

AGENDA

Regular Board Meeting

November 24, 2020 - 2:00 p.m.

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

Chair Bennett is calling a meeting of the Board of Commissioners for Tuesday, November 24, 2020 at 2:00 p.m. Chair Bennett has determined, due to the emergency declared by the Governor of Minnesota and the Mayor of Saint Paul regarding the COVID-19 health pandemic, that it is not practical nor prudent for the Saint Paul Port Authority Board 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 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 380 St. Peter Street, Suite 850, St. Paul, MN. Members of the public may monitor this meeting remotely at 651-395-7858, Conference ID: 194 397 81#. The purpose of the meeting is:

Minutes

Approval of Minutes of the October 27, 2020 Annual Board Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

Administration

1. Resolution No. 4684 - Energy Park Utility Company Franchise Approval of Rates
2. Resolution No. 4685 - Certification of Tax Levy
3. Approval of 2021 Budget

Credit Committee

1. Resolution No. 4686 - Award of a Contract for the Operation and Maintenance of the Southport Dredge Materials Management Facility

General Matters

1. Such Other Business That May Come Before the Board

**SAINT PAUL PORT AUTHORITY
MINUTES OF THE ANNUAL BOARD MEETING
OCTOBER 27, 2020**

The annual meeting of the Port Authority Board was held on October 27, 2020 at 2:24 p.m. via Microsoft Teams.

The following Board Members were present:

John Bennett

John Marshall

Don Mullin

Dai Thao

Also present were the following:

Lee Krueger

Todd Hurley

Andrea Novak

Ava Langston-Kenney

Bruce Kessel

Dana Krueger

David Johnson

Laurie Siever

Linda Williams

Michael Linder

Nelly Chick

Peter Klein

Ann Kosel

Monte Hilleman

Eric Larson, City of Saint Paul

Carl Erickson, St. Thomas Law School Student

APPROVAL OF MINUTES

Commissioner Marshall made a motion to approve the minutes of the August 25, 2020 Regular Board Meeting. The motion was seconded by Commissioner Thao, 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 Mullin made a motion to nominate Commissioner Bennett as the 2020/2021 Chair of the Board of Commissioners. Commissioner Bennett made a motion to nominate Commissioner Constantino as the Vice Chair, Commissioner Mullin as the Secretary and Commissioner Marshall as the Treasurer of the Board of Commissioners. All appointees accepted the nominations. The motion was seconded by Commissioner Thao, submitted to a role call vote and carried unanimously.

Chair Bennett appointed Commissioner Mullin the Chair of the Credit Committee and Commissioner Marshall the Chair of the Administrative Committee. Appointees accepted nominations.

CREDIT COMMITTEE

RESOLUTION NO. 4682

**AWARD OF CONTRACT FOR CONSTRUCTION OF THE 2020 SOUTHPORT
TERMINAL TIEBACK AND ANCHOR REHABILITATION REPAIR (DOCKWALL REPAIR)**

Motion was made by Chair Mullin to approve Resolution No. 4682 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. 4683

FRIENDS SCHOOL OF MINNESOTA – FORBEARANCE AGREEMENT - CONSENT

Motion was made by Chair Mullin to approve Resolution No. 4683 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.

GENERAL MATTERS

Mr. Krueger recommended the reappointment of Brianne Hamm and Matt Hill to the Credit Committee for a term of one year.

Chair Bennett made a motion to approve the reappointment of Brianne Hamm and Matt Hill to the Credit Committee for a term of one year. The motion was seconded by Commissioner Mullin, submitted to a vote and carried unanimously.

There being no further business, the meeting was adjourned at 2:42 p.m.

By _____

Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS

Meeting Date: November 24, 2020

From: Peter M. Klein 

Subject: ENERGY PARK UTILITY COMPANY FRANCHISE APPROVAL OF RATES
RESOLUTION NO. 4684

Action Requested:

Approval of Schedule A – Energy Park Utility Company (EPUC) Rates effective January 2, 2021.

Background:

The EPUC Franchise Ordinance Section 6(e) requires the Port Authority Board to approve any changes in the schedule of rates and charges. The rates typically change each year based on the budgeted costs of operating EPUC. The customers of EPUC acknowledged the Franchise Agreement and the periodic change in rates in the First Amendment to the Hot and Chilled Water Service Agreement. The rates effective January 2, 2021 reflect the budgeted costs for 2021.

