

**Credit Committee
Annual Board Meeting
October 22, 2024**

Board Chair Slaven and Committee Chair Mullin are calling a meeting of the Credit Committee and Board of Commissioners for **Tuesday, October 22, 2024**.

The attendance of one or more of the Commissioners will be by telephone conference. Accordingly, for these meetings of the Credit Committee and Board, any person of the public may also participate by telephone conference, from a different location than the physical location of the meeting, by contacting the Saint Paul Port Authority at 651-224-5686 to obtain the conference call dial-in number.

The Credit Committee meeting will start at 1:30 p.m., and the Annual 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
October 22, 2024 | 1:30 p.m.**

Minutes

Approval of the Minutes from the September 24, 2024 Credit Committee Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

1. Approval of Re-Engagement of External Auditor for FY2024 Audit
2. Approval of Lease Amendment and Rental Rate Adjustment for Continental Cement Company, L.L.C. – Red Rock Terminal
3. Approval of Lease Amendment and Rental Rate Adjustment for Holcim-MWR, Inc. (f/k/a Aggregate Industries – MWR, Inc.) – Barge Terminal No. 1
4. Jon L. & Jodi L. Henry PACE Application – Approval of a \$110,450 PACE Trillion BTU Loan
5. Woodland Property LLP PACE Application – Approval of a \$61,960 PACE Trillion BTU Loan

Such Other Business That May Come Before the Committee

1. Quarterly Report on External Funded PACE Projects – 3Q 2024

Annual Board Meeting
October 22, 2024 | 2:00 p.m.

Minutes

Approval of the Minutes from the September 24, 2024 Board Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

Administration

1. Election of Officers
2. Appointment of “At-Large” Credit Committee Member

New Business

Credit Committee

1. Resolution No. 4802 - Approval of Re-Engagement of External Auditor for FY2024 Audit
2. Resolution No. 4803 - Approval of Lease Amendment and Rental Rate Adjustment for Continental Cement Company, L.L.C. – Red Rock Terminal
3. Resolution No. 4804 - Approval of Lease Amendment and Rental Rate Adjustment for Holcim-MWR, Inc. (f/k/a Aggregate Industries – MWR, Inc.) – Barge Terminal No. 1

Such Other Business That May Come Before the Board

1. 2024 Work Plan Update

cc: City Clerk
Reporters

**CREDIT COMMITTEE MEETING
SEPTEMBER 24, 2024**

The meeting of the Port Authority Credit Committee was held on September 24, 2024, at 1:45 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 | Angela Riffe |
| Amy Brendmoen | | |

Also, present were the following:

| | | |
|--------------|----------------|-----------------|
| Jan Almquist | Tonya Bauer | Amanda Burns |
| Rick Howden | Todd Hurley | Holly Huston |
| Sarah Illi | Bruce Kessel | Annamarie Kosel |
| Dana Krueger | Emily Lawrence | Mike Solomon |
| Nikki Tix | Phoua Vang | Annie Watson |

Courtney Henry, KCB Corporation
Nelsie Yang, City of Saint Paul
Cheniqua Johnson, City of Saint Paul
Andrew Kasid, District Energy
Paul Williams, Project for Pride in Living
Eduardo Barrera, Project for Pride in Living
Ben Johnson, Ballard Spahr
Nick Hagen, Piper Sandler

APPROVAL OF MINUTES

Committee Member Riffe made a motion to approve the minutes of the August 20, 2024 Special Credit Committee meeting. The motion was seconded by Committee Member Slaven and carried unanimously.

CONFLICTS OF INTEREST

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

AGENDA ITEMS

CONVEYANCE OF LAND TO PPL EAST 7TH, LLC – APPROVAL OF AMENDMENT TO PURCHASE AGREEMENT – BEACON BLUFF BUSINESS CENTER P6 – PARCEL ID 28.29.22.33.0062

Ms. Bauer reviewed her memorandum with the Committee requesting approval of an Amendment to the Purchase Agreement for the conveyance of a 2.21-acre parcel of land at Beacon Bluff Business Center to PPL East 7th LLC to modify the proposed use of the Property to eliminate the retail component of the project.

Committee Member Slaven made a motion to approve the request, clarifying that the motion required that all language referencing the required retail space in this project be stricken from the Purchase Agreement. The motion was seconded by Committee Member Riffe and carried unanimously.

APPROVAL OF THE ISSUANCE OF UP TO \$35,000,000 OF CONDUIT REVENUE BONDS BY THE PORT AUTHORITY OF THE CITY OF SAINT PAUL FOR THE BENEFIT OF DISTRICT ENERGY ST. PAUL, INC.

Ms. Huston and Mr. Kasid reviewed Ms. Huston’s memorandum with the Committee requesting approval of the issuance of up to \$35,000,000 of conduit revenue bonds by the Port Authority of the City of Saint Paul for the benefit of District Energy Saint Paul, Inc. Committee Member Riffe made a motion to approve the request. The motion was seconded by Committee Member Brendmoen and carried unanimously.

LARRY AND RUTH COFFING TRUST PACE APPLICATION - APPROVAL OF A \$100,070 PACE TRILLION BTU LOAN

Ms. Huston reviewed her memorandum with the Committee requesting approval for the Port Authority of the City of Saint Paul to initiate a PACE Trillion BTU loan for approximately \$100,070 to Larry and Ruth Coffing Trust to add solar to the property owned by the Borrower located in Webster, Minnesota. Committee Member Slaven made a motion to approve the request. The motion was seconded by Committee Member Riffe and carried unanimously.

AUTHORIZATION TO APPLY FOR AND ACCEPT GRANT FUNDS FROM RAMSEY COUNTY CRITICAL CORRIDOR GRANT PROGRAM (PHASE 2) FOR SITE INFRASTRUCTURE AT THE HEIGHTS IN SAINT PAUL, MINNESOTA

Mr. Howden reviewed his memorandum with the Committee requesting approval to apply for and accept funds from Ramsey County’s Critical Corridor grant program for up to \$500,000 for site infrastructure at The Heights development in Saint Paul, Minnesota. Committee Member Slaven made a motion to approve the request. The motion was seconded by Committee Member Riffe and carried unanimously.

GENERAL MATTERS

Such Other Business That May Come Before the Committee.

President Hurley acknowledged that this would be Committee Member Riffe’s last meeting and thanked her for her service.

There being no further business, the meeting was adjourned at 2:13 p.m.

By: _____

Its: _____

MEMORANDUM

To: CREDIT COMMITTEE
BOARD OF COMMISSIONERS

Meeting Date: October 22, 2024

From: Michael Solomon 

Subject: **APPROVAL OF RE-ENGAGEMENT OF EXTERNAL AUDITOR FOR FY2024 AUDIT
RESOLUTION NO. 4802**

Action Requested:

Approve the re-engagement of Clifton Larson Allen (“CLA”) as the external auditor for the Saint Paul Port Authority (the “Port Authority”), including the execution of a related statement of work, for the fiscal year ending December 31, 2024.

Background:

A Request for Proposals (“RFP”) for auditing services was issued in October 2022 and remained posted into 2023 for the Saint Paul Port Authority (“Port Authority”) and CCP. After completion of the RFP and ongoing staff discussions with potential new audit firms, the Port Authority and CCP entered into Master Services Agreements (“MSA”) with CLA for these services for up to a 5-year period, ending in January 2027. Annually, the Board has approved the engagement of CLA for each year’s audit under the MSA.

Recommendation:

We recommend approval of the re-engagement of CLA as the external auditor for the Port Authority, including the execution of any related statement of work, for the fiscal year ending December 31, 2024.

Attachment: Resolution

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

[APPROVAL OF RE-ENGAGEMENT OF EXTERNAL AUDITOR FOR FY2024 AUDIT]

WHEREAS, staff has presented to the Board of Commissioners of the Port Authority of the City of Saint Paul (the "Port Authority") a proposal to re-engage CliftonLarsonAllen LLP ("CLA") as the external auditor under the existing Master Services Agreement, including the execution of a related statement of work for the fiscal year ending December 31, 2024.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposal to re-engage CLA to act as external auditor for the Port Authority for the year ending December 31, 2024 is hereby accepted, and the President or the Chief Financial Officer of the Port Authority is hereby authorized to re-engage CLA under the existing Master Services Agreement and execute any related statement of work, in a form approved by counsel.

Adopted: October 22, 2024

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: CREDIT COMMITTEE
BOARD OF COMMISSIONERS

Meeting Date: October 22, 2024

From: Linda K. Williams *lkw*

Subject: APPROVAL OF LEASE AMENDMENT AND RENTAL RATE ADJUSTMENT FOR CONTINENTAL CEMENT COMPANY, L.L.C. – RED ROCK TERMINAL RESOLUTION NO. 4803

Action Requested:

Approval of a Lease Amendment and Rental Rate Adjustment (“Lease Amendment”) for the Port Authority of the City of Saint Paul (the “Port Authority” or “Landlord”) to adjust the rental and tonnage rates leased by Continental Cement Company, L.L.C. (“Tenant”) for land located in the Red Rock Terminal at 1363 Red Rock Road and 0 Red Rock Road, Saint Paul, Minnesota (the “Leased Premises”).

Background:

The Tenant and the Port Authority entered into a 15-year lease on January 1, 2015, which is scheduled to expire on December 31, 2029. Tenant has one five-year renewal option, which, if exercised, would extend the term through December 31, 2034 (the “Lease”). The Lease is for 137,519 square feet of land at 0 Red Rock Road and 7,473 square feet of land at 1363 Red Rock Road, totaling 144,992 total square feet. This Leased Premises is primarily used for shipping, handling, and storage of cement and concrete additives. In general, Port Authority leases contain a provision requiring the re-negotiation of rental and tonnage rates every five years, and this scheduled re-negotiation is being done pursuant to that lease provision.

Lease Term:

| | |
|------------------------------|--|
| Original Lease Term: | January 1, 2015 through December 31, 2029 |
| Renewal Option Term: | January 1, 2030 through December 31, 2034 |
| Rental Rate Adjustment Term: | January 1, 2025 through December 31, 2029 (“Rental Rate Adjustment Term”) |

Negotiated Rental Rate and

Tonnage Adjustment for Rental Rate Adjustment Term:

| | |
|--------------------------------|--|
| Annual Rental Rate Adjustment: | 3.5% per year |
| Tonnage Adjustment: | \$0.12 per ton for the first 200,000 tons; then \$0.095 per ton for 200,001 or greater tons. |

| | | | |
|--------------------------|----------------------------|-------------------------|-------------------|
| <u>Base Rent:</u> | <u>Period Total</u> | <u>Quarterly</u> | <u>PSF</u> |
|--------------------------|----------------------------|-------------------------|-------------------|

Base Rent: year ending 12/31/2024: \$ 64,833.57

- | | | | |
|--------------------------------|--------------|--------------|---------|
| • Jan. 1, 2025 – Dec. 31, 2025 | \$ 67,102.74 | \$ 16,775.69 | \$0.462 |
| • Jan. 1, 2026 – Dec. 31, 2026 | \$ 69,451.34 | \$ 17,362.84 | \$0.479 |
| • Jan. 1, 2027 – Dec. 31, 2027 | \$ 71,882.14 | \$ 17,970.54 | \$0.496 |
| • Jan. 1, 2028 – Dec. 31, 2028 | \$ 74,398.01 | \$ 18,599.50 | \$0.513 |
| • Jan. 1, 2029 – Dec. 31, 2029 | \$ 77,001.91 | \$ 19,250.49 | \$0.531 |

Recommendation:

Approval of a Lease Amendment for the Port Authority to adjust the rental and tonnage rates of Tenant for the Leased Premises.

Attachment: Resolution

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

**[LEASE AMENDMENT AND RENTAL RATE ADJUSTMENT
CONTINENTAL CEMENT COMPANY, L.L.C. – RED ROCK TERMINAL]**

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 Lease Amendment and Rental Rate Adjustment (“Lease Amendment”) to continue leasing a total of 144,992 square feet of land in the Red Rock Terminal at 1363 Red Rock Road and 0 Red Rock Road in Saint Paul, Minnesota (the “Leased Premises”) to Continental Cement Company, L.L.C. (the “Tenant”) pursuant to the Lease between the Port Authority and Tenant, dated January 1, 2015, which is scheduled to expire December 31, 2029 (the “Lease”).

WHEREAS, rental rates for the next five years of the Lease have been agreed upon as part of a negotiation between the Port Authority, as Landlord, and Tenant with a 3.5% per year increase for the term beginning January 1, 2025 through December 31, 2029 (“Rental Rate Adjustment Term”).

| <u>Base Rent:</u> | <u>Period Total</u> | <u>Quarterly</u> | <u>PSF</u> |
|---|---------------------|------------------|------------|
| <i>Base Rent for year ending 12/31/2024: \$ 64,833.57</i> | | | |
| • Jan. 1, 2025 – Dec. 31, 2025 | \$ 67,102.74 | \$ 16,775.69 | \$0.462 |
| • Jan. 1, 2026 – Dec. 31, 2026 | \$ 69,451.34 | \$ 17,362.84 | \$0.479 |
| • Jan. 1, 2027 – Dec. 31, 2027 | \$ 71,882.14 | \$ 17,970.54 | \$0.496 |
| • Jan. 1, 2028 – Dec. 31, 2028 | \$ 74,398.01 | \$ 18,599.50 | \$0.513 |
| • Jan. 1, 2029 – Dec. 31, 2029 | \$ 77,001.91 | \$ 19,250.49 | \$0.531 |

WHEREAS, annual tonnage fees during the Rental Rate Adjustment Term will be paid at a rate of \$0.12 per ton for the first 200,000 tons; then \$0.095 per ton for 200,001 or greater tons.

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

Adopted: October 22, 2024

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE
BOARD OF COMMISSIONERS

Meeting Date: October 22, 2024

From: Linda K. Williams *LKW*

Subject: **APPROVAL OF LEASE AMENDMENT AND RENTAL RATE ADJUSTMENT FOR HOLCIM-MWR, INC. (f/k/a AGGREGATE INDUSTRIES – MWR, INC.) – BARGE TERMINAL NO. 1 RESOLUTION NO. 4804**

Action Requested:

Approval of a Lease Amendment and Rental Rate Adjustment (“Lease Amendment”) for the Port Authority of the City of Saint Paul (the “Port Authority” or “Landlord”) to adjust the rental rates for land located in Barge Terminal No. 1 at 1177 Childs Road, Saint Paul, Minnesota (the “Leased Premises”) leased to Holcim-MWR, Inc. f/k/a Aggregate Industries-MWR, Inc. (the “Tenant”).

Background:

The Tenant, then known as Aggregate Industries-MWR, Inc., and the Port Authority entered into a 15-year lease on December 31, 2014 (the “Lease”). In April of 2022, Aggregate Industries-MWR, Inc. filed an Amendment to their Articles of Incorporation changing the name of the corporation to Holcim – MWR, Inc. The Lease is scheduled to expire on December 31, 2029. Tenant then has two five-year renewal options, which, if exercised, would extend the term of the Lease through December 31, 2039. The Leased Premises consists of 651,206 square feet of land at 1177 Childs Road and is primarily used for shipping, handling, and storage of sand, gravel and crushed rock, and for any use associated with the blending or processing of aggregate products. In general, Port Authority leases contain a provision requiring the re-negotiation of rental rates every five years, and this scheduled re-negotiation is being done pursuant to that lease provision.

Lease Term:

Original Lease Term: Dec. 31, 2014 through Dec. 31, 2029
 Renewal Option Terms (2): Jan. 1, 2030 through Dec. 31, 2039
 Rental Rate Adjustment Term: Jan. 1, 2025 through Dec. 31, 2029 (“Rental Rate Adjustment Term”)

Negotiated Rental Rate Adjustments:

Annual Rental Rate Adjustment: 4.0% per year

| Base Rent: | Period Total | Quarterly | PSF |
|--|---------------------|------------------|------------|
| <i>Base Rent for year ending 12/31/24 - \$197,997.65</i> | | | |
| • Jan. 1, 2025 – Dec. 31, 2025 | \$ 205,917.56 | \$ 51,479.39 | \$0.3162 |
| • Jan. 1, 2026 – Dec. 31, 2026 | \$ 214,154.26 | \$ 53,538.57 | \$0.3289 |
| • Jan. 1, 2027 – Dec. 31, 2027 | \$ 222,720.43 | \$ 55,680.11 | \$0.3420 |
| • Jan. 1, 2028 – Dec. 31, 2028 | \$ 231,629.25 | \$ 57,907.31 | \$0.3557 |
| • Jan. 1, 2029 – Dec. 31, 2029 | \$ 240,894.42 | \$ 60,223.61 | \$0.3699 |

**Ongoing Pre-Set Tonnage
And CAM Charges**

(Provided for Reference Only, as Not Subject to Negotiation at This Time):

Tonnage Fee for Years 11-15

Tonnage for 2025 = \$0.050/ton

Tonnage for 2026 through 2029 = Annual tonnage fee increases calculated by PPI, as determined for Base Rent above, pursuant to the original Lease

Max tonnage fee for years 11-15 = \$80,000

Common Area Maintenance (“CAM”) Charge:

Tenant will continue to pay a flat fee CAM charge of \$35,000/year, pursuant to the original Lease.

Recommendation:

Approval of a Lease Amendment for the Port Authority to adjust the Tenant’s rental rates for the Leased Premises.

Attachment: Resolution

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

**[LEASE AMENDMENT AND RENTAL RATE ADJUSTMENT
HOLCIM-MWR, INC. f/k/a AGGREGATE INDUSTRIES-MWR, INC. – BARGE TERMINAL NO. 1]**

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 Lease Amendment and Rental Rate Adjustment (“Lease Amendment”) to continue leasing 651,206 square feet of land in Barge Terminal No. 1 at 1177 Childs Road in Saint Paul, Minnesota (the “Leased Premises”) to Holcim-MWR, Inc. f/k/a Aggregate Industries-MWR, Inc. (the “Tenant”) pursuant to the Lease between the Port Authority and Tenant dated December 31, 2015, which is scheduled to expire on December 31, 2029 (the “Lease”).

WHEREAS, rental rates for the next five years of the Lease have been agreed upon as part of a negotiation between the Port Authority, as Landlord, and Tenant with a 4.0% per year increase for the term beginning January 1, 2025 through December 31, 2029 (“Rental Rate Adjustment Term”).

| <u>Base Rent:</u> | <u>Period Total</u> | <u>Quarterly</u> | <u>PSF</u> |
|--|---------------------|------------------|------------|
| <i>Base Rent for year ending 12/31/24 - \$197,997.65</i> | | | |
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| • Jan. 1, 2029 – Dec. 31, 2029 | \$ 240,894.42 | \$ 60,223.61 | \$0.3699 |

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

Adopted: October 22, 2024

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

To: CREDIT COMMITTEE

Meeting Date: October 22, 2024

From: Holly Huston *HH*

**Subject: JON L. & JODI L. HENRY PACE APPLICATION
APPROVAL OF A \$110,450 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 \$110,450 (the “Loan”) to Jon L. and Jodi L. Henry (the “Borrower”) to add solar to the property owned by the Borrower located in Foley, Minnesota (the “Project”).

Background:

The Borrower owns the property at 13552 School House Road NE, Foley, MN (the “Property”). The Borrower has owned Henry Embroidery and Screen Printing since 2011 and has two locations, one in Minnesota and one in Iowa. The business provides embroidery, screen printing, vinyl signs, and other promotional items. The Borrower will be adding solar to the business’s commercial building, expected to save the business \$4,984 in annual electrical costs, saving 37,764 kilowatt hours (kWh) of electricity through solar production.

Proposed Project:

The Project will include labor and materials to install and commission a 25.13 KW DC solar array to the Property.

| | |
|----------------------|------------------|
| Use of Funds | |
| Solar | \$110,450 |
| Total Use | \$110,450 |
| Sources | |
| Trillion BTU Loan | \$110,450 |
| Total Sources | \$110,450 |

Financial Analysis:

The Property is valued at \$568,800 and has an outstanding mortgage of just under \$200,000. The financial ratios meet the Trillion BTU Loan program standards. The Borrower’s income can cover the annual \$14,655 PACE Loan payment.

| | | | |
|------------------------|------|---------------------------------|------|
| Debt Service Coverage: | 3.57 | Trillion Standard of at Least: | 1.15 |
| Debt-to-Equity: | 0.91 | Trillion Standard of less Than: | 4.00 |
| Loan to Value: | 57% | Industry Standard of less Than: | 80% |

Loan Terms:

Source of Funds: Trillion BTU - Statewide
Collateral: PACE Assessment
Use of Funds: Solar
Amount of Loan: \$110,450
Rate: 5.5%
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% (appraisal \$568,800 X 30% = \$170,640)
- Energy Audit provided.
- Davis Bacon applies.
- Licensed Contractor.
- Lender Acknowledgment.

Workforce Implications:

1 FTE for construction jobs.

Policy Exceptions:

No.

Recommendation

We recommend approval for the Port Authority to initiate the Loan for approximately \$110,450 to the Borrower for the Project.

To: CREDIT COMMITTEE

Meeting Date: October 22, 2024

From: Holly Huston 

**Subject: WOODLAND PROPERTY LLP PACE APPLICATION
APPROVAL OF A \$61,960 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 \$61,960 (the “Loan”) to Woodland Property LLP, and Rodgers Law Office, PLLC, as co-signor (collectively, the “Borrower”) to add solar to the property owned by the Borrower located in Bemidji, Minnesota (the “Project”).

Background:

Woodland Property LLP (“Woodland”) is a real estate holding company. The owner of Woodland, Mark Rodgers, operates Rodgers Law Office out of the building located at 1421 Bemidji Ave N, Bemidji, MN 56601 (the “Property”). The building has been owned by Woodland since 2010 and has other tenants in the building. Woodland will be adding solar to the commercial building, expected to save the business \$2,239 in annual electrical costs, saving 18,757 kilowatt hours (kWh) of electricity through solar production.

Proposed Project:

The Project will include labor and materials to install and commission a 17.6 KW DC solar array to the Property.

| | |
|----------------------|-----------------|
| Use of Funds | |
| Solar | \$61,960 |
| Total Use | \$61,960 |
| Sources | |
| Trillion BTU Loan | \$61,960 |
| Total Sources | \$61,960 |

Financial Analysis:

The Property is valued at \$542,100 and has an outstanding mortgage of \$440,000. As a real estate holding company, Woodland does not make a profit but can increase rent due from the tenants pursuant to their leases to cover the cost of the Loan repayments, as well as transfer net operating income from Rodgers Law Office to cover any shortfall. Rodgers Law Office will be a co-signer on the loan agreement, they return a profit annually and meet the standard Trillion BTU debt service coverage ratio. The annual Loan payment will be \$8,220, which will be offset with the utility savings of \$2,239 and increases in tenant rent.

Woodland Ratios:

| | | | |
|------------------------|------|---------------------------------|------|
| Debt Service Coverage: | 0.86 | Trillion Standard of at Least: | 1.15 |
| Debt-to-Equity: | 1.11 | Trillion Standard of less Than: | 4.00 |
| Loan to Value: | 80% | Industry Standard of less Than: | 80% |

Loan Terms:

| | |
|-------------------|--------------------------|
| Source of Funds: | Trillion BTU - Statewide |
| Collateral: | PACE Assessment |
| Use of Funds: | Solar |
| Amount of Loan: | \$61,960 |
| Rate: | 5.5% |
| 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% (appraisal \$542,100 X 30% = \$162,630)
- Energy Audit provided.
- Davis Bacon applies.
- Licensed Contractor.
- Lender Acknowledgment.



Workforce Implications:

1 FTE for construction jobs.

Policy Exceptions:

Yes, Woodland does not meet the financial underwriting criteria, and Rodgers Law Office, PLLC will be a co-signor on the Loan.

Recommendation

We recommend approval for the Port Authority to initiate the Loan for approximately \$61,960 to the Borrower for the Project.

To: CREDIT COMMITTEE

Meeting Date: October 22, 2024

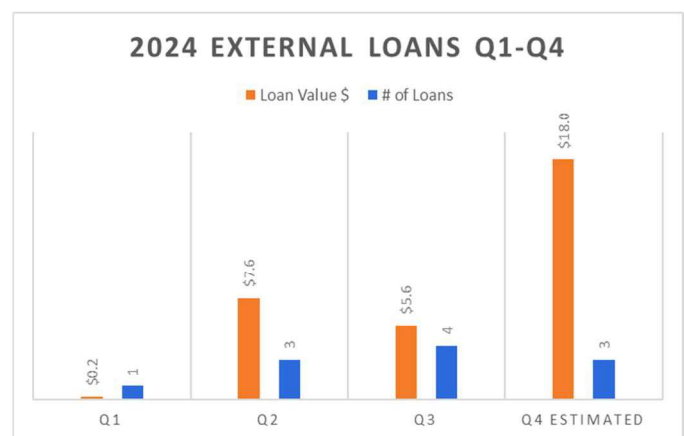
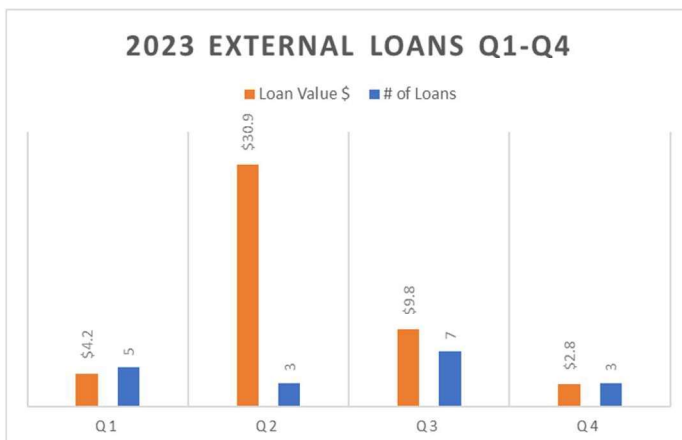
From: Holly Huston *HH*

Subject: Quarterly Report on External Funded PACE Projects – 3Q 2024

The Port Authority is the MinnPACE program administrator. This memo includes a summary of PACE loans funded by external lenders during Q3 2024.

- Four PACE loans closed in Q3 2024 totaling \$5.6M, YTD \$13.4M in energy loans.
- There are several loans in process for Q4, estimated \$18M.
- More PACE loans are anticipated with interest rates starting to decrease for the first time in a year.
- New JPA with Polk County, bringing the total to 68 Counties and 24 Cities.
- 23 MinnPACE online inquiries, compared to 19 last quarter.
- Outreach/Presentations: C-Pace Alliance Conference in Chicago, elected to co-chair the PACE Nation program administration committee.
- PACE National Lenders continue to focus on new construction and larger projects, \$1M+. The Trillion BTU program is critical in funding energy efficiency projects under \$1M in Minnesota.

Q3 Overview



External funded PACE Loans – Q3 2024

| Name | Loan Amount | Lender | City | County | Annual Energy Savings (\$) | Annual Energy savings | Energy Savings Type |
|-------------------------------|--------------------|---------------|---------------|---------------|-----------------------------------|------------------------------|----------------------------|
| Redwood Property Holdings LLC | \$2,221,325 | Pace Equity | Redwood Falls | Redwood Falls | \$53,796 | 144,403 KWH | Rehab |
| Old Town Holding LLC | \$1,428,253 | Pace Equity | Mankato | Blue Earth | \$38,189 | 274,680 kWh | New Construction |
| Hohenstein RE LLC | \$1,193,465 | Highland Bank | Cottage Grove | Washington | \$90,111 | 858,250 kWh | Solar |
| 613 Investments LLC | \$768,800 | Highland Bank | Golden Valley | Hennepin | \$23,409 | 142,030 kWh | Solar, roof, HVAC |
| Total | \$5,611,843 | | | | \$205,505 | 1,419,363 kWh | |

**REGULAR BOARD MEETING
SEPTEMBER 24, 2024**

The meeting of the Port Authority Board was held on September 24, 2024, at 2:13 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 | Nelsie Yang |
| Amy Brendmoen | Cheniqua Johnson | Courtney Henry |

Also, present were the following:

| | | |
|--------------|----------------|-----------------|
| Jan Almquist | Tonya Bauer | Amanda Burns |
| Rick Howden | Todd Hurley | Holly Huston |
| Sarah Illi | Bruce Kessel | Annamarie Kosel |
| Dana Krueger | Emily Lawrence | Mike Solomon |
| Nikki Tix | Phoua Vang | Annie Watson |

Andrew Kasid, District Energy
Paul Williams, Project for Pride in Living
Eduardo Barrera, Project for Pride in Living
Ben Johnson, Ballard Spahr
Nick Hagen, Piper Sandler

APPROVAL OF MINUTES

Commissioner Mullin made a motion to approve the minutes of the August 20, 2024 Special Board meeting. The motion was seconded by Commissioner Yang and carried unanimously.

CONFLICTS OF INTEREST

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

ADMINISTRATION

Ms. Lawrence administered the oath of office to Mr. Henry.

NEW BUSINESS

CREDIT COMMITTEE

RESOLUTION NO. 4799
PUBLIC HEARING - CONVEYANCE OF LAND TO PPL EAST 7TH, LLC -
APPROVAL OF AMENDMENT TO PURCHASE AGREEMENT -
BEACON BLUFF BUSINESS CENTER P6 – PARCEL ID 28.29.22.33.0062

Motion was made by Commissioner Mullin to approve Resolution No. 4799, which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was seconded by Commissioner Johnson.

Chair Slaven stated that in accordance with Minnesota law, the Port Authority is required to hold a public hearing regarding Resolution No. 4799 and declared the Public Hearing open. He asked if anyone in attendance wished to address the Board. No public comments were made.

Chair Slaven declared the Public Hearing closed and asked to take a roll call vote.

Chair Slaven stated that a roll call vote is required under Minnesota Statutes Chapter 469, and the Commissioners voted as follows:

| | | | |
|------------------------|-------|---------------------|-------|
| Commissioner Brendmoen | - aye | Commissioner Henry | - aye |
| Commissioner Johnson | - aye | Commissioner Mullin | - aye |
| Commissioner Yang | - aye | Chair Slaven | - aye |

The motion carried unanimously.

RESOLUTION NO. 4800
PUBLIC HEARING - APPROVAL OF THE ISSUANCE OF UP TO \$35,000,000
OF CONDUIT REVENUE BONDS BY THE PORT AUTHORITY OF THE CITY
OF SAINT PAUL FOR THE BENEFIT OF DISTRICT ENERGY ST. PAUL, INC.

Motion was made by Commissioner Mullin to approve Resolution No. 4800, which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was seconded by Commissioner Henry.

Chair Slaven stated that in accordance with Minnesota law, the Port Authority is required to hold a public hearing regarding Resolution No. 4800 and declared the Public Hearing open. He asked if anyone in attendance wished to address the Board. No public comments were made.

Chair Slaven declared the Public Hearing closed and asked to take a roll call vote.

Chair Slaven stated that a roll call vote is required under Minnesota Statutes Chapter 469, and the Commissioners voted as follows:

| | | | |
|------------------------|-------|---------------------|-------|
| Commissioner Brendmoen | - aye | Commissioner Henry | - aye |
| Commissioner Johnson | - aye | Commissioner Mullin | - aye |
| Commissioner Yang | - aye | Chair Slaven | - aye |

The motion carried unanimously.

RESOLUTION NO. 4801
AUTHORIZATION TO APPLY FOR AND ACCEPT GRANT FUNDS FROM
RAMSEY COUNTY CRITICAL CORRIDOR GRANT PROGRAM (PHASE 2)
FOR SITE INFRASTRUCTURE AT THE HEIGHTS IN SAINT PAUL, MINNESOTA

Motion was made by Commissioner Mullin to approve Resolution No. 4801, which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was seconded by Commissioner Yang and carried unanimously.

GENERAL MATTERS

Such Other Business That May Come Before the Board

AT-LARGE CREDIT COMMITTEE RECOMMENDATION

Mr. Hurley reviewed his email with the Board, recommending the appointment of Ms. Mindy Utesch as the next At-Large Credit Committee Member. The Board will vote on the appointment at the annual Board meeting on October 22, 2024 and her first official Credit Committee meeting would be November 26, 2024.

From: Todd P. Hurley
Sent: Monday, September 23, 2024 6:07 PM
To: Board of Commissioners
Subject: "At-Large" Credit Committee Member Recommendation

Port Authority Board Members,

At the September Port Authority Board Meeting I will be recommending Mindy Utesch to serve to serve as an "At-Large" Credit Committee Member

Mindy is currently a Senior Credit Analyst at Bremer Bank in downtown Saint Paul, where she has served in this capacity for the past 10 years. Mindy's experience in the banking industry combined with her strong track record in assessing credit risk over a variety of industries and ensuring compliance with regulatory standards will allow her to provide valuable analysis and input to the Port Authority's Credit Committee.

Mindy's passion for the mission of the Saint Paul Port Authority, combined with her experience in underwriting aligns well with the goals of the credit committee.

I look forward to our meeting. Please let me know if you have any questions or comments.

Todd

ELECTION OF OFFICERS

Mr. Hurley reminded the Board that the Election of Officers will take place at next month's Annual Board meeting. Commissioner Marshall will reach out to Board members to discuss the proposed slate of officers. In addition, Mr. Hurley will send an email to the Board with the current list of officers and a description of each officer's responsibilities.

2024 WORK PLAN

Mr. Hurley provided the Board with a high-level overview of the Port Authority's 2024 Work Plan, focusing on critical lifeline projects, obligations, and additional initiatives. Both Mr. Hurley and the Board agreed it would be beneficial for key internal stakeholders to present an update at the next Board meeting.

There being no further business, the meeting was adjourned at 2:35 p.m.

By: _____

Its: _____