

Regular Board Meeting

November 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, November 22, 2022 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 October 25, 2022 Annual Board Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

Administrative Committee

1. Approval of 2023 Budget
2. Resolution No. 4730 - Final Certification of Tax Levy
3. Resolution No. 4731 - Selection of External Auditors

Credit Committee

1. Resolution No. 4732 - Approval of a Lease Amendment, Renewal and Rental Rate Adjustment – Barentz North America, LLC f/k/a Origination, LLC
2. 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
3. Resolution No. 4734 - Authorization to Apply for and Accept up to \$1,300,000 in Grant and Loan Funds from the Department of Employment and Economic Development for Redevelopment of The Heights, 2200 Larpenteur Avenue East, Saint Paul, Minnesota

General Matters

Such Other Business That May Come Before the Board

**SAINT PAUL PORT AUTHORITY
MINUTES OF THE ANNUAL BOARD MEETING
OCTOBER 25, 2022**

The annual meeting of the Port Authority Board was held on October 25, 2022, at 2:00 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	John Marshall	Don Mullin
Matt Slaven	Nneka Constantino	Rebecca Noecker

Also present were the following:

Tonya Bauer	Angie Helms	Monte Hilleman
Todd Hurley	Sarah Illi	Bruce Kessel
Pete Klein	Annamarie Kosel	Dana Krueger
Andrea Novak	Kathryn Sarnecki	Laurie Siever
Linda Tran	Linda Williams	
Eric Larson, City of Saint Paul		
Matt Hill, Ramsey County		
Brianne Hamm		
Angela Rife, City of Saint Paul		

APPROVAL OF MINUTES

Commissioner Mullin made a motion to approve the minutes of the September 27, 2022, regular Board meeting. The motion was seconded by Commissioner Noecker, 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

ADMINISTRATION

ELECTION OF OFFICERS

Commissioner Marshall made a motion to nominate the following Commissioners for the 2023 officer positions. The new officers will assume their roles effective January 1, 2023.

- | | |
|------------------------------------|-----------------------------------|
| • Chair, Matt Slaven | Vice Chair, Nneka Constantino |
| • Secretary, Don Mullin | Treasurer, John Marshall |
| • Assistant Secretary, Eric Larson | Assistant Treasurer, Bruce Kessel |

The motion was seconded by Commissioner Mullin, submitted to a roll call vote, and carried unanimously.

The following committee chairs were assigned:

- Credit Committee, Don Mullin
- Administrative Committee, John Marshall

There being no further business, the meeting was adjourned at 2:04 p.m.

By _____

Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS
From: Bruce Kessel 
Subject: **APPROVAL OF 2023 BUDGET**

Meeting Date: November 22, 2022

Action Requested:

Approval of 2023 Budget for Port Authority Operations and grant the President the authority to modify this budget as necessary pending St. Paul City Council final action on the 2023 Mandatory Property Tax Levy.

Background:

Attached please find the 2022 Projected Budget Result and the Proposed Operating Budget for the Year Ending December 31, 2023. The Operating and Development budgets cover the revenue and expenses of the Port Authority's daily operations.

As outlined in the Final Certification of Tax Levy memorandum, the Port Authority preliminary levy was adopted with an increase in the Mandatory Levy of \$250,000, however, the City of St. Paul did not include this increase in its preliminary levy adoption. The City is investigating various options as it considers increasing the Port Authority's levy to include the \$250,000. The City's final determination will not be made until its December 7th City Council meeting. As such, we propose adopting the budget with the additional \$250,000 and grant the Port Authority President the authority to adjust the 2023 Budget as necessary based upon the final City Council action.

2023 BUDGET

2022 Projected Budget Results (rounded to nearest thousand)

Operating Revenues are projected to be under budget by \$255,000 while spending is projected to be \$343,000 under budget which together with the budgeted income \$23,000 results in a net operating income of \$111,000.

Development Revenues are projected to be under budget by \$32,000 while spending is projected to be \$589,000 under budget which together with the budgeted income \$3,000 results in a net operating income of \$560,000.

Overall, the budgeted net income of \$26,000 combined with the revenue shortfall of \$287,000 and the managed underspending of \$932,000 results in a projected net operating income of \$671,000.

2023 Proposed Operating Budget

The proposed 2023 budget projects revenues in the amount of \$5,802,254 and provides spending authority in the amount of \$5,786,466, resulting in a net operating income of \$15,788.

Total revenues are expected to increase by \$240,118 and expenses are budgeted to increase by \$250,760, lowering the net operating income by 10,642 from the 2022 budget to \$15,788.

The proposed budget report also contains a variance analysis between the 2022 budget and the 2023 budget.

