

**AGENDA  
PORT AUTHORITY OF THE CITY SAINT PAUL  
ANNUAL BOARD MEETING  
OCTOBER 24, 2017 - 2:00 P.M.**

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

**MINUTES**

1. Approval of the Minutes from the September 26, 2017 Regular Board Meeting

**CONFLICT OF INTEREST**

**NEW BUSINESS**

**ADMINISTRATION**

1. **For Action** Election of Officers

**CREDIT COMMITTEE**

1. **Resolution No. 4610** District Energy St. Paul, Inc. – Authorization for an Approximate \$25,000,000 Tax-Exempt and Taxable Bond Issue
2. **Resolution No. 4611** Public Hearing – Conveyance of Land to S & R Consulting, LLC
3. **Resolution No. 4612** Award of Contract – Energy Park Utility Company Boiler Replacement
4. **Resolution No. 4613** Energy Park Utility Company Franchise – Approval of Rates
5. **Resolution No. 4614** Grant Application to Minnesota's Port Development Assistance Program towards Construction of a Barge Moving System at the Red Rock Terminal
6. **Resolution No. 4615** Application to Minnesota's Department of Employment and Economic Development and Metropolitan Council for Contamination Cleanup Grant Funds for Hmongtown Marketplace located at 217 Como Avenue, St. Paul, MN

**GENERAL MATTERS**

1. Such Other Business as May Come Before the Board

**PORT AUTHORITY OF THE CITY OF SAINT PAUL  
MINUTES OF THE REGULAR BOARD MEETING  
SEPTEMBER 26, 2017**

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The regular meeting of the Port Authority Board was held on September 26, 2017 at 2:01 p.m. in the Board Room of the Saint Paul Port Authority located at 380 St. Peter Street, Suite 850, Saint Paul, Minnesota.

The following Commissioners were present:

John Bennett

Paul Williams

Dan Bostrom

Dai Thao

John Marshall

Don Mullin

Nneka Constantino

Also present were the following:

Lee Krueger

Laurie Hansen

Pete Klein

Michael Linder

Dana Krueger

Sarah Savelle

Kathryn Sarnecki

Ava Langston-Kenney

Linda Williams

Ann Kosel

Eric Larson, General Counsel, City of Saint Paul

Jill Laoor, Kutak Rock

Kristin Hanson, PFM

Andrew Kasid, District Energy

Mike Auzor, District Energy

**APPROVAL OF MINUTES**

Motion was made by Commissioner Marshall to approve the minutes of the Board meeting held on August 22, 2017. The motion was seconded by Commissioner Mullin, submitted to a vote and carried unanimously.

**CONFLICT OF INTEREST**

Commissioner Constantino informed the Chair that she would abstain from discussion and voting on Resolution Nos. 4607 and 4608. Commissioner Marshall informed the Chair that he would abstain from discussion and voting on Resolution No. 4607.

**NEW BUSINESS**

**CREDIT COMMITTEE**

**RESOLUTION NO. 4607**

**APPROVAL OF THE ISSUANCE OF UP TO \$1,850,000 OF  
TAX-EXEMPT TAX INCREMENT REVENUE REFUNDING BONDS – SERIES 2017-6**

Motion was made by Commissioner Williams to approve Resolution No. 4607 which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a vote and carried by a vote of five with Commissioners Constantino and Marshall abstaining.

**RESOLUTION NO. 4608**  
**PUBLIC HEARING – DISTRICT ENERGY ST PAUL, INC.**  
**PRELIMINARY AUTHORIZATION FOR AN APPROXIMATE**  
**\$25,000,000 TAX-EXEMPT AND TAXABLE BOND ISSUE**

Motion was made by Commissioner Williams to approve Resolution No. 4608 which was reviewed by the Credit Committee and recommended for approval by the Board.

Chair Bennett stated that in accordance with Minnesota Law, the Port Authority is required to hold a public hearing regarding Resolution No. 4608, and declared the Public Hearing open. He asked if anyone in attendance wished to address the Board. No one came forward and, therefore, Chair Bennett declared the Public Hearing closed and asked to take a roll call vote.

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

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

The motion carried by a vote of six with Commissioner Constantino abstaining.

**RESOLUTION NO. 4609**  
**REVISED FROM CREDIT COMMITTEE – AWARD OF CONTRACT FOR**  
**CONSTRUCTION OF PW-1066 FLOOD REPAIRS – RED ROCK TERMINAL – DR-4182-MN**

Ms. Sarnecki presented her revised memorandum to the Board informing them that the bid amounts came in higher than estimated. FEMA and HSEM have a freeze on additional project funding due to the current disaster responses underway along the Gulf coast. Therefore, the Port Authority may incur additional costs for funding this project which was not known or disclosed at the Credit Committee meeting.

Discussion included, but was not limited to, the difference in costs, the replacement funding source, the likelihood of FEMA approving additional funding above the approved amount, Gavilon's standing and interest in investing in this property, scope of the project, why the bids came in higher, and a timeframe of when the project will be completed.

Motion was made by Commissioner Williams to approve the revised funding action for Resolution No. 4609 which was originally reviewed by the Credit Committee and recommended for approval by the Board. The motion was submitted to a vote and carried unanimously.

**GENERAL MATTERS**

There being no further business, the meeting was adjourned at 2:24 p.m.

By: \_\_\_\_\_

Its: \_\_\_\_\_

# SAINT PAUL PORT AUTHORITY

## MEMORANDUM

**TO:** BOARD OF COMMISSIONERS  
(Annual Meeting of October 24, 2017)

**DATE:** October 19, 2017

**FROM:**

Ann Kosel



**SUBJECT:** ELECTION OF OFFICERS

At the annual meeting of the Port Authority Board of Commissioners, an election of officers is required. The current officers are as follows:

John Bennett	- Chair
Paul Williams	- Vice Chair
Dan Bostrom	- Secretary/Treasurer
Laurie Hansen	- Assistant Treasurer
Eric Larson	- Assistant Secretary

After the election of officers, the committee chairs are appointed by the Board Chair. The current chairs are listed below:

Paul Williams	- Credit Committee Chair
Nneka Constantino	- Administrative Committee Chair

/amk

# SAINT PAUL PORT AUTHORITY

## MEMORANDUM

**TO:** BOARD OF COMMISSIONERS  
(Annual Meeting of October 24, 2017)

**DATE:** October 13, 2017

**FROM:** Peter M. Klein 

**SUBJECT: DISTRICT ENERGY ST. PAUL, INC. – AUTHORIZATION FOR AN  
APPROXIMATE \$25,000,000 TAX-EXEMPT AND TAXABLE BOND ISSUE  
RESOLUTION NO. 4610**

**Action Requested:**

Final approval for the issuance of approximately \$25,000,000 of conduit revenue bonds for District Energy St. Paul, Inc.