Proposal:

Attached please find the Schedule A, which includes a complete list and the methodology for establishing the new rates effective January 2, 2021. In summary, new rates will be:

	<u>Current Charges</u>	<u>Proposed Charges 01/02/2021</u>	<u>% Change</u>
Demand Charge (\$/MMBtu/Mo):			
Heating Demand Charge	\$1,723.00	\$1,753.00	1.74%
Chilled Water Demand Charge	\$1,813.00	\$1,846.00	1.82%
Hot Water Commodity Charge Base (\$/MMBtu)	\$ 3.80	\$ 3.80	0.00%
Chilled Water Commodity Charge Base (\$/MMBtu)	\$ 3.73	\$ 3.73	0.00%
Fuel Adjustment Charge – Difference Between Actual Cost and Base Variable Cost (\$/MMBtu)		Varies	

Rate increases from 2013 – 2020 have ranged from 1.74% to 4.2% with an average increase of 2.97%.

Recommendation:

We recommend approval of the Schedule A - Rates and Charges.

Attachments: Schedule A
Resolution

SCHEDULE A (AMENDED)
to
ENERGY PARK UTILITY COMPANY FRANCHISE
granted to the
SAINT PAUL PORT AUTHORITY
by the
CITY OF SAINT PAUL
(Ordinance No. 10-59, adopted January 12, 2011 and amended June 22, 2016)

COMPANY CHARGES: Pursuant to the Energy Park Utility Company Franchise, the following rates shall be effective beginning January 1, 2021 and shall remain in effect until superseded:

FIXED CUSTOMER CHARGE: Customer Charge \$100.00 per month per Customer.

DEMAND CHARGE: Beginning on January 1, 2021, the Demand Charge portion of the Hot Water and Chilled Water rate schedules shall be as follows:

i)	Budgeted Operating Expenses (1/1/21 to 1/1/22)	\$1,035,238
ii)	All Debt Service Costs and Requirements	726,897
iii)	Fixed Reimbursement	<u>170,000</u>
	Subtotal	\$1,932,135
	Multiplied By	1
iv)	Budgeted demand revenues before Reserve for Repairs, Replacements, Modifications, and Expansions	\$1,932,135
	Divided By	<u>94.50%</u>
	Budgeted Total Demand Revenues	\$2,044,587
	Divided by Budgeted Cooling Energy Demand (Total MMBtuh)	<u>603.420</u>
	Chilled Water Demand Charge (\$ per MMBtuh per Month)	\$1,846.00
	Divided by Budgeted Heating Energy Demand (Total MMBtuh)	<u>530.856</u>
	Heating Demand Charge (\$ per MMBtuh per Month)	\$1,753.00

COMMODITY CHARGE: The Hot Water Commodity Charge is \$3.80 per MMBtu, and the Chilled Water Commodity Charge is \$3.73 per MMBtu.

FUEL ADJUSTMENT CHARGE: The commodity portion of the Hot Water and Chilled Water rate schedules will be adjusted upward or downward each month based on the difference between actual variable costs and base variable costs. (The base variable costs built are \$3.80 per MMBtu for Hot Water and \$3.73 per MMBtu for Chilled Water.) Actual variable costs will be computed each month by dividing the cost of fuel (electricity, gas, oil, propane and any other fuel) plus water treatment expenses to operate the central energy plant by sales made during the corresponding month. The fuel adjustment charge applied to each customer's bill will be the difference between actual variable costs and base variable costs (expressed dollars per MMBtu) multiplied by that customer's heating or cooling energy use during the corresponding month. Actual variable costs for the current month will not be known at the time of billing; and, therefore, for the purpose of computing the fuel adjustment charge, actual variable costs shall be deemed to be the average monthly actual variable costs over the preceding twelve (12) months.

ADMINISTRATIVE SERVICES CHARGE: The Administrative Services Charge shall be established pursuant to the Energy Park Utility Company Franchise.

BILLING ADMINISTRATIVE SERVICE CHARGE: The Billing Administrative Service Charge is that part of the rate schedule to be paid by Customers who desire to have their total monthly bill subdivided and billed directly to tenants based on allocation factors or submeters. The Billing Administrative Service Charge is \$75.00 per month per bill.

