

**Regular Board Meeting**

March 22, 2022 - 2:00 p.m.

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

Chair Bennett is calling a meeting of the Board of Commissioners for **Tuesday, March 22, 2022 at 2:00 p.m.** Chair Bennett has determined, due to the emergency declared by the Mayor regarding the COVID-19 health pandemic, that it is not practical nor prudent for the Saint Paul Port Authority Board of Commissioners and members of the staff to meet in-person or pursuant to Minnesota Statutes, Section 13D.02. In light of the COVID-19 health pandemic, it is not feasible for any member of the Saint Paul Port Authority Board of Commissioners and staff to be present at the regular location, and all staff and Board members of the Saint Paul Port Authority will attend this meeting by telephone or other electronic means.

It is also not feasible for members of the public to attend the meeting at its regular location due to the health pandemic and emergency. Accordingly, no meeting will be held at the Saint Paul Port Authority offices which are located at 400 Wabasha Street N, Suite 240, St. Paul, MN. Members of the public may monitor this meeting remotely at 651-395-7858, Conference ID: 826 500 190#. The purpose of the meeting is:

**Minutes**

Approval of Minutes of the February 22, 2022 Regular Board Meeting

**Conflicts of Interest**

Conflicts with any Items on the Agenda

**New Business****Credit Committee**

1. Resolution No. 4714 - Public Hearing – Conveyance of Land to the City of Saint Paul – 1056 7<sup>th</sup> Street, St. Paul, MN – Beacon Bluff Business Center
2. Resolution No. 4715 - 2022 Lease – Capital City Properties Parking Ramp

**General Matters**

Such Other Business That May Come Before the Board

1. Hillcrest Update
2. Go Wild List Agreement
3. Return to In-Person Meetings (April)

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

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The regular meeting of the Port Authority Board was held on February 22, 2022 at 2:10 p.m. via Microsoft Teams.

The following Board Members were present:

John Bennett	John Marshall	Don Mullin
Matt Slaven	Rebecca Noecker	Dai Thao

Also, present were the following:

Bruce Kessel	Dana Krueger	Nelly Chick
Kathryn Sarnecki	Lee Krueger	Andrea Novak
Pete Klein	Linda Williams	Tonya Bauer
Todd Hurley	Linda Tran	Laurie Siever
Eric Larson, City of Saint Paul		
Brianne Hamm, Securian Financial		
Matt Hill, Ramsey County		
Kristin Hanson, PFM		
Miquel Navarro, PFM		

**APPROVAL OF MINUTES**

Commissioner Slaven made a motion to approve the minutes of the February 22, 2022 regular 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**

**CREDIT COMMITTEE**

**RESOLUTION NO. 4712**

**ISSUANCE OF \$18,000,000 OF TAXABLE AND**

**TAX-EXEMPT G.O. BONDS – EMERALD ASH BORER (EAB) TREE PROGRAM**

Motion was made by Commissioner Mullin to approve Resolution No. 4712 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a roll call vote and carried unanimously.

**RESOLUTION NO. 4713**

**APPROVAL OF THE TEMPORARY SPENDING PLAN FOR TAX INCREMENT FINANCING  
BALANCES IN GREAT NORTHERN BUSINESS CENTER – SOUTH, GRIFFIN, WESTMINSTER,**

**AND WILLIAMS HILL REDEVELOPMENT TAX INCREMENT FINANCING DISTRICTS**

Motion was made by Commissioner Mullin to approve Resolution No. 4713 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a roll call vote and carried unanimously.

At the request of Chair Bennett, Commissioner Slaven reiterated his comments made about Resolution No. 4713 at the Credit Committee meeting: "Port Authority staff and Mr. Hurley in particular, should be commended for pursuing this opportunity, which was created by a Legislative act. They've been on it early, they pursued it with great diligence and have come up with what I believe is a very good spending plan to redirect those funds to the Hillcrest project, which I think will significantly advance the success of that project."

**GENERAL MATTERS**

**BOARD CHAIR REPORT/PORT AUTHORITY  
LEADERSHIP TRANSITION AND APPROVAL OF TRANSITION**

Chair Bennett made a motion to authorize and approve Chair of the Administrative Committee, John Marshall, to enter into a Transition Agreement with Lee Krueger subject to the approval as to the form by the Port Authority's General Counsel. The motion was seconded by Commissioner Slaven, submitted to a roll call vote, and carried unanimously.

There being no further business, the meeting was adjourned at 2:19 p.m.

By \_\_\_\_\_

Its \_\_\_\_\_

## MEMORANDUM

**To:** BOARD OF COMMISSIONERS

**Meeting Date:** March 22, 2022

**From:** Monte M. Hilleman



**Subject:** PUBLIC HEARING - CONVEYANCE OF LAND TO THE CITY OF SAINT PAUL -  
1056 7<sup>th</sup> STREET EAST, SAINT PAUL, MN – BEACON BLUFF BUSINESS CENTER  
RESOLUTION NO. 4714

**Action Requested:**

Approval of the conveyance of approximately 0.67 acres of land located at 1056 7<sup>th</sup> Street East in the Beacon Bluff Business Center in Saint Paul, Minnesota to the City of Saint Paul for construction of a new Fire Station #7.

**Background:**

Attached is a Memorandum outlining the terms of the land conveyance transaction from the Port Authority of the City of Saint Paul (the “Port Authority”) to the City of Saint Paul for the property located at 1056 7<sup>th</sup> Street East in the Beach Bluff Business Center in Saint Paul, Minnesota.

**Recommendation:**

We recommend approval of the conveyance of approximately 0.67 acres of land located at 1056 7<sup>th</sup> Street East in the Beacon Bluff Business Center in Saint Paul, Minnesota to the City of Saint Paul for construction of a new Fire Station #7.

**Attachments:** Memorandum  
Map  
Resolution

## MEMORANDUM

### SAINT PAUL PORT AUTHORITY LAND CONVEYANCE TRANSACTION

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**Action Requested:**

Approval of the conveyance of approximately 0.67 acres of land to the City of Saint Paul located at 1056 7<sup>th</sup> Street East in the Beacon Bluff Business Center in Saint Paul, Minnesota for the construction of a new Fire Station #7.

**Development Officer:**

Monte M. Hilleman

**Buyer/Grantee:**

City of Saint Paul

**Grantee Address:**

City of Saint Paul  
25 West Fourth Street, Suite 1000  
Saint Paul, MN 55102

**Location of Property to be Conveyed:**

The site is in the Beacon Bluff Business Center, as per the attached figure and measures approximately 0.67 acres.

**Conveyance Structure:**

Conveyance of fee simple title to the land via Quitclaim Deed. The property is being sold for \$233,482.00. Both Buyer and the Port Authority of the City of Saint Paul ("Port Authority") have conditions that must be met prior to transferring the title of real estate. Buyer's contingencies include site due diligence, title review, and City Council approval. The Port Authority's contingencies include Board approval, MPCA covenants, if required, and Buyer's financing. The closing is anticipated to take place by July 15, 2022, subject to Force Majeure. Construction of the facility shall be substantially completed, and occupancy shall occur, no later than July 15, 2024. The full purchase agreement is available upon request.

**Nature of Intended Use:**

The City of Saint Paul intends to construct and operate an approximate 18,000 square foot newly constructed Fire Station #7, as a replacement to the functionally obsolete current facility, across Ross Avenue East to the south of this site.

**Business Subsidy Agreement:**

A business subsidy agreement is not required for this transaction.

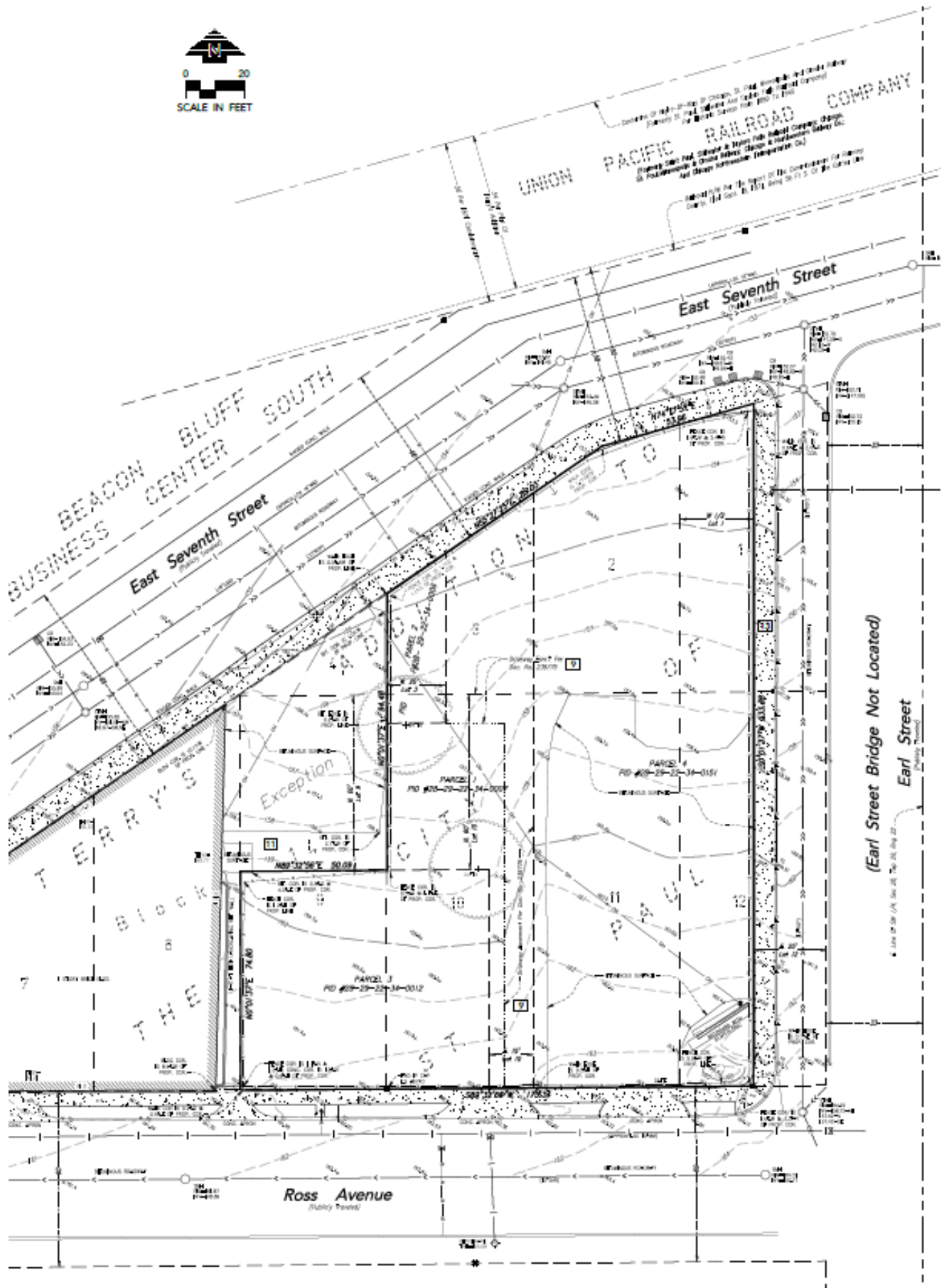
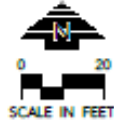
**Exception from Port's Development Criteria/Covenants:**

This project was initially acquired for blight removal purposes when the Port Authority acquired the nearby 3M campus, now the Port Authority's Beacon Bluff Business Center. It is not developable for a typical Port Authority economic development project. As such, the Port Authority's typical development criteria and covenant requirements do not apply.

**Development Officer's Comments:**

This project is a great example of the Port Authority's partnership for redevelopment purposes. Selling this remnant parcel eliminates an ongoing Port Authority maintenance expense and provides land for a much-needed upgrade to a fire station serving the East Side and Beacon Bluff Business Center.

# MAP OF PROPERTY



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

**[PUBLIC HEARING – CONVEYANCE OF LAND TO THE CITY OF SAINT PAUL –  
1056 7<sup>TH</sup> STREET EAST, SAINT PAUL, MN—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 \* 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 March 22, 2022, at which hearing all taxpayers in the port district, both for and against the conveyance, were allowed to state their views.

WHEREAS, the City of Saint Paul 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, 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/Interim 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/Interim President of the Port Authority is hereby authorized 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 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:** March 22, 2022

**From:** Eric D. Larson  
Bruce A. Kessel  
Todd P. Hurley



**Subject: 2022 LEASE – CAPITAL CITY PROPERTIES PARKING RAMP  
RESOLUTION NO. 4715**

**Action Requested:**

Approval and authorization, (1) to enter into a redemption period lease (“Redemption Period Lease”) of the parking ramp (the “Ramp”) at 50 East 4<sup>th</sup> Street, Saint Paul, Minnesota, and (2) to terminate the lease of the Ramp between the Port Authority of the City of Saint Paul and Capital City Properties.

**Background:**

The Port Authority of the City of Saint Paul (the “Port Authority”) owns the Ramp in downtown Saint Paul and Capital City Properties (“CCP”) is its sole tenant. It is managed by Allied Parking, Inc. As detailed more fully below, at the same time the Indenture Trustee assigns the Sheriff’s Certificate for the Ramp to its purchaser, per the terms of a Redemption Period Lease between the Port Authority and the purchaser, as a tenant (the “Tenant”), will take possession of the Ramp. The Redemption Period Lease will automatically terminate upon the expiration of the redemption period.

The Ramp was constructed using the proceeds from a series of bonds issued in 2000. These bonds were backed solely by revenues from the Ramp. Wells Fargo Bank, National Association, is the trustee (in such capacity, the “Indenture Trustee”) for the bondholders respecting the series of revenue bonds. Parking revenue for the Ramp has been severely diminished due to the effects of the pandemic. The revenue from the Ramp, therefore, has been insufficient to meet its ongoing operating expenses. As a result, in 2021, the Indenture Trustee elected to secure a purchaser of the Ramp, foreclose on the Ramp, and transfer the Ramp to the purchaser.

Accordingly, on December 27, 2021, the Indenture Trustee entered into a purchase agreement to sell, assign and transfer the Sheriff’s Certificate, which is received at the sheriff’s sale pursuant to the foreclosure process. The purchase agreement contains a confidentiality provision covering the transaction and the identity of the prospective buyer. The sheriff’s sale is anticipated to be held on April 15, 2022, unless rescheduled for any reason. The Indenture Trustee expects to receive a sheriff’s certificate (the “Sheriff’s Certificate”), to be issued by the Ramsey County Sheriff after the Ramsey County District Court enters its order confirming the sale of the Ramp in the foreclosure action and then as soon as practical thereafter sell and assign the Sheriff’s Certificate to the prospective purchaser.

## MEMORANDUM

As the owner and a tenant of the Ramp, both the Port Authority and CCP have redemption rights lasting for six months after the district court confirms the sale of the Ramp to redeem the Ramp. If no party with redemption rights redeems the Ramp during the redemption period, the Sheriff's Certificate will, by operation of law, convey the Ramp to purchaser.

Simultaneously, with the Indenture Trustee's assignment of the Sheriff's Certificate to the purchaser, by the Redemption Period Lease, the Port Authority will convey rights to possess and use of the Ramp to the purchaser, now also known as the Tenant. Pursuant to the terms of the Redemption Period Lease, the Tenant will take the Ramp "AS IS" and "With All Faults"; will be responsible for all costs and expenses for the Ramp; and will take assignment of the Management Agreement between the Port Authority and Allied Parking, Inc. (the current operator of the Ramp), as well as all other associated contracts. The above action will terminate the lease between the Port Authority and CCP.

The Redemption Period Lease is contingent on the sale and assignment of the Sheriff's Certificate from the Indenture Trustee to the Tenant.

### **Redemption Period Lease Terms and Conditions:**

#### Redemption Period

Lease Commencement: Upon Sale and Assignment of the Sheriff's Certificate  
(Anticipated to be late April 2022)

#### Redemption Period

Lease Termination: Upon Expiration of the Redemption Period  
(Anticipated to be late October 2022)

Base Rent: \$1.00

Additional Rent: All Port Authority expenses incurred  
(excludes costs incurred prior to 2021)

### **Real Estate Taxes:**

Tenant shall pay all real estate taxes and assessments billed by the county, city or any other regulatory authority pursuant to the Redemption Period Lease. Tenant shall pay directly to any taxing authority.

### **Recommendation:**

Approval and authorization, (1) to enter into a Redemption Period Lease of the Ramp at 50 East 4<sup>th</sup> Street, Saint Paul, Minnesota, and (2) to terminate the lease of the Ramp between the Port Authority and CCP.

Attachment: Map  
Resolution

[illegible]

A horizontal number line representing distance in feet. It starts at 0 on the left and ends at 500 on the right. There are major tick marks at 0, 125, 250, and 500. There are also minor tick marks between these major marks, representing intervals of 50 feet. The labels '0', '125', '250', and '500 Feet' are placed above the corresponding major tick marks.



**Saint Paul**  
PORT AUTHORITY

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

**[2022 LEASE – CAPITAL CITY PROPERTIES PARKING RAMP]**

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

WHEREAS, the Port Authority seeks to enter into a lease (hereinafter referred to as “Redemption Period Lease”) for the parking ramp located at 50 East 4<sup>th</sup> Street, Saint Paul, Minnesota (hereinafter referred to as the “Ramp”) and contemporaneously terminate the existing lease between the Port Authority and Capital City Properties (“CCP”) for the same premises (hereinafter referred to as the “CCP Lease”).

WHEREAS, the Port Authority owns the Ramp in downtown Saint Paul and CCP is its sole tenant. It is managed by Allied Parking, Inc. The Ramp was constructed using the proceeds from a series of bonds issued in 2000. These bonds were backed solely by revenues from the Ramp. Wells Fargo Bank, National Association, is the trustee (in such capacity, the “Indenture Trustee”) for the bondholders respecting the series of revenue bonds.

WHEREAS, due to the Pandemic, the parking revenue for the Ramp has been insufficient to meet its ongoing operating expenses. As a result, in 2021, the Indenture Trustee elected to secure a purchaser of the Ramp, foreclose on the Ramp, and transfer the Ramp to the purchaser. The Indenture Trustee expects to receive a sheriff’s certificate (the “Sheriff’s Certificate”), to be issued by the Ramsey County Sheriff after the Ramsey County District Court enters its order confirming the sale of the Ramp in the foreclosure action and then as soon as practical thereafter sell and assign the Sheriff’s Certificate to the prospective purchaser.

WHEREAS, as the owner and a tenant of the Ramp, both the Port Authority and CCP have redemption rights lasting for six months after the district court confirms the sale of the Ramp to redeem the Ramp. Simultaneously, with the Indenture Trustee’s assignment of the Sheriff’s Certificate, the Port Authority seeks to lease the Ramp to the purchaser. The Redemption Period Lease is contingent on the sale and assignment of the Sheriff’s Certificate from the Indenture Trustee to the purchaser/tenant.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed 2022 Redemption Period Lease, as contained in the Memorandum to the Board, is hereby approved; and

BE IT FURTHER RESOLVED that the proposed termination of the CCP Lease between the Port Authority and CCP, as contained in the Memorandum to the Board, is hereby approved; and

BE IT FURTHER RESOLVED that the Interim President of the Port Authority, or anyone acting under his direction, is hereby authorized to execute on behalf of the Port Authority the Redemption Period Lease and termination of the CCP Lease and execute any other document in form as approved by counsel or take any other reasonable and appropriate actions in order to complete these authorized transactions in accordance with the above-referenced terms.

Adopted: March 22, 2022

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

ATTEST:

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