**Public Purpose:**

Bond proceeds will provide funding necessary for District Energy to:

- Expand the distribution system
- Enhance the District Heating Plant
- Refinance existing bonds

**Business Subsidy:**

N/A

**Background:**

Last month, the Port Authority Board held a public hearing and gave its preliminary approval for the issuance of these bonds.

Attached is a report outlining the terms of the tax-exempt and taxable bond issue.

**Disclosure:**

The Port Authority Commissioners by SEC rules are obligated to disclose any risks of facts you may be aware of that would affect the probability of repayment of these bonds.

**Recommendation:**

We recommend the approval for the issuance of approximately \$25,000,000 of tax-exempt and taxable conduit bonds.

PMK:djk

Attachment

**PORT AUTHORITY OF THE CITY OF SAINT PAUL  
ISSUANCE OF BONDS – DISTRICT ENERGY ST. PAUL, INC.**

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<b><u>Action Requested:</u></b>	Approval of final resolution authorizing the issuance of an approximate \$25,000,000 conduit bond issue for District Energy St. Paul, Inc.
<b><u>Project Summary:</u></b>	Series 2017-3 (501(c)(3))    \$ 7,400,000 Series 2017-4 (AMT)        \$ 6,000,000 Series 2017-5 (Taxable)    \$11,600,000
<b><u>Type:</u></b>	Adjustable rate industrial development revenue tax-exempt bonds and fixed-rate industrial development revenue taxable bonds.  Series 3 and 4 are tax-exempt and Series 5 is taxable.
<b><u>Term:</u></b>	Series 2017-3 – 25 years Series 2017-4 – 23 years Series 2017-5 – 20 years
<b><u>Issuer:</u></b>	Saint Paul Port Authority
<b><u>Issuer's Counsel:</u></b>	Briggs and Morgan, PA
<b><u>Borrower:</u></b>	District Energy St. Paul, Inc.
<b><u>Trustee:</u></b>	U.S. Bank National Association
<b><u>Underwriter:</u></b>	Piper Jaffray & Co.
<b><u>Borrower's Counsel:</u></b>	Barnes & Thornburg LLP
<b><u>Underwriter's Counsel:</u></b>	Kennedy & Graven
<b><u>Bond Counsel:</u></b>	Barnes & Thornburg LLP
<b><u>The Company:</u></b>	District Energy St. Paul, Inc. is a 501(c)(3) non-profit company that provides heating services to 190 buildings with over 31 million building square feet in Saint Paul. It was incorporated in 1979 and has operated since 1983, formerly using the name District Heating, LLC.
<b><u>The Project:</u></b>	The bond proceeds will be loaned to the borrower and used to refinance existing debt, construct additional distribution lines and plant improvements.

**Estimated Sources  
and Uses of Funds:**

**Sources of Funds**

Bond Proceeds	\$25,000,000
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**Use of Funds**

Construction	\$12,750,000
Refinancing	8,500,000
Capitalized Interest	850,000
Debt Service Reserve	2,100,000
Cost of Issuance	<u>400,000</u>

Total	\$25,000,000
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**The Bonds:**

The bonds will be issued in three series in the approximate total principal amount of \$25,000,000. The estimated yield-to-maturity for the tax-exempt 501(c)(3) bonds is 3.9% and 4.25% for the AMT bonds. The estimated yield-to-maturity for the taxable bonds is 4.3%. The taxable bonds may be placed privately and should that occur, the Port Authority would not issue them and would not have any involvement with that portion of the funding.

**Fees:**

The Port Authority will receive a fee of .35% of the principal amount of the bonds at closing and .25% of the outstanding principal amount of the bonds annually thereafter.

**Conduit Financing:**

The bonds will be a conduit financing of the Port Authority and will not constitute or give rise to a liability of the Port Authority, the City of Saint Paul, or the State of Minnesota or a charge against their general credit or taxing powers.

**Loan Agreement:**

Under the Indenture, the Port Authority has pledged its interest in the Loan Agreement to the trustee to secure the bonds. The trustee is authorized to exercise the rights of the Port Authority and to enforce the obligations of the borrower under the Loan Agreement.

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

**[DISTRICT ENERGY ST. PAUL, INC.]**

WHEREAS, the Port Authority of the City of Saint Paul (the “Port Authority”) is duly organized and existing under the Constitution and laws of the State of Minnesota; and

WHEREAS, under the Minnesota Municipal Industrial Development Act, Minnesota Statutes, Sections 469.152-469.1655, as amended (the “Act”), the Port Authority, is authorized to issue revenue bonds to finance or refinance, in whole or in part, the costs of the acquisition, construction, improvement, or extension of revenue producing enterprises, whether or not operated for profit; and

WHEREAS, District Energy St. Paul, Inc., a Minnesota nonprofit corporation (the “Borrower”), has represented to the Port Authority that it is proposing to finance a “Project” to: (i) finance improvements to its heating and cooling distribution system and its heating and cooling plants located in the City of Saint Paul, Minnesota (the “City”); (ii) pay a portion of the interest on the Series 2017 Bonds (as defined below); (iii) fund one or more reserve accounts to secure timely payment of the Series 2017 Bonds; and (iv) pay a portion of the costs of issuing the Series 2017 Bonds (the “Project”); and

WHEREAS, the Borrower has requested that the Port Authority issue revenue bonds, in multiple series, to be designated (i) District Energy Revenue Bonds, Series 2017-3 (501(c)(3)) (the “Series 2017-3 Bonds”); (ii) District Energy Revenue Bonds, Series 2017-4 (AMT) (the “Series 2017-4”); and (iii) District Energy Revenue Bonds, Series 2017-5 (Taxable) (the “Series 2017-5 Bonds” and, collectively with the Series 2017-3 Bonds and the Series 2017-4 Bonds, the “Series 2017 Bonds”) and loan the proceeds derived from the sale of the Series 2017 Bonds to the Borrower, pursuant to a Loan Agreement, dated on or after November 1, 2017, between the Port Authority and the Borrower (the “Loan Agreement”) to finance the Project; and

WHEREAS, the Series 2017 Bonds are proposed to be issued under the terms of this resolution and a Bond Indenture of Trust, dated on or after November 1, 2017 (the “Bond Indenture”), between the Port Authority and U.S. Bank National Association, as bond trustee (the “Bond Trustee”); and

WHEREAS, the payment obligations of the Borrower under the Loan Agreement and the Bond Indenture will be secured by one or more obligations of the Borrower issued under the terms of one or more supplements to an Amended and Restated Master Trust Indenture, dated as of November 1, 2015 (as amended and supplemented from time to time, the “Master Indenture”), between the Borrower, as obligated group representative, and U.S. Bank National Association, as master trustee (the “Master Trustee”); and

WHEREAS, under the terms of the Master Indenture, the Borrower has pledged its gross revenues to secure any obligations issued under the Master Indenture and the Borrower has also granted a mortgage on its heating and cooling plants to the Master Trustee as security for all obligations issued under the Master Indenture; and

WHEREAS, the revenue bonds proposed to be issued by the Port Authority to finance the Project and the related costs will constitute revenue obligations secured solely by: (i) the revenues derived from the Loan Agreement (which includes the revenues pledged under the obligation(s) issued by the Borrower under the Master Indenture); (ii) other revenues pledged to or otherwise received by the Borrower, except for those revenues necessary for ordinary operational expenses and required under Minnesota law; and (iii) other security provided or arranged by the Borrower; and

WHEREAS, the Series 2017 Bonds will be sold to and/or placed by Piper Jaffray & Co. (the "Underwriter") pursuant to one or more bond purchase contracts (the "Bond Purchase Contract"); and

WHEREAS, under the terms of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the revenue bonds may not be issued as tax-exempt bonds unless the Board of Commissioners of the Port Authority approves the revenue bonds after a public hearing following publication of a notice published in accordance with the requirements of Section 147(f) of the Code and Treasury Regulations, Section 5f.103-2; and

WHEREAS, following the publication of a notice (the "Public Notice") of a public hearing in the Legal Ledger, the official newspaper of the Port Authority, on September 11, 2017, and in the Pioneer Press, a newspaper of general circulation in the City, on September 7, 2017, at least 14 days before the regularly-scheduled meeting of the Board of Commissioners of the Port Authority on September 26, 2017, the Board of Commissioners conducted a public hearing at which a reasonable opportunity was provided for interested individuals to express their views on the proposal by the Borrower to undertake and finance the Project and the proposed issuance of the Series 2017 Bonds; and

WHEREAS, the Public Notice included a general description of the Project, the maximum aggregate face amount of the Series 2017 Bonds to be issued with respect to the Project, the identity of the initial owner, operator, or manager of the Project (the Borrower), the location of the Project by street address, and a statement that a draft copy of the proposed application to DEED, together with all attachments and exhibits, would be available for inspection at the offices of the Port Authority.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Series 2017 Bonds in an original aggregate principal amount not to exceed \$25,000,000. If the Series 2017 Bonds are issued in more than one series of tax-exempt or taxable bonds, the separate series shall be separately

designated as set forth above or in such other manner as is deemed appropriate by the Chair of the Port Authority (or any Commissioner), and the President of the Port Authority (collectively, the "Port Authority Officials"), in their discretion. The Series 2017 Bonds shall be issued under the terms of this resolution and the Bond Indenture. The Series 2017 Bonds shall bear interest at variable or fixed rates established by the terms of the Bond Indenture; provided that the combined net interest cost on the Series 2017 Bonds shall not exceed 5.75%. The Series 2017 Bonds shall be designated, shall be numbered, shall be dated, shall mature, shall be subject to redemption or tender prior to maturity, shall be in such form, and shall have such other terms, details, and provisions as are prescribed in the Bond Indenture and Bond Purchase Contract, in the form now on file with the Port Authority, with the amendments referenced herein. The Port Authority hereby authorizes the Series 2017 Bonds to be issued as "tax-exempt bonds," the interest on which is excluded from gross income for federal and State of Minnesota income tax purposes, or as taxable bonds.

All of the provisions of the Series 2017 Bonds, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Series 2017 Bonds shall be substantially in the forms in the Bond Indenture on file with the Port Authority, which forms are hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of each series of Series 2017 Bonds, the stated maturities of each series of Series 2017 Bonds, the principal amount of Bonds maturing on each maturity date, the interest rates on the Series 2017 Bonds, and the terms of redemption of the Series 2017 Bonds) as the Port Authority Officials, in their discretion, shall determine. The execution of the Series 2017 Bonds with the manual or facsimile signatures of the Port Authority Officials and the delivery of the Series 2017 Bonds by the Port Authority shall be conclusive evidence of such determination.

2. The Series 2017 Bonds shall be special limited obligations of the Port Authority payable solely from the revenues provided by the Borrower pursuant to the Loan Agreement and from the revenues and security pledged, assigned, and granted pursuant to the following documents: (i) one or more obligations issued by the Borrower under the terms of the Master Indenture as amended by one or more supplemental indentures thereto; and (ii) mortgages previously granted by the Borrower to the Master Trustee as such are amended in connection with the issuance of the Series 2017 Bonds (as amended, collectively, the "Mortgages"). The proceeds of the Series 2017-3 Bonds and Series 2017-4 Bonds will be subject to the provisions of a Tax Exemption Agreement, dated on or after November 1, 2017 (the "Tax Exemption Agreement"), between and the Bond Trustee and the Borrower with an Endorsement of the Tax Exemption Agreement to be executed and delivered by the Port Authority Officials (the "Tax Endorsement").

All of the provisions of the Bond Indenture, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Bond Indenture shall be substantially in the form on

file with the Port Authority, which is hereby approved, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Port Authority Officials, in their discretion, shall determine, and the execution thereof by the Port Authority Officials shall be conclusive evidence of such determination.

3. The loan repayments to be made by the Borrower under the Loan Agreement are fixed to produce revenues sufficient to provide for the prompt payment of principal of, premium, if any, and interest on the Series 2017 Bonds issued under this resolution when due, and the Loan Agreement also provides that the Borrower is required to pay all expenses of the operation and maintenance of the Project, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all lawfully imposed taxes and special assessments levied upon or with respect to the Project and payable during the term of the Loan Agreement.

4. As provided in the Loan Agreement, the Series 2017 Bonds shall not be payable from or charged upon any funds other than the revenue pledged to their payment, nor shall the Port Authority or the City be subject to any liability thereon, except as otherwise provided in this paragraph. No holder of the Series 2017 Bonds shall ever have the right to compel any exercise by the Port Authority or the City of any taxing powers to pay the Series 2017 Bonds or the interest or premium thereon, or to enforce payment thereof against any property of the Port Authority or the City except the interests of the Port Authority in the Loan Agreement and the revenues and assets thereunder, which will be assigned to the Bond Trustee under the terms of the Bond Indenture. The Series 2017 Bonds shall recite that the Series 2017 Bonds are issued pursuant to the Act, and that the Series 2017 Bonds, including interest and premium, if any, thereon, are payable solely from the revenues and assets pledged to the payment thereof, and the Series 2017 Bonds shall not constitute a debt of the Port Authority or the City within the meaning of any constitutional or statutory limitations.

5. The Board of Commissioners of the Port Authority hereby authorizes the Port Authority Officials to execute and deliver the Bond Indenture, the Loan Agreement, the Tax Endorsement, Bond Purchase Contract and any other documents required by the Underwriter in connection with the issuance of the Series 2017 Bonds (collectively, the "Financing Documents"). The Port Authority Officials are also authorized and directed to execute and deliver the Series 2017 Bonds in accordance with the terms of the Master Indenture, the Bond Indenture, and the Bond Purchase Contract, which shall provide the terms and conditions, covenants, rights, obligations, duties, and agreements of the owners of the Series 2017 Bonds, the Port Authority, the Underwriter, and the Bond Trustee as set forth therein. All of the provisions of the Financing Documents to which the Port Authority is a party, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Financing Documents to which the Port Authority is a party shall be substantially in the forms on file with the Port Authority which are hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Port Authority Officials, in their discretion, shall determine,

and the execution of the Financing Documents to which the Port Authority is a party by the Port Authority Officials shall be conclusive evidence of such determination.

6. The Port Authority Officials and other officers, employees, and agents of the Port Authority are hereby authorized to execute and deliver, on behalf of the Port Authority, the Financing Documents to which it is a party and such other documents as are necessary or appropriate in connection with the issuance, sale, and delivery of the Series 2017 Bonds, including various certificates of the Port Authority, the Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, a certificate as to arbitrage and rebate, and similar documents. The Port Authority hereby approves the execution and delivery by the Bond Trustee of the Bond Indenture and all other instruments, certificates, and documents prepared in conjunction with the issuance of the Series 2017 Bonds that require execution by the Bond Trustee. The Bond Trustee is hereby appointed as Bond Registrar and paying agent with respect to the Series 2017 Bonds. The Port Authority hereby authorizes Barnes & Thornburg LLP, as bond counsel to the Borrower, to prepare, execute, and deliver its approving legal opinion with respect to the Series 2017 Bonds.

7. The Port Authority has not participated in the preparation of the Preliminary Official Statement or the Official Statement relating to the offer and sale of the Series 2017 Bonds (collectively, the "Official Statement"), and has made no independent investigation with respect to the information contained therein (other than with respect to information provided under the captions "THE ISSUER" and "ABSENCE OF LITIGATION - The Issuer," as it relates to the Port Authority), including the appendices thereto, and the Port Authority assumes no responsibility for the sufficiency, accuracy, or completeness of such information. Subject to the foregoing, the Port Authority hereby consents to the distribution and the use by the Underwriter of the Official Statement in connection with the offer and sale of the Series 2017 Bonds. The Official Statement is the sole material consented to by the Port Authority for use in connection with the offer and sale of the Series 2017 Bonds.

8. Except as otherwise provided in this resolution, all rights, powers, and privileges conferred and duties and liabilities imposed upon the Port Authority or the Board of Commissioners by the provisions of this resolution or of the aforementioned documents shall be exercised or performed by the Port Authority or by such members of the Board of Commissioners, or such officers, board, body, or agency thereof as may be required or authorized by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation, or agreement herein contained or contained in the aforementioned documents shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board of Commissioner of the Port Authority, or any officer, agent, or employee of the Port Authority in that person's individual capacity, and neither the Board of Commissioners of the Port Authority nor any officer or employee executing the Series 2017 Bonds shall be liable personally on the Series 2017 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No provision, covenant, or agreement contained in the aforementioned documents, the Series 2017 Bonds or in any other document relating to the Series 2017 Bonds, and no obligation therein or herein imposed upon the Port Authority or the breach thereof, shall constitute or give rise to any pecuniary liability of the Port Authority or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the Port Authority has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreement which are to be applied to the payment of the Series 2017 Bonds, as provided therein and in the Bond Indenture.

9. Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the Port Authority or any holder of the Series 2017 Bonds issued under the provisions of this resolution, any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provisions hereof, this resolution, the aforementioned documents and all of their provisions being intended to be and being for the sole and exclusive benefit of the Port Authority and any holder from time to time of the Series 2017 Bonds issued under the provisions of this resolution.

10. In case any one or more of the provisions of this resolution, other than the provisions contained in Section 8 hereof, or of the aforementioned documents, or of the Series 2017 Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Series 2017 Bonds, but this resolution, the aforementioned documents, and the Series 2017 Bonds shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

11. The Series 2017 Bonds, when executed and delivered, shall contain a recital that they are issued pursuant to the Act, and such recital shall be conclusive evidence of the validity of the Series 2017 Bonds and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Series 2017 Bonds, and to the execution of the aforementioned documents to happen, exist, and be performed precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

12. The officers of the Port Authority, Briggs and Morgan, Professional Association (as "Issuer's Counsel"), other attorneys, engineers, and other agents or employees of the Port Authority and Barnes & Thornburg LLP as bond counsel are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, and the Series 2017 Bonds for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Series 2017 Bonds, the aforementioned documents, and this resolution. In the event that for any reason any of the Port Authority Officials is unable to carry out the execution of any of the documents or other acts provided herein, such documents may be executed and such actions may be taken by any official or employee of the Port Authority or the City delegated the duties of any such Port Authority Official

with the same force and effect as if such documents were executed and delivered by such Port Authority Official.

13. The Borrower has agreed and it is hereby determined that any and all costs incurred by the Port Authority in connection with the financing of the Project will be paid by the Borrower, including the costs and expenses of Issuer's Counsel and the Port Authority's initial and ongoing annual issuance fees for the Series 2017 Bonds. It is understood and agreed that the Borrower shall indemnify, defend and hold harmless the Port Authority against all liabilities, losses, damages, costs and expenses (including reasonable attorney's fees and expenses incurred by the Port Authority) arising with respect to the Project or the Series 2017 Bonds, as provided for and agreed to by and between the Borrower and the Port Authority in the Loan Agreement.

14. The authority to approve, execute and deliver future amendments to the Financing Documents entered into by the Port Authority in connection with the issuance of the Series 2017 Bonds and consents required under the Financing Documents is hereby delegated to the Port Authority Officials, subject to the following conditions: (a) such amendments or consents do not require the consent of the respective holders of the Series 2017 Bonds or such consent has been obtained; (b) such amendments or consents do not materially adversely affect the interests of the Port Authority; (c) such amendments or consents do not contravene or violate any policy of the Port Authority, and (d) such amendments or consents are acceptable in form and substance to the counsel retained by the Port Authority to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Port Authority Officials shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.

15. This Resolution shall be in full force and effect from and after its passage.

Adopted: October 24, 2017

PORT AUTHORITY OF THE CITY OF  
SAINT PAUL

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

ATTEST

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

# SAINT PAUL PORT AUTHORITY

## MEMORANDUM

**TO:** BOARD OF COMMISSIONERS  
(Regular Meeting of October 24, 2017)

**DATE:** October 19, 2017

**FROM:** Keith K. Mensah

**SUBJECT: PUBLIC HEARING  
CONVEYANCE OF LAND TO S & R CONSULTING, LLC  
RESOLUTION NO. 4611**

**Action Requested:**

Approval of the sale of an 0.11-acre remnant parcel of land to S & R Consulting, LLC.

**Background:**

Attached is a memo outlining the terms of the land conveyance transaction to S & R Consulting, LLC for the property located at 0 Russell Street, Saint Paul, MN 55102. The property lies adjacent to the Port Authority's Beacon Bluff Business Center. The Port Authority acquired the former 3M Main Plant Campus in 2009 and subsequently developed the Beacon Bluff Business Center. This remnant was created as the area was replatted to maximize redevelopment potential and install upgraded infrastructure within Beacon Bluff.

As the fee owner of this and other remnant parcels at Beacon Bluff, these parcels are tax exempt and generate no tax base. The Port Authority cannot develop this parcel nor has any expressed purpose for the ownership of this remnant parcel. In addition, as the fee owner of these remnant parcels, the Port Authority is subject to special assessments when and if imposed. Accordingly, the Port Authority seeks to convey an 0.11-acre remnant parcel to the adjacent residential property owner, S & R Consulting, LLC and return it to the property tax roll.

**Recommendation**

We recommend approval of the sale of an 0.11-acre remnant parcel of land to S & R Consulting, LLC.

MMH:KKM:djk

Attachments

**PORT AUTHORITY OF THE CITY OF SAINT PAUL  
LAND SALE TRANSACTION**

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**Action Requested:** Approval of the sale of a remnant parcel of land to S & R Consulting, LLC for Conveyance of Land Assembly.

**Development Officer:** Keith Mensah

**Purchaser:** S & R Consulting, LLC

**Purchaser Address:** 71 Maple Lane  
Little Canada, MN 55117

**Location of Property to be Conveyed:** 0 Russell Street, Saint Paul MN 55102  
(PID 282922310148), see Exhibit A

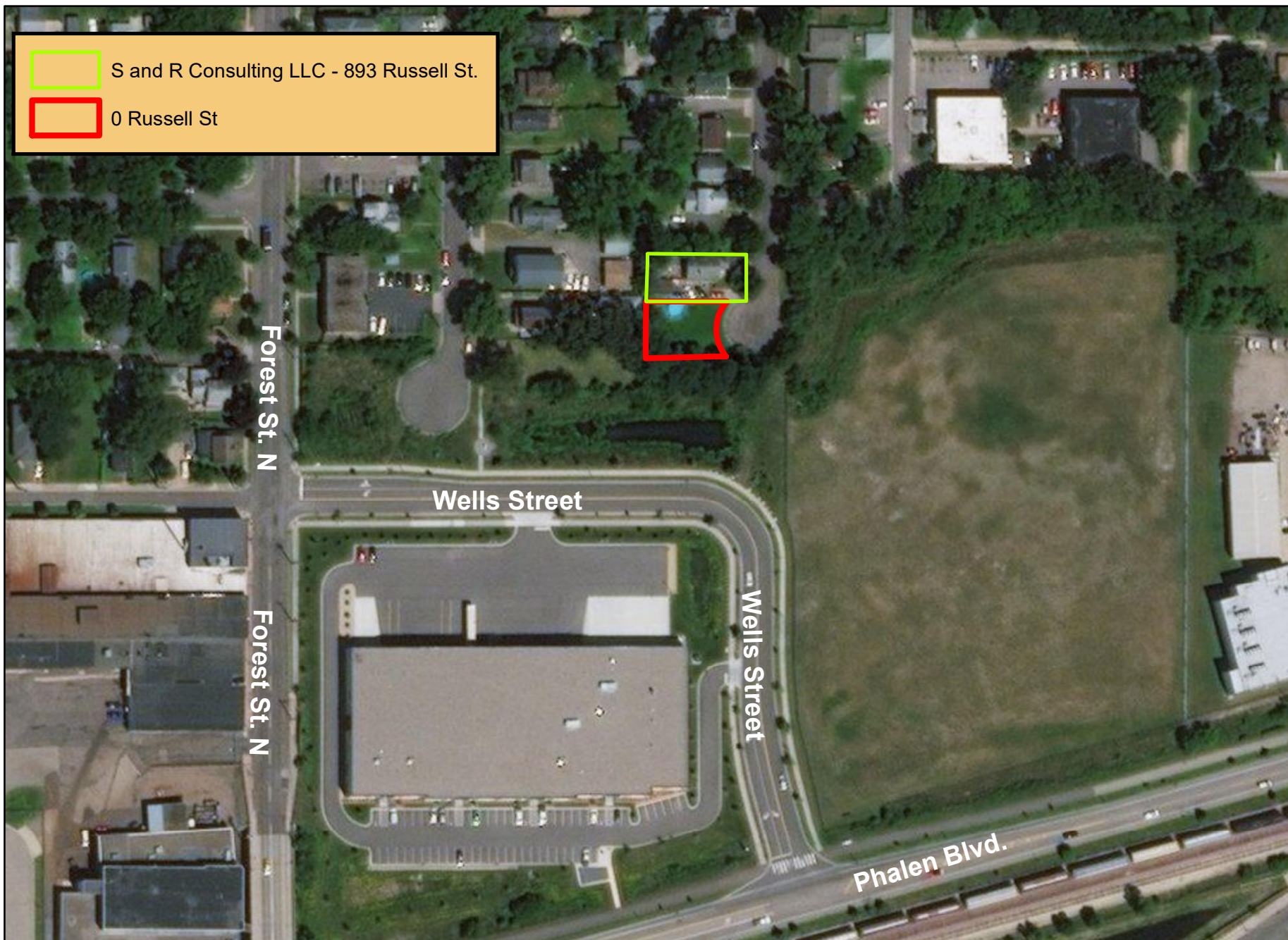
**Conveyance Structure:** The Port Authority entered into a contingent purchase agreement on October 12, 2017 with S & R Consulting, LLC for the sale of the Port Authority's interest in the property listed above. The purchase price is \$1.00. The property is to be sold as-is, with no further obligations of the Port Authority after closing. Closing is expected to occur November 8, 2017.

**Nature of Intended Use:** Appurtenance to adjacent residential lot.

**Business Subsidy Agreement:**  
None.

**Exception from Port's Development Goals/Covenants:**  
None.

**Development Officer's Comments:**  
Approval is recommended.



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

**[CONVEYANCE OF LAND-BEACON  
BLUFF REMNANT TO S & R CONSULTING, LLC]**

WHEREAS, the Port Authority of the City of Saint Paul ("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 land 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 grant the conveyance of land at 0 Russell Street in Saint Paul, Minnesota (the "Property") to S & R Consulting, LLC or verified affiliate(s).

WHEREAS, the Port Authority did conduct a public hearing pursuant to said notice on Tuesday, October 24, 2017, at which hearing all taxpayers in the port district, both for and against the conveyance, were allowed to state their views.

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 conveyance.

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.
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.
3. That the President of the Port Authority is hereby authorized and directed to complete and execute said agreement to convey, in substantially the form as is on file in the office of the Port Authority, and the proper Port Authority officers are hereby authorized and

directed to complete and execute all documents necessary to convey title in form as approved by counsel.

Adopted: October 24, 2017

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

Attest:

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

# SAINT PAUL PORT AUTHORITY

## MEMORANDUM

TO: BOARD OF COMMISSIONERS  
(Regular Meeting of October 24, 2017)

DATE: October 16, 2017

FROM: Peter M. Klein 

SUBJECT: **AWARD OF CONTRACT  
ENERGY PARK UTILITY COMPANY BOILER REPLACEMENT  
RESOLUTION NO. 4612**

**Action Requested:**

Authorization to award a contract to the lowest responsive and responsible bidder for a new boiler at Energy Park Utility Company (EPUC).

**Background:**

Last month, the Credit Committee approved financing this project with Trillion BTU funds.

**Current Status:**

Ever-Green Energy, the system manager and operator, requested bids for a new boiler. Bids were received on October 11, 2017 and three companies submitted bids. Bid results are as follows:

<u>Company</u>	<u>Bid Amount</u>
Pioneer Power	\$184,400
Corval Constructors	\$275,455
Huot Construction	\$469,800

The engineer's estimate for this work was \$180,000. Pioneer Power has the lowest bid upon opening, and it appears Pioneer Power is the lowest responsive and responsible bidder.

**Recommendation:**

We recommend approval of authorization to award a contract to the lowest responsive and responsible bidder for a new boiler at Energy Park Utility Company.

PMK:djk

**RESOLUTION OF THE  
PORT AUTHORITY OF THE CITY OF SAINT PAUL  
[AWARD OF CONTRACT FOR ENERGY PARK  
UTILITY COMPANY BOILER REPLACEMENT]**

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, Ever-Green Energy, the system manager and operator, requested bids on behalf of the Port Authority and the bids were received on October 11, 2017.

WHEREAS, the bids have been received, tabulated and evaluated, and it appears that the lowest responsive bidder is Pioneer Power in the total amount of \$184,400.

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 advise Ever-Green Energy to award the contract for a new boiler at Energy Park Utility Company to the lowest responsive and responsible bidder.

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

Adopted: October 24, 2017

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

ATTEST:

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

# SAINT PAUL PORT AUTHORITY

## MEMORANDUM

**TO:** BOARD OF COMMISSIONERS  
(Annual Meeting of October 24, 2017)

**DATE:** October 19, 2017

**FROM:** Laurie J. Hansen 

**SUBJECT:** ENERGY PARK UTILITY COMPANY FRANCHISE  
APPROVAL OF RATES  
RESOLUTION NO. 4613

**Action Requested:** Approval of Schedule A - Energy Park Utility Company (EPUC) Rates effective January 2, 2018.

### **Background:**

The EPUC Franchise Ordinance Section 6(e) requires the Port 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, 2018 reflect the budgeted costs for 2018.

### **Proposal:**

Attached please find the Schedule A, which includes a complete list and the methodology for establishing the new rates effective January 2, 2018. In summary, new rates will be:

	<u>Current Charges</u>	<u>Proposed Charges 1/3/2018</u>	<u>% Change</u>
Demand Charge (\$/MMBtu/Mo):			
Heating Demand Charge	\$1,567.00	\$1,629.00	3.96%
Chilled Water Demand Charge	\$1,646.00	\$1,712.00	4.01%
Hot Water Commodity Charge Base (\$/MMBtu)	\$ 3.80	\$ 3.80	0.0%
Chilled Water Commodity Charge Base (\$/MMBtu)	\$ 3.73	\$ 3.73	0.0%
Fuel Adjustment Charge – Difference Between Actual Variable Cost and Base Variable Cost (\$/MMBtu)		Varies	

Rate increases from 2013 – 2017 have ranged from 2.5% to 4.2% with an average increase of 3.27%.

### **Recommendation:**

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

LJH:amk  
Attachments

**RESOLUTION OF THE  
PORT AUTHORITY OF THE CITY OF SAINT PAUL  
[ENERGY PARK UTILITY COMPANY FRANCHISE – 2018 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 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 2018 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, 2018; 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: October 24, 2017

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

Attest:

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

**SCHEDULE A**  
**ENERGY PARK UTILITY COMPANY**  
**CALENDAR YEAR 2018**

**DEMAND CHARGE CALCULATION**

	<u><b>1/2/18-1/2/19</b></u>
i) Budgeted Operating Expenses	\$952,701
ii) All Debt Service Costs and Requirements	640,263
iii) Fixed Reimbursement	<u>170,000</u>
Subtotal	\$1,762,964
Multiplied By	1
iv) Budgeted demand revenues before Reserve for Repairs, Replacements, Modifications, and Expansions	\$1,762,964
Divided By	<u>93.43%</u>
Budgeted Total Demand Revenues	\$1,886,936
Divided by Budgeted Cooling Energy Demand (Total MMBtuh per Period)	622.4
Cooling Demand Charge (\$ per MMBtuh per Month)	\$1,712.00
Divided by Budgeted Heating Energy Demand (Total MMBtuh per Period)	504.3
Heating Demand Charge (\$ per MMBtuh per Month)	\$1,629.00

**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.

# SAINT PAUL PORT AUTHORITY

## MEMORANDUM

**TO:** BOARD OF COMMISSIONERS  
(Regular Meeting of October 24, 2017) **DATE:** October 19, 2017

**FROM:** Ava Langston-Kenney *ALK*

**SUBJECT:** GRANT APPLICATION TO MINNESOTA'S PORT DEVELOPMENT  
ASSISTANCE PROGRAM TOWARDS CONSTRUCTION OF A BARGE  
MOVING SYSTEM AT THE RED ROCK TERMINAL  
RESOLUTION NO. 4614

### Action Requested:

Approval for the Port Authority to request funding from the Minnesota Port Development Assistance Program for a Grant in the amount of \$2,000,000 towards construction of a barge moving system on the property used by Gavilon at the Red Rock Terminal.

### Public Purpose:

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 allow the Port Authority's tenant, Gavilon, to increase capacity by providing a more efficient way of moving barges for loading and unloading. If constructed, this will be the first barge moving system of its type located in Saint Paul Port Authority Terminals

### Background:

The Minnesota Port Development Assistance (PDA) Program has provided the Port Authority with grant dollars for capital improvements in the Saint Paul Harbor since 1996. The Ports & Waterways Section of MNDOT administers the Program which is funded by State Legislature. The grant requires a local match of 20% of the improvement cost. For this Project the Port proposes to secure a 46% tenant/private match.

The new two-lane barge loading system will allow for up to 10 empty barges to be delivered at a time. Empty barges will be staged and secured and then fed into either lane 1 or 2 for loading. A winching system will provide both lateral and forward shuttling of as many as five empty barges to both lanes. As each barge is loaded, the next barge will be laterally moved into the loading lane, which can then stage all five barges prior to being hauled away when the last barge is filled. This proposed layout allows for the continued use of the existing loadouts on tower 1 and 2. This new system will enable Gavilon's tonnage output capacity to double. See Figure 1 on following page:

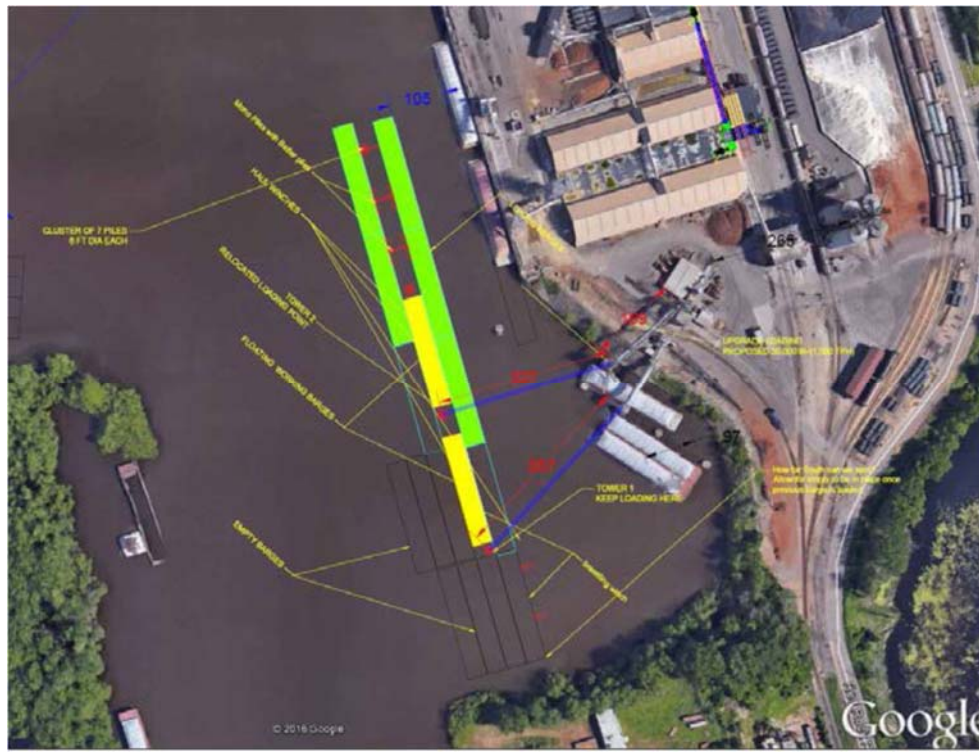


Figure 1 – Initial Concept Sketch

The proposed new two-lane barge loading system will increase the number of barges handled, and therefore, the commodity volumes loaded and unloaded in the following ways (See Table 1 on following page):

- As currently designed, the Project would extend towers into main channel which would allow for more barges to be loaded in a day.
- Belt speeds would be increased to 50,000 bushels per hour which would allow Gavilon to take trucks direct and flow from the elevator on one belt to increase bushels dumped in a day.
- Project would allow Gavilon to load 4 more barges a day which would free up capacity for more rail to truck grain or bulk rail to truck throughput of commodities.

**Table 1 - Incremental Project Benefits**

Tower / Barge Expansion Project							
Scenario	Belt Speed	Tower Location			Incremental Capacity		
		Outside	Inside				
			On-Site Rail	No On-Site Rail	Barges	Bushels	Tons
Current	25,000 bph*	5 barges/day	4 barges/day	2 barges/day	N/A	N/A	N/A
Proposed	50,000 bph	8 barges/day	5 barges/day	3 barges/day	4	8,000,000	224,000

\* Bushels per hour

**Proposed Capital Investment:**

Total Project Cost: \$3,800,000.

PDA Award: \$2,000,000 (requested)

Local Match: Assessments \$1,800,000.

Description of Work: Construction of a Barge Moving System located in the Red Rock Terminal.

**Recommendation:**

Approval of an application to the Port Development Assistance Program for a \$2,000,000 grant to complete construction of a Barge Moving System in the Red Rock Terminal.

ALK/lkw

Attachment: Resolution

**RESOLUTION OF THE  
PORT AUTHORITY OF THE CITY OF SAINT PAUL  
[GRANT APPLICATION TO MINNESOTA'S PORT DEVELOPMENT  
ASSISTANCE PROGRAM TOWARDS CONSTRUCTION  
OF A BARGE MOVING SYSTEM AT THE RED ROCK TERMINAL]**

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

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.

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).

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

WHEREAS, the Port Authority desires to submit a grant application to the Minnesota Port Development Assistance Program in the amount of \$2,000,000 for the construction of a barge moving system at the Red Rock Terminal. The Port Authority is committed to securing matching funds in the amount of \$1,800,000 to complete the project. The Minnesota Port Development Assistance Program requires a minimum 20% match to this grant request.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL: That the President is hereby encouraged and authorized to apply to, and accept from, if awarded, a grant, or some other financial or resource assistance from the Minnesota Port Development Assistance Program in the amount of \$2,000,000; and

BE IT FURTHER RESOLVED, that the President or anyone acting under his direction is hereby authorized and directed to execute any and all necessary documents to complete the grant application and secure its receipt, including any matching fund requirements.

Adopted: October 24, 2017

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

ATTEST:

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

# SAINT PAUL PORT AUTHORITY

## MEMORANDUM

**TO:** BOARD OF COMMISSIONERS  
(Regular Meeting of October 24, 2017) **DATE:** October 19, 2017

**FROM:** Ava Langston-Kenney *ALK*

**SUBJECT:** APPLICATION TO MINNESOTA'S DEPARTMENT OF EMPLOYMENT  
AND ECONOMIC DEVELOPMENT AND METROPOLITAN COUNCIL FOR  
CONTAMINATION CLEANUP GRANT FUNDS FOR HMONGTOWN  
MARKETPLACE LOCATED AT 217 COMO AVENUE, SAINT PAUL, MN  
RESOLUTION NO. 4615

### Action Requested:

Authorization to apply to Minnesota's Department of Employment and Economic Development for up to \$50,000.00 and Metropolitan Council for up to \$50,000.00 in Contamination Cleanup Grant funds for Hmongtown Marketplace at an approximate 5.7-acre site located at 217 Como Avenue, Saint Paul, Minnesota. See an attached map showing the location of the property.

### Background:

The Minnesota Department of Employment and Economic Development (DEED) and the Metropolitan Council created grant programs to fund the investigation and remediation of contaminated properties. Only public agencies are eligible to apply on a competitive basis for these funds, but both publicly and privately-owned sites with known or suspected soil or groundwater contamination qualify. Remediation grant funds have proven to be essential in redeveloping Brownfield properties with business centers and providing developable land for companies to locate, expand and grow jobs.

On November 1, 2017, we intend to apply for funding from DEED and Met Council on behalf of the property owner, Mr. Toua Xiong, who plans to redevelop the Hmongtown Marketplace site. Mr. Xiong has put together a redevelopment consultant team that includes the Port Authority. In order to apply for these funds, a resolution is required from the Port Authority Board of Commissioners authorizing the application. If one or both grants are awarded, the Port Authority will provide grant oversight for the environmental work and be reimbursed for those associated costs at an amount not to exceed \$5,000.00.

Hmongtown Marketplace is a Saint Paul business that has been operating for 15 years. Hmong Marketplace is considered the Mall of America of the Hmong Community and also serves the Courian, Nepalese, and Somali Communities of Saint Paul. Mr. Xiong has preliminary plans to build a three-story marketplace/office building on the site, along with an open-air type market and park-like green space.

BOARD OF COMMISSIONERS

October 19, 2017

Page 2

**Recommendation:**

We recommend approval of a resolution granting the Port Authority authorization to apply to Minnesota's Department of Employment and Economic Development for up to \$50,000.00 and Metropolitan Council for up to \$50,000.00 in Contamination Cleanup grant funds.

ALK/lkw

Attachments: Map  
Resolution

# Hmongtown Market



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

**[APPLICATION TO DEED AND METROPOLITAN COUNCIL FOR  
CONTAMINATION CLEAN-UP GRANT FUNDS – HMONGTOWN MARKETPLACE]**

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 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 desires to submit a grant application to the Minnesota Department of Employment and Economic Development for up to \$50,000.00 and Metropolitan Council for up to \$50,000.00 in Contamination Cleanup Grant funds for use at the Hmongtown Marketplace site located at 217 Como Avenue, Saint Paul, Minnesota; and

WHEREAS, the site is located in an Industrial Development District (IDD) as a part of an IDD created by the Port Authority; and

WHEREAS, said environmental investigation and cleanup work furthers industrial development and job creation in the City of Saint Paul; and

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

WHEREAS, the Port Authority finds that the required redevelopment will not occur through private or other public investment within the reasonably foreseeable future without this grant funding; 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 that the President is hereby authorized and directed on behalf of the Port Authority to make a grant application to the Minnesota Department of Employment and Economic Development for up to \$50,000.00 and to Metropolitan Council for up to \$50,000.00 in Contamination Cleanup Grant funds for use at the Hmongtown Marketplace site located at 217 Como Avenue, Saint Paul, MN.

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 the local match 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 upon approval of its application by the State, the Port Authority of the City of Saint Paul may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that the Port Authority of the City of Saint Paul certifies that it will comply with all applicable laws and regulations as stated in all contract agreements.

BE IT FURTHER RESOLVED that if the project identified in the application fails to substantially provide the public benefits listed in the application within five years from the date of the grant award, the Port Authority of the City of Saint Paul may be required to repay 100 percent of the awarded grant per Minn. Stat. § 116J.575 Subd. 4.

BE IT FURTHER RESOLVED that the President of the Port Authority of the City of Saint Paul 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 October 24, 2017.

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

ATTEST:

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