

**Special Credit Committee
Special Board Meeting**

Board Chair Slaven and Committee Chair Mullin are calling a meeting of the Credit Committee and Board of Commissioners for **Tuesday, April 30, 2024.**

The Credit Committee meeting will start at 1:45 p.m., and the Board meeting will start at 2:00 p.m. in the Board Room of the Saint Paul Port Authority, **400 Wabasha Street No., Suite 240, St. Paul, MN.**

**Special Credit Committee
April 30, 2024 | 1:45 p.m.**

Minutes

Approval of the Minutes from the March 26, 2024 Credit Committee Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

1. Approval of Lease Amendment and Rental Rate Adjustment for Hawkins, Inc. – Red Rock Terminal
2. Approval to Use Tax Increment Financing Balance for The Heights Infrastructure

Such Other Business That May Come Before the Committee

1. Quarterly Report on Outside Funded PACE Loans – 1Q/2024

**Special Board Meeting
April 30, 2024 | 2:00 p.m.**

Minutes

Approval of the Minutes from the March 26, 2024 Regular Board Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

Credit Committee

1. Resolution No. 4777 - Approval of Lease Amendment and Rental Rate Adjustment for Hawkins, Inc. – Red Rock Terminal
2. Resolution No. 4778 - Approval to Use Tax Increment Financing Balance for The Heights Infrastructure

Such Other Business That May Come Before the Board

1. Geothermal at The Heights

cc: City Clerk
Reporters

**CREDIT COMMITTEE MEETING
MARCH 26, 2024**

The meeting of the Port Authority Credit Committee was held on March 26, 2024, at 1:46 p.m. in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street, Suite 240, Saint Paul, Minnesota 55102.

The following Committee Members were present:

Don Mullin	Matt Slaven	John Bennett
Angela Riffe		

Also, present were the following:

Jan Almquist	Amanda Bauer	Todd Hurley
Holly Huston	Sarah Illi	Bruce Kessel
Annamarie Kosel	Dana Krueger	Emily Lawrence
Kathryn Sarnecki	Gao lab Thao	Eve Turner
Phoua Vang	Linda Williams	
Nelsie Yang, City of Saint Paul		
Nneka Constantino, Merrill Lynch		

APPROVAL OF MINUTES

Commissioner Bennett made a motion to approve the minutes of the February 27, 2024 Regular Credit Committee meeting and the March 15, 2024 Special Credit Committee meeting. The motion was seconded by Commissioner Slaven and carried unanimously.

CONFLICTS OF INTEREST

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

AGENDA ITEMS

PENSION PLAN TERMINATION

Ms. Krueger reviewed her memorandum with the Committee seeking approval of the termination of the Port Authority of the City of Saint Paul Pension Plan and authorization for staff to execute any related documents. Committee Member Bennett made a motion to approve the request. The motion was seconded by Committee Member Riffe and carried unanimously.

ESC PROPERTIES, LLC PACE APPLICATION - APPROVAL OF A \$920,000 PACE TRILLION BTU LOAN FUNDED BY BUSINESS DEVELOPMENT FUND

Ms. Huston reviewed her memorandum with the Committee requesting approval for the Port Authority to initiate a PACE Trillion BTU loan funded by Business Development Fund for approximately \$920,000 with ESC Properties, LLC to replace the existing HVAC system and roof and to add solar on to their industrial building in West Saint Paul.

Committee Member Slaven made a motion to approve the loan as presented with the requirement that the loan documents require the applicant to increase tenant rent to ensure that the borrower has the adequate income to satisfy the debt-service coverage requirement. The motion was seconded by Committee Member Bennett and carried unanimously.

MINMOR, LLC PACE APPLICATION – APPROVAL OF A \$1,340,000 PACE TRILLION BTU LOAN

Ms. Huston reviewed her memorandum with the Committee requesting approval for the Port Authority to initiate a PACE Trillion BTU loan for approximately \$1,340,000 with MinMor, LLC to add a solar array to their property in Mora, Minnesota. Committee Member Slaven made a motion to approve the request. The motion was seconded by Commissioner Bennett and carried unanimously.

There being no further business, the meeting was adjourned at 2:00 p.m.

By: _____

Its: _____

MEMORANDUM

To: CREDIT COMMITTEE
BOARD OF COMMISSIONERS

Meeting Date: April 30, 2024

From: Linda K. Williams *LKW*

Subject: APPROVAL OF LEASE AMENDMENT AND RENTAL RATE ADJUSTMENT FOR HAWKINS, INC. – RED ROCK TERMINAL RESOLUTION NO. 4777

Action Requested:

Approval of a Lease Amendment and Rental Rate Adjustment for Hawkins, Inc. (“Tenant”) to extend the term of the Lease for five years and to adjust the rental rates for Tenant’s lease of land in the Red Rock Terminal located at 1425 Red Rock Road in Saint Paul, Minnesota (the “Leased Premises”).

Background:

Tenant has been leasing 466,528 square feet at this location since 1999. The Leased Premises is used for bulk chemical blending, and distribution, and the loading and unloading of bulk commodities by barge, rail, and truck. This proposed Lease Amendment and Rental Rate Adjustment does not otherwise modify any other terms of the Lease.

Lease Term:

Original Lease Term: June 1, 1999 through July 31, 2024
Proposed Renewal Term: August 1, 2024 through July 31, 2029

Negotiated Rental Rate and

Tonnage Adjustment for Renewal Term:

Annual Rental Rate Adjustment: 4.0% per year
Tonnage Adjustment: \$0.14/ton for inbound tonnage (increase of \$0.02)

Base Rent:	Sq/Footage	Period Total	Monthly	PSF
<i>** Begin calculations from \$224,516.82 (psf of \$0.48125)</i>				
August 1, 2024 to July 31, 2025	466,528	\$233,497.49	\$19,458.12	\$0.5005
August 1, 2025 to July 31, 2026	466,528	\$242,837.39	\$20,236.45	\$0.5205
August 1, 2026 to July 31, 2027	466,528	\$252,550.89	\$21,045.91	\$0.5413
August 1, 2027 to July 31, 2028	466,528	\$262,652.92	\$21,887.74	\$0.5629
August 1, 2028 to July 31, 2029	466,528	\$273,159.04	\$22,763.25	\$0.5855

MEMORANDUM

Recommendation:

Approval of a Lease Amendment and Rental Rate Adjustment for Hawkins, Inc. to extend the term of the Lease for five years and to adjust the rental rates for Tenant's lease of land in the Red Rock Terminal located at 1425 Red Rock Road, Saint Paul, Minnesota.

Attachment: Resolution

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

**[LEASE AMENDMENT, RENEWAL AND RENTAL RATE ADJUSTMENT
HAWKINS, INC. – RED ROCK TERMINAL – 1425 RED ROCK ROAD]**

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

WHEREAS, the Port Authority has negotiated certain terms to be incorporated into a 2024 Lease Amendment and Rental Rate Adjustment (“2024 Lease Amendment”) to continue leasing 466,528 square feet of land in the Red Rock Terminal at 1425 Red Rock Road in Saint Paul, Minnesota (the “Leased Premises”) to Hawkins, Inc. (the “Tenant”) pursuant to the Lease between the Port Authority, as Landlord, and Tenant dated June 1, 1999 (the “Lease”) by extending the term of the Lease for five years for the period from August 1, 2024 through July 31, 2029 (the “Renewal Term”). The rates in the 2024 Lease Renewal for the Renewal Term, increasing 4.0% per year, are set forth below:

<u>Base Rent Term:</u>	<u>Annual Rent:</u>	<u>PSF Rate</u>
August 1, 2024 to July 31, 2025	\$233,497.49	\$0.5005
August 1, 2025 to July 31, 2026	\$242,837.39	\$0.5205
August 1, 2026 to July 31, 2027	\$252,550.89	\$0.5413
August 1, 2027 to July 31, 2028	\$262,652.92	\$0.5629
August 1, 2028 to July 31, 2029	\$273,159.04	\$0.5855

WHEREAS, at the end of the Renewal Term, the Tenant shall have no options to renew, and Landlord and Tenant will have the opportunity to enter into negotiations for the creation of a new lease, if so desired.

WHEREAS, tonnage fees during the Renewal Term will be paid at a rate of \$0.14/ton for inbound tonnage.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the terms of 2024 Lease Amendment as contained in the Memorandum to the Board are 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 2024 Lease Amendment in accordance with the above-referenced terms in form as approved by counsel.

Adopted: April 30, 2024

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

To: CREDIT COMMITTEE
BOARD OF COMMISSIONERS

Meeting Date: April 30, 2024

From: Holly Huston 

Subject: APPROVAL TO USE TAX INCREMENT FINANCING BALANCES FOR THE HEIGHTS INFRASTRUCTURE RESOLUTION NO. 4778

Action Requested:

Approval of the use of tax increment financing balances (“TIF Balances”), pursuant to a previously approved Spending Plan, for the construction and installation of infrastructure at the Port Authority’s development project located at 2200 Larpenteur Avenue East in the East Side neighborhood of Saint Paul, also known as The Heights (“The Heights”).

Background:

During the 2021 Minnesota Legislative Session, a temporary amendment by way of a new subdivision to Minnesota Statutes § 469.176, Subd. 4n (the “Legislation”), was adopted, which included new opportunities to use TIF Balances from existing districts to stimulate new construction of private buildings if (1) doing so will create or retain jobs in the state, including construction jobs; (2) the construction commences before December 31, 2025; and (3) the construction would not have commenced before that date without the proposed assistance.

On February 22, 2022, the Board approved Resolution 4713 to use the TIF Balance of \$7,000,000 from the Great Northern Business Center - South, Griffin, Westminster, and Williams Hill TIF Districts for the purpose of construction and installation of grading, roads, water, sewer, and other related public infrastructure (the “Infrastructure”) within the Port Authority’s Hillcrest Industrial Development District located at The Heights, pursuant to the Legislation. Prior to using these funds for this purpose, staff was to return to the Board of Commissioners with recommendations for the use of these funds, which is the purpose of this report.

On March 15, 2024, the Board awarded a contract for the construction and installation of Infrastructure at the Heights to Designing Earth Contracting. This contract meets the requirements of the Legislation, and costs thereunder are authorized by the Spending Plan previously approved by the Board. The associated budget for the development of the Heights contemplated using these TIF Balances as a component of the funding of The Heights project.

Recommendation:

Approval of the use of TIF Balances, pursuant to a previously approved Spending Plan, for the construction and installation of infrastructure at The Heights.

Attachment: Resolution

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

**[APPROVAL TO USE TAX INCREMENT FINANCING BALANCES FOR THE
HEIGHTS INFRASTRUCTURE]**

WHEREAS, Minnesota Statutes § 469.176 was amended by the 2021 Legislative Session to add Subdivision 4n providing temporary authority to use tax increment financing balances on hand in any tax increment financing district to provide for improvements, loans, interest rate subsidies or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, if doing so will create or retain jobs in the state, including construction jobs.

WHEREAS, under the provisions of Minn. Stat. §469.176, Subd. 4n (the "Legislation"), tax increments used in this way must be transferred by December 31, 2022, and spent by December 31, 2025, for projects in which construction will commence before December 31, 2025.

WHEREAS, the Port Authority of the City of Saint Paul ("Port Authority") has tax increment financing balances totaling approximately \$7,000,000 in the Great Northern Business Center - South, Griffin, Westminster and Williams Hill Tax Redevelopment Tax Increment Financing Districts (the "TIF Balances").

WHEREAS, the Port Authority's Board of Commissioners previously authorized the Port Authority's use of the TIF Balances in the manner described in the Legislation, as further described in the spending plan (the "Spending Plan"), previously approved by the Board pursuant to Resolution No. 4713.

WHEREAS, the Port Authority also previously obtained the approval of the City of Saint Paul of the Spending Plan, after a public hearing was held as provided in the Legislation.

WHEREAS, the Spending Plan requires the President of the Port Authority to return to the Board to request approval prior to the use of any portion of the TIF Balances pursuant to the Spending Plan.

WHEREAS, the President has recommended, pursuant to the Spending Plan, that the TIF Balances be approved to be used for the costs of the construction and installation of grading, roads, water, sewer, and other related public infrastructure ("Infrastructure Costs") at the Port Authority's development project located at 2200 Larpenteur Avenue East in the East Side neighborhood of Saint Paul, also known as The Heights ("The Heights"), as authorized by the Spending Plan.

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

1. The Board of Commissioners approves the use of the TIF Balances for the Infrastructure Costs, as provided for in the previously approved Spending Plan.

2. The President of the Port Authority is hereby further authorized to execute any and all documents and take any such actions that are necessary or desirable to affect the use of the TIF Balances as provided for herein.

Adopted: _____

PORT AUTHORITY OF THE CITY OF
SAINT PAUL

By _____
Its Chair

Attest:

By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE **Meeting Date:** April 30, 2024
From: Holly Huston *HH*
Subject: Quarterly Report on Outside Funded PACE Projects – 1Q/2024

The Port Authority is the MinnPACE program administrator. This memo includes a summary of PACE loans funded by other lenders for the first quarter of 2024.

- Quarter one had one externally funded PACE loan close, compared to 5 last year.
- There are several loans in process for Q2.
- Interest in the PACE program remains high. Many agricultural properties are looking to combine a PACE loan and the Rural Energy for America Program (REAP) Grant. Combining different funding sources adds time to coordinate the processes.
- PACE Capital Providers continue to focus on new construction and larger projects, \$1M+. We have had referrals to the Trillion BTU fund for some agricultural projects from capital providers.

Q1 Overview -

Outside funded PACE Loans - Quarter 1 2024							
Name	Loan Amount	Lender	City	County	Annual Energy Savings (\$)	Annual Energy savings	Energy Savings Type
GA & J Properties	\$223,000.	Blaze Credit Union	St. Paul	Ramsey	\$ 9,724	54,180 kWh	Solar

**REGULAR BOARD MEETING
MARCH 26, 2024**

The regular meeting of the Port Authority Board was held on March 26, 2024, at 2:05 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:

Matt Slaven	Don Mullin	John Bennett
Nneka Constantino	Cheniqua Johnson	Nelsie Yang

Also, present were the following:

Jan Almquist	Amanda Bauer	Todd Hurley
Holly Huston	Sarah Illi	Bruce Kessel
Annamarie Kosel	Dana Krueger	Emily Lawrence
Kathryn Sarnecki	Gao lab Thao	Eve Turner
Phoua Vang	Linda Williams	
Angela Riffe, City of Saint Paul		
Melanie Johnson, City of Saint Paul		

APPROVAL OF MINUTES

Commissioner Constantino made a motion to approve the minutes of the February 27, 2024 Regular Board meeting and the March 15, 2024 Special Board meeting. The motion was seconded by Commissioner Yang and carried unanimously.

CONFLICT OF INTEREST

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

NEW BUSINESS

CREDIT COMMITTEE

**RESOLUTION NO. 4776
PENSION PLAN TERMINATION**

Motion was made by Commissioner Mullin to approve Resolution No. 4776, which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was seconded by Commissioner Constantino and carried unanimously.

GENERAL MATTERS

Such Other Business That May Come Before the Board

1. Introduction of Jan Almquist, new Controller
2. Slice Pizza Grand Opening on Friday, March 22, 2024
3. Update on The Heights

There being no further business, the meeting was adjourned at 2:12 p.m.

By _____

Its _____