Revenue Variances (rounded to nearest thousand)

Variance

Tax Revenues

\$190,000

Tax revenues are budgeted to increase by \$250,000. This is a result of the combination of a \$250,000 levy increase, offset by a reduction in tax increment revenue. As our TIF Districts mature and repay their obligations to the Port, TIF recoveries will continue to decline.

Fiscal and Administrative Fees

\$97,000

The fee revenue increase is due to the increased loan servicing fees associated with third party PACE loans which represent approximately 68% of these fees.

Interest on Loans

\$90,000

Interest on loans is expected to increase \$90,000. This is due to the increase in repayments from TIF Districts on TIF Loans.

CCP & Other Grant Income

(\$250,000)

Grant income is budgeted to decrease by \$250,000 returning the CCP grant amount to historic levels and allowing CCP to maintain adequate reserves.

Expense Variances (rounded to nearest thousand)

Variance

Personnel Costs

\$193,000

Personnel costs are budgeted to increase to \$193,000. The increase is due to inflationary increases in salary and benefits as well as filling open positions. The development position is critical to be filled as we move forward with The Heights and University of St. Thomas project. The Director of Lending is also critical to be filled as the PACE program continues to expand and the VP of Lending nears retirement.

Other Expenses

Other line-item expenses have minor changes as past and future outlays were evaluated.

Recommendation:

We recommend approval of the 2023 Budget for Port Authority Operations and grant the President the authority to modify this budget as necessary pending St. Paul City Council final action on the 2023 Mandatory Property Tax Levy.

Attachments: 2022 Projected Operating Budget Results
 2022 Projected Development Budget Results
 2023 Port Authority Operating Budget Summary

Saint Paul Port Authority
Estimated Budget to Actual for the Year Ending December 31, 2022
Budget Summary


	Operating			Development		
	Budget	Estimated Actual	Variance	Budget	Estimated Actual	Variance
REVENUES:						
Tax revenues	\$ 1,735,000	\$ 1,733,928	\$ (1,072)	\$ 325,000	\$ 325,000	\$ -
Land rents	-	-	-	95,136	95,136	-
Fiscal and administrative fees	898,000	862,148	(35,852)	-	-	-
Interest on loans	295,000	295,000	-	290,000	290,000	-
Reimbursed direct labor	190,000	187,274	(2,726)	150,000	150,000	-
Other operating revenue	292,500	305,419	12,919	17,500	-	(17,500)
Interest on investments	9,000	30,754	21,754	15,000	-	(15,000)
CCP & Other Grant income	1,250,000	1,000,000	(250,000)	-	-	-
Total Revenues	4,669,500	4,414,523	(254,977)	892,636	860,136	(32,500)
EXPENSES:						
Personnel costs	3,249,078	3,109,186	(139,892)	-	-	-
Professional services:						
Audit fees	56,500	57,500	1,000	-	-	-
Attorney costs	260,000	230,299	(29,701)	-	-	-
Other professional fees	165,500	78,308	(87,192)	-	-	-
Total professional services	482,000	366,107	(115,893)	-	-	-
Other general costs:						
Office rent	320,350	320,337	(13)	-	-	-
Insurance	117,000	116,893	(107)	-	-	-
General & administrative expenses	91,800	85,442	(6,358)	69,320	62,123	(7,197)
Equipment maintenance	74,140	78,351	4,211	-	-	-
Depreciation	105,000	105,000	-	-	-	-
Marketing	110,140	73,180	(36,960)	-	-	-
Development:						
River shipping	-	-	-	286,000	60,000	(226,000)
Development	-	-	-	359,000	44,623	(314,377)
Predevelopment	-	-	-	75,000	33,032	(41,968)
Property Maintenance	96,878	49,135	(47,743)	-	-	-
Interest	-	-	-	100,000	100,000	-
Total other general costs	915,308	828,338	(86,970)	889,320	299,778	(589,542)
Total Expenses	4,646,386	4,303,631	(342,755)	889,320	299,778	(589,542)
Net Operating Income (Loss)	23,114	110,892	87,778	3,316	560,358	557,042

Saint Paul Port Authority
Budgets for the Year Ending December 31, 2023
Budget Summary

