



**AGENDA
BOARD MEETING
JUNE 27, 2017 - 2:00 P.M.**

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

MINUTES

1. Approval of the Minutes from the April 25, 2017 Regular Board Meeting

CONFLICT OF INTEREST

NEW BUSINESS

CREDIT COMMITTEE

1. **Resolution No. 4599** **Public Hearing** – Amendments to the Snelling-Midway, Maxson Steel/Dale Street Shops, and Energy Park Industrial Development Districts
2. **Resolution No. 4600** Approval of Modifications to the Energy Lane Business Center Redevelopment and the Great Northern Business Center Phase II Redevelopment Tax Increment Financing Districts, Expanding the Geographic Project Area, Modifying the Budgets and Issuing the Related TIF Notes
3. **Resolution No. 4601** District Energy St. Paul, Inc. – Authorization for Tax-Exempt Financing Allocation Application

GENERAL MATTERS

1. Such Other Business as May Come Before the Board

**PORT AUTHORITY OF THE CITY OF SAINT PAUL
MINUTES OF THE REGULAR BOARD MEETING
APRIL 25, 2017**

The regular meeting of the Port Authority Board was held on April 25, 2017 at 2:15 p.m. in the Board Room of the Saint Paul Port Authority located at 380 St. Peter Street, Suite 850, Saint Paul, Minnesota.

The following Commissioners were present:

Harry Melander
Dai Thao

John Regal
Dan Bostrom

Paul Williams
Nneka Constantino

Also present were the following:

Lee Krueger
Michael Linder
Laurie Siever
Dana Krueger
B Kyle

Laurie Hansen
Ann Kosel
Bruce Kessel
Linda Williams

Monte Hilleman
Sarah Savelle
Kathryn Sarnecki
Pete Klein

Eric Larson, General Counsel, City of Saint Paul
Chris Knopik, CliftonLarsonAllen
Michelle Hoffman, CliftonLarsonAllen
Lucas Chase, CliftonLarsonAllen

APPROVAL OF MINUTES

Motion was made by Commissioner Regal, seconded by Commissioner Williams, to approve the minutes of the Board meeting held on March 28, 2017. The motion carried unanimously.

CONFLICT OF INTEREST

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

NEW BUSINESS

ADMINISTRATIVE COMMITTEE

ACCEPTANCE OF 2016 AUDITS (SPPA, EPUC, AND FEDERAL GRANT)

Motion was made by Commissioner Constantino to accept the 2016 audits which were reviewed by the Administrative Committee and recommended for acceptance by the Board. The motion carried unanimously.

RESOLUTION NO. 4597
AUTHORIZATION FOR CONTINUATION OF
CAPITAL CITY PROPERTIES CORPORATION

Motion was made by Commissioner Constantino to approve Resolution No. 4597 which was reviewed by the Administrative Committee and recommended for approval by the Board. The motion carried unanimously.

CREDIT COMMITTEE

RESOLUTION NO. 4598
POLICY CHANGE – BDF LOAN PROGRAM

Motion was made by Commissioner Williams to approve Resolution No. 4598 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion carried unanimously.

GENERAL MATTERS

Mr. Kevin Walli from Fryberger, Buchanan, Smith & Frederick, P.A. presented the Board with a legislative update and highlighted the following: session status, DEED's Minnesota Investment Fund and job creation account, energy policy issues pertaining to PACE and Renovate America, and a bonding bill update.

There being no further business, the meeting was adjourned at 2:34 p.m.

By: _____

Its: _____

/amk

SAINT PAUL PORT AUTHORITY

MEMORANDUM

TO: BOARD OF COMMISSIONERS
(Regular Meeting of June 27, 2017)

DATE: June 22, 2017

FROM: Monte M. Hilleman 

**SUBJECT: PUBLIC HEARING - AMENDMENTS TO THE SNELLING-MIDWAY,
MAXSON STEEL/DALE STREET SHOPS, AND ENERGY PARK
INDUSTRIAL DEVELOPMENT DISTRICTS
RESOLUTION NO. 4599**

Action Requested:

Approval of amendments to the Midway Industrial Development District (hereafter referred to as the "Snelling-Midway"),¹ Maxson Steel/Dale Street Shops Industrial Development District ("Maxson Steel/Dale Street Shops"), and Energy Park Industrial Development District ("Energy Park") to include the boundaries of the land set forth in **Exhibit A** and depicted on the maps in **Exhibit B**.

Public Purpose:

Minnesota Statutes Section 469.058 permits the Port Authority to create, expand, and amend an Industrial Development District and engage in the redevelopment of marginal property in such districts.

Background:

Minnesota statutes require that a Port Authority TIF District reside within an Industrial Development District.

At the September 27, 2016 Board meeting, the Snelling-Midway IDD was created to facilitate the development of the soccer stadium. The Snelling-Midway IDD included the Midway Shopping Center, but did not include the "Bus Barn" site.

The Port Authority, working under the Environmental Project Management Agreement for the MLS site, sought grant funding from MN DEED, Met Council and Ramsey County for the remediation of the MLS Stadium Complex and has been awarded to date a total of \$3,123,321. Prior to those grant applications and awards, the City committed to funding the first \$1,500,000 of remediation on the Met Transit owned Bus Barn site. Grant funding program restrictions have excluded the Bus Barn site from eligible costs for the MN DEED grant and the Met Council grant. Ramsey County cleanup funds eligible for the Bus Barn site currently total \$325,000, resulting in a remaining City commitment of \$1,175,000. On May 1, 2017, an additional application was made for an additional \$350,000, which, if awarded, would leave a funding shortfall of \$825,000.

¹ This IDD was created under Resolution No. 4583 and named Midway Industrial Development District. The Port Authority has a separate IDD named Midway Business Industrial Development District. In order to avoid confusion, Port Authority staff recommend changing the name from Midway Industrial Development District to Snelling-Midway Industrial Development District.

To address this funding shortfall, the Port Authority intends to use tax increment financing (TIF) from the Great Northern Business Center Phase II Redevelopment ("Great Northern") and Energy Lane Business Center Redevelopment ("Energy Lane") TIF districts. But, in order to do so under Minnesota law, the Maxson Steel/Dale Street Shops and Energy Park IDD's must include the Port Authority Snelling-Midway IDD property boundaries. Accordingly, the Port Authority proposes and recommends that the Bus Barn site be added to the existing Snelling-Midway IDD and that the Snelling-Midway IDD property boundaries be added to the Maxson Steel/Dale Street Shops and Energy Park IDDs.

Minnesota statutes permit overlapping IDDs and the expansion of existing IDDs and IDDs with non-contiguous properties. Furthermore, a development district may be created or amended if the authority finds that a development district is proper and desirable to establish and develop a system of harbor and river improvements and industrial developments (including economic development) in its port district. The property within the proposed IDDs, as amended, suffer from one or more of the conditions described in Section 469.048, Subdivision 5, entitled "Marginal Property", including but not limited to the following subparts:

- (1) faulty planning causing deterioration, disuse, or economic dislocation;
- (3) lots laid out without regard to their physical characteristics and surrounding conditions;
- (4) inadequate streets, open spaces, and utilities; and
- (7) lack of use or improper use of areas, resulting in stagnant or unproductive land that could contribute to the public health, safety and welfare.

In support of these findings, see the City of Saint Paul Comprehensive Plan and the Minnesota United MLS Stadium and Surrounding Mixed-Use Urban Village, Alternative Urban Area-Wide Review (AUAR) Mitigation Plan, dated July 18, 2016.

Current Status:

The City will advance funds as a loan to pay for the remediation and related infrastructure costs on the Snelling Avenue portion of the redevelopment site. The Port Authority has two TIF districts (Energy Lane and Great Northern) which have anticipated TIF receipts greater than the amount needed to pay for the existing costs incurred in the development of those districts. A separate action item request of this Board and the City Council will permit the use of their respective TIF's to repay the loan.

TIF funds will only be used for the private development parcels along Snelling Avenue per the approved Master Plan and the infrastructure that will serve those parcels. TIF costs will not be used and are not allowed to be used under state statute for a recreation facility.

Accordingly, we are recommending the amendment to the Snelling-Midway IDD, the Maxson Steel/Dale Street Shops, and Energy Park IDD's be approved. This will allow for the remediation of the Bus Barn site on a timely basis and the ability to use TIF for the repayment of the loan, provided we are able to amend those TIF districts.

Recommendation:

We recommend approval of the amendment to the Snelling-Midway, Maxson Steel/Dale Street Shops, and Energy Park Industrial Development Districts to include the boundaries of the land set forth in Exhibit A and depicted on the maps in Exhibit B.

Attachments: Exhibit A – legal description/boundaries
 Exhibit B – maps
 Resolution

EXHIBIT A

Description of Land

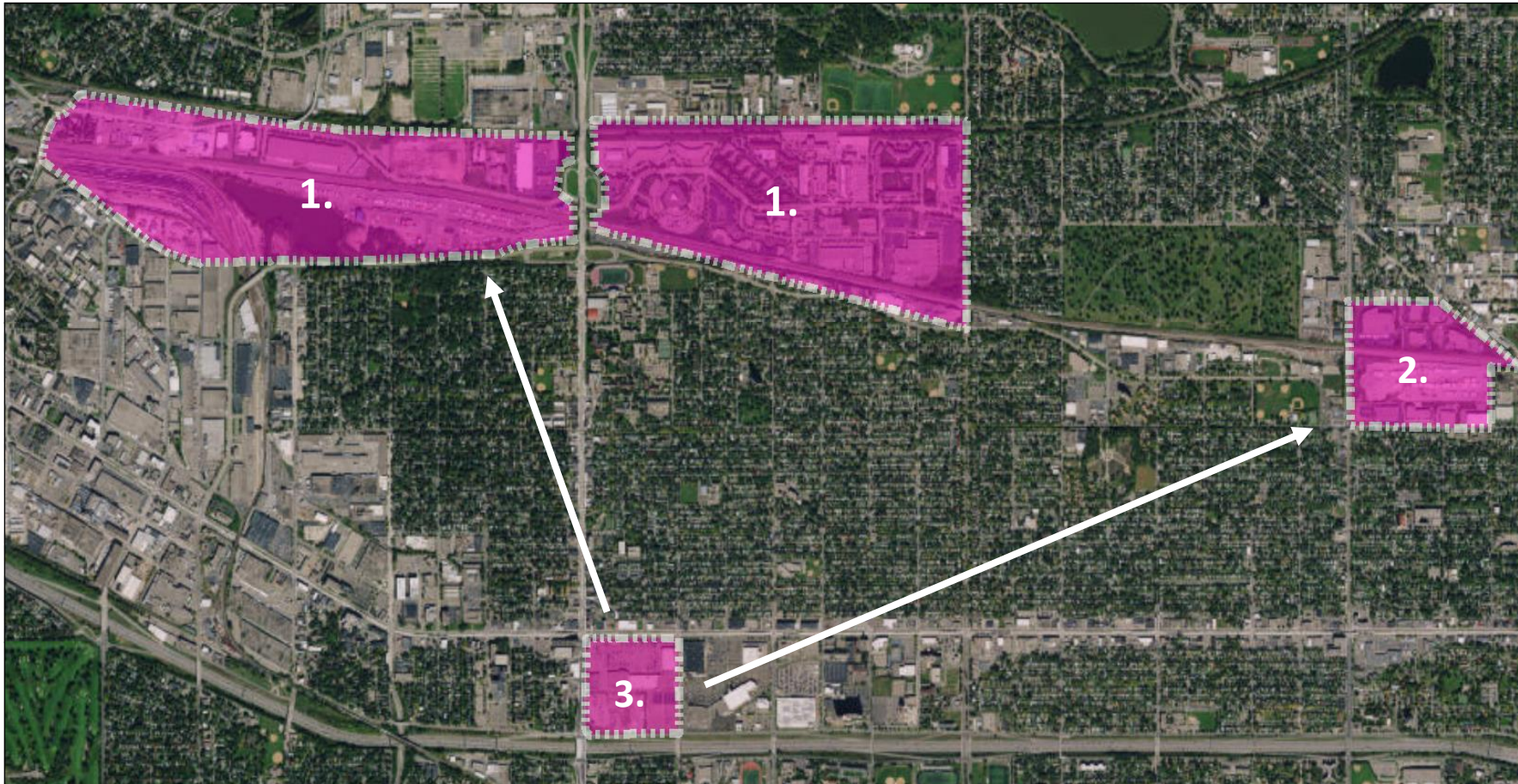
Starting at the intersection of Snelling Avenue and St. Anthony Avenue heading North on Snelling Avenue to University Avenue, then East on University Avenue to Pascal Street North, then South on Pascal Street North to St. Anthony Avenue, then West on St. Anthony Avenue to Snelling Avenue (the beginning point).

EXHIBIT B

Maps of Premises

{Attached}

**Amended Land Boundaries to:
Snelling-Midway, Maxson Steel/Dale Street Shops
and Energy Park Industrial Development Districts**



- 1. Energy Park IDD**
- 2. Maxson Steel/Dale Street Shops IDD**
- 3. Snelling-Midway IDD**

Snelling - Midway IDD



Snelling-Midway Description: Starting at the intersection of Snelling Avenue and St. Anthony Avenue heading North on Snelling Avenue to University Avenue, then East on University Avenue to Pascal Street North, then South on Pascal Street North to St. Anthony Avenue, then West on St. Anthony Avenue to Snelling Avenue (the beginning point).

Maxson Steel/Dale Street Shops IDD



Maxson Steel/Dale Street Shops Description: Bounded by Topping Street on the North, by Como and Arundel on the Northeast and East, West Minnehaha on the South and North Dale Street on the West (to the beginning point).



Snelling-Midway Description: Starting at the intersection of Snelling Avenue and St. Anthony Avenue heading North on Snelling Avenue to University Avenue, then East on University Avenue to Pascal Street North, then South on Pascal Street North to St. Anthony Avenue, then West on St. Anthony Avenue to Snelling Avenue (the beginning point).

Energy Park IDD



Energy Park Description:
See attached pages for full legal description.



Snelling-Midway Description: Starting at the intersection of Snelling Avenue and St. Anthony Avenue heading North on Snelling Avenue to University Avenue, then East on University Avenue to Pascal Street North, then South on Pascal Street North to St. Anthony Avenue, then West on St. Anthony Avenue to Snelling Avenue (the beginning point).

Energy Park Industrial Development District (Energy Park IDD)

Revised Boundary Description

A tract of land located in Ramsey County, Minnesota, described as follows:

PARCEL 1: Except avenue, that part of the S½ of Section 27, Township 29, Range 23 lying Northeasterly of the Great Northern Railway right-of-way and South of the following line: Beginning at the East Quarter Section corner of Section 27, thence South on the East line of said Section 27; 157.71 feet, thence West at right angle to a point 1,190 feet East of the center line of Hamline Avenue, thence North at right angle 2 feet, thence West at right angle 1,202 feet, thence South at right angle 2 feet, thence West at right angle to Northeasterly corner bounding Great Northern Railway right-of-way line, all in Section 27, Township 29, Range 23, subject to easements of record, Ramsey County, State of Minnesota, according to the land map records within and for said County.

And

PARCEL 2: Lots 13, 14, 15, 16 and 17, Block 3, Hersey Woolsey Addition, subject to streets and easements of record, according to the plat thereof on file and of record in the office of the Register of Deeds within and for Ramsey County.

And

PARCEL 3: Lots 1 and 4, Block 1, College Place East Division, subject to Pierce Butler Route.

A tract of land in the City of Saint Paul, Ramsey County, Minnesota, bounded on the north by Decourcy Drive and Rosen Road, on the west by Snelling Avenue, and the east by Lexington Avenue, on the south by the north property line of the Koppers Company, Inc. and its extension westerly to Snelling Avenue.

The following described property located in the City of Saint Paul, Ramsey County, Minnesota:

Parts of the Northeast quarter and the Southeast quarter, Section 29, Township 29, Range 23, and parts of the Northwest quarter, Southwest quarter, Northeast quarter, and Southeast quarter of Section 28, Township 29, Range 23, City of Saint Paul, Ramsey County, Minnesota, described as follows:

Bounded on the North by the Northerly right-of-way line of the Burlington Northern Railroad, bounded on the East by the West line of Snelling Avenue, bounded on the West by the Easterly right-of-way line of Raymond Avenue, and bounded on the South by the following described line:

Commencing at the West line of Snelling Avenue and the North line of the Pierce Butler Route, thence continuing Westerly along the North line of Pierce Butler Route and the Westerly extension of Pierce Butler Route to its intersection with the Northerly line of Capp Road extended Southeasterly, thence continuing Northwesterly along the Northerly line of Capp Road to the Northerly right-of-way line of Robbins Street extended Southeasterly to its intersection with Capp Road, thence continuing Northwesterly along the Northerly line of Robbins Street extended Southeasterly to the Easterly right-of-way line of Raymond Avenue and there terminating.

A tract of land in the City of Saint Paul, Ramsey County, Minnesota, described as follows:

Bounded on the West by the East line of Snelling Avenue; bounded on the North by the North right of way line of Schroeder Drive, also known as the Southerly right of way line of the Burlington Northern Railroad; on the East by a line of 250 feet East of the East line of Hamline Avenue to its intersection with the South line of the Burlington Northern Railroad on the South by the South right of way line of Rosen Road and Decourcy Drive.

A tract of land in the City of Saint Paul, Ramsey County, Minnesota, described as follows:

That property bounded on the East by Lexington Avenue, on the South by DeCourcy Drive and Rosen Road, on the West by Jones Street and its extension Northerly to Jessamine Avenue, and on the North by Jessamine Avenue.

A tract of land situated in the County of Ramsey, State of Minnesota, legally described as follows:

That property bounded on the West by the East line of Snelling Avenue; bounded on the South by the South line of Schroeder Drive; bounded on the East by the East line of Jones Street and its extension Northerly to Jessamine Avenue; and bounded on the North by Jessamine Avenue and its extension Westerly to Snelling Avenue.

A tract of land located north of Pierce Butler Road, south of the old Great Northern railroad tracks, East of Lexington Avenue and west of Snelling Avenue, abutting the existing district.

Starting at the intersection of Snelling Avenue and St. Anthony Avenue heading North on Snelling Avenue to University Avenue, then East on University Avenue to Pascal Street North, then South on Pascal Street North to St. Anthony Avenue, then West on St. Anthony Avenue to Snelling Avenue (the beginning point).

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

**[Amendments to the Snelling-Midway, Maxson Steel/Dale Street Shops, and
Energy Park Industrial Development Districts (IDDs)]**

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority"), at least ten days after the legal publication of the notice thereof, held a public hearing for the purpose of amending three previously created Industrial and Economic Development Districts (IDDs), within the City of Saint Paul, Ramsey County, Minnesota, to include for each IDD the land set forth in **Exhibit A** attached hereto and by reference is made a part hereof.

WHEREAS, the Midway IDD was created by Resolution No. 4583 to allow the Port Authority to facilitate the development of a soccer stadium on the former bus barn site and will require additional land currently owned and occupied by the Midway Shopping Center. In furtherance of facilitating the development in the area, the Midway IDD will be expanded to include the real estate in the lower southwest portion of the block. Furthermore, the Midway IDD is renamed to be known as the Snelling-Midway Industrial Development District ("Snelling-Midway IDD"). A map depicting the Snelling-Midway IDD and its boundary description of the Snelling-Midway IDD is attached hereto as **Exhibit B**.

WHEREAS, the Maxson Steel/Dale Street Shops IDD was created by Resolution No. 3629. The Great Northern IDD will be expanded to include the real estate encompassed in the Snelling-Midway IDD. A map depicting the amended Maxson Steel/Dale Street Shops IDD and its boundary description as amended is attached hereto as **Exhibit C**.

WHEREAS, the Energy Park IDD was created and amended by Resolution Nos. 1499, 1535, 1609, 1697, 1756, 1827, and 2013. The Energy Park IDD will be expanded to include the real estate encompassed in the Snelling-Midway IDD. A map depicting the amended Energy Park IDD and its boundary description as amended is attached hereto as **Exhibit D**.

WHEREAS, a legal publication of notice of hearing was published and said public hearing was conducted in accordance with the provisions of Minnesota Statutes Section 469.058.

WHEREAS, the Port Authority finds that the lands within each of the above-described IDD's are characterized by economic dislocation, deterioration and disuse resulting from faulty planning.

WHEREAS, the Port Authority finds that certain areas with each IDD has inadequate streets, opens spaces, and utilities.

WHEREAS, the Port Authority finds that certain lands within each IDD has undergone a loss of population and reduction of proper utilization of the area resulting from its further deterioration and at a cost to the taxpayer for the creation of new public facilities and services elsewhere.

WHEREAS, the Port Authority finds that certain lands within each IDD is characterized by a growing lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributions to the public health, safety, and welfare of the citizens of the port district of Saint Paul.

WHEREAS, the Port Authority finds that certain lands within each IDD is necessary for industrial and economic development within the IDD.

WHEREAS, the Port Authority finds that creation of the Snelling-Midway Industrial Development District, the Maxson Steel/Dale Street Shops Industrial Development District, and the Energy Park Development District, as each is described above, is proper and desirable in establishing economic developments for the benefit of the Port Authority's district and the citizens of Saint Paul thereof.

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

1. That the Port Authority hereby finds, determines, and declares that the property within each IDD is marginal land as defined in Minnesota Statutes Section 469.048, Subd. 5;
2. That the Port Authority hereby creates the Snelling-Midway Industrial Development District within the boundaries of the lands to include the properties described in Exhibit B attached hereto;
3. That the Port Authority hereby creates the Great Northern Industrial Development District within the boundaries of the lands to include the properties described in Exhibit C attached hereto; and
4. That the Port Authority hereby creates the Energy Park Industrial Development District within the boundaries of the lands to include the properties described in Exhibit D attached hereto.

Adopted: June 27, 2017

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

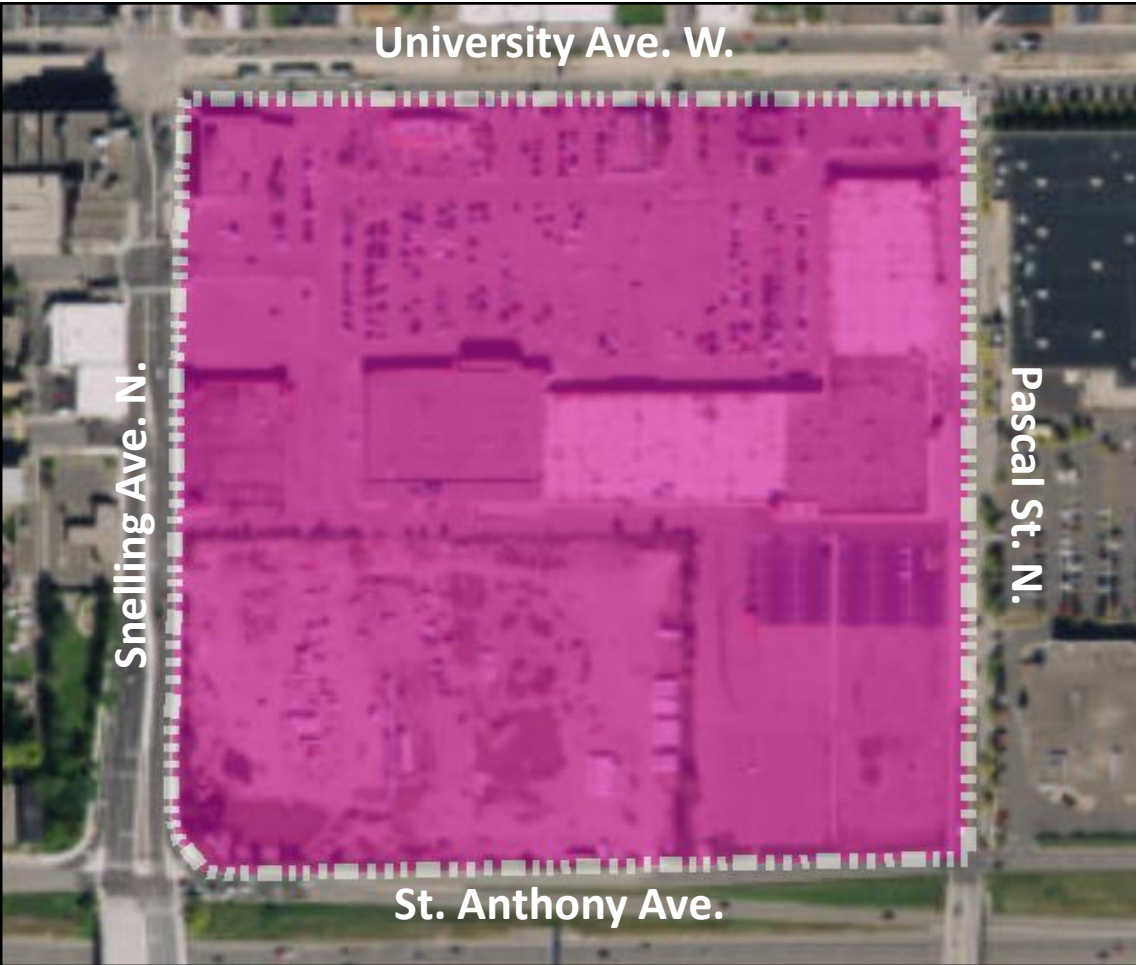
By: _____
Its: _____

EXHIBIT A

Description of Land

Starting at the intersection of Snelling Avenue and St. Anthony Avenue heading North on Snelling Avenue to University Avenue, then East on University Avenue to Pascal Street North, then South on Pascal Street North to St. Anthony Avenue, then West on St. Anthony Avenue to Snelling Avenue (the beginning point).

Snelling - Midway IDD



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EXHIBIT D

Part II of Exhibit to Attach to Map

Energy Park Industrial Development District (Energy Park IDD)

Revised Boundary Description

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SAINT PAUL PORT AUTHORITY

MEMORANDUM

TO: BOARD OF COMMISSIONERS
(Regular Meeting of June 27, 2017)

DATE: June 21, 2017

FROM: Bruce A. Kessel 

SUBJECT: APPROVAL OF MODIFICATIONS TO THE ENERGY LANE BUSINESS CENTER REDEVELOPMENT AND THE GREAT NORTHERN BUSINESS CENTER PHASE II REDEVELOPMENT TAX INCREMENT FINANCING DISTRICTS, EXPANDING THE GEOGRAPHIC PROJECT AREA, MODIFYING THE BUDGETS AND ISSUING THE RELATED TIF NOTES
RESOLUTION NO: 4600

Action Requested:

Provide approval of Modifications to the Energy Lane Business Center Redevelopment and the Great Northern Business Center Phase II Redevelopment Tax Increment Financing Districts, Expanding the Geographic Project Area, Modifying the Budgets and Issuing the Related TIF Notes with the City of Saint Paul, Minnesota.

Background:

The Port Authority and City of Saint Paul approved the creation of the Energy Lane Business Center Redevelopment ("Energy Lane") Tax Increment Financing District and the Great Northern Business Center Phase II Redevelopment ("Great Northern") Tax Increment Financing District (the "Districts") in 2002 and 2004, respectively. The Districts were created to assist in the expansion of the tax base and create jobs.

Minnesota Statutes Section 469.175, Subdivision 4b (1) and (2) allow a port authority to modify a district to enlarge the size of the district and/or the project area, as well as to increase the amount of indebtedness of the district. Section 469.1763, Subdivision 2 allow a district to spend up to twenty-five percent (25%) of its increment outside the district but within the project area. A public hearing on the proposed amendments that require City Council approval is scheduled for July 19, 2017 at 5:30 p.m. at the City Council meeting. Notice of this public hearing will be published as required by Minnesota statutes. Both Ramsey County and the School Board will be notified as required by Minnesota statutes.

Minnesota statutes require that a Port Authority TIF District reside within an Industrial Development District (the "Project Area"). The Energy Lane TIF District is in the Energy Park Industrial Development District while the Great Northern TIF District is in the Maxson Steel/Dale Street Shops (also known as the Great Northern Business Center) Industrial Development District. Tax increment property taxes are collected only on the parcels within the TIF District, however, up to twenty-five percent of the tax increment can be spent within the Project Area.

Proposal:

When TIF Plan budgets are established, estimates are made for TIF revenues, grant receipts and anticipated costs. If unforeseen conditions result in revenues and/or costs being different than anticipated, the TIF Plan is reevaluated to determine whether any adjustments to the Plan are warranted. While minor adjustments between line items can be accomplished by Port Authority action, other changes require the City of Saint Paul to hold a public hearing and formally approve any plan modifications.

The City of Saint Paul is interested in remediating a portion of the Snelling-Midway site, described in greater detail below. The City, however, is unable to obtain adequate grants to finance its anticipated costs. It is willing to finance the remediation and other costs necessary to redevelop the site through Pay-As-You-Go/Interfund TIF Notes, to be repaid with available tax increment financing at three percent (3%) interest. The notes would be from Energy Lane in the amount of \$375,000 through December 2030 and Great Northern in the amount of \$500,000 through December 2032. Pay-As-You-Go/Interfund TIF Notes place the risk that future increments are insufficient to repay the notes with the City in that at the end of the note term, any remaining balance on the notes is discharged. Existing budgets and future projected activity indicate that tax increment financing from the Districts would be adequate to service the existing obligations, as well as the proposed Pay-As-You-Go/Interfund TIF Notes.

The Snelling-Midway site is bound by Snelling Avenue, St. Anthony Avenue, University Avenue and Pascal Street North. The southwest corner is owned by the Metropolitan Council and has been tax exempt and underutilized for quite some time; preliminary tests indicate that the site is contaminated. The site needs to be remediated before private development can occur, and it is anticipated a portion of the site, once remediated, will return to the tax rolls. See three maps of the parcels attached hereto as **Exhibit A**.

Based upon the budgeted and actual outlays for the Districts, projections indicate the Districts could be modified to encompass the Snelling-Midway site and related Pay-As-You-Go/Interfund TIF Notes to the City of Saint Paul, as shown on **Exhibit B** and **Exhibit C** attached hereto. The amount of tax increment financing to be collected will not increase as a result of this modification. When the parcels on Snelling Avenue, which are now tax exempt, are developed and returned to the tax rolls, they will generate additional property taxes to reduce property taxes for other Saint Paul properties.

Recommendation:

We recommend approval of the Modifications to the Energy Lane Business Center Redevelopment and the Great Northern Business Center Phase II Redevelopment Tax Increment Financing Districts, Expanding the Geographic Project Area, Modifying the Budgets and Issuing the Related TIF Notes with the City of Saint Paul, Minnesota.

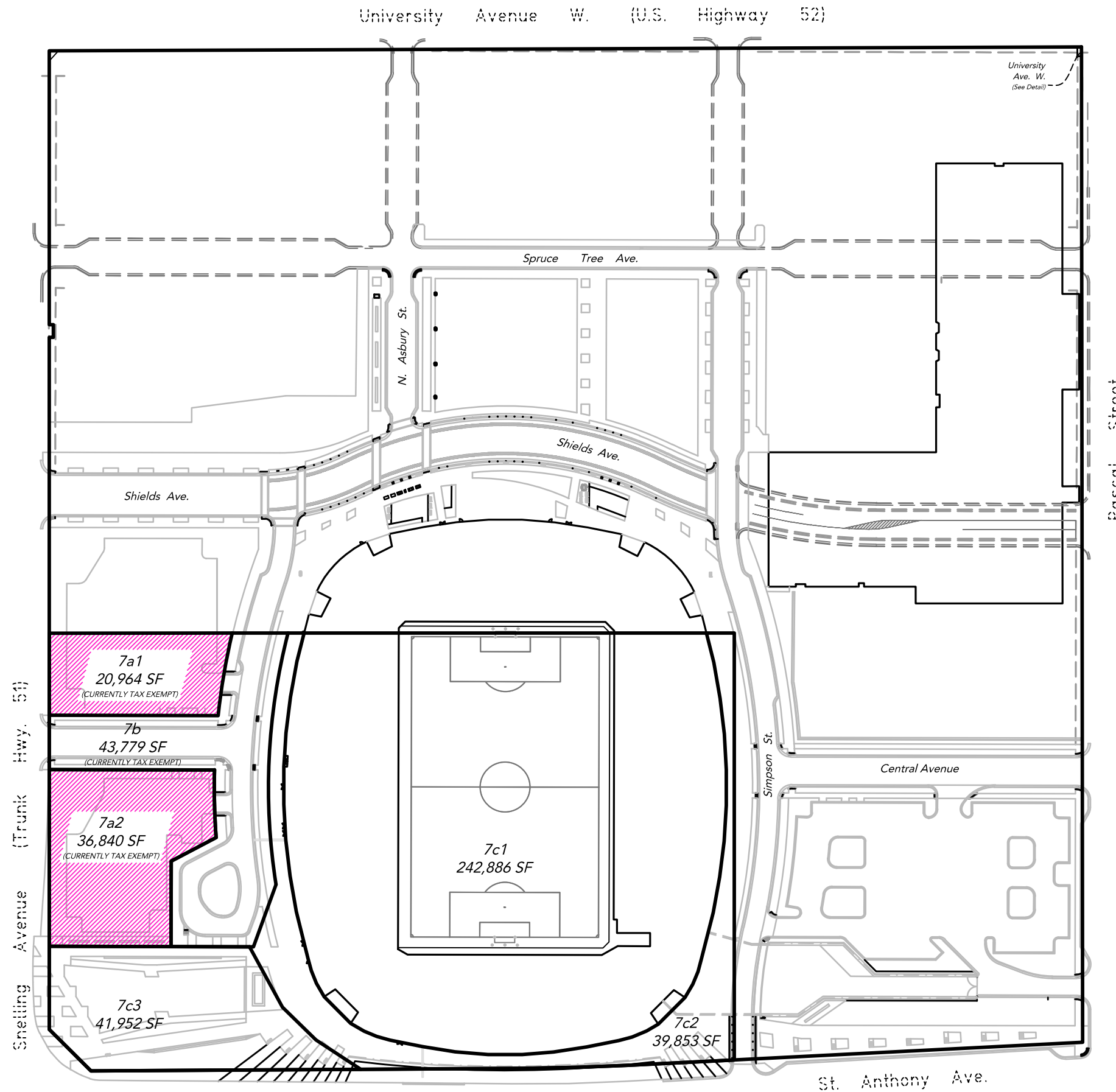
BAK/lkw

Attachments: Exhibit A – Maps (3) of Parcels on Snelling Avenue
Exhibit B – Amended Budget
Exhibit C – Summary of Amendments
Resolution

EXHIBIT A

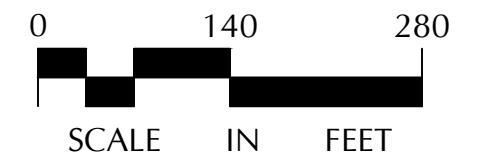
Maps (3) of Snelling Avenue Parcels

{Attached}



PARCEL 7 BREAKDOWN

June 13, 2017



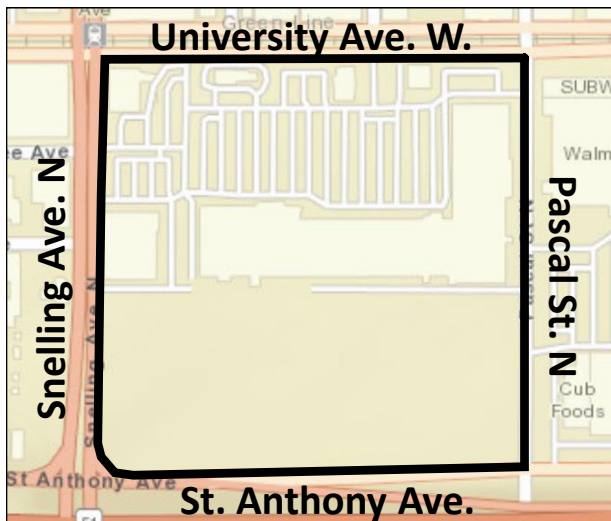
 LOUCKS

Maxson Steel/Dale Street Shops IDD



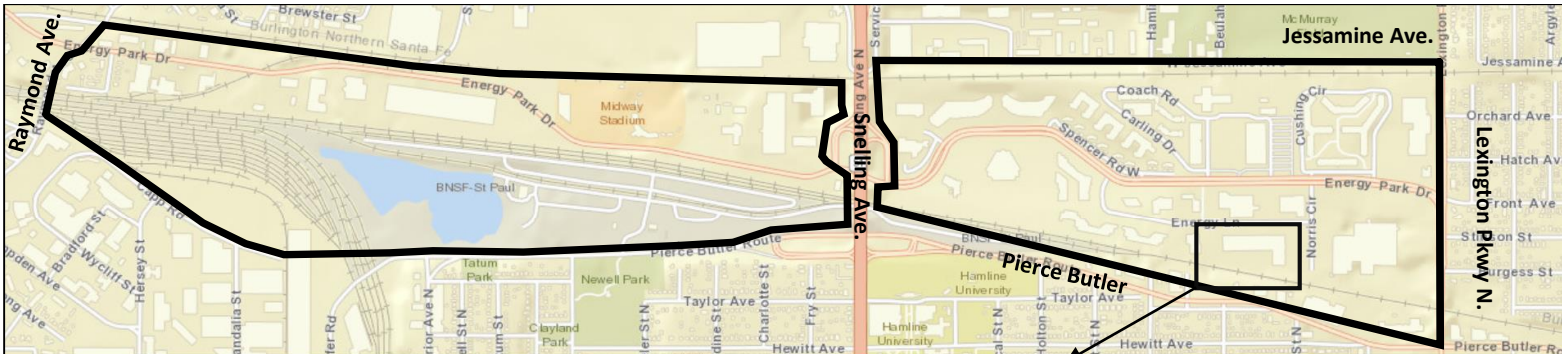
Maxson Steel/Dale Street Shops Description: Bounded by Topping Street on the North, by Como and Arundel on the Northeast and East, West Minnehaha on the South and North Dale Street on the West. Avenue (to the beginning point).

Snelling - Midway addition to IDD



Snelling-Midway Description: Starting at the intersection of Snelling Ave. and St. Anthony Ave. heading North on Snelling Ave. to University Ave., then East on University Ave. to Pascal St. North, then South on Pascal St. North to St. Anthony Ave., then West on St. Anthony Ave. to Snelling Ave. (the beginning point).

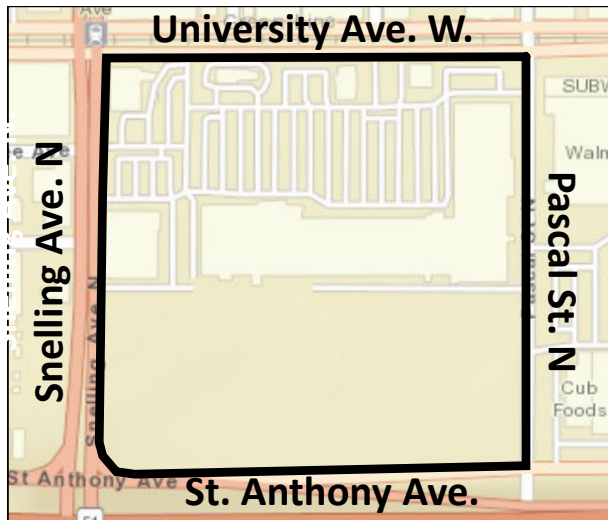
Energy Park IDD



Energy Lane Business Center Redevelopment TIF District

Energy Park Description: Area generally bound by Lexington Pkwy N., Jessamine Ave., Raymond Ave., and Pierce Butler Route.

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EXHIBIT B
AMENDED BUDGETS

***Amendment to the Great Northern Business Center Phase II and Energy Lane Business
Center Redevelopment Tax Increment Financing Plans***

	Energy Lane Business Center Redevelopment TIF District			Great Northern Business Center Phase II Redevelopment TIF District		
	Current Budget	Budget Change	Amended Budget	Current Budget	Budget Change	Amended Budget
Revenues						
Tax Increment revenue	5,662,228		5,662,228	6,895,200		6,895,200
Investment earnings	102,772		102,772	290,000		290,000
Total Revenues	5,765,000	0	5,765,000	7,185,200	0	7,185,200
Expenditures and Other Financing Uses						
Land/building acquisition	0		0	360,000		360,000
Site improvements/preparation costs	2,000,000	265,000	2,265,000	2,839,200	517,480	3,356,680
Bond interest payments	2,323,500	(65,000)	2,258,500	0		0
Loan interest payments	0		0	1,600,000	(100,000)	1,500,000
Loan interest payments	0		0	750,000		750,000
Pay-Go interest payments	0	65,000	65,000		100,000	100,000
Administrative	602,600	(26,100)	576,500	1,236,000	(517,480)	718,520
JOBS bill	600,000		600,000	400,000		400,000
Total Expenditures	5,526,100	238,900	5,765,000	7,185,200	0	7,185,200
Revenues over expenditures	238,900	(238,900)	0	0	0	0
Debt to be issued:						
Bonds	2,100,000		2,100,000	2,625,000		2,625,000
Internal Loans	0		0	1,500,000		1,500,000
Pay-Go / Interfund Note	0	375,000	375,000	0	500,000	500,000
Total Bonded Indebtedness	2,100,000	375,000	2,475,000	4,125,000	500,000	4,625,000

EXHIBIT C
Summary of Amendments

***Amendment to the Great Northern Business Center Phase II and Energy Lane
Business Center Redevelopment Tax Increment Financing Plans***

TIF District	Energy Lane Business Center Redevelopment District	Great Northern Business Center Phase II Redevelopment District
Aproval Dates:		
Initial	<i>Port: Sept 24, 2002 City: Sept 25, 2002</i>	<i>Port: Oct 26, 2004 City: Nov 3, 2004</i>
Amended	<i>Port: April 22, 2008</i>	<i>Port: April 22, 2008</i>
JOBS (1)	<i>Port: July 27, 2010</i>	<i>Port: July 27, 2010</i>
Industrial Development District (IDD)	Energy Park	Maxson Steel/Dale Street Shops (also know as the <i>Great Northern Business Center</i>)
Change to IDD	<i>expand to include area bound by</i> <i>Snelling Avenue, St. Anthony Avenue, University Avenue and Pascal Street North</i>	<i>expand to include area bound by</i> <i>Snelling Avenue, St. Anthony Avenue, University Avenue and Pascal Street North</i>
Pay-As-You-Go / Interfund Note Terms:		
Payee	City of Saint Paul	City of Saint Paul
Amount	\$375,000	\$500,000
Rate	3.0%	3.0%
Maturity	December 31, 2030	December 31, 2032
Budget	Exhibit B	Exhibit B

footnotes:

City	City of Saint Paul
Port	Port Authority of the City of Saint Paul
(1)	Minnesota Statute section 469.176, subd 4c (d)

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

**[APPROVAL OF MODIFICATIONS TO THE ENERGY LANE BUSINESS
CENTER REDEVELOPMENT AND THE GREAT NORTHERN BUSINESS
CENTER PHASE II REDFEVELOPMENT TAX INCREMENT FINANCING
DISTRICTS, EXPANDING THE GEOGRAPHIC PROJECT AREA,
MODIFYING THE BUDGETS AND ISSUING THE RELATED TIF NOTES]**

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority") has previously established the Industrial Development Districts (IDD) and the Tax Increment Districts ("TIF Districts") (collectively, the "Districts").

WHEREAS, it is proposed that the Board of Commissioners of the Port Authority consider expanding the geographic boundaries of the IDDs to include the area bound by Snelling Avenue, St. Anthony Avenue, University Avenue and Pascal Street North, as shown on the three maps attached as Exhibit A, to assist the City of Saint Paul in its remediation and redevelopment of the site and returning a portion of it to the property tax rolls.

WHEREAS, it is anticipated that Pay-As-Go/Interfund Notes will be executed with the City of Saint Paul at three percent (3%) interest.

WHEREAS, Port Authority management has prepared a revised budget for each of the TIF Districts, all of which are set forth in the proposed amendments and on the attachments hereto as Exhibit B and Exhibit C.

WHEREAS, the Port Authority has performed all actions required by law to be performed prior to the amendment of the Districts, including but not limited to, notification of Ramsey County and School District 625 (which have taxing jurisdictions over the property included in such Districts) with respect to the amendments to those Districts that require such notice under the statute.

WHEREAS, a notice of the hearing on the proposed amendments to the Districts for which a public hearing is required will be published as required by Minnesota Statutes Section 469.175, Subdivision 3, and pursuant to such notice a public hearing will be held by the City Council on July 19, 2017 on the amendments of the TIF Districts as described herein.

WHEREAS, the Port Authority will comply with all applicable laws including Minnesota Statutes Section 469.1763, Subdivision 2, which sets forth limitations on the Use of Tax Increment including but not necessarily limited to pooling limitations.

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

1. The proposed amendments to the tax increment financing plans for the Districts are hereby approved and adopted, and shall be placed on file in the office of the Port Authority.
2. The Port Authority will work with City of Saint Paul staff in conducting a public hearing and adoption of these proposed changes.
3. The Port Authority management, along with the Port Authority's legal counsel is hereby authorized to proceed with the implementation of the amended Plans.

The Port Authority management is hereby authorized to forward a copy of the amended plans to the Ramsey County Auditor and the Minnesota Department of Revenue pursuant to Minnesota Statutes, Section 469.175, Subdivision 2.

Adopted: June 27, 2017

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

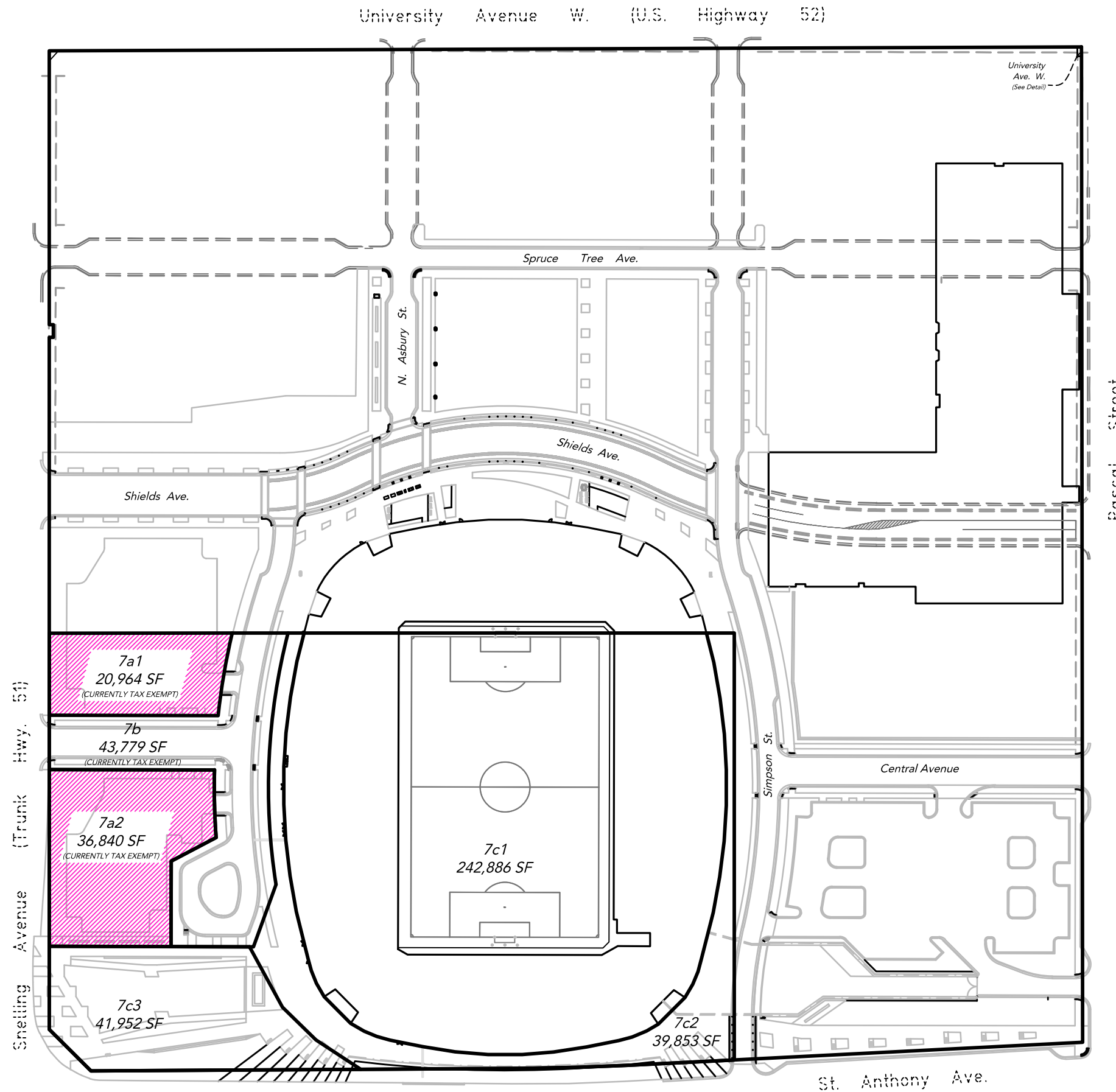
ATTEST:

By: _____
Its: _____

EXHIBIT A

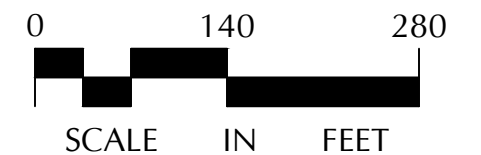
Maps (3) of Snelling Avenue Parcels

{Attached}



PARCEL 7 BREAKDOWN

June 13, 2017

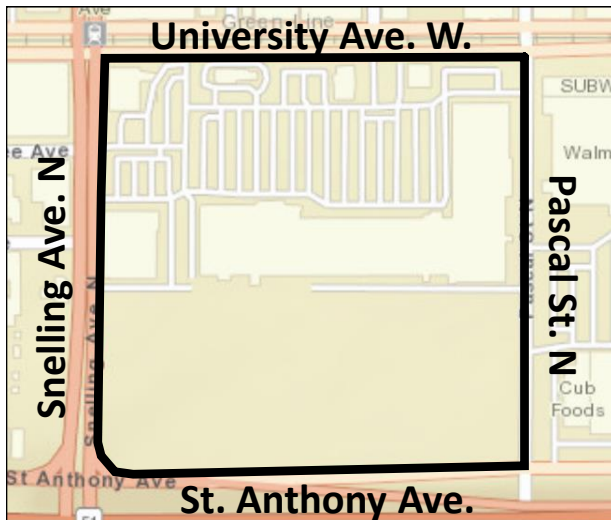


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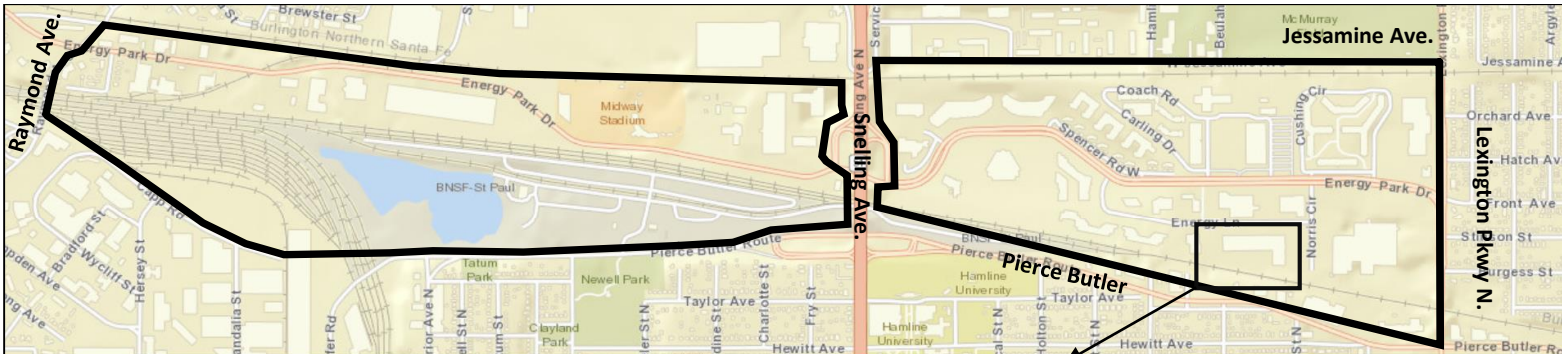
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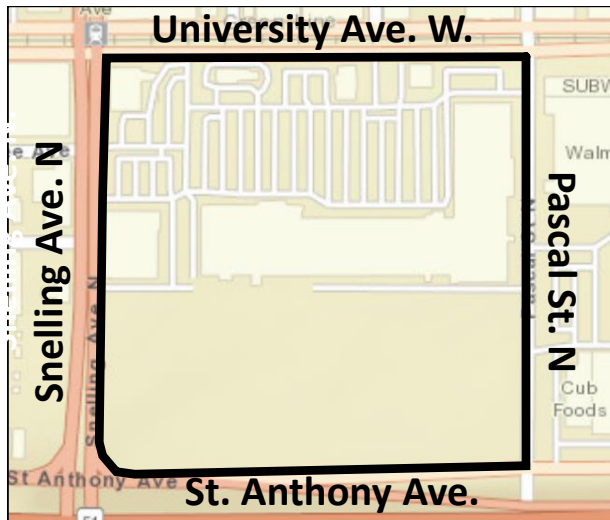
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footnotes:

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Port	Port Authority of the City of Saint Paul
(1)	Minnesota Statute section 469.176, subd 4c (d)

SAINT PAUL PORT AUTHORITY

MEMORANDUM

TO: BOARD OF COMMISSIONERS
(Regular Meeting of June 27, 2017)

DATE: June 22, 2017

FROM: Peter M. Klein 

SUBJECT: DISTRICT ENERGY ST. PAUL, INC. – AUTHORIZATION FOR TAX-EXEMPT
FINANCING ALLOCATION APPLICATION
RESOLUTION NO. 4601

Action Requested:

1. Provide preliminary approval for the Port Authority to issue taxable and tax-exempt bonds in the approximate amount of \$40,000,000 to finance the construction of a distribution pipeline in Saint Paul and to finance improvements to the existing central plant.
2. Authorization for application for up to a \$10,000,000 allocation of bonding authority from the Minnesota Management and Budget, Treasury Division.

Public Purpose:

The \$40,000,000 financing and up to \$10,000,000 allocation will enable District Energy St. Paul, Inc. to finance the construction of a distribution pipeline in Saint Paul and to finance improvements to the existing central plant.

Business Subsidy

This proposal does not involve a business subsidy.

Background:

District Energy is a 501(c)(3) non-profit company that provides energy services to 200 buildings with nearly 32 million building square feet in downtown Saint Paul. It has operated since 1983 and continues to steadily grow.

Proposal:

District Energy has requested that the Port Authority apply for an allocation of tax-exempt bonding authority from the Public Facilities pool, which is administered by the Minnesota Management and Budget, Treasury Division. This pool has been established to finance public utility projects throughout the State and is similar to the Small Issue pool that the Port Authority utilizes to finance small manufacturing projects.

Approval of this resolution and authorization to make an application for allocation of bonding authority now will ensure that the upcoming expenses that the company may be incurring will be considered eligible expenses under the tax-exempt financing law. The

authorization to make an application will allow the Port Authority to apply for an allocation of bonding authority from the State of Minnesota. This resolution expresses a preliminary intention of the Port Authority to issue obligations for this project, identifies the proposed project, and discloses the proposed amount of the bonds. Once the company determines the specifics of its construction project, it will be required to provide additional information to the Port Authority's Credit Committee for consideration prior to the final approval of the bond issue. In order for this portion of the project to proceed on a tax-exempt revenue bond basis, District Energy, through the Port Authority, must obtain an allocation of bonding authority from the Minnesota Management and Budget, Treasury Division.

Workforce Implications:

No direct implications other than the constructions jobs.

Policy Exceptions:

None.

Recommendation:

We recommend approval of authorization for application for up to a \$10,000,000 allocation of bonding authority from the Minnesota Management and Budget, Treasury Division.

PMK:djk

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

**[District Energy St. Paul, Inc.
Approval for Tax-Exempt Financing Allocation Application]**

WHEREAS, the Port Authority of the City of Saint Paul, Minnesota (the "Port Authority") has received a request from District Energy St. Paul, Inc. (hereinafter referred to as "Company") that the Port Authority consider the issuance of its revenue bonds (which may be in the form of one or more notes) to finance the proposed extension of the Company's distribution system in downtown Saint Paul to connect new customers and thermal improvements and capacity additions to the system (the "Projects").

WHEREAS, the Port Authority desires to facilitate the selective development of the City of Saint Paul and the metro east community, to retain and improve its tax base and to help it provide the range of services and employment opportunities required by its population, and said Projects will assist in achieving that objective by increasing the assessed valuation of the metro east community; helping to maintain a positive relationship between assessed valuation and debt; and enhancing the image and reputation of the metro east community.

WHEREAS, the Projects to be financed by revenue bonds will result in additional employment opportunities in the City of Saint Paul and the metro east community.

WHEREAS, the Port Authority has been advised by representatives of the Company that the Company has been acting to date in anticipation that the Port Authority would favorably consider this financing proposal.

WHEREAS, the Port Authority's Credit Committee has adopted its Resolution giving preliminary approval to the proposed issuance of bonds.

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

1. On the basis of information available to the Port Authority it appears, and the Port Authority hereby finds, that: said Projects constitutes properties, used or useful in connection with one or more revenue producing enterprises engaged in any business within the meaning of Minnesota Statutes, Sections 469.152 to 469.1655 (the "Act"); the Projects furthers the purposes stated in the Act; and it is in the best interests of the port district and the people of the City of Saint Paul and metro east community and in furtherance of the general plan of development to assist the Company in financing the Projects.

2. The Authority hereby indicates its intention to issue its tax-exempt and/or taxable revenue bonds, in a principal amount to be determined, to provide funds to the Company to finance the Projects, provided that the Port Authority, the Company and the purchaser of the revenue bonds are able to reach agreement as to the details of the

revenue agreement and other documents necessary to evidence and effect the financing of the Projects and the issuance of the revenue bonds, and further provided that the Projects and its financing receive approval by the Department of Employment and Economic Development of the State of Minnesota and an allocation of any bonding authority necessary for the tax-exempt bonds from the Minnesota Management and Budget, Treasury Division.

3. The staff of the Port Authority is authorized and directed to prepare and submit the application for allocation of bonding authority, as needed, for approximately \$10,000,000, and to continue negotiations with the Company so as to resolve the issues necessary to the preparation of the revenue agreement and other documents necessary to the approval by the Port Authority of the proposed revenue bond financing.

4. If issued, the revenue bonds (including any interim note or notes) and interest thereon shall not constitute an indebtedness of the Port Authority or the City of Saint Paul within the meaning of any constitutional or statutory limitation and shall not constitute or give rise to a pecuniary liability of the Authority or the City of Saint Paul or a charge against their general credit or taxing powers and neither the full faith and credit nor the taxing powers of the Port Authority or the City of Saint Paul is pledged for the payment of the bonds (and interim note or notes) or interest thereon.

5. Approval of this resolution is not a commitment from the Port Authority, and final approval of the Projects, and the issuance of revenue bonds to finance the Projects, is subject to further review by the Port Authority following submission of a full application by the Company and satisfaction of the conditions and approvals described in paragraph 2, above.

6. The Company intends to make expenditures for the capital projects financed by the obligations and reimburse such expenditures from the proceeds of the obligations. This resolution is intended to constitute a declaration of the Port Authority's official intent, for purposes of Section 1.150-2 of the Treasury Regulations, with respect to certain original expenditures made from any sources other than the proceeds of the obligations, in conjunction with the capital projects financed thereby for the Projects.

Adopted: June 27, 2017

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST

By _____
Its _____