LATE FEE: The Company may charge a late payment penalty of five (5) percent of the total amount due which may be added to bills which are not paid within twenty-one (21) days of the billing date.

SURCHARGE: All rates for providing Chilled Water and Hot Water services will be subject to the City of Saint Paul franchise fee and other appropriate state and local taxes. Residential, commercial and industrial bills shall be subject to separate charges.

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

[ENERGY PARK UTILITY COMPANY FRANCHISE – 2021 RATE SCHEDULE]

WHEREAS, the City of Saint Paul granted the Port Authority of the City of Saint Paul, doing business as Energy Park Utility Company, a franchise for providing hot and chilled water in the Energy Park Industrial District in 1982; and

WHEREAS, the Energy Park Utility Company franchise ordinance requires the Port Authority Board to approve any changes in the schedule of rates and charges; and

WHEREAS, Port Authority staff has proposed a new rate structure reflecting the proposed 202 budget as set forth in Schedule A attached hereto.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, that the rates for the Energy Park Utility Company as set forth in Schedule A are hereby adopted effective January 2, 2021; and

BE IT FURTHER RESOLVED, that the President on behalf of the Port Authority is hereby authorized and directed to file the proposed rate schedule with supporting information with the City Clerk of the City of Saint Paul for approval of the rates pursuant to the Energy Park Utility Company franchise ordinance.

Adopted: November 24, 2020

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS

Meeting Date: November 24, 2020

From: Todd P. Hurley 

Subject: **CERTIFICATION OF TAX LEVY
RESOLUTION NO. 4685**

Action Requested:

Approval of the final Truth in Taxation Certification.

Background:

Minnesota Truth in Taxation Law provides that special taxing districts (including port authorities), counties, municipalities, and school districts must certify to the County Auditor by December 30, 2020, the proposed tax levy for taxes levied in 2021.

The recommended 2020 tax levy payable in 2021 is:

1. General Obligation Bond Debt Service	\$3,849,685
2. Mandatory Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 4, at a rate not to exceed .01813% of market value	\$2,006,700
3. Discretionary Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 6. Pledged to industrial redevelopment.	<u>\$ 105,000</u>
TOTAL 2021 TAX LEVY	<u>\$5,961,385</u>

Recommendation:

We recommend approval of the final Truth in Taxation Certification.

Attachments: Comparison of Tax Levy
Resolution

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

TAX LEVY PAYABLE

	<u>2021</u>	<u>2020</u>	<u>2019</u>
G.O. Bonds	\$3,849,685	\$3,554,391	\$3,175,000
Mandatory Levy	2,006,700	2,006,700	2,006,700
Discretionary Levy	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
TOTAL	\$ 5,961,385	\$ 5,666,091	\$ 5,286,700

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

[CERTIFICATION OF TAX LEVY]

WHEREAS, pursuant to Minnesota Statutes section 275.065, all taxing districts are required to certify the levy they may impose for the current tax year payable 2021 prior to December 30, 2020.

NOW, THEREFORE, BE IT RESOLVED, that the Port Authority adopts the following as its maximum tax levy for taxes payable in 2021 as follows:

1. General Obligation Bond Debt Services	\$3,849,685
2. Mandatory Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 4, at a rate not to exceed .01813% of market value	\$2,006,700
3. Discretionary Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 6. Pledged to industrial redevelopment.	<u>\$ 105,000</u>
 TOTAL 2021 TAX LEVY	 <u><u>\$5,961,385</u></u>

Adopted: November 24, 2020

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: BOARD OF COMMISSIONERS

Meeting Date: November 24, 2020

From: Todd P. Hurley

Subject: APPROVAL OF 2021 BUDGET

Action Requested:

Approval of 2021 Budget for Port Authority Operations.

Background:

Attached please find the proposed Budget for the Year Ending December 31, 2021. The Operating and Development budgets cover the revenue and expenses of the Port Authority's daily operations.

The proposed 2021 budget projects revenues in the amount of \$5,130,800 and provides spending authority in the amount of \$5,085,220.

Total revenues are expected to decrease by \$208,700 and expenses are budgeted to decrease by \$224,516, resulting in a net operating income of \$45,580.

The proposed budget report also contains a variance analysis between the 2020 budget and the 2021 budget.