	2022 Budget			2023 Budget			Variance		
	Operating	Development	Total	Operating	Development	Total	Operating	Development	Total
REVENUES:									
Tax revenues	\$ 1,735,000	\$ 325,000	\$ 2,060,000	\$ 1,950,000	\$ 300,000	\$ 2,250,000	\$ 215,000	\$ (25,000)	\$ 190,000
Land rents	-	95,136	95,136	-	97,754	97,754	-	2,618	2,618
Fiscal and administrative fees	898,000	-	898,000	995,000	-	995,000	97,000	-	97,000
Interest on loans	295,000	300,000	595,000	385,000	500,000	885,000	90,000	200,000	290,000
Reimbursed direct labor	190,000	140,000	330,000	190,000	-	190,000	-	(140,000)	(140,000)
Other operating revenue	292,500	17,500	310,000	308,000	-	308,000	15,500	(17,500)	(2,000)
Interest on investments	9,000	15,000	24,000	39,000	37,500	76,500	30,000	22,500	52,500
CCP & Other Grant income	1,250,000	-	1,250,000	1,000,000	-	1,000,000	(250,000)	-	(250,000)
Total Revenues	4,669,500	892,636	5,562,136	4,867,000	935,254	5,802,254	197,500	42,618	240,118
EXPENSES:									
Personnel costs	3,249,078	-	3,249,078	3,441,832	-	3,441,832	192,754	-	192,754
Professional services:									
Audit fees	56,500	-	56,500	60,000	-	60,000	3,500	-	3,500
Attorney costs	260,000	-	260,000	255,000	-	255,000	(5,000)	-	(5,000)
Other professional fees	165,500	-	165,500	184,500	-	184,500	19,000	-	19,000
Total professional services	482,000	-	482,000	499,500	-	499,500	17,500	-	17,500
Other general costs:									
Office rent	320,350	-	320,350	323,000	-	323,000	2,650	-	2,650
Insurance	117,000	-	117,000	135,000	-	135,000	18,000	-	18,000
General & administrative expenses	91,800	69,320	161,120	80,586	68,445	149,031	(11,214)	(875)	(12,089)
Equipment maintenance	74,140	-	74,140	66,264	-	66,264	(7,876)	-	(7,876)
Depreciation	105,000	-	105,000	105,000	-	105,000	-	-	-
Marketing	110,140	-	110,140	109,618	-	109,618	(522)	-	(522)
Development:									
River shipping	-	286,000	286,000	-	120,000	120,000	-	(166,000)	(166,000)
Development	-	359,000	359,000	-	534,021	534,021	-	175,021	175,021
Predevelopment	-	75,000	75,000	-	100,000	100,000	-	25,000	25,000
Property Maintenance	96,878	-	96,878	103,200	-	103,200	6,322	-	6,322
Interest	-	100,000	100,000	-	100,000	100,000	-	-	-
Total other general costs	915,308	889,320	1,804,628	922,668	922,466	1,845,134	7,360	33,146	40,506
Total Expenses	4,646,386	889,320	5,535,706	4,864,000	922,466	5,786,466	217,614	33,146	250,760
Net Operating Income (Loss)	23,114	3,316	26,430	3,000	12,788	15,788	(20,114)	9,472	(10,642)

MEMORANDUM

To: BOARD OF COMMISSIONERS

From: Bruce A. Kessel 

Subject: **FINAL CERTIFICATION OF TAX LEVY
RESOLUTION NO. 4730**

Meeting Date: November 22, 2022

Action Requested:

Approval of the Truth in Taxation Certification and authorizing the President to submit the Certification to Ramsey County.

Background:

Minnesota Truth in Taxation Law provides that counties, municipalities, and school districts and special taxing districts (including port authorities) must certify to the County Auditor by the end of December of each year the proposed tax levy for taxes levied in the subsequent calendar year. In August 2022, the Port Authority's Preliminary Truth in Taxation Certification included a \$250,000 levy increase over the previous year's levy. As provided in Minnesota statutes section 469.053(4), the City of Saint Paul is required to approve the Port Authority's Mandatory Levy; however, the City's Preliminary Truth in Taxation Certification in September did not include the Port Authority's levy increase. In subsequent discussions with the City, the City is investigating various options as it considers increasing the Port Authority's levy to include the \$250,000. The City's final determination will not be made until its December 7th City Council meeting. As such, we propose certifying the Port Authority's levy based on the City's final levy determination and, by extension, granting the Port Authority's President the authority to adjust the Truth in Taxation Certification to the level approved by the City. The potential budget adjustment is discussed more fully in the associated 2023 Budget report.

The recommended 2022 tax levy payable in 2023 is:

	Option A With Increase	Option B Without Increase
1. General Obligation Bond Debt Service	\$5,527,399	\$5,527,399
2. Mandatory Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 4, at a rate not to exceed .01813% of market value	\$2,506,700	\$2,256,700
3. Discretionary Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 6. Pledged to industrial redevelopment.	<u>\$ 105,000</u>	<u>\$ 105,000</u>
TOTAL 2023 TAX LEVY	<u>\$8,139,099</u>	<u>\$7,889,099</u>

MEMORANDUM

Recommendation:

We recommend approval of the Final Truth in Taxation Certification as set forth above and authorizing the President to finalize the Truth in Taxation Certification and submit it to Ramsey County.

Attachments: Comparison of Tax Levy
Resolution

PORT AUTHORITY OF THE CITY OF SAINT PAUL
COMPARISON OF TAX LEVY

TAX LEVY PAYABLE (Option A)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
G.O. Bonds	\$5,527,399	\$3,851,537	\$3,849,685
Mandatory Levy	2,506,700	2,256,700	2,006,700
Discretionary Levy	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
TOTAL	\$ 8,139,099	\$ 6,213,237	\$ 5,961,385

TAX LEVY PAYABLE (Option B)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
G.O. Bonds	\$5,527,399	\$3,851,537	\$3,849,685
Mandatory Levy	2,256,700	2,256,700	2,006,700
Discretionary Levy	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
TOTAL	\$ 7,889,099	\$ 6,213,237	\$ 5,961,385

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

[FINAL CERTIFICATION OF TAX LEVY]

WHEREAS, pursuant to Minnesota Statutes Section 275.065, all taxing districts are required to certify the final levy they may impose for the current tax year payable in 2023 prior to the end of December, 2022.

WHEREAS, the Port Authority's Preliminary Truth in Taxation Certification increased its Mandatory Levy for taxes payable in 2023 by \$250,000.

WHEREAS, the City of Saint Paul's Preliminary Truth in Taxation Certification did not include the Port Authority's levy increase, and the City is investigating various budget/levy options, but the City's final levy certification determination will not be made until its December 7th Council meeting.

WHEREAS, the Port Authority is approving its Final Certification of the Tax Levy prior to the City, it is prudent to both adopt and adjust the Truth In Taxation Certification to the level approved by the City under Option A with this increase or Option B without this increase and authorize the President of the Port Authority of the City of Saint Paul to certify the levy accordingly.

NOW THEREFORE, BE IT RESOLVED, that the Port Authority adopts its maximum tax levy for taxes payable in 2022 as follows (Option A):

1.	General Obligation Bond Debt Service:	\$5,527,399
2.	Mandatory Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 4, at a rate not to exceed .01813% of market value:	\$2,506,700
3.	Discretionary Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 6, pledged to industrial redevelopment:	<u>\$ 105,000</u>
	TOTAL 2022 TAX LEVY	<u><u>\$8,139,099</u></u>

BE IT FURTHER RESOLVED, that if the City of Saint Paul does not approve the Mandatory Levy at the above-stated level, then the Port Authority alternatively adopts as the Port Authority's maximum tax levy for taxes payable in 2022 to the 2021 level as follows (Option B):

1.	General Obligation Bond Debt Service:	\$5,527,399
3.	Mandatory Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 4, at a rate not to exceed .01813% of market value:	\$2,256,700
3.	Discretionary Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 6, pledged to industrial redevelopment:	<u>\$ 105,000</u>
	TOTAL 2022 TAX LEVY	<u>\$7,889,099</u>

BE IT FURTHER RESOLVED, that the President of the Port Authority of the City of Saint Paul is authorized to adjust the Truth In Taxation Certification to the level approved by the City.

Adopted: November 22, 2022


PORT AUTHORITY OF THE CITY OF
SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

To: BOARD OF COMMISSIONERS

From: Bruce A. Kessel 

Subject: **SELECTION OF EXTERNAL AUDITORS**
RESOLUTION NO. 4731

Meeting Date: November 22, 2022

Action Requested:

Approve Clifton Larson Allen as the external auditor for Saint Paul Port Authority for the year ending December 31, 2022 with the option to renew for subsequent years.

Proposal:

In 2014, both CCP and the Port Authority issued a Request for Proposals (RFP) for auditing services for the calendar year 2014 with the option for annual renewals. Based on the responses received, we entered into a contract with Clifton Larson Allen which was renewed for subsequent years. In May 2022, the trustee for the Capital City Plaza Parking Garage (Garage) debt foreclosed on the property. The redemption period associated with the foreclosure ended in early November, resulting in the title passing to the purchaser. Since the Garage is no longer owned by the Port Authority or CCP and the bonds extinguished, the Garage property, debt, and related financial information will be removed from CCP's financial statements for a net increase of over \$66 million dollars in CCP's net position (CCP's December 31, 2021 net position would go from negative \$52,810,269 to a positive \$13,472,104). Based on the time that has elapsed since the last RFP as well as this change, it is a best practice to issue an RFP for auditing services.

An RFP for auditing services was issued in October for the year ending December 31, 2022, with an option to renew for up to four additional years (total of five years). The RFP included information related to all the reporting entities and audited financial statements and related reports that are currently required (Port Authority, Federal Grant Audit, etc.; related entities including Capital City Properties and Go Wild LLC were included in the RFP but auditor selection is dependent upon their respective Board approval). A number of firms were contacted. Several indicated that at the present time they did not have the capacity to complete timely audits. Three firms engaged in extended reviews of our operations and related auditing needs.

Responses were due on November 10th. Our current auditors responded to the request and staff recommends Clifton Larson Allen as the external auditor for the Port Authority. Clifton Larson Allen meets the professional requirements and provided a competitive price. We recommend entering into a contract with Clifton Larson Allen for the year ending December 31, 2022, with the option to renew for additional years.

Recommendation:

We recommend approval of Clifton Larson Allen as the external auditor for the Saint Paul Port Authority for the year ending December 31, 2022 with the option to renew for subsequent years.

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

[SELECTION OF AUDITORS]

WHEREAS, staff has presented to the Board of Commissioners of the Port Authority of the City of Saint Paul a proposal from CliftonLarsonAllen LLP to act as auditors for the Port Authority for the year ending December 31, 2022 with the option to renew for subsequent years,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposal of CliftonLarsonAllen LLP to act as auditors for the Port Authority for the year ending December 31, 2022 with the option to renew for subsequent years is hereby accepted, and the President or the Chief Financial Officer of the Port Authority of the City of Saint Paul is hereby authorized to enter into a contract with CliftonLarsonAllen LLP for audit services in a form approved by counsel.

Adopted: November 22, 2022

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS

Meeting Date: November 22, 2022

From: LINDA K. WILLIAMS



**Subject: APPROVAL OF A LEASE AMENDMENT, RENEWAL AND RENTAL RATE ADJUSTMENT
– BARENTZ NORTH AMERICA, LLC f/k/a ORIGINATION, LLC
RESOLUTION NO. 4732**

Action Requested:

Approval of a Lease Amendment, Renewal and Rental Rate Adjustment for Barentz North America, LLC f/k/a Origination, LLC (“Tenant”) to continue leasing a barge loading access area located in the Southport Terminal at 637 Barge Channel Road, Saint Paul, Minnesota (“Leased Premises”).

Background:

The Port Authority of the City of Saint Paul (“Port Authority”) originally entered into a 5-year Lease with Origination, LLC on January 1, 2018 with one five-year renewal term. Origination, LLC merged with and into Barentz North America, LLC (“Barentz”) effective as of January 1, 2022, as part of a corporate reorganization. After review of financial information and corporate documents of Barentz by the Port Authority and upon written confirmation that Barentz will continue to fulfill all obligations under the Lease and will continue to adhere to the maintenance and report schedule, the Port Authority internally approved to allow Barentz to continue leasing the premises through the end of the Lease term of December 31, 2022. The Port Authority also agreed to present to its Board of Commissioners a recommendation to enter into the five-year option to renew with Barentz which would extend the Lease to December 31, 2027.

The Lease also calls for rental rates to be renegotiated at five-year intervals and the Port Authority and Tenant have agreed upon rental rate adjustments for the January 1, 2023 to December 31, 2027 five-year renewal term (“2023 Lease Renewal”).

The Leased Premises consists of a barge loading area that is 600 linear feet of the high dockwall at the Southport slip, consisting of up to six barge stations (three along the wall and staged two-deep of the wall). It also includes 50 feet northeast (perpendicular) to the dockwall for a leased area of 30,000 square feet of land at 637 Barge Channel Road in Saint Paul, Minnesota. A map depicting the area is attached hereto for your reference. The Leased Premises is primarily used for the loading and unloading of bulk commodities.

Lease Terms and Conditions:

Original Lease:	1/1/2018 through 12/31/2022
Proposed Amendment/Renewal:	1/1/2023 through 12/31/2027
Options to Renew:	None.

MEMORANDUM

Annual rental rate adjustment: 3.5% per year (with 1.035 multiplier)

Base Rent	Square Footage	Annual Rent Total	Calculated PSF Rate
<i>2022 Rate for Reference</i>			<i>0.281</i>
Jan. 1, 2023 to Dec. 31, 2023	30,000	\$8,725	0.291
Jan. 1, 2024 to Dec. 31, 2024	30,000	\$9,030	0.301
Jan. 1, 2025 to Dec. 31, 2025	30,000	\$9,346	0.311
Jan 1, 2026 to Dec. 31, 2026	30,000	\$9,673	0.322
Jan. 1, 2027 to Dec. 31, 2027	30,000	\$10,012	0.333

Tonnage:

Tonnage fees will remain at \$0.25 per ton of loaded product, inbound tonnage.

These rental rates are in line with the other comparable leases in our river terminals. All of the base rent from this Lease and half of the tonnage will go to 876 bondholders through September 1, 2032. The other half of the tonnage will go to our River Maintenance Fund.

Tenant Obligations:

Tenant is obligated to load/unload product for public clients at market rates. Tenant and other Southport tenants are responsible for dockwall and common area (including roadways and stormwater management areas) maintenance and repairs.

Recommendation:

Approval of a Lease Amendment, Renewal and Rental Rate Adjustment for Barentz North America, LLC f/k/a Origination, LLC ("Tenant") to continue leasing a barge loading access area located in the Southport Terminal at 637 Barge Channel Road, Saint Paul, Minnesota ("Leased Premises").







Attachment: Map
Resolution



Southport Terminal

Barge Staging

Legend

-  NOPARKING_STAGINGAREA
-  LOWDOCK
-  Ingredient Transport Lease
-  Ingredient Transport Barge Stations
-  Origination Lease
-  50' x 600' Land Area Lease

 Area A - Staging

 Area B - Staging



Saint Paul
PORT AUTHORITY

400 Wabasha Street No., Suite 240
St. Paul, MN 55102

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

**[LEASE AMENDMENT, RENEWAL AND RENTAL RATE
ADJUSTMENT – BARENTZ NORTH AMERICA, LLC f/k/a ORIGINATION, LLC]**

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

WHEREAS, the Port Authority wants to enter into a Lease Amendment, Renewal and Rental Rate Adjustment (“Lease Renewal”) for a barge loading access area consisting of a total leased area of 30,000 square feet of land at 637 Barge Channel Road in Saint Paul, Minnesota (the “Leased Premises”) to Barentz North America, LLC, f/k/a Origination, LLC (the “Tenant”). The rates in the Lease Renewal run through December 31, 2027, increasing 3.5% per year as set forth below:

<u>Base Rent:</u>	<u>Annual Rent:</u>	<u>PSF Rate</u>
Jan. 1, 2023 – Dec. 31, 2023	\$ 8,725	0.291
Jan. 1, 2024 – Dec. 31, 2024	\$ 9,030	0.301
Jan. 1, 2025 – Dec. 31, 2025	\$ 9,346	0.311
Jan. 1, 2026 – Dec. 31, 2026	\$ 9,673	0.322
Jan. 1, 2027 – Dec. 31, 2027	\$10,012	0.333

WHEREAS, the tonnage fees will remain at \$0.25 per ton of loaded product.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed Lease Amendment, Renewal and Rental Rate Adjustment to Barentz North American, LLC, f/k/a Origination, LLC, as contained in the Memorandum to the Board, is hereby approved.

BE IT FURTHER RESOLVED that the President of the Port Authority, or anyone acting under his direction, is hereby authorized and directed to execute on behalf of the Port Authority the Lease Amendment, Renewal and Rental Rate Adjustment in accordance with the above-referenced terms in form as approved by counsel.

Adopted: November 22, 2022

PORT AUTHORITY OF THE
CITY OF SAINT PAUL


By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS **Meeting Date:** November 22, 2022

From: George A. Hoene 

Subject: **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
RESOLUTION NO. 4733**

Action Requested:

Approval of the conveyance of approximately 0.85 acres of land to Energy Lane Parking L.L.C. ("Energy Lane Parking") for the parking lot property located adjacent to 1310 Energy Lane in the Energy Park Business Center in Saint Paul, Minnesota (the "Property").

Background:

The Port Authority redeveloped the Energy Park Business Center, where this Property is situated, beginning in the mid 1970's as part of the Energy Park Redevelopment of former railroad and heavy industrial parcels, within a process and environmental remediation and mitigation process and review that predates the MPCA Voluntary Investigation & Cleanup Program (MPCA VIC). As a result, the assurances now customarily available these last many decades for brownfield sites acquired and remediated by the Port Authority are not available for this Property. Rather, since 1998 to the present, the Property has been leased to Energy Lane Parking and its predecessors-in-interest as and for surface parking for \$1.00 per year plus any and all expenses, such as taxes, assessments, utilities, and insurance. To discontinue ownership of the Property, Port Authority staff contacted both Energy Lane Parking and its neighboring property owners to see if they had an interest in purchasing this lot; no others responded other than Energy Lane Parking.

Attached is a Memorandum outlining the terms of the land conveyance transaction of approximately 0.85 acres from the Port Authority of the City of Saint Paul (the "Port Authority") to Energy Lane Parking for the sum of \$5,000 and the delivery of a limited warranty deed containing "as-is" and environmental waiver provisions as well as a deed restriction limiting the use of the Property to a surface lot for parking or similar such uses. This property is located adjacent to 1310 Energy Lane in the Energy Park Business Center in Saint Paul, Minnesota.

Recommendation:

We recommend approval of the conveyance of approximately 0.85 acres of land to Energy Lane Parking L.L.C., for the parking lot property located adjacent to 1310 Energy Lane in the Energy Park Business Center in Saint Paul, Minnesota.

Attachments: Transaction Details Page
Map
Resolution

**SAINT PAUL PORT AUTHORITY
LAND CONVEYANCE TRANSACTION**

Action Requested:

Approval of the conveyance of approximately 0.85 acres of land to Energy Lane Parking L.L.C., for the parking lot property located adjacent to 1310 Energy Lane, in the Energy Park Business Center in Saint Paul, Minnesota.

Development Officer:

George A. Hoene

Grantee:

Energy Lane Parking L.L.C.

Grantee Address:

Energy Lane Parking L.L.C.
6589 – 135th Street West
Apple Valley, MN 55124

Location of Property to be Conveyed:

The site is a parking lot: Legal Description: The West 113 feet, as measured at right angles to the West line of Lot 4, Block 1, Energy Park No. 2, Ramsey County, Minnesota (.85 acres).

PID No: 27-29-23-42-0085

Conveyance Structure:

Conveyance of fee simple title to the land via Limited Warranty Deed with restrictions limiting the use to surface parking. The Property is a parking lot and is being sold for \$5,000, which has been transferred by the buyer and into the closing agent's escrow account. This parcel is to be sold in "as-is" condition, as the property is contaminated or contains hazardous substances underneath the surface as it is adjacent to the former Koppers Coke EPA Superfund Site. The \$5,000.00 sale price represents the Port Authority's internal costs in preparing documents and closing costs for this transaction. The Port Authority must have Board approval prior to the closing of the sale and transfer of title. The closing is anticipated to take place on or before November 29, 2022.

Nature of Intended Use:

A covenant runs with the land stating that the current and future use of this Property shall be limited to serving as a surface lot for parking or similar such uses.

Development Officer's Comments:

Energy Lane Parking, LLC (Power/Mation) employs 181 people and contacts with 35 sales representatives as they provide, consult, and distribute automation sensors, robotic machines, pneumatically operated machines to national and international customers out of their Saint Paul office. This land sale transfers a parking lot used exclusively by the owners of the adjacent building and allows them to control a vital function to their building, while returning the parcel to the tax rolls. Selling this remnant parcel eliminates an ongoing Port Authority leasing/management obligation.



Exhibit A Energy Park

*Parcel A
Parking Lot Area
Property ID 27.29.23.42.0085
Lot 4, Block 1, Energy Park No. 2
and the West 113 feet of said Lot 4, shown
.85 Acres*

Legend

- Parcel A - Parking Lot Area
- Power/mation Site -1310 Energy Lane
- BNSF Railroad Tracks

0 30 60 120 Feet



0 15 30 60 90 120 Meters



400 Wabasha Street No.
Suite 240
St. Paul, MN 55102

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

**[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]**

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 Energy Park 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 November 22, 2022, at which hearing all taxpayers in the port district, both for and against the conveyance, were allowed to state their views.

WHEREAS, Energy Lane Parking L.L.C., an entity affiliated with Power/Mation ("Buyer"), has entered into a Purchase Agreement to purchase the parking lot property located adjacent to 1310 Energy Lane in the Energy Park 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 parking lot 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 to be and to remain a parking lot, 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 parking lot property located adjacent to 1310 Energy Lane in the Energy Park Business Center; 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 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:** November 22, 2022

From: Monte M. Hilleman 

Subject: **AUTHORIZATION TO APPLY FOR AND ACCEPT UP TO \$1,300,000 IN GRANT AND LOAN FUNDS FROM THE DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT FOR REDEVELOPMENT OF THE HEIGHTS, 2200 LARPENTEUR AVENUE EAST, SAINT PAUL, MINNESOTA**
RESOLUTION NO. 4734

Action Requested:

Authorization to apply for, and accept if awarded, grant and loan funds from the Minnesota Department of Employment and Economic Development (MN DEED) for up to \$1,300,000 in Minnesota Cleanup Revolving Loan Fund Program (RLF) funding, with up to \$650,000 of the MN DEED funding proposed as a sub-grant for the redevelopment of The Heights (f/k/a Hillcrest Redevelopment Site), an approximately 112-acre site located at 2200 Larpenteur Avenue East in Saint Paul, Minnesota.

Background

The Heights was acquired by the Port Authority of the City of Saint Paul (the “Port Authority”) in partnership with the City of Saint Paul with the goal of providing remediated and improved buildable lots and to deliver 1,000 housing units, 1,000 light industrial living wage jobs, 20 acres of active and passive park space, remediated and restored wetlands and trails, and stormwater amenities. See attached map showing the location of The Heights property.

MN DEED has a Revolving Loan Fund (RLF) program with funds from the Environmental Protection Agency (EPA) to provide low interest loans and partial sub-grant funds to assist in financing site clean-up activities. Remediation grant and loan funds are essential to cover the costs of remediating contamination at The Heights, creating a new Port Authority business center, and providing developable land for companies to locate, expand and grow quality jobs.

The estimate for site remediation is \$4,000,000. We are requesting a loan and sub-grant for the project in the amount of \$1,300,000, of which up to \$650,000 is being requested as a sub-grant. The Port Authority agrees to act as legal sponsor for the project and administer and be responsible for the grant and loan funds. Additionally, to enter into a loan agreement with MN DEED for RLF funds, we need authorization to accept the terms of the loan, commit to providing non-federal matching funds of at least 22% (~\$286,000), and commit to repaying the loan. The terms of the loan will be 0% interest over seven years.

MEMORANDUM

Use of Funds:

Heights Remediation

Amount

\$4,000,000

Sources of Funds:

EPA Clean-up Grant

Amount

\$500,000

Federal or

Non-Federal

Federal

DEED Cleanup RLF Loan (up to \$650,000 as grant)

\$1,300,000

Federal

Met Council TBRA Grant (pending \$750,000)

\$750,000

Non-Fed

Ramsey County ERF Grant (pending \$300,000)

\$300,000

Non-Fed

Port EPA RLF Loan (up to \$1,200,000)

\$1,150,000

Federal

Total

\$4,000,000

Sources of Loan Repayment Funds:

Development Funds

\$1,300,000

Recommendation:

Authorization to apply for, and accept if awarded, grant and loan funds from the Minnesota Department of Employment and Economic Development for up to \$1,300,000 in Minnesota Cleanup Revolving Loan Fund Program funding, with up to \$650,000 being given as a sub-grant for the redevelopment of The Heights (f/k/a Hillcrest Redevelopment Site), an approximately 112-acre site located at 2200 Larpenteur Avenue East in Saint Paul, Minnesota.

Attachments: Resolution

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

**[AUTHORIZATION TO APPLY FOR AND ACCEPT UP TO \$1,300,000 IN GRANT
AND LOAN FUNDS FROM THE DEPARTMENT OF EMPLOYMENT
AND ECONOMIC DEVELOPMENT FOR REDEVELOPMENT OF THE
HEIGHTS, 2200 LARPENTEUR AVENUE EAST, SAINT PAUL, MINNESOTA]**

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

WHEREAS, two of the Port Authority Commissioners must be members of the Council of the City of Saint Paul; and

WHEREAS, said members of the Council of the City of Saint Paul serve on the Port Authority Board so long as they continue to be members of the Council of the City of Saint Paul; and

WHEREAS, the district of the Port Authority is the City of Saint Paul; 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, the Port Authority of the City of Saint Paul has undertaken numerous redevelopment projects of industrial sites in the City of Saint Paul; and

WHEREAS, the Port Authority seeks authorization to submit a grant and loan funds application to the Minnesota Department of Employment and Economic Development (DEED) for a loan and sub-grant for The Heights project in the amount of \$1,300,000, of which up to \$650,000 is being requested as a sub-grant; and

WHEREAS, the redevelopment of The Heights property is consistent with the City of Saint Paul's comprehensive plan for land use in the area; and

WHEREAS, The Heights redevelopment project furthers industrial development and job creation in the City of Saint Paul; and

WHEREAS, the Port Authority finds that The Heights redevelopment project will not occur through private or other public investment within the reasonably foreseeable future without this grant funding and loan funds; and

WHEREAS, the Port Authority represents that it has undertaken reasonable and good faith efforts to procure funding from other sources.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL has approved the Minnesota Cleanup Revolving Loan Fund loan and grant application through the Department of Employment and Economic Development by the Port Authority for The Heights, 2200 Larpenteur Avenue East in Saint Paul, Minnesota.

BE IT FURTHER RESOLVED that the President is hereby authorized on behalf of the Port Authority to act as the legal sponsor and to make a Minnesota Cleanup Revolving Loan Fund loan and grant application through the Minnesota Department of Employment and Economic Development for up to \$1,300,000.00 for funding of this redevelopment project.

BE IT FURTHER RESOLVED that the Port Authority of the City of Saint Paul has the legal authority to apply for financial assistance, and the institutional, managerial and financial capability to ensure adequate project administration.

BE IT FURTHER RESOLVED that the sources and amounts of match and repayment identified in the application are committed to the project identified.

BE IT FURTHER RESOLVED that the Port Authority of the City of Saint Paul 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.

BE IT FURTHER RESOLVED that if the Port Authority is awarded a grant by the State, the Port Authority may enter into an agreement with the State of Minnesota for the above-referenced project, and that the Port Authority certifies that it will comply with all applicable laws and regulations as stated in all contract agreements.

BE IT FURTHER RESOLVED that the President of the Port Authority is hereby authorized to execute such agreements as are necessary to implement the project on behalf of the Port Authority of the City of Saint Paul.

I certify that the above resolution was adopted by the Board of Commissioners of the Port Authority of the City of Saint Paul on November 22, 2022.

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary