a parcel of land to BeHome Communities, LLC at Beacon Bluff Business Center.

**Background:**

Attached is a memorandum outlining the terms of the land conveyance transaction with BeHome Communities, LLC for the property located at Beacon Bluff Business Center. The proposed buyer is a new entity created by developers associated with a market rate senior assisted living housing development, namely the high end *The Waters* brand and affordable housing developer/manager, *Shelter Corporation*. BeHome intends to create a new partnership with MNCare (formerly West Side Community Health Services, developer and operator of East Side Family Clinic at Beacon Bluff) to develop a clinic expansion project in conjunction with development of assisted living housing units with integrated medical care provided by MNCare.

The proposed project is a senior living facility and will contain 150 units of independent living and enhanced/memory care units (three floors, approximately 92,700SF), common dining and recreation areas, health and well-being services, and on-site clinic space (approximately 11,500SF) to serve the local resident population.

**Recommendation:**

We recommend approval of the conveyance of a parcel of land to BeHome Communities, LLC at Beacon Bluff Business Center.

Attachments



## MEMORANDUM

### SAINT PAUL PORT AUTHORITY LAND CONVEYANCE TRANSACTION

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**Action Requested:**

To approve the sale of real property, generally located along East 7<sup>th</sup> Street at Forest Street, bounded by East 7<sup>th</sup> Street, Minnehaha Avenue and Forest Street, for the construction of senior living facility and clinic expansion.

**Development Officer:**

Monte M. Hilleman

**Grantee:**

BeHome Communities, LLC

**Grantee Address:**

8500 Normandale Lake Boulevard, Suite 350  
Minneapolis, MN 55437

**Location of Property to be Conveyed:**

The site is as per the attached site plan and measures approximately 2.21 acres.

**Conveyance Structure:**

Conveyance of land via Limited Warranty Deed. The property is being sold for \$8.00 per square foot, or \$770,140.00, plus buyer obligations that include adherence to the Beacon Bluff protective covenants. If the closing takes place after June 30, 2021, the Purchase Price increases five percent to \$808,647.00. 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, approval of the buyer's site and architectural design, and buyer's financing.

The contingency period for the transaction is September 30, 2020 with closing to take place no later than February 28, 2022.

The Purchase Agreement acknowledges the interests of the parties and the project may be advanced more effectively as a joint venture between BeHome, MNCare, and Capital City Properties and is assignable to such a joint venture entity if so. The purchase price and land value of \$8.00 per square foot would then be converted to an initial capital contribution to such a joint venture as with previous joint ventures.

## MEMORANDUM

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 an initial \$25,000 earnest money deposit which is held by seller until the completion of the building and site improvements. A First Additional Earnest Money (\$25,000) deposit and Second Additional Earnest Money deposit (\$25,000) are required at the end of the Contingency Period, September 30, 2020 and the conclusion of additional environmental and geotechnical testing, no later than December 31, 2020. All earnest money, \$75,000 total, becomes nonrefundable after June 30, 2021.
- C. 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.
- D. The project is not intended to be property tax exempt, however in the event the resulting project is classified property tax exempt, the buyer has agreed to a restrictive covenant to be recorded against the title to the property, requiring a Payment In Lieu of Taxes (PILOT) in the amount of \$140,000.

### **Nature of Intended Use:**

A senior housing and care facility of approximately 150 housing units and additional clinic space.

### **Business Subsidy Agreement**

This is a market rate transaction, there is no business subsidy agreement required for this transaction.

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

The Port Authority's development criteria were developed for, and applicable to, our light industrial business centers and anticipate those land uses, building forms, and workforce characteristics. This project is a residential and commercial mixed-use project and will generally not conform to the Development Criteria. The project will adhere to the Restrictive Covenants on the property, to the extent they are not incompatible with the use type proposed. As described, the project conforms to the sites zoning (B3) and direction from the Beacon Bluff Community Advisory Committee.

### **Development Officer's Comments:**

The need for quality affordable senior housing is especially significant on the East Side of Saint Paul. Providing a clinic expansion opportunity and creation of urban affordable infill housing at

## MEMORANDUM

Beacon Bluff helps further activate the site and serve the community in ways not previously envisioned. The site was guided for retail uses, with potential housing above, in the community engagement process and by the consensus recommended Development Concept from the 3M/Beacon Bluff Community Advisory Committee. The site has been marketed for commercial/retail uses since 2010 with a handful of interested developers and tenants since then, but none have successfully advanced a project. One party (MNCare) has successfully developed a nonprofit clinic at Beacon Bluff and the other party (BeHome) is comprised of successful assisted living and affordable housing developers. I believe these parties and the Port Authority will succeed together in this project.





**Beacon Bluff**  BB Parcels  Parcel 6



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

**[PUBLIC HEARING – CONVEYANCE OF LAND TO  
BeHOME COMMUNITIES, LLC –BEACON BLUFF BUSINESS CENTER]**

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

WHEREAS, the Port Authority did conduct a public hearing pursuant to said notice on January 18, 2020, at which hearing all taxpayers in the port district, both for and against the conveyance, were allowed to state their views.

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

WHEREAS, the project may be advanced more effectively as a joint venture between BeHome, MnCare and Capital City Properties ("CCP"); and, therefore, the Property may be conveyed to CCP and, when appropriate, to the joint venture entity instead. In addition, the right to purchase the Property may be assigned to a joint venture partner for the project.

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 agreements to convey the Property; 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(s) 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: January 28, 2020

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

Attest:

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