

**Credit Committee  
Board Meeting****July 22, 2025**

Board Chair Mullin and Committee Chair Slaven are calling a regular meeting of the Credit Committee and Board of Commissioners for **Tuesday, July 22, 2025. The Credit Committee meeting will start at 1:30 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.**

**Credit Committee  
July 22, 2025 | 1:30 p.m.****Minutes**

Approval of the Minutes from the June 24, 2025 Credit Committee Meeting

**Conflicts of Interest**

Conflicts with any Items on the Agenda

**New Business**

1. Approval of Lease with Saint Paul Public Schools – Empire Builder Business Center
2. Authorization to Apply for and Accept Loan Funding from DEED for Demolition of 245 Maryland Avenue East in Saint Paul, Minnesota
3. Authorization to Apply for and Accept Grant Funding for Arts & Amenities at The Heights, 2200 Larpentuer Avenue East, Saint Paul, Minnesota
4. RPM4 LLC – Approval of a \$1,000,000 PACE Trillion BTU Loan
5. Resolution Declaring the Official Intent of the Port Authority of the City of Saint Paul to Reimburse Certain Original Expenditures Related to a Redevelopment Site from the Proceeds of Tax-Exempt Bonds to be Issued by the Port Authority after the Payment of such Original Expenditures

Such Other Business that May Come Before the Committee

1. Quarterly Report on External PACE Lending – 2Q 2025

**Regular Board Meeting**  
**July 22, 2025 | 2:00 p.m.**

**Minutes**

Approval of the Minutes from the June 24, 2025 Regular Board Meeting

**Conflicts of Interest**

Conflicts with any Items on the Agenda

**New Business**

**Credit Committee**

1. Resolution No. 4818 – Approval of Lease with Saint Paul Public Schools – Empire Builder Business Center
2. Resolution No. 4819 – Authorization to Apply for and Accept Loan Funding from DEED for Demolition of 245 Maryland Avenue East in Saint Paul, Minnesota
3. Resolution No. 4820 – Authorization to Apply for and Accept Grant Funding for Arts & Amenities at The Heights, 2200 Larpenteur Avenue East, Saint Paul, Minnesota
4. Resolution No. 4821 – Resolution Declaring the Official Intent of the Port Authority of the City of Saint Paul to Reimburse Certain Original Expenditures Related to a Redevelopment Site from the Proceeds of Tax-Exempt Bonds to be Issued by the Port Authority after the Payment of such Original Expenditures

Such Other Business that May Come Before the Board

cc: City Clerk  
Reporters

**CREDIT COMMITTEE MEETING  
JUNE 24, 2025**

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The regular meeting of the Port Authority Credit Committee was held on June 24, 2025, at 2:02 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:

Amy Brendmoen  
Matt Slaven

Courtney Henry  
Mindy Utesch

Don Mullin

Also present were the following:

Jan Almquist

Holly Huston

Annamarie Kosel

Arman Mahmoodi

Mike Solomon

Annie Watson

Nko Hlici Yang

Rebecca Noecker, City of Saint Paul

Cheniqua Johnson, City of Saint Paul

Andrew Kasid, District Energy

Ashley Aram

Sukaina Jaffri

Dana Krueger

Kathryn Sarnecki

Gao lab Thao

Kristine Williams

Todd Hurley

Emma Kasiga

Emily Lawrence

Laurie Siever

Phoua Vang

Linda Williams

**APPROVAL OF MINUTES**

Committee Member Mullin made a motion to approve the minutes of the May 27, 2025, regular Credit Committee meeting. The motion was seconded by Committee Member Brendmoen and carried unanimously.

**CONFLICTS OF INTEREST**

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

**AGENDA ITEMS****OATH OF OFFICE**

Ms. Lawrence administered the oath of office to Saint Paul City Council President Rebecca Noecker. Council President Noecker was appointed by the Mayor of the City of Saint Paul to temporarily serve on the Port Authority Board as Commissioner Yang's proxy during her leave of absence. The appointment was approved by the Saint Paul City Council at its regularly scheduled meeting on June 11, 2025. The Board along with Port Authority staff welcomed Commissioner Noecker to the Board.

**WABASHA PARTNERS LLC – FORBEARANCE AGREEMENT**

Ms. Huston reviewed her memorandum with the Committee requesting approval of a Forbearance Agreement from February 1, 2025 to December 31, 2025, including an extension of the maturity date of the Borrower's loan in the principal amount of \$371,000 from November 1, 2032 to October 1, 2033, with six months of interest-only payments re-commence beginning January 1, 2026 (the "Forbearance") with Wabasha Partners LLC (the "Borrower"). Ms. Huston corrected three clerical errors in her written report, noting that (1) interest only payments would continue through June 30, 2026 (instead of May 31, 2026 stated in the memorandum); (2) principal and interest payments will resume beginning July 1, 2026 (rather than June 1, 2026 stated in the memorandum); and (3) cash flow relief would be provided for eleven months (instead of twelve months stated in the memorandum). Committee Member Henry made a motion to approve the Forbearance with the Borrower, including the amendments proposed by Ms. Huston. The motion was seconded by Committee Member Utesch and carried unanimously.

**PURPLE NINJA HOLDINGS LLC –  
APPROVAL OF A \$90,000 PACE TRILLION BTU LOAN**

Ms. Huston reviewed her memorandum with the Committee requesting approval for the Port Authority of the City of Saint Paul (the "Port Authority") to initiate a PACE Trillion BTU Loan for approximately \$90,000 to Purple Ninja Holdings LLC (the "Borrower") to add solar to the property owned by the Borrower located in Mankato, Minnesota. Committee Member Utesch made a motion to approve the request. The motion was seconded by Committee Member Henry and carried unanimously.

**ENERGY PARK UTILITY COMPANY FRANCHISE APPROVAL OF RATES**

Ms. Huston reviewed her memorandum with the Committee requesting approval of Energy Park Utility Company rates to be effective on October 1, 2025. Committee Member Henry made a motion to approve the request. The motion was second by Committee Member Utesch and carried unanimously.

There being no other further business, the meeting was adjourned at 2:21 pm.

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

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

## MEMORANDUM

**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** July 22, 2025

**From:** Anna M. Watson *AW*

**Subject: APPROVAL OF LEASE WITH SAINT PAUL PUBLIC SCHOOLS – EMPIRE BUILDER  
BUSINESS CENTER  
RESOLUTION NO. 4818**

**Action Requested:**

The Port Authority of the City of Saint Paul (the “Port Authority”) seeks approval to lease (the “Lease”) a remnant lot in the Empire Builder Business Center at 0 Empire Drive, Saint Paul, Minnesota (the “Parcel”), to Saint Paul Public Schools (“SPPS”) for use as a heavy machinery training site.

**Background:**

The Empire Builder Business Center was established by the Saint Paul Port Authority in the late 1980s and is now home to 22 businesses. One 1.38-acre remnant parcel at the Northwest corner of the business center has remained undeveloped. The Parcel, once planned to be incorporated in the Pierce Butler Route extension, has not been developed due to its unusual shape.

SPPS intends to create a “sandbox” training site and job training program (the “Sandbox”) on the Parcel, with support from the International Union of Operating Engineers Local 49 (“Local 49”). Through this program, high school students will have the opportunity to learn to operate heavy machinery in a controlled, teachable environment. This training would occur in conjunction with a classroom curriculum.

The Port Authority has identified the Parcel as an opportunity to make use of a remnant parcel and bring the Sandbox vision to life. SPPS will be providing dedicated staff for the course, Local 49 and their industry partners will design and construct the Sandbox, and the Port Authority will provide the land. The parcel will be leased to SPPS for a fee of \$1.00 per year as a means to further the Port Authority’s economic development mission and facilitate high-quality jobs for Saint Paul’s future workforce.

SPPS is currently pursuing a CUP application through the City to allow for classroom use in an I-2 zoning district. The team anticipates completing construction of the Sandbox in August before the beginning of the school year.

**Lease Provisions:**

**Leased Premises:** 0 Empire Drive, Saint Paul, MN. PID No. 312922220123

## MEMORANDUM

**Landlord:** Port Authority of the City of Saint Paul

**Tenant:** Saint Paul Public Schools – Independent School District 625

**Base Rent:** \$1.00 per year

**Lease Term:** 5 years

**Lease Commencement:** August 1, 2025

**Renewal Terms:** Two separate additional terms of five years each

**Maintenance:** Tenant will be responsible for all maintenance and expenses, and for keeping the site clean and in operating condition at all times.

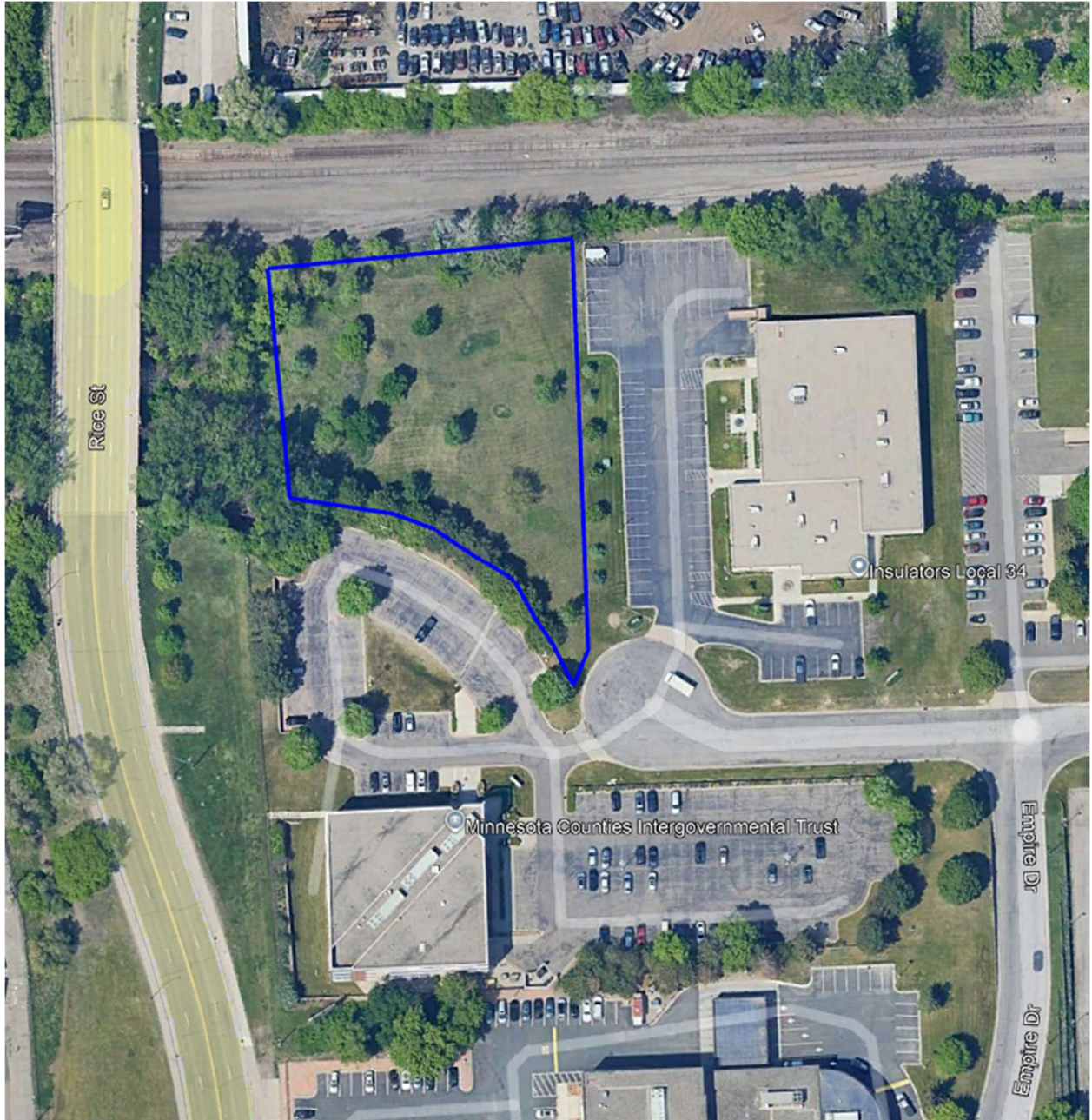
**Recommendation:**

We recommend approval of the Lease of the Parcel to SPPS for the purpose of a heavy machinery training site.

Attachments: Area Map  
Resolution



## Area Map



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

**[LEASE WITH SAINT PAUL PUBLIC SCHOOLS – EMPIRE BUILDER BUSINESS CENTER]**

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 five-year lease (the “Lease”) with Saint Paul Public Schools, Independent School District No. 625 (the “Tenant”) for leased premises of approximately 1.38 acres located at 0 Empire Drive, Saint Paul, Minnesota (PID 312922220123) (the “Leased Premises”) in the Port Authority’s Empire Builder Business Center, as further described in the Memorandum to the Board (the “Memorandum”);

WHEREAS, the Tenant shall use the Leased Premises to operate a heavy machinery training site to offer educational and job training programming to students; and

WHEREAS, in exchange for the Tenant’s obligations under the Lease, the rental rate for the term of the Lease shall be \$1 annually.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed Lease, as described in the Memorandum, is hereby approved.

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

Adopted: July 22, 2025

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

ATTEST:

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



## MEMORANDUM

**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** July 22, 2025

**From:** Anna M. Watson *AMW*

**Subject: AUTHORIZATION TO APPLY FOR AND ACCEPT LOAN FUNDING FROM DEED FOR DEMOLITION OF 245 MARYLAND AVENUE EAST IN SAINT PAUL, MINNESOTA RESOLUTION NO. 4819**

**Action Requested:**

The Port Authority of the City of Saint Paul (the “Port Authority”) seeks authorization to apply for and accept funding from the Minnesota Department of Employment and Economic Development (“DEED”) Demolition Loan Program for a loan in a principal amount of up to \$250,000 (the “Loan”) for the demolition of the former Kmart building at 245 Maryland Avenue East in Saint Paul, Minnesota (the “Site”).

**Background:**

DEED’s Demolition Loan Program provides funding for demolition costs on publicly owned sites where future development potential is hindered by vacant or blighted structures. In many cases, this funding also allows communities to alleviate hazardous conditions and public safety concerns associated with vacant structures. Eligible costs include demolition activities such as site preparation, building removal, debris removal, and asbestos removal.

**Loan Terms and Conditions**

- Loan will be low-interest (2%)
- Loan will be interest-free for the first two years
- Principal and interest payments will start in year three
- Loan term not to exceed 15 years

If the site is developed, remaining principal and interest up to 50% of the Loan may be forgiven based on development benefits.

**Current Status:**

The Site was acquired by the Port Authority on December 20, 2024, and has been vacant since Kmart’s closure in 2020. On May 27, 2025, the Board of Commissioners adopted a resolution approving a blight finding and the early demolition of this Site.

To avoid excessive carrying costs, the Port Authority intends to demolish the building before the coming winter by utilizing DEED Demolition Loan Program funding. To apply for funding, a resolution is required from the Port Authority Board of Commissioners authorizing the

## MEMORANDUM

application and acceptance of funding, if so awarded. The submission deadline is August 1, 2025, and funding decisions will be announced in the fall.

**Recommendation:**

We recommend approval of a resolution authorizing the Port Authority to apply for and accept the Loan for the demolition of the Site.

Attachment: Resolution

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

**[AUTHORIZATION TO APPLY FOR AND ACCEPT LOAN FUNDING FROM DEED FOR  
DEMOLITION OF 245 MARYLAND AVENUE EAST IN SAINT PAUL, MINNESOTA]**

WHEREAS, the Port Authority of the City of Saint Paul (the “Port Authority”) 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 apply for and accept a Minnesota Department of Employment and Economic Development (“DEED”) demolition loan in an amount up to \$250,000 for use at the former Kmart site located at 245 Maryland Avenue East (the “Site”) and authorization to apply for and accept a DEED grant during redevelopment to offset 50% of the loan amount; and

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

WHEREAS, the redevelopment of the Site is consistent with the City of Saint Paul’s comprehensive plan for land use in the area; 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 apply for and accept a Minnesota Department of Employment and Economic Development demolition loan in an amount up to \$250,000 for use at the Site (the “Loan”) to be submitted on or about August 1, 2025 and authorization to apply for and accept a DEED grant during redevelopment to offset 50% of the loan amount.

BE IT FURTHER RESOLVED that the Port Authority is the owner and developer of the project contained in the Demolition Loan Program application to be submitted on or before August 1, 2025 and 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 amount of the loan repayment and security identified in the application are committed to the project identified and the Port Authority has the authority to incur debt by resolution of the board authorizing issuance of a note, bond or other acceptable debt instrument, payable to DEED to repay and secure the loan.

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

BE IT FURTHER RESOLVED that the President of the Port Authority of the City of Saint Paul is hereby authorized to execute such application and any other documentation as is necessary to document the Loan and grant on behalf of the Port Authority.

I certify that the above resolution was adopted by the Board of Commissioners of the Port Authority of the City of Saint Paul on July 22, 2025.

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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


ATTEST:

By \_\_\_\_\_

## MEMORANDUM

**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** July 22, 2025

**From:** Anna M. Watson 

**Subject: AUTHORIZATION TO APPLY FOR AND ACCEPT GRANT FUNDING FOR ARTS & AMENITIES AT THE HEIGHTS, 2200 LARPENTEUR AVENUE EAST, SAINT PAUL, MINNESOTA  
RESOLUTION NO. 4820**

**Action Requested:**

The Port Authority of the City of Saint Paul (the “Port Authority”) seeks authorization to apply for and accept from the Metropolitan Council’s Livable Communities Demonstration Account (“LCDA”) grant program a grant for up to \$2,000,000 (the “Grant”) for arts and amenities at The Heights, located at 2200 Larpenteur Avenue East, Saint Paul, Minnesota (“The Heights”).

**Background:**

The Metropolitan Council’s LCDA grant program provides funding for projects that “increase access to housing, jobs, services and transit in an effort to support more equitable, livable communities in the region”. There are four stated goals for the program:

- Maximize connections between housing, jobs, and regional amenities like parks, trails, and cultural centers
- Create more housing choices through introducing new housing types or preserving affordable housing, minimizing the project’s impact on climate through sustainable site design and building practices
- Support economic growth by creating living wage jobs and training opportunities
- Realize more equitable development outcomes

The Hillcrest Master Plan and the Saint Paul 2040 Comprehensive Plan emphasize the importance of community gathering spaces, public amenities, and art as a tool for placemaking. While various aspects of The Heights fulfill each of the four LCDA grant program goals, there is a budget need for arts and amenities funding.

The Port Authority previously applied for this program in 2024 and scored highly but did not receive funding due to the Metropolitan Council’s pre-determined split of available dollars between Minneapolis, St. Paul, and the surrounding suburbs.

## MEMORANDUM

### **Current Status:**

Construction of roads, utilities, Habitat for Humanity homes, and Xcel's Saint Paul Service Center are currently underway at The Heights. Detailed plans for public amenity spaces are being developed for approval and bid in late 2025. Public amenity spaces will include:

- Playful and interactive elements such as curvilinear sidewalks and open wetland areas for exploration
- Reclaimed materials and visible stormwater flow to demonstrate sustainability
- Urban tree canopy and diverse plantings in right-of-way
- Benches, boardwalks, and wayfinding components to facilitate public gathering
- Soft surface trails and bike racks

Envisioned as an arts and employment district, The Heights will include murals on the walls of the industrial buildings and art installations and native landscaping along boulevards and open space.

The Port Authority intends to submit an application to the Metropolitan Council for LCDA grant funding for the arts and amenities in the public realm at The Heights. To apply for funding, a resolution is required from the Port Authority Board of Commissioners authorizing the application. The grant application submission deadline is August 11, 2025, and funding decisions will be announced in late fall.

### **Recommendation:**

We recommend approval of a resolution authorizing the Port Authority to apply for and accept the Grant from Metropolitan Council's LCDA grant program for funding arts and amenities at The Heights.

Attachment: Resolution



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

**[AUTHORIZATION TO APPLY FOR AND ACCEPT GRANT FUNDS FOR ARTS AND  
AMENITIES AT THE HEIGHTS IN SAINT PAUL, MINNESOTA]**

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

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;

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

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;

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

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), and the Port Authority has undertaken numerous redevelopment projects in the City of Saint Paul;

WHEREAS, the Port Authority is committed to the redevelopment of The Heights business center located at 2200 Larpentuer Avenue East in the East Side neighborhood of Saint Paul, Minnesota (“The Heights”), which it acquired in 2019;

WHEREAS, a development authority, such as the Port Authority, is eligible to apply for project funding from the Metropolitan Council’s Livable Communities Demonstration Account (“LCDA”) grant program on behalf of cities participating in the Livable Communities Act’s Housing Incentive Program for 2025, provided the project is located in a participating municipality as determined by the Metropolitan Council;

WHEREAS, the City of Saint Paul is a participant in the Livable Communities Act’s Local Housing Incentives Account Program for 2025 as determined by the Metropolitan Council;

WHEREAS, the Port Authority acknowledges LCDA grants are intended to fund projects or project components that can serve as models, examples, or prototypes for development or redevelopment projects elsewhere in the region, and therefore represents that the proposed project or key components of the proposed project can be replicated in other metropolitan-area communities;

WHEREAS, the Port Authority has determined that The Heights redevelopment project, located in Saint Paul, Minnesota, meets the LCDA's purposes and criteria and is consistent with and promotes the purposes of the Metropolitan Livable Communities Act and the policies of the Metropolitan Council's adopted metropolitan development guide;

WHEREAS, the Port Authority seeks authorization to submit a grant application, and to accept such grant if awarded, to the Metropolitan Council's LCDA grant program for up to \$2,000,000 in funding for arts and amenities at The Heights in Saint Paul, Minnesota;

WHEREAS, the site is located in a duly authorized Industrial Development District (IDD) created by the Port Authority;

WHEREAS, the Port Authority has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration;

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

WHEREAS, the Port Authority finds that the construction of arts and amenities at The Heights will not occur through private or other public investment within the reasonably foreseeable future without this grant funding.

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 on behalf of the Port Authority to make a grant application, and to accept such funds if awarded, to the Metropolitan Council's LCDA grant program for up to \$2,000,000 in funding for arts and amenities at The Heights in Saint Paul, Minnesota.

BE IT FURTHER RESOLVED that if the Port Authority is awarded a grant by the Metropolitan Council, the Port Authority will be the grantee, agrees to act as legal sponsor to administer and be responsible for grant funds expended for the project, may enter into an agreement with the Metropolitan Council for the above-referenced project, and certifies that it will comply with all applicable laws and regulations as stated in all contract agreements.

BE IT FURTHER RESOLVED that the President of the Port Authority is hereby authorized to execute such agreements as are necessary to implement the project and accept the grant identified herein on behalf of the Port Authority.

I certify that the above resolution was adopted by the Board of Commissioners of the Port Authority of the City of Saint Paul on July 22, 2025.

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

ATTEST:


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



## MEMORANDUM

**To:** CREDIT COMMITTEE

**Meeting Date:** July 22, 2025

**From:** Holly Huston 

**Subject:** RPM4 LLC  
**APPROVAL OF A \$1,000,000 PACE TRILLION BTU LOAN**

**Action Requested:**

Provide approval for the Port Authority of the City of Saint Paul (the “Port Authority”) to initiate a PACE Trillion BTU loan for approximately \$1,000,000 (the “Loan”) to RPM4 LLC (the “Borrower”) to upgrade the HVAC system and building envelope on the property owned by the Borrower located in Minneapolis, Minnesota (the “Project”).

**Background:**

Borrower owns the Wheelhouse Building, a 6 story, 100,000 square foot multi-use building, located at 250 N 3<sup>rd</sup> Avenue, Minneapolis, MN (the “Property”). Originally constructed in 1886, the Property is being renovated into Class A office space, retail, and lofts. The property is close to being fully leased. The PACE Loan will fund the Borrower’s new HVAC system and exterior restoration, saving the property 317,164 kWh and \$56,589 annually.



**Proposed Project:**

The Project will include labor and materials for an energy efficient HVAC system and building envelope on the Property.

Use of Funds	
HVAC	\$700,000
Building Envelope	\$300,000
<b>Total Use</b>	<b>\$1,000,000</b>



## MEMORANDUM

Sources	
Trillion BTU Loan	\$1,000,000
<b>Total Sources</b>	<b>\$1,000,000</b>

### **Financial Analysis:**

The Property was purchased with a combination of state and federal historic tax credits, estimated at approximately \$7 million. The Property's assessed market value is estimated at \$7 million, and the Borrower's renovation budget includes a \$13 million construction loan, \$1 million PACE loan, and \$9.1 million of cash and equity. The proforma and rent rolls from the bank construction loan were reviewed, and the financial ratios meet the Trillion BTU loan standards.

### **Ratios:**

Debt Service Coverage:	1.57	Trillion Standard of at Least:	1.15
Debt-to-Equity:	1.6	Trillion Standard of less Than:	4.00
Loan to Value:	65%	Industry Standard of less Than:	80%

### **Loan Terms:**

Source of Funds:	Trillion BTU - Xcel
Collateral:	PACE Assessment
Use of Funds:	HVAC and Building Envelope
Amount of Loan:	\$1,000,000
Rate:	5.25%
Term:	10 years
Assessment Start:	2026

### **Trillion BTU and PACE Criteria Compliance:**

- ☒ Loan amount is less than or equal to 30% of the Property's assessed or appraised value.  
30% (assessed \$7M X 30% = \$2,100,000)
- ☒ Energy Audit provided, estimated annual savings is \$56,589 and 317,164 kWh (lifetime savings of \$1.1M)
- ☒ Davis Bacon applies
- ☒ Licensed Contractor
- ☒ Lender Acknowledgment

### **Workforce Implications:**

10 FTE for construction jobs.

### **Policy Exceptions:**

No.

### **Recommendation:**

We recommend approval for the Port Authority to initiate the Loan for approximately \$1,000,000 to the Borrower for the Project.

## UPDATED MEMORANDUM

**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** July 22, 2025

**From:** Michael Solomon



**Subject:** RESOLUTION DECLARING THE OFFICIAL INTENT OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL TO REIMBURSE CERTAIN ORIGINAL EXPENDITURES RELATED TO A REDEVELOPMENT SITE FROM THE PROCEEDS OF TAX-EXEMPT BONDS TO BE ISSUED BY THE PORT AUTHORITY AFTER THE PAYMENT OF SUCH ORIGINAL EXPENDITURES

### RESOLUTION NO. 4821

#### **Action Requested:**

Approval of a resolution authorizing the Saint Paul Port Authority (the "Port Authority") to reimburse expenditures related to the acquisition, demolition, decoupling, and preparation for redevelopment of a portion of the St. Joseph's Hospital site (the "Site") from the proceeds of tax-exempt bonds. These bonds are anticipated to be issued upon future approval of the Board and adoption of an ordinance by the Saint Paul City Council.

#### **Background:**

Following the closure of St. Joseph's Hospital in 2020, the Port Authority was requested to work with the owner, Fairview Health Services ("FHS"), on a plan to reuse or redevelop the 5.55-acre Site (see attached [Exhibit A](#)). Over the past three years, the Port Authority and FHS have attempted to identify a buyer or redevelopment partner for the Site. During that process, it became clear that the existing, functionally obsolete buildings are a barrier to sale or redevelopment. Therefore, a demolition project has been identified as the best path to ensure the Site does not remain vacant and underused.

#### **Current Status and Future Actions:**

The Port Authority has entered into a non-binding term sheet with FHS. The Port Authority would acquire the Site for \$1 and participate in a joint demolition and decoupling project. FHS will continue to operate its Wellness Hub and the parking ramp north of 10th Street, while the Port Authority would own, and potentially operate, the existing 9th Street parking ramp. The remainder of the buildings on the Site would be demolished and the site remediated for redevelopment. Preliminary cost estimates for the demolition, remediation, and related work are in the range of \$5-6 million.

## UPDATED MEMORANDUM

While numerous steps and approvals remain, this work is anticipated to be funded with up to \$6 million of public investment and creation of a Tax Increment Financing (“TIF”) district, providing Temporary General Obligation Tax Increment Financing Bonds (the “Bonds”), grants, and loans. This funding is a standard redevelopment tool used throughout Saint Paul; however, some unique factors exist. FHS has agreed to pay the interest cost on the Bonds as well as the Site holding costs for up to a six-year period, the term of the initial financings, or sale of the property, whichever is shorter. FHS would also be responsible for any project costs in excess of \$6 million. If the Site is not sold after the initial six-year period, FHS would be responsible for the holding costs as well as the principal and interest for the permanent TIF Bond financing, anticipated to be a 25-year term, for years seven through ten or until sale of the property, whichever is shorter.

As the Site preparation nears completion and is ready for redevelopment, the Port Authority, the City of Saint Paul Planning and Economic Development Department, and the Saint Paul Housing and Redevelopment Authority would work on a joint process to find a higher and better use of the Site, which is located in an area of downtown that is in need of redevelopment and vitality. Any land sale proceeds would be used to repay the Bonds. Remaining Bonds would be repaid through future tax increments generated by redevelopment at the Site or another revenue source identified.

After adoption of a resolution, the Port Authority and FHS will begin to incur preliminary planning costs to be reimbursed from the proceeds of the Bonds, including those related to demolition planning, blight finding, and the drafting of a TIF plan. This work will allow the Port Authority to move forward with creating a TIF District and issuing the Bonds. It is anticipated that the authorization to do so would come before the Port Authority Board in September or October of 2025, with a subsequent public hearing and first reading of a bonding ordinance at the City Council in October or November of 2025.

### **Recommendation:**

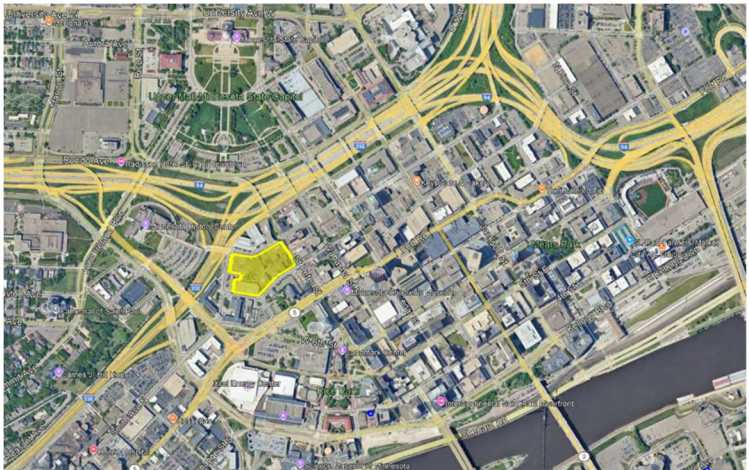
We recommend approval of a resolution authorizing the Port Authority to reimburse expenditures related to the acquisition, demolition, decoupling, and preparation for redevelopment of a portion of the Site from the proceeds of the Bonds.

Attachments: Exhibit A: Site Map  
Resolution

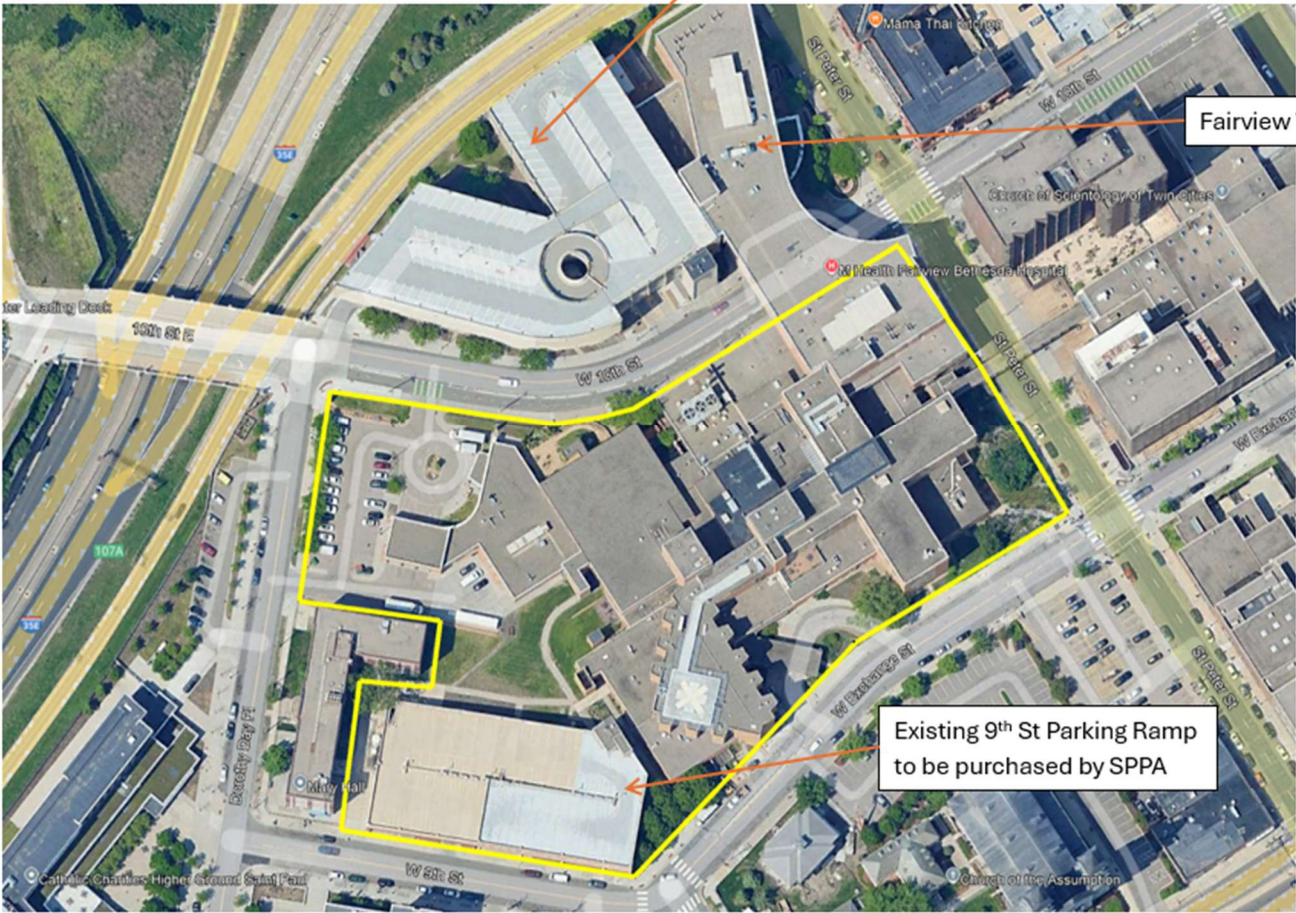


**Exhibit A**

**Site Map**



Existing Parking Ramp to be retained by Fairview



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

**[RESOLUTION DECLARING THE OFFICIAL INTENT OF THE PORT  
AUTHORITY OF THE CITY OF SAINT PAUL TO REIMBURSE CERTAIN  
ORIGINAL EXPENDITURES RELATED TO A REDEVELOPMENT SITE FROM  
THE PROCEEDS OF TAX-EXEMPT BONDS TO BE ISSUED AFTER THE  
PAYMENT OF SUCH ORIGINAL EXPENDITURES]**

WHEREAS, U.S. Treasury Regulations, Section 1.150-2 (the "Reimbursement Regulations"), promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), provides that the allocation of the proceeds of tax-exempt bonds to expenditures for governmental purposes originally paid from a source other than such tax-exempt bonds will be treated as expenditures of such tax-exempt bonds only if certain requirements of the Reimbursement Regulations are satisfied by the issuer of such tax-exempt bonds.

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority"), expects to pay certain original capital expenditures for a certain project (the "Project"), consisting of the acquisition, demolition, decoupling and the preparation for redevelopment of a portion of the St. Joseph's hospital site (the "Site") in the City of Saint Paul, Minnesota (the "City"), which original capital expenditures are expected to be paid from other sources on a temporary basis, and which original expenditures are expected to be reimbursed from the proceeds of one or more series of tax-exempt bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, AS FOLLOWS:

1. The Port Authority reasonably expects that it will make expenditures for the Project prior to the issuance of any obligations to pay for the same. The Port Authority has a reasonable expectation that it will issue one or more series of tax-exempt bonds (the "Bonds") in the estimated maximum principal amount of \$6,000,000 to finance the Project and that the Port Authority will make reimbursement allocations with respect to such original expenditures for the Project from the proceeds of such Bonds.

2. This Resolution shall be maintained as part of the books and records of the Port Authority at the main administrative office of the Port Authority and shall be continuously available during normal business hours of the Port Authority on every business day of the period beginning not more than thirty (30) days after adoption of this Resolution and ending on the last date of issue of any Bonds.

3. This Resolution has been adopted not later than sixty (60) days after payment of any original expenditure for the Project to be subject to a reimbursement allocation with respect to the proceeds of the Bonds.

4. This Resolution is an expression of the reasonable expectations of the Port Authority based on the facts and circumstances known to the Port Authority as of the date hereof. The anticipated original expenditures for the Project are consistent with the Port Authority's budgetary and financial circumstances. No sources other than proceeds of Bonds to be issued by the Port Authority are, or are reasonably expected to be, reserved, allocated on a long-term

basis, or otherwise set aside pursuant to the Port Authority's budget or financial policies to pay such expenditures for the Project.

6. This Resolution is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

7. No reimbursement allocation of the proceeds of the Bonds to expenditures for the Project will employ an abusive arbitrage device (within the meaning of Treasury Regulations, Section 1.148-10) to avoid the arbitrage restrictions or to avoid the restrictions of Sections 141 through 150 of the Code.

Adopted: July 22, 2025

PORT AUTHORITY OF THE CITY OF SAINT PAUL

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

ATTEST:

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

## MEMORANDUM

**To:** CREDIT COMMITTEE

**Meeting Date:** July 22, 2025

**From:** Holly Huston 

**Subject:** QUARTERLY REPORT ON EXTERNAL PACE LENDING— 2Q 2025

The Port Authority is the MinnPACE program administrator. This memo includes a summary of PACE loans funded by external lenders during Q2 2025.

- Strong second quarter performance, closing six loans totaling \$8.5M.
- Outreach and Education: PACE Nation Summit, MN Technical Assistance Collaborative, Hennepin County, Minnesota Climate Innovation Finance Authority (MNCIFA).



- There are five loans projected to close in Q3, estimated at \$9M.
- One Big Beautiful Bill Act (OBBBA) will accelerate the timeline to claim the investment tax credit for solar projects. MinnPACE is working on education and messaging.

### External Funded PACE Loans - Quarter 2 2025

Name	Loan Amount	Lender	City	County	Annual Energy Savings (\$)	Annual Energy savings	Energy Savings Type
Likewise Lakeville 1 LLC	\$4,000,000	PACE Loan Group	Lakeville	Dakota	\$170,618	513,700 kWh	Envelope, Window, HVAC, Plumbing, Control
Coventry of Chaska	\$3,500,000	PACE Loan Group	Chaska	Carver	\$96,712	587,877 kWh	Envelope, Window, HVAC, Plumbing, Control
Mod42 Apartments LLC	\$100,000	Blaze Credit Union	Minneapolis	Hennepin	\$10,201	46,356 kWh	Solar
Buffalo Valley Holding LLC	\$90,000	Blaze Credit Union	Elk River	Wright	\$5,042	33,824 kWh	Solar
DuininckBros Inc	\$268,115	Highland Bank	Spicer	Kandiyohi	\$12,980	173,172 kWh	Solar
Goodneighbors Hatchery Row	\$600,000	Highland Bank	Battle Lake	Ottertail	\$120,000	271,021 kWh	Envelope, Window, HVAC, Plumbing, Control
<b>Total</b>	<b>\$ 8,558,115</b>				<b>\$ 415,553</b>	<b>1,625,950 kWh</b>	



**REGULAR BOARD MEETING  
JUNE 24, 2025**

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The regular meeting of the Port Authority Board was held on June 24, 2025, at 2:21 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:

Amy Brendmoen

Courtney Henry

Cheniqua Johnson

Don Mullin

Rebecca Noecker

Matt Slaven

Also present were the following:

Jan Almquist

Ashley Aram

Todd Hurley

Holly Huston

Sukaina Jaffri

Emma Kasiga

Annamarie Kosel

Dana Krueger

Emily Lawrence

Arman Mahmoodi

Kathryn Sarnecki

Laurie Siever

Mike Solomon

Gao lab Thao

Phoua Vang

Annie Watson

Kristine Williams

Linda Williams

Nko Hlici Yang

Andrew Kasid, District Energy

Mindy Utesch, Bremer Bank

**APPROVAL OF MINUTES**

Commissioner Brendmoen made a motion to approve the minutes of the May 27, 2025, regular Board meeting. The motion was seconded by Commissioner Noecker and carried unanimously.

**CONFLICTS OF INTEREST**

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

**NEW BUSINESS****CREDIT COMMITTEE****RESOLUTION NO. 4817****ENERGY PARK UTILITY COMPANY FRANCHISE APPROVAL OF RATES**

Motion was made by Commissioner Slaven to approve Resolution No. 4817, which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was seconded by Commissioner Johnson and carried unanimously.

Such other Business That May Come Before the Board

**ORGANIZATIONAL UPDATES**

President Hurley provided the Board an update on the following matters: (1) the Port Authority's internship program; (2) the Xcel Energy Heights Service Center media event; (3) a summary of the State bonding bill and its impacts on the Port Authority; (4) the status of the preparation of the Port Authority's levy request; (5) the Barge Terminal 2 dock wall construction project; (6) the status of negotiations with Fairview regarding the St. Joe's hospital site; and (7) the status of downtown Saint Paul development and related future updates to the Board.

There being no further business, the meeting was adjourned at 2:38 p.m.

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

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