Revenue Variances

Variance

Tax Revenues

(\$29,500)

Tax revenues are budgeted to decrease by \$29,500. Even with a levy equal to 2020, the decrease is due to an allowance for uncollectible taxes.

Fiscal and Administrative Fees

(\$90,000)

The fee revenue decrease is due to the depletion of fees associated with a refinanced bond issue in the prior year.

Interest on Loans

(\$113,700)

Interest on loans is expected to decrease \$113,700. This is due to the shift from interest to principal as TIF loans are repaid.

Direct Labor

\$330,000

The increase in direct labor is due to the reimbursement to the Port Authority from TIF, as accrued but unpaid administrative cost of personnel can be recognized, as well as the Go Wild personnel reimbursement noted below.

CCP & Other Grant Income

(\$250,000)

Grant income is budgeted to decrease by \$250,000 due to a planned reduction in the grant from CCP.

Expense Variances**Variance****Personnel Costs****\$116,230**

Personnel costs are budgeted to increase \$116,230. The increase is due to addition of a senior property manager position. This position is being funded by the Go Wild Joint Venture, which resulted in an increase in Direct Labor reimbursements above.

Office Rent**(\$173,792)**

Expense for office rent is reduce by \$173,792 to reflect the relocation of the Port Authority offices and parking from Infor Commons to Treasure Island Center.

Development**\$92,700**

The Development budget has an increase of \$92,700. The increase results from costs associated with Red Rock road improvements as well as a required Environmental Area Assessment review necessitated by the Hillcrest project.

2020 Projected Budget Results

2020 Projected Budget Results are also attached for Operations and Development. On April 16, 2020 with the onset of COVID, Port Authority Staff reviewed all revenue and spending and recommended a \$265,000 spending freeze, split across operations, development, and marketing. With the reduction in budgeted revenues, combined with planned spending cuts and other management decisions, it is now projected that revenues will exceed the revised budget by \$6,214 and the revised expense budget will be underspent by over \$700,000.

Recommendation:

We recommend approval of the 2021 Budget for Port Authority Operations.

Attachments: 2021 Port Authority Operating Budget Summary
 2020 Projected Operating Budget Results
 2020 Projected Development Budget Results

Saint Paul Port Authority
Budgets for the Year Ending December 31, 2021
Budget Summary

	December 31, 2020			December 31, 2021			Variance		
	Operating	Development	Total	Operating	Development	Total	Operating	Development	Total
REVENUES:									
Tax revenues	\$ 1,593,700	\$ 375,800	\$ 1,969,500	\$ 1,730,000	\$ 210,000	\$ 1,940,000	\$ 136,300	\$ (165,800)	\$ (29,500)
Land rents	-	88,500	88,500	-	92,000	92,000	-	3,500	3,500
Fiscal and administrative fees	632,300	-	632,300	542,300	-	542,300	(90,000)	-	(90,000)
Interest on loans	450,000	498,700	948,700	450,000	385,000	835,000	-	(113,700)	(113,700)
Reimbursed direct labor	210,000	-	210,000	290,000	250,000	540,000	80,000	250,000	330,000
Other operating revenue	277,500	19,000	296,500	277,500	2,000	279,500	-	(17,000)	(17,000)
Interest on investments	44,000	-	44,000	2,000	-	2,000	(42,000)	-	(42,000)
CCP & Other Grant income	1,150,000	-	1,150,000	900,000	-	900,000	(250,000)	-	(250,000)
Total Revenues	4,357,500	982,000	5,339,500	4,191,800	939,000	5,130,800	(165,700)	(43,000)	(208,700)
EXPENSES:									
Personnel costs	2,906,300	-	2,906,300	3,022,530	-	3,022,530	116,230	-	116,230
Professional services:									
Audit fees	56,500	-	56,500	56,500	-	56,500	-	-	-
Attorney costs	295,000	-	295,000	270,000	-	270,000	(25,000)	-	(25,000)
Other professional fees	257,442	-	257,442	189,000	-	189,000	(68,442)	-	(68,442)
Total professional services	608,942	-	608,942	515,500	-	515,500	(93,442)	-	(93,442)
Other general costs:									
Office rent	301,808	-	301,808	128,016	-	128,016	(173,792)	-	(173,792)
Insurance	105,000	-	105,000	105,000	-	105,000	-	-	-
General & administrative expenses	128,450	64,835	193,285	103,800	63,990	167,790	(24,650)	(845)	(25,495)
Equipment maintenance	76,650	-	76,650	75,574	-	75,574	(1,076)	-	(1,076)
Depreciation	105,000	-	105,000	105,000	-	105,000	-	-	-
Marketing	118,000	-	118,000	91,450	-	91,450	(26,550)	-	(26,550)
Development:									
River shipping	-	293,000	293,000	-	300,000	300,000	-	7,000	7,000
Development	-	242,500	242,500	-	335,200	335,200	-	92,700	92,700
Predevelopment	-	50,000	50,000	-	75,000	75,000	-	25,000	25,000
Property Maintenance	-	134,250	134,250	-	64,160	64,160	-	(70,090)	(70,090)
Interest	-	175,000	175,000	-	100,000	100,000	-	(75,000)	(75,000)
	-	-	-	-	-	-	-	-	-
Total other general costs	834,909	959,585	1,794,494	608,840	938,350	1,547,190	(226,069)	(21,235)	(247,304)
Total Expenses	4,350,151	959,585	5,309,736	4,146,870	938,350	5,085,220	(203,281)	(21,235)	(224,516)
Net Operating Income (Loss)	7,349	22,415	29,764	44,930	650	45,580	37,581	(21,765)	15,816

Saint Paul Port Authority
Budgets for the Year Ending December 31, 2020
Projected Operating Budget Results

December 31, 2020					
	Original Budget	Freeze	Revised Budget	Estimated	Variance - Revised Budget to Actual
REVENUES:					
Tax revenues	\$ 1,593,700	\$ (65,000)	\$ 1,528,700	\$ 1,530,000	\$ 1,300
Fiscal and administrative fees	632,300	-	632,300	693,888	61,588
Interest on loans	450,000	-	450,000	450,000	0
Reimbursed direct labor	210,000	-	210,000	208,493	(1,507)
Other operating revenue	277,500	-	277,500	279,196	1,696
Interest on investments	44,000	(35,000)	9,000	174,532	165,532
CCP & Other Grant income	1,150,000	(150,000)	1,000,000	800,000	(200,000)
Total Revenues	4,357,500	(250,000)	4,107,500	4,136,109	28,609
EXPENSES:					
Personnel costs	2,906,300	(25,000)	2,881,300	2,783,789	97,512
Professional services:					
Audit fees	56,500	-	56,500	55,855	645
Attorney costs	295,000	(10,000)	285,000	197,388	87,612
Other professional fees	257,442	(40,000)	217,442	107,375	110,067
Total professional services	608,942	(50,000)	558,942	360,618	198,323
Other general costs:					
Office rent	301,808	-	301,808	253,380	48,428
Insurance	105,000	-	105,000	105,549	(549)
General & administrative expenses	128,450	(33,000)	95,450	71,913	23,537
Equipment maintenance	76,650	(7,650)	69,000	63,385	5,615
Depreciation	105,000	-	105,000	90,000	15,000
Marketing	118,000	(26,550)	91,450	84,677	6,773
Development	-	-	-	0	0
Property Maintenance	-	-	-	0	0
Total other general costs	834,909	(67,200)	767,709	668,904	98,805
Total Expenses	4,350,151	(142,200)	4,207,951	3,813,311	394,640
Net Operating Income (Loss)	7,349		(100,451)	322,799	

St. Paul Port Authority
Development Budget for the Year Ending December 31, 2020
Projected Development Budget Results

December 31, 2020					
	Original Budget	Freeze	Revised Budget	Estimated	Variance - Revised Budget to Actual
REVENUES:					
Tax revenues	\$ 375,800	\$ -	\$ 375,800	\$ 367,500	\$ (8,300)
Land rents	88,500	-	88,500	88,500	0
Development Fees	-	-	-	-	0
Reimbursed fees	-	-	-	-	0
Interest on investments	19,000	(15,000)	4,000	8,750	4,750
Interest on loans	498,700	-	498,700	479,855	(18,845)
Misc income	-	-	-	-	0
Grants	-	-	-	-	0
Transfers	-	-	-	-	0
Total Revenues	982,000	(15,000)	967,000	944,605	(22,395)
EXPENSES:					
Development					
General and Administrative	64,835	(13,295)	51,540	40,003	11,537
Interest Expense	100,000	-	100,000	100,000	-
River Shipping	293,000	(49,505)	243,495	89,996	153,499
Grants	-	-	-	-	-
Development	242,500	(50,000)	192,500	149,946	42,554
Predevelopment	50,000	(10,000)	40,000	19,088	20,912
Property Maintenance	134,250	-	134,250	23,162	111,088
Transfers to other funds	-	-	-	-	-
Interest internal loans	75,000	-	75,000	75,000	-
Funding business center	-	-	-	-	-
Total Expenses	959,585	(122,800)	836,785	497,195	339,590
Net Operating Income (Loss)	22,415		130,215	447,410	

MEMORANDUM

To: BOARD OF COMMISSIONERS **Meeting Date:** November 24, 2020

From: Ava Langston-Kenney *ALK-K*

Subject: AWARD OF A CONTRACT FOR THE OPERATION AND MAINTENANCE OF THE
SOUTHPORT DREDGE MATERIALS MANAGEMENT FACILITY
RESOLUTION NO. 4686

Action Requested:

Authorization for the Port Authority of the City of Saint Paul ("Port Authority") to negotiate, award, and enter into a five-year contract, (January 1, 2021 through January 1, 2026) contingent upon funding, to the lowest responsive and responsible response for the operation and maintenance of the Southport Dredge Material Management Facility located at 637 Barge Channel Road, Saint Paul, Minnesota, 55107.

Approval of this action authorizes the President or his designees to enter into a contract with LS Marine, Inc. to undertake the operations and maintenance and management duties and responsibilities described below.

Background:

Commercial navigation on the Mississippi River enhances our regional economy by providing a cost-effective, environmentally-sound way to transport commodities to global markets. This project will retain and enhance the Port Authority's capacity to provide terminal access for river shipping.

Since 1998, LS Marine and its associated companies have operated and managed the Southport Dredge Material Management Facility as a part of their agreement with the Port Authority. Over the past 22 years, the management of dredge materials and the associated sales of dredge materials, as blended soils for beneficial reuse, have offset the cost of operating the facility and prevented the Port Authority from incurring substantial costs to dispose of the dredge materials.

The Port Authority of the City of Saint Paul has received proposals for the operation and maintenance of the Southport Dredge Materials Management Facility currently contracted to LS Marine, Inc. See the attached maps as a reference to the areas of operation.

MEMORANDUM

The project consists of:

1. Hydrographic Survey of the Port Authority's four barge terminals; Southport and Red Rock each year, Barge terminals One and Two, once in the five-year contract period and associated required dredging of each terminal.
2. Maintenance and improvement of circulation roads in the facility and Common Areas associated with the Facility.
3. Coordination with other Port Authority Southport tenants to ensure equal and free access on Common Area circulation roads.
4. Coordination with the Army Corps of Engineers to facilitate their Easement Agreement and placement of dredge materials on the Facility.
5. Operation and Maintenance of the dredge materials on site to maximize the beneficial reuse of dredge materials collected.
6. Responsibility for, and management of, any tenant subleasing any area of the Facility.
7. Quarterly Financial and Regulatory reporting to the Port Authority.

The City of Saint Paul Department of Human Rights and Equal Economic Opportunity (HREEO) Procurement Office conducted a public process on behalf of the Port Authority and open sealed responses on June 29, 2020.

A tabulation of the responses follows:

COMPANY	BID AMOUNT
Dubuque Barge, Inc.	\$1,382,700.00
LS Marine, Inc.	\$ 267,400.00

Due to the wide variation in possible mobilization and material reuse/disposal transportation costs, the Port Authority retained an outside professional engineering company ("Engineer") who recommended an open-ended Request for Proposal (RFP) for this work.

Current Status

The HEERO Procurement Office received two (2) responses for the project. The lowest responsive and responsible response was from LS Marine, Inc. The Engineer reviewed the two duly submitted responses and recommended awarding the contract to LS Marine, finding LS Marine's capabilities and operational approach to be sound.

There is sufficient cash in the River Maintenance Fund to fund this contract.

MEMORANDUM

Recommendation:

We recommend approval for the Port Authority to authorize the negotiation, award of, and execution of a five-year contract to the lowest responsive and responsible responder as determined by Port Authority staff, currently LS Marine, Inc., for the operation and maintenance of the Southport Dredge Material Management Facility.

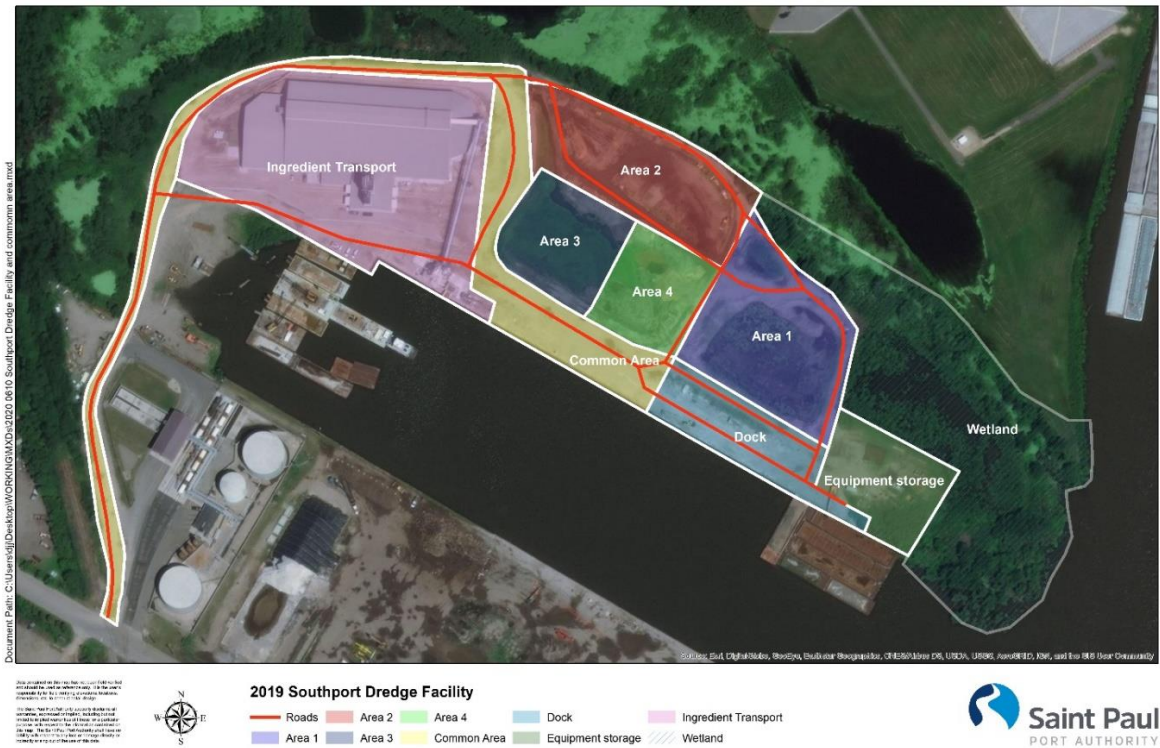
Attachments: Maps
Resolution

Attachment 1 - Maps

Project Area



Areas of Operation



**RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL
[AWARD OF CONTRACT FOR THE OPERATION AND
MAINTENANCE OF THE SOUTHPORT
DREDGE MATERIALS MANAGEMENT FACILITY]**

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

WHEREAS, the district of the Port Authority is the City of Saint Paul.

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

WHEREAS, the Port Authority seeks to award a contract for the operation and maintenance of the dredge materials management facility in the Southport Terminal.

WHEREAS, the City of Saint Paul's Contract and Analysis Services office on behalf of the Port Authority issued a Request of Proposal (RFP) and conducted an open public process, received sealed responses to the RFP, and opened the sealed responses on June 29, 2020.

WHEREAS, the responses have been received, tabulated and evaluated, and it appears that the lowest responsive and responsible submission is from LS Marine, Inc. in the total amount of \$267,400.

WHEREAS, the Port Authority staff is undertaking the process of evaluating and negotiating with LS Marine before the contract is awarded.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, that the Port Authority is authorized to award the contract for the operation and maintenance of the Southport dredge materials management facility to the lowest responsive and responsible RFP responder per the terms of the Request for Proposal, including the materials submitted in response to the Request for Proposal.

BE IT FURTHER RESOLVED, that the President or anyone acting under his direction is hereby authorized to execute any and all necessary documents to consummate the transaction.

Adopted: November 24, 2020

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary