

**Credit Committee  
Board Meeting  
December 17, 2024**

Board Chair Slaven and Committee Chair Mullin are calling a meeting of the Credit Committee and Board of Commissioners for **Tuesday, December 17, 2024. The 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  
December 17, 2024 | 1:30 p.m.**

**Minutes**

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

**Conflicts of Interest**

Conflicts with any Items on the Agenda

**New Business**

1. Desai Properties LLC PACE Application – Approval of a \$150,000 PACE Trillion BTU Loan
2. Lex Center LLC PACE Application – Approval of a \$175,000 PACE Trillion BTU Loan
3. Approval of a \$450,000 Business Development Fund Loan to Minnesota Museum of American Art
4. Authorization to Accept Additional Grant Funding for the Construction of Serenity Townhomes on Behalf of Amani Construction & Development, LLC
5. Conveyance of Pipeline Easement to Northern States Power Company Beacon Bluff Business Center / Part of PID Nos. 28-29-22-31-0155 & -0150
6. Resolution Approving and Authorizing the Execution of Documents Relating to the Infrastructure Improvements Necessary to Advance Private Development at the Heights
7. Acquisition of Land - Approximately 12.63 Acres Located at 245 Maryland Ave E, Saint Paul, MN - Former Kmart Site
8. Authorization of an Interfund Loan for Advance of Certain Costs in Connection with the Acquisition of the Kmart Site; District 6, Ward 5

Such Other Business That May Come Before the Committee

**Regular Board Meeting**  
**December 17, 2024 | 2:00 p.m.**

**Minutes**

Approval of the Minutes from the November 26, 2024 regular Board Meeting

**Conflicts of Interest**

Conflicts with any Items on the Agenda

**New Business**

**Credit Committee**

1. Resolution No. 4809 - Authorization to Accept Additional Grant Funding for the Construction of Serenity Townhomes on Behalf of Amani Construction & Development, LLC
2. Resolution No. 4810 - Public Hearing – Conveyance of Pipeline Easement to Northern States Power Company - Beacon Bluff Business Center / Part of PID Nos. 28-29-22-31-0155 & -0150
9. Resolution No. 4811 - Resolution Approving and Authorizing the Execution of Documents Relating to the Infrastructure Improvements Necessary to Advance Private Development at the Heights
3. Resolution No. 4808 - Acquisition of Land - Approximately 12.63 Acres Located at 245 Maryland Ave E, Saint Paul MN - Former Kmart Site
4. Resolution No. 4812 - Authorization of an Interfund Loan for Advance of Certain Costs in Connection with the Acquisition of the Kmart Site; District 6, Ward 5

Such Other Business That May Come Before the Board

1. Resolution No. 4813 - Recognition of Bruce Kessel

**Closed Session**

1. Performance Evaluation of Saint Paul Port Authority President, Todd Hurley

cc: City Clerk  
Reporters

**CREDIT COMMITTEE MEETING  
NOVEMBER 26, 2024**

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The meeting of the Port Authority Credit Committee was held on November 26, 2024, at 1:38 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:

Courtney Henry	Don Mullin	Matt Slaven
Trinidad Uribe	Mindy Utesch	

Also, present were the following:

Jan Almquist	Amanda Burns	Ilwad Hassan
Todd Hurley	Holly Huston	Sarah Illi
Annamarie Kosel	Dana Krueger	Emily Lawrence
Kathryn Sarnecki	Mike Solomon	Gao Thao
Nikki Tix	Phoua Vang	Annie Watson
Kristine Williams	JP Yohannes	

**OATH OF OFFICE – MINDY UTESCH**

Ms. Lawrence administered the oath of office to Ms. Utesch.

**APPROVAL OF MINUTES**

Committee Member Slaven made a motion to approve the minutes of the October 22, 2024, regular Credit Committee meeting. The motion was seconded by Committee Member Uribe and carried unanimously.

**CONFLICTS OF INTEREST**

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

**AGENDA ITEMS****DEBORAH AND GARY KASTNER – DBA KASTNER  
RESTORATION, LLC – RE-APPROVAL OF A \$95,000 PACE TRILLION BTU LOAN**

Ms. Huston reviewed her memorandum with the Committee, requesting re-approval for the Port Authority of the City of Saint Paul to initiate a PACE Trillion BTU loan for approximately \$95,000 (the “Loan”) to Kastner Restoration, LLC (the “Borrower”) to add solar to the property owned by the Borrower located in Monticello, Minnesota (the “Project”). Committee Member Henry made a motion to approve the request. The motion was seconded by Committee Member Uribe and carried unanimously.

**AUTHORIZATION OF CONTRACT AWARD FOR THE CONSTRUCTION AND  
INSTALLATION OF BARGE TERMINAL 1 – BULK SILOS, LLC BARGE RECEIVING SYSTEM**

Ms. Illi reviewed her memorandum with the Committee, requesting approval to award a contract to the lowest responsive and responsible bidder for the construction and installation of the Barge Terminal 1 – Bulk Silos, LLC Barge Receiving System (“the Project”) located at 2145 Childs Road, Saint Paul, Minnesota (“the Premises”). Committee Member Henry made a motion to approve the request. The motion was seconded by Committee Member Utesch and carried unanimously.

There being no further business, the meeting was adjourned at 1:50 p.m.

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

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



**MEMORANDUM**

**To:** CREDIT COMMITTEE

**Meeting Date:** December 17, 2024

**From:** Holly Huston *HH*

**Subject: DESAI PROPERTIES LLC PACE APPLICATION  
APPROVAL OF A \$150,000 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 \$150,000 (the “Loan”) to Desai Properties LLC (the “Borrower”) to install solar panels on the property owned by the Borrower located in Mankato, Minnesota (the “Project”).

**Background:**

The Borrower is a real estate holding company for Desai Hospitality LLC and owns a 54-room hotel located at 1255 Range Street, Mankato, MN 56001 (the “Property”). The addition of the solar panels is expected to save the business \$21,000 in annual electrical costs, saving 154,345 kilowatt hours (kWh) of electricity.

The Borrower is applying for a Rural Energy American Program (“REAP”) grant. The REAP program provides guaranteed loan financing and grant funding to agricultural producers and small rural businesses for renewable energy systems or to make energy efficiency improvements.

**Proposed Project:**

The Project will include labor and materials to install and commission a 128 KW DC solar array on the Property.

Use of Funds	
Solar	\$286,300
<b>Total Use</b>	<b>\$286,300</b>
Sources	
Trillion BTU Loan	\$150,000
Rural Energy American Program (REAP) Grant	\$136,300
<b>Total Sources</b>	<b>\$286,300</b>

**Financial Analysis:**

The Property is valued at \$1,125,300 and has an outstanding mortgage of \$747,681. The financial ratios meet the Trillion BTU Loan program standards. The Borrower’s income can cover the annual \$19,662 PACE Loan payment.

Ratios:

Debt Service Coverage:	1.5	Trillion Standard of at Least:	1.15
Debt-to-Equity:	2.02	Trillion Standard of less Than:	4.00
Loan to Value:	66%	Industry Standard of less Than:	80%

**Loan Terms:**

Source of Funds: Trillion BTU - Statewide  
Collateral: PACE Assessment  
Use of Funds: Solar  
Amount of Loan: \$150,000  
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% (appraisal \$1,125,300 X 30% = \$337,590)
- Energy Audit provided, estimated annual savings \$22,000, 154,345 kWh (7-year payback).
- 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 \$150,000 to the Borrower for the Project.

## MEMORANDUM

**To:** CREDIT COMMITTEE

**Meeting Date:** December 17, 2024

**From:** Holly Huston 

**Subject:** **LEX CENTER LLC PACE APPLICATION  
APPROVAL OF A \$175,000 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 \$175,000 (the “Loan”) to Lex Center LLC (the “Borrower”) to complete multiple energy efficient improvements to the property owned by the Borrower located in Shoreview, Minnesota (the “Project”).

**Background:**

The Lex Center is a three-story office building located at 3570 Lexington Ave N, Shoreview, MN 55113 (the “Property”). Constructed in 1980, the building was recently sold to the Borrower in 2023, and the Borrower is making several renovations to improve the tenant space while becoming more energy efficient. The building is owner-occupied and houses 11 additional tenants. The Loan is for a high efficiency HVAC system and LED lighting.

**Proposed Project:**

The Project will include labor and materials to install the HVAC system and LED lights.

Use of Funds	
HVAC	112,000
Lighting	63,000
<b>Total Use</b>	<b>\$175,000</b>
Sources	
Trillion BTU Loan	\$175,000
<b>Total Sources</b>	<b>\$175,000</b>

**Financial Analysis:**

The Property, including improvements, is appraised at \$2,550,000 and has an outstanding mortgage of \$1,404,000. The financial ratios comply with the Trillion BTU Loan program standards, and the Borrower’s income is sufficient to cover the annual PACE Loan payment of \$22,939.

**Ratios:**

Debt Service Coverage:	1.50	Trillion Standard of at Least:	1.15
Debt-to-Equity:	3.39	Trillion Standard of less Than:	4.00
Loan to Value:	68%	Industry Standard of less Than:	80%

**Loan Terms:**

Source of Funds: Trillion BTU - Statewide  
Collateral: PACE Assessment  
Use of Funds: HVAC and Lighting  
Amount of Loan: \$175,000  
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% (appraisal \$2,550,000 X 30% = \$765,000)
- Energy Audit provided, annual savings \$29,843 and 249,590 kWh (6 year payback).
- Davis Bacon applies.
- Licensed Contractor.
- Lender Acknowledgment.

**Workforce Implications:**

2 FTE for construction jobs.

**Policy Exceptions:**

No.

**Recommendation:**


We recommend approval for the Port Authority to initiate the Loan for approximately \$175,000 to the Borrower for the Project.



## MEMORANDUM

**To:** CREDIT COMMITTEE

**Meeting Date:** December 17, 2024

**From:** Holly Huston 

**Subject: APPROVAL OF A \$450,000 BUSINESS DEVELOPMENT FUND LOAN TO MINNESOTA MUSEUM OF AMERICAN ART**

**Action Requested:**

Provide approval for the Port Authority of the City of Saint Paul (the “Port Authority”) to initiate a Business Development Fund (“BDF”) loan for approximately \$450,000 (the “Loan”) to Minnesota Museum of American Art (the “MMAA”) for costs associated with the roof replacement and the HVAC system (the “Project”) at the MMAA’s museum location at 350 North Robert Street, Saint Paul, Minnesota (the “Property”).

**BDF Background:**

The original \$8,500,000 of BDF bonds were issued in 1991 and have been paid off. Over the course of the last 23 years there have been several changes to the program, including allowance to use BDF funds for New Market Tax Credits and SPPA development projects in 2004. In 2017, the Port Authority’s Board of Commissioners approved the use of BDF funds for PACE loans in the City of Saint Paul and east metro.

The purpose of the BDF program is to offer: (1) participation loans to meet bank loan to value requirements, (2) participation in new market tax credit programs, (3) neighborhood economic development opportunities, and (4) financing for business development centers.

The BDF program provides a financing option for projects that may not otherwise be financed.

**MMAA Background:**

The MMAA undertook a capital campaign to fund design, construction, and furnishing of its gallery and office space. The project was broken out into two major construction phases to create the only art museum in the City of Saint Paul anticipated to spur economic development. The MMAA has strong support from corporations, foundations, individual supporters, and the State of Minnesota (the “State”).

Phase I of the MMAA’s project was completed in 2018, including renovations totaling \$9,600,000. Phase II includes the construction of an additional gallery, storage, and exhibition prep space. The State awarded MMAA \$10,500,000 of General Obligation Bonds in the 2020 Legislative session for Phase II via the Port Authority, as fiscal agent for MMAA. The state bonded proceeds cover a portion of the Phase II costs. The construction budget also includes an HRA Business Assistance Loan and a New Market Tax Credit source loan, with the remainder raised through MMAA’s capital campaign as required by the Grant Agreement with the State.



## MEMORANDUM

The MMAA has applied to the Port Authority for a BDF Loan to pay off remaining capital project costs. It is seeking a \$450,000 bridge loan to cover a 3% budget increase driven by unforeseen costs associated with roof repairs and an HVAC unit. MMAA has been a diligent fiscal steward and made budget reductions to offset the cost overages, but a minimal gap exists. MMAA will pay back the BDF bridge loan with future donor revenue. MMAA has a strong fundraising history, raising over \$7,000,000 from donors and foundations over the last five years. MMAA is confident that it will raise funds to cover the additional costs. This bridge Loan will pay all remaining Phase II costs. The construction renovations are complete, and the second wing of the museum is open and driving an increase in visitors to Saint Paul.

### **Financial Analysis:**

The BDF underwriting guidelines evaluate the following financial criteria, which the MMAA meets:

#### **A. Equity**

- Guideline: Minimum of 10% equity (cash or land) is required.
- MMAA's Performance: MMAA exceeds the minimum with 54.6% equity, meaning over half of the assets are financed through equity rather than liabilities.

#### **B. Financing Construction Costs**

- Guideline: Finance no more than 100% of the cash needs for construction costs, subject to a maximum debt of 90% loan to value on the entire project.
- MMAA's Performance: The debt loan-to-value ratio is 62%, indicating that 62% of the asset's value is financed through debt.

#### **C. Debt Service Coverage Ratio ("DSCR")**

- Guideline: DSCR of 1.2 at a minimum.
- MMAA's Performance: The DSCR is approximately 1.8, indicating the museum generates enough income needed to cover its debt service obligations.

These points demonstrate that MMAA meets and exceeds the financial criteria set by the BDF underwriting guidelines, showcasing strong financial health and stability.

### **Loan Terms:**

Source of Funds: Business Development Fund  
 Collateral: 1. Mortgage on improved condominium space  
 2. Pledge of future unrestricted donor revenue  
 3. Combination of personal and/or organizational guarantee(s)  
 Use of Funds: Museum expansion  
 Amount of Loan: \$450,000  
 Rate: 4.5%  
 Term: 5 years, no prepayment penalty  
 Payback: Semi-Annual, June 1 and Dec 1

## MEMORANDUM

**Policy Exceptions:**

No.

**Recommendation:**

We recommend approval for the Port Authority to initiate a BDF Loan for approximately \$450,000 to MMAA for the Project.



**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** December 17, 2024

**From:** Tonya K. Bauer *TKB*

**Subject: AUTHORIZATION TO ACCEPT ADDITIONAL GRANT FUNDING FOR THE CONSTRUCTION OF SERENITY TOWNHOMES ON BEHALF OF AMANI CONSTRUCTION & DEVELOPMENT, LLC**

**RESOLUTION NO. 4809**

**Action Requested:**

The Port Authority of the City of Saint Paul (the “Port Authority”) seeks authorization to accept additional grant funding from the Metropolitan Council’s Local Housing Incentives Account (“LHIA”) on behalf of Amani Construction & Development, LLC (“Amani”) for a townhome development to be constructed on Beacon Bluff Parcel 9 in Saint Paul, Minnesota (the “Property”).

**Background:**

In June 2024, via Resolution 4780, the Saint Paul Port Authority Board of Commissioners (“Board”) approved the conveyance of a .65-acre parcel of land at Beacon Bluff Business Center, known as Parcel 9, to Amani for the development of Serenity Townhomes, a project of for-sale affordable townhomes.

Amani is collaborating with Rondo Community Land Trust to ensure long-term affordability and sustainable homeownership within the community. The development is anticipated to include at least 17 units, with LHIA funds requested to support the general construction of the project.

LHIA grants support the production and preservation of affordable rental and ownership housing to help municipalities meet their negotiated Livable Communities Act housing goals. Grant funds cover gap financing costs such as acquisition, demolition, site preparation, and other construction costs.

LHIA funding is pooled with various sources of affordable housing funding through Minnesota Housing. Since LHIA is a much smaller source of funding and often cannot make projects “whole” without additional state resources, LHIA applications are generally evaluated after Minnesota Housing has begun prioritizing their investments. Occasionally a project that does not receive an award from Minnesota Housing will still be awarded LHIA funds, which was the case for Amani when the Port Authority Board approved the acceptance of a Metropolitan Council LHIA Grant in the amount of \$270,000 via Resolution 4781 in June 2024.



This request represents a second Metropolitan Council LHIA grant award to Amani, in the amount of \$261,579, with no additional match required. If approved, the Port Authority will enter a Compliance, Reporting, and Reimbursement Agreement with Amani.

**Recommendation:**

Authorization to accept additional grant funding from LHIA for a townhome development anticipated to be constructed by Amani on the Property.

Attachment: Resolution

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

**[AUTHORIZATION TO ACCEPT ADDITIONAL GRANT FUNDING FOR  
THE CONSTRUCTION OF SERENITY TOWNHOMES ON  
BEHALF OF AMANI CONSTRUCTION & DEVELOPMENT, LLC]**

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 (the “Board”) is 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 (the “City Council”);

WHEREAS, said members of the City Council serve on the Port Authority Board so long as they continue to be members of the City Council;

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, a development authority, such as the Port Authority, is eligible to accept project funding from the Metropolitan Council’s Local Housing Incentives Account (“LHIA”) grant program on behalf of cities participating in the Livable Communities Act’s Housing Incentive Program for 2024, 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 LHIA program for 2024 as determined by the Metropolitan Council;

WHEREAS, the Port Authority acknowledges LHIA grants are intended to fund projects or project components that support the production and preservation of affordable rental and ownership housing;

WHEREAS, Amani Construction & Development, LLC (“Amani”) intends to construct a townhome development on the Port Authority’s Beacon Bluff Parcel 9 (the “Amani Project”), pursuant to a Purchase Agreement between the Port Authority and Amani, previously approved by the Board via Resolution No. 4780, dated June 25, 2024;

WHEREAS, Amani previously applied for LHIA grant funding in 2023 in the amount of \$270,000 (the “Initial Grant”) to support the Amani Project;

WHEREAS, the Metropolitan Council approved the Initial Grant award to Amani in January 2024, the acceptance of which the Board approved via Resolution No. 4781, dated June 25, 2024, and the Port Authority accepted the Initial Grant on Amani’s behalf;

WHEREAS, Amani has now applied for additional LHIA grant funding in the amount of \$261,579 (the “Additional Grant”) to support the Project and has requested that the Port Authority again accept and manage the Additional Grant on Amani’s behalf; and

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.

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 accept the Additional Grant funding on behalf of Amani for the Amani Project.

BE IT FURTHER RESOLVED that the Port Authority will be the grantee, agrees to act as legal sponsor to administer and be responsible for grant funds expended for the Amani Project, may enter into an agreement with the Metropolitan Council for the Amani 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 accept the Additional Grant on behalf of Amani, to obligate Amani to comply with the terms of the Additional Grant funding, and to allow the Port Authority to assist Amani with the management of the grant funding, all in forms approved by counsel.

I certify that the above resolution was adopted by the Board of Commissioners of the Port Authority of the City of Saint Paul on December 17, 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:** December 17, 2024

**From:** Ilwad Hassan 

**Subject:** Credit Committee

**CONVEYANCE OF PIPELINE EASEMENT TO NORTHERN STATES POWER COMPANY – BEACON BLUFF BUSINESS CENTER / PART OF PID Nos. 28-29-22-34-0155 & -0150**

**Board of Commissioners**

**PUBLIC HEARING – CONVEYANCE OF PIPELINE EASEMENT TO NORTHERN STATES POWER COMPANY – BEACON BLUFF BUSINESS CENTER / PART OF PID Nos. 28-29-22-34-0155 & -0150**

**RESOLUTION NO. 4810**

**Action Requested:**

Approval of the conveyance of an easement interest for pipeline purposes over 0.4 acres of land (the “Easement”) located in the Beacon Bluff Business Center to Northern States Power Company (“Xcel”).

**Background:**

Xcel approached the Port Authority earlier this year to assist with the relocation of a gas line in conflict with the City of St. Paul’s plans for the Forest Street bridge improvements. The proposed Easement Area encumbers the west 40 feet of Beacon Bluff Parcel 4W and the west 8 feet of Parcel 7.

Xcel will install the proposed gas line using trenchless bore technology at a depth of 50 to 70 feet below the existing surface. Because of the depth and installation method, the impact to the developable area of these parcels is minimal, if any.

**Recommendation:**

We recommend approval of the conveyance of the Easement to Xcel.

**Attachments:** Memorandum  
Site Plan, including Easement Area  
Resolution



SAINT PAUL PORT AUTHORITY  
LAND CONVEYANCE TRANSACTION

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**Action Requested:**

To approve the conveyance of an easement interest from the Port Authority of the City of Saint Paul (the “Port Authority”), located at the east side of the intersection of Forest Street North and 7<sup>th</sup> Street East for the construction of an underground gas pipeline.

**Development Officer:**

Kristine Williams

**Grantee:**

Northern States Power Company

**Grantee Address:**

414 Nicollet Mall, 414-06  
Minneapolis, MN 55401

**Location of Property to be Conveyed:**

The site is located at the corner of Forest Street North and 7th Street East in our Beacon Bluff development. The Easement Area measures approximately 0.4 acres, or 17,424 square feet (“Easement Area”).

**Conveyance Structure:**

Conveyance of easement interest via Pipeline Easement Agreement. The easement compensation is \$40,000 or \$2.30 per square foot.

**Nature of Intended Use:**

Xcel intends to install the proposed gas line using trenchless bore technology at a depth of 50 to 70 feet below the existing surface. The Port Authority has retained the right to use the surface area for landscape and parking. Structures proposed within the Easement Area would require the approval of Xcel to ensure the gas line is not impacted.

**Business Subsidy Agreement:**

None.

**Exception from Port’s Development Criteria/Covenants:**

None.

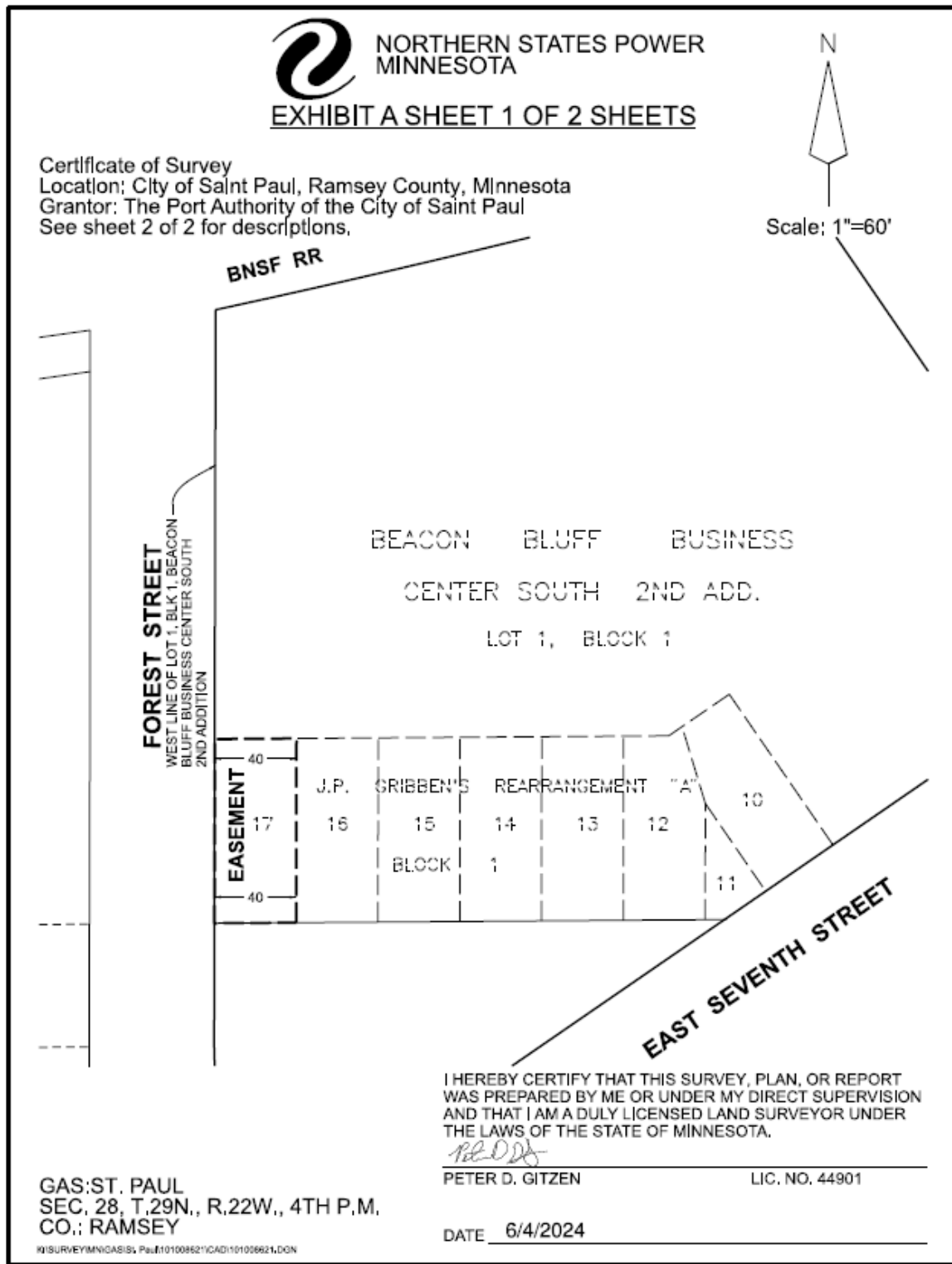
**Development Officer’s Comments:**

Due to the depth and installation methodology of the gas line there is limited impact to the potential developable area of the Subject Parcels.

**Site Plan**



**Easement Area**





NORTHERN STATES POWER  
MINNESOTA

EXHIBIT A SHEET 2 OF 2 SHEETS

Certificate of Survey

Location: City of Saint Paul, Ramsey County, Minnesota

Grantor: The Port Authority of the City of Saint Paul

"Property":


That part of Lot 1, Block 1, Beacon Bluff Business Center South 2nd Addition, Ramsey County, Minnesota lying within Lot 17, Block 1, J. P. Gribben's Rearrangement A, said Ramsey County.

"Easement Area":

An easement over, under and across the west 40.00 feet of the herein before described "Property" as measured perpendicular to said west line of the herein before described "Property".

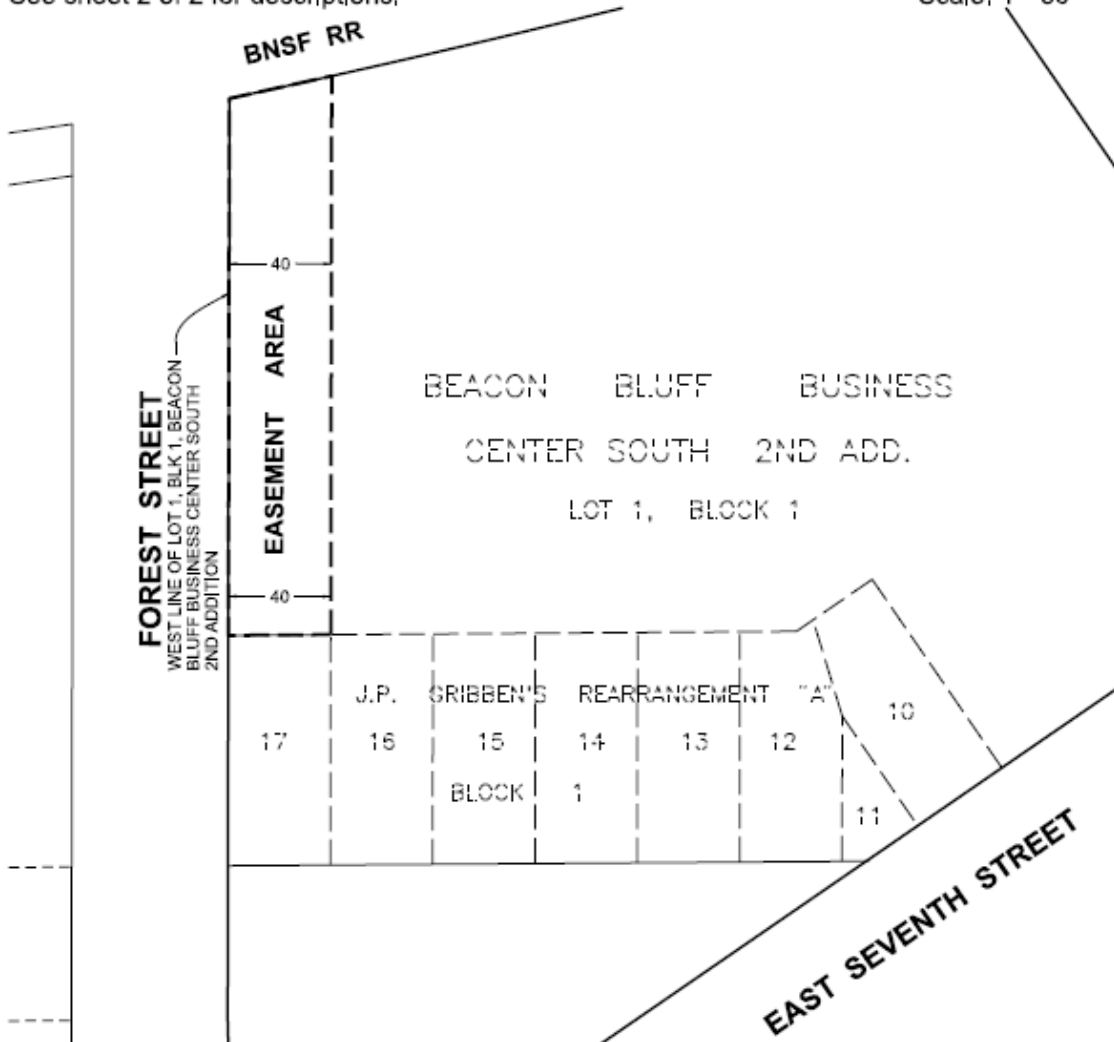
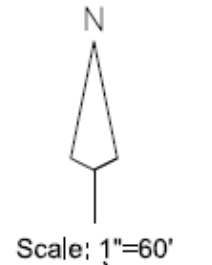
Containing 0.08 acres, more or less.

GAS: ST. PAUL  
SEC. 28, T. 29N., R. 22W., 4TH P.M.  
CO.: RAMSEY

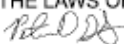


NORTHERN STATES POWER  
MINNESOTA  
**EXHIBIT A SHEET 1 OF 2 SHEETS**

Certificate of Survey  
Location: City of Saint Paul, Ramsey County, Minnesota  
Grantor: The Port Authority of the City of Saint Paul  
See sheet 2 of 2 for descriptions.



I HEREBY CERTIFY THAT THIS SURVEY, PLAN, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.

  
PETER D. GITZEN LIC. NO. 44901

GAS: ST. PAUL  
SEC. 28, T.29N., R.22W., 4TH P.M.  
CO.: RAMSEY

DATE 6/4/2024

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EXHIBIT A SHEET 2 OF 2 SHEETS

Certificate of Survey

Location: City of Saint Paul, Ramsey County, Minnesota

Grantor: The Port Authority of the City of Saint Paul

"Property":

The following described land situated in the County of Ramsey and State of Minnesota,

Lot 1, Block 1, Beacon Bluff Business Center South 2nd Addition, except those parts overlying the following:

Lots 10, 11, 12, and the East 6 feet of Lot 13; those parts lying southerly of Vernon Place of the Westerly 16 feet of Lot 15, Lot 16, and Lot 17, Block 1, J. P. Gribben's Rearrangement A; Lots 2 and 3, Block 19, Terry's Addition; and those parts of vacated Bush Avenue (shown as Fauquier Avenue in Terry's Addition and J. P. Gribben's Rearrangement A) described as follows:


That part of the northerly one-half lying northwesterly of East 7th Street and easterly of the southerly extension of the West line of the East 6 feet of Lot 13, Block 1, J. P. Gribben's Rearrangement A, that part of the southerly one-half lying easterly of Forest Street and westerly of the northerly extension of the West line of Lot 1, Block 19, Terry's Addition, and that part of the northerly one-half lying easterly of Forest Street and westerly of the southerly extension of the East line of the westerly 16 feet of Lot 15, Block 1, J. P. Gribben's Rearrangement A.

"Easement Area":

An easement over, under and across the west 40.00 feet of the herein before described "Property" as measured perpendicular to said west line of the herein before described "Property".

Containing 0.20 acres, more or less.

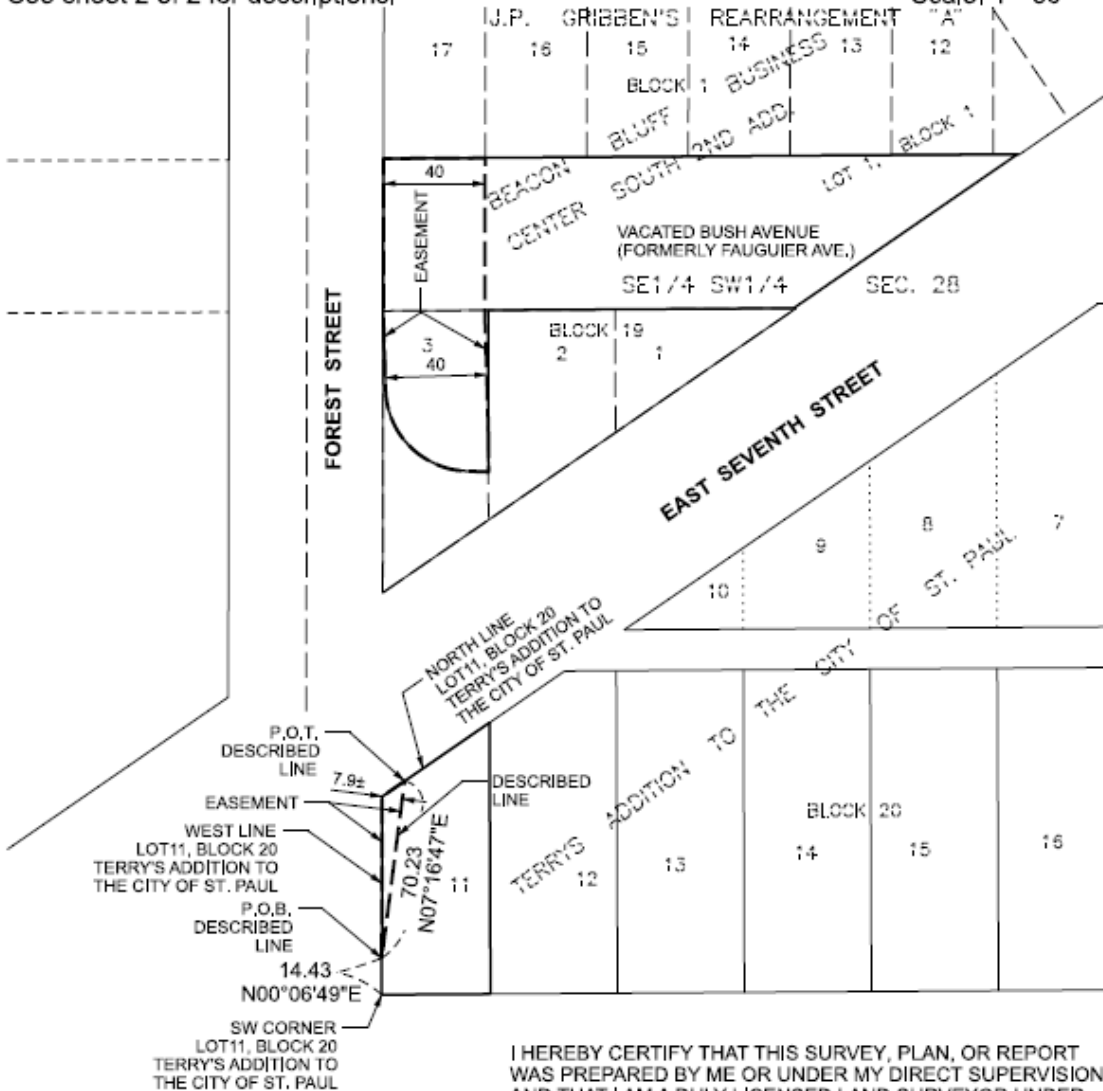
GAS:ST. PAUL  
SEC. 28, T.29N., R.22W., 4TH P.M.  
CO.: RAMSEY



**NORTHERN STATES POWER  
MINNESOTA**  
**EXHIBIT A SHEET 1 OF 2 SHEETS**

Certificate of Survey  
Location: City of Saint Paul, Ramsey County, Minnesota  
Grantor: The Port Authority of the City of Saint Paul  
See sheet 2 of 2 for descriptions.

Scale: 1"=60'



I HEREBY CERTIFY THAT THIS SURVEY, PLAN, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.

*Peter D. Gitzen*

PETER D. GITZEN

LIC. NO. 44901

DATE 11/14/2024

GAS ST. PAUL  
PARCEL: PORT AUTHORITY  
SEC. 28, T.29N., R.22W., 4TH P.M.  
CO.: RAMSEY



EXHIBIT A SHEET 2 OF 2 SHEETS

Certificate of Survey  
Location: City of Saint Paul, Ramsey County, Minnesota  
Grantor: The Port Authority of the City of Saint Paul

"Property":

Lot 11, Block 20, Terry's Addition to the City of Saint Paul, County of Ramsey, Minnesota.

ALSO: That part of Lot 1, Block 1, Beacon Bluff Business Center South 2nd Addition lying within Lot 3, Block 19, Terry's Addition to the City of Saint Paul, County of Ramsey, Minnesota.

ALSO: That part of Lot 1, Block 1, Beacon Bluff Business Center South 2nd Addition lying within that part of vacated Bush Avenue, formerly Fauquier Avenue, Ramsey County, Minnesota.

"Easement Area":

An easement over, under and across the West 40.00 feet of that part of Lot 1, Block 1, Beacon Bluff Business Center South 2nd Addition lying within Lot 3, Block 19, Terry's Addition to the City of Saint Paul, County of Ramsey, Minnesota.

TOGETHER WITH:

An easement over, under and across the West 40.00 feet of that part of Lot 1, Block 1, Beacon Bluff Business Center South 2nd Addition lying within that part of vacated Bush Avenue, formerly Fauquier Avenue, Ramsey County, Minnesota.

TOGETHER WITH:

An easement over, under and across Lot 11, Block 20, Terry's Addition to the City of Saint Paul, County of Ramsey, Minnesota which lies westerly of the following described line:

Commencing at the southwest corner of said Lot 11; thence North 00 degrees 06 minutes 49 seconds East 14.43 feet along the west line of said Lot 11 to the point of beginning of the line to be described; thence North 07 degrees 16 minutes 47 seconds East 70.23 feet to the north line of said Lot 11 and said line there terminating.

Containing 0.12 acres, more or less.

GAS ST. PAUL  
PARCEL: PORT AUTHORITY  
SEC. 28, T.29N., R.22W., 4TH P.M.  
CO.: RAMSEY



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

**[PUBLIC HEARING – CONVEYANCE OF PIPELINE EASEMENT TO  
NORTHERN STATES POWER COMPANY –  
BEACON BLUFF BUSINESS CENTER / PART OF PID Nos. 28-29-22-34-0155 & -0150]**

WHEREAS, the Port Authority of the City of Saint Paul ("Port Authority"), pursuant to Minnesota Statutes, Section 469.065, did place a notice, a copy of which with proof of publication is on file in the office of the Port Authority, of a public hearing in a legal newspaper, said hearing to be held to determine whether it is in the best interests of the port district of Saint Paul and the people thereof and in furtherance of the general plan of port improvement and industrial development to grant approval of the conveyance of a gas pipeline easement to Northern States Power Company ("NSP") of approximately 0.4 acres, to be located within property owned by the Port Authority located at the east side of the intersection of Forest Street North and 7th Street East in the Port Authority's Beacon Bluff Business Center (the "Property"), along the western-most 40 feet of the Property (the "Easement");

WHEREAS, the Port Authority did conduct a public hearing pursuant to said notice on December 17, 2024, at which hearing all taxpayers in the port district, both for and against the conveyance, were allowed to state their views;

WHEREAS, NSP has requested a grant to NSP for conveyance of the Easement;

WHEREAS, the Port Authority has investigated the facts of the proposed Easement conveyance located in its Beacon Bluff business Center and the relationship thereof to the port district of Saint Paul and the business facilities of the Port Authority in general; and

WHEREAS, the conveyance of the Easement meets the terms and conditions set forth by the Port Authority as its guide in determining if such proposals are in the best interests of the port district and of the public.

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

1. That the Board of Commissioners of the Port Authority hereby finds, determines and declares that it is in the best interests of the port district and the people thereof, and in furtherance of its general plan of industrial development, to approve the conveyance of the Easement to NSP.
2. That the actions of the President of the Port Authority in causing public notice of the proposed conveyance, and in describing the terms and conditions of the conveyance, which have been available for inspection by the public at the office of the Port Authority from and after the publication of notice of hearing, are in all respects ratified and confirmed.

3. That the President of the Port Authority is hereby authorized and directed to complete and execute said documents as necessary to convey title to the easement in form as approved by counsel.

I certify that the above resolution was adopted by the Board of Commissioners of the Port Authority of the City of Saint Paul on December 17, 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:** December 17, 2024

**From:** Michael Solomon 

**Subject:** **RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING TO INFRASTRUCTURE IMPROVEMENTS NECESSARY TO ADVANCE PRIVATE DEVELOPMENT AT THE HEIGHTS**

### **RESOLUTION NO. 4811**

#### **Action Requested:**

Approval of a resolution authorizing the Saint Paul Port Authority (the “Port Authority”) to:

- 1) Accept funding in the amount of approximately \$5,780,202 (the “Funding”) from the Saint Paul Housing and Redevelopment Authority (“HRA”);
- 2) Enter into a Joint Powers Agreement with the HRA to utilize the Funding for infrastructure required for private development to occur at The Heights redevelopment site before December 31, 2025 (the “JPA”); and
- 3) Authorize staff to negotiate and execute other documents and agreements and take any other actions necessary to facilitate the Funding and related development.

#### **Background:**

The Heights redevelopment located at 2200 Larpenteur Avenue East (“The Heights”) has been a priority for the Port Authority since the acquisition of the former Hillcrest golf course in 2019, authorized by Board Resolution No. 4652. Significant progress has been made on the site with environmental remediation, design, and engineering nearing completion and the promise of 1,000 jobs, 1,000 housing units and a geothermal system coming closer to reality. With more contamination and debris than expected, significant revisions required through the City’s Site Plan review process, inflation, design changes, and above standard utility infrastructure, additional funding sources are needed beyond the original infrastructure budget for the site of \$50,500,000.

The Port Authority has identified significant resources including internal funds, external grant opportunities, and additional potential market rate land sales to fund the work on the site. An additional funding opportunity is the proposed, Temporary Tax Increment Financing (“TIF”) Funding from the HRA utilizing TIF balances authorized in the 2021 Minnesota legislative session. The 2021 legislative session included a temporary amendment by way of a new subdivision to Minnesota Statutes § 469.176, Subd. 4n (the “Legislation”), 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

## MEMORANDUM

commences before December 31, 2025; and (3) the construction would not have commenced before that date without the proposed assistance.

The Heights project budget already includes \$7,000,000 of Port Authority TIF balances (the “Port Authority Spending Plan TIF”) relating to this Legislation, and the private site development anticipated at The Heights matches the eligibility and timelines associated with the Spending Plan for Various Tax Increment Financing Districts adopted pursuant to Minnesota Statutes, § 469.176, Subd 4n (“the Spending Plan”), which was approved by the HRA and the City Council and authorizes the use of Spending Plan TIF to provide improvements, loans, or assistance for private development that will create or retain jobs in the state, creating a good fit for the additional use of these HRA funds.

The Port Authority authorized the sale of Industrial Parcel 5 at The Heights (“the Xcel Site”) to Northern States Power Company, commonly referred to as Xcel, via Resolution No. 4741 on April 25, 2023. The purchase agreement with Xcel as well as the Master Plan for the site require the installation of roadways and related infrastructure, stormwater, retaining walls, and environmental remediation by the Port Authority. Without these infrastructure improvements, the private development would not occur, construction would not commence prior to December 31, 2025, and the 350 jobs anticipated to be located at the Xcel Site would not come to fruition, meeting the requirements of the Legislation.

To document this use of the Funding, the Port Authority and the City will enter into a JPA. The proposed terms of the JPA are as follows:

1. Total Spending Plan TIF authorized is \$5,780,202
2. Funds will be disbursed only for infrastructure required for the Xcel development (the “Infrastructure”)
3. Xcel will not commence construction of their private development without the Infrastructure contemplated and detailed herein
4. Initial disbursement will be contingent on Xcel commencing its private construction
5. Initial disbursement anticipated to occur by July 1, 2025, and no later than September 1, 2025; full disbursement to occur by December 31, 2025
6. SPPA will submit reporting documenting jobs created/retained, including construction jobs and jobs on the Xcel site
7. SPPA will represent that but for the Funding, the Xcel development would not occur by December 31, 2025
8. SPPA adherence to all HRA compliance requirements related to the Infrastructure

### **Recommendation:**

Approval of a resolution authorizing the Port Authority to:

- 1) Accept the Funding offer from the HRA;
- 2) Enter into the JPA; and

- 3) Authorize staff to negotiate and execute other documents and agreements and take any other actions necessary to facilitate the Funding and related development.

Attachment: Resolution

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

**[RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF  
DOCUMENTS RELATING TO INFRASTRUCTURE IMPROVEMENTS NECESSARY TO  
ADVANCE PRIVATE DEVELOPMENT AT THE HEIGHTS]**

WHEREAS, the Port Authority of the City of Saint Paul (the “Port Authority”) has heretofore established the Port Authority’s Hillcrest Industrial Development District located at 2200 Larpenteur Avenue East in the East Side neighborhood of the City of Saint Paul, Minnesota (the “City”), also known as “The Heights” (“The Heights”), and

WHEREAS, Minnesota Statutes, Section 469.176, subdivision 4n, as amended (the “Temporary TIF Act”), authorizes the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “HRA”) to, notwithstanding any other law to the contrary, spend unobligated tax increment (“Available Tax Increments”) to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of construction or substantial rehabilitation of buildings and ancillary facilities, as described in the Temporary TIF Act and a spending plan created by the HRA, and approved by the HRA Board of Commissioners and the City Council of the City (the “HRA Spending Plan”); and

WHEREAS, the HRA has agreed to disburse up to \$5,780,202 of Available Tax Increments to the Port Authority from an HRA holding account, created and funded by the HRA pursuant to the Temporary TIF Act and the HRA Spending Plan, for the purposes of the construction and installation of roads, water, sewer, and other related public infrastructure (the “Infrastructure”) to support private development by Northern States Power Company, commonly referred to as “Xcel Energy” (the “Developer”), on land at The Heights (the “Land”) previously acquired by the Developer from the Port Authority, for the currently anticipated purpose, per site plans submitted to the City by the Developer, of the construction of two buildings, consisting of (a) an approximately 341,500 square-foot service center building, including approximately 125,000 square feet for parking storage and circulation, and (b) an approximately 30,000 square-foot fleet building (together, the “Private Development”); and

WHEREAS, pursuant to Minnesota Statutes, Section 471.59, as amended (the “Joint Powers Act”), the Port Authority and the HRA will enter into a joint powers agreement (the “Agreement”), in connection with the construction of the Infrastructure and to jointly or cooperatively exercise their common power of financing projects under the Temporary TIF Act; and

WHEREAS, City of Saint Paul Ordinance 19-39, passed July 17, 2019, containing a recital statement of commitment from the Port Authority that “no Tax Increment Financing (TIF) will be requested for infrastructure for the Project at any time”, is not directly applicable because the Port Authority is not requesting the HRA to establish a TIF district and the Available Tax Increments to be provided are derived from existing TIF districts in accordance with the Temporary TIF Act;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Port Authority of the City of Saint Paul, Minnesota (the “Board”) as follows:

1. The President of the Port Authority (the “President”) and the Port Authority’s advisors and legal counsel are hereby authorized and directed to negotiate, draft, prepare, and execute all further plans, resolutions, documents, notes, and contracts, necessary to accomplish these actions, and to accept the Available Tax Increment described therein, including, but not limited to, the Agreement, any term sheet, certificate or document, in connection with the construction of the Infrastructure pursuant to the Temporary TIF Act and the Joint Powers Act (the “Documents”).

2. The Board hereby authorizes the President, or its proper designees, to execute and deliver, on behalf of the Port Authority, the Documents. The Port Authority may execute the Documents by electronic signature. For purposes hereof: (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message; or (iii) a digital signature of an authorized representative of any party provided by AdobeSign or DocuSign (or such other digital signature provider as specified by such party). The execution of any instrument by the President, or the President’s proper designee, shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the President, or the President’s proper designee, the Documents may be executed without further act or authorization of the Board by any member of the Board or any duly designated acting official, or by such other officer or officers of the Board as approved by the General Counsel of the Port Authority, may act on their behalf.

3. The Board hereby authorizes and delegates authority to approve, execute and deliver future amendments to the Documents entered to the President, subject to the following conditions: (a) such amendments or consents do not materially adversely affect the interests of the Port Authority; (b) such amendments or consents do not contravene or violate any policy of the Port Authority, and (c) such amendments or consents are acceptable in form and substance to the General Counsel of the Port Authority or counsel retained by the Port Authority to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution.

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

I certify that the above resolution was adopted by the Board of Commissioners of the Port Authority of the City of Saint Paul on December 17, 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:** December 17, 2024

**From:** Kristine Williams 

**Subject: ACQUISITION OF LAND  
APPROXIMATELY 12.63 ACRES LOCATED AT 245 MARYLAND AVE E, SAINT PAUL, MN  
FORMER KMART SITE  
RESOLUTION NO. 4808**

**Action Requested:**

Approval of the purchase of, and the expenditure of funds as more fully detailed below for, approximately 12.63 acres of land at the former Kmart site located at 245 Maryland Avenue East, Saint Paul, MN (the "Property").

**Background:**

The Property is the former Kmart site, located adjacent to the successful Arlington Jackson Business Center at the intersection of Maryland Avenue and I-35E, has remained vacant since the store's closure in December 2019. The Port Authority has historically been involved in various discussions and efforts with the Property's owners, dating back to the 1990s. The Property has been marketed for lease or for sale since the store's closure. This Property presents unique redevelopment challenges, including unknown environmental conditions and a functionally obsolete building, making it an ideal candidate for brownfield redevelopment.

The site's strategic location at a prominent intersection in Saint Paul positions it as a prime opportunity for revitalization. The Port Authority aims to transform the site into a dynamic hub that will create quality jobs, expand business activity, and generate additional tax revenue for the city. Addressing the site's environmental challenges is a critical component of this effort, aligning with the Port Authority's commitment to sustainable and impactful development.

By redeveloping this Property, the Port Authority seeks to enhance the region's economic vitality, bolster the local tax base, and contribute to the long-term fiscal stability of Saint Paul.

Attached is a memorandum outlining the terms of the land purchase transaction with Shidler/West Finance Partners V Limited Partnership for the Property.

**Recommendation:**

We recommend approval of the purchase of the Property.

**Attachments:** Memorandum  
Site Plan  
Resolution



**SAINT PAUL PORT AUTHORITY**  
**LAND ACQUISITION TRANSACTION**

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**Action Requested:**

To approve the acquisition of approximately 12.63 acres of land at 245 Maryland Ave E, and the expenditure of funds as more fully detailed below.

**Development Officer:**

Kristine Williams

**Seller:**

Shidler/West Finance Partners V Limited Partnership

**Seller Address:**

28 Heathcote Road  
Scarsdale, NY 10583

**Location of Property to be Purchased:**

The Property is located at 245 Maryland Ave East at the northwest corner of Maryland Avenue and I-35E, south of our Arlington Jackson Business Center.

**Purchase Structure:**

Conveyance of land via Limited Warranty Deed. A summary of the Purchase Agreement is as follows:

<b><u>Property:</u></b>	The four parcels highlighted on the attached site plan measuring approximately 12.63 acres
<b><u>Purchase Price:</u></b>	\$9,500,000; \$9 million payable at closing plus \$500,000 payable at the earlier of execution of a Development Agreement with a developer partner or December 20, 2027
<b><u>Deposit:</u></b>	\$50,000 earnest money
<b><u>Closing Date:</u></b>	December 20, 2024

**Port Authority Contingencies:**

- a. Approval of the Port Authority Board of Commissioners at its meeting on December 17, 2024.
- b. The Port Authority's satisfaction with status of title to the Property
- c. The Port Authority's satisfaction with environmental and physical due diligence

**Property Access:** Seller granted Port Authority access to the site for due diligence beginning November 27, 2024.

**Relocation Benefit:** The Purchase Price satisfies all relocation rights and benefits that may be available to the Seller.

**Public Purpose:**

The former Kmart has been vacant since 2019. The site now sits underutilized as a beacon for undesirable and unlawful activity. The public purpose is to acquire the site to accelerate redevelopment, similar to the Arlington Jackson light industrial or Westminster medical campus to accomplish the Port Authority's economic development mission, by removing site preparation risks and other barriers to private sector development.

Brownfield land development preparation by the Port Authority, followed by private sector investment, will have significant positive results for the City of Saint Paul. Preliminary analysis indicates the site has significant capacity for development, including increased jobs and tax base for the neighborhood.

**Development Officer's Comments:**

The acquisition of this site represents an excellent opportunity to make a positive community impact through development. This site currently hosts no jobs and the current property taxes are approximately \$175,000 annually. The Port Authority will immediately begin pursuing a development partner for future development and is partnering closely with the City to ensure this project's success.

SITE PLAN



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

**[ACQUISITION OF LAND - APPROXIMATELY 12.63 ACRES LOCATED AT  
245 MARYLAND AVE EAST, SAINT PAUL, MN, FORMER KMART SITE]**

WHEREAS, staff of the Port Authority of the City of Saint Paul (“Port Authority”) has entered into a negotiated contingent Purchase Agreement (“Purchase Agreement”), the terms of which are further described in staff’s memorandum presented to the Port Authority’s Board of Commissioners (the “Board”), for the Port Authority to acquire marketable title to 12.63 acres of property owned by Shidler/West Finance Partners V Limited Partnership (“Seller”), located at 245 Maryland Avenue East in Saint Paul, Minnesota, formerly a Big Kmart location, the description of which is attached hereto as Exhibit A (“Property”);

WHEREAS, under the terms of the contingent Purchase Agreement, the Port Authority’s purchase of the Property is contingent on approval by the Port Authority’s Board;

WHEREAS, the purchase price for the Property is \$9,500,000 (“Purchase Price”), and the Port Authority has deposited \$50,000 in escrow as earnest money for the purchase of the Property; and

WHEREAS, the Purchase Price is structured so that \$9,000,000 is payable at closing, and the Seller receives a note (the “Note”) for the balance at zero interest, which is payable by the Port Authority at the earlier of (1) execution of a Development Agreement with a developer partner for the Property; or (2) December 20, 2027.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, that the Port Authority’s acquisition of the Property and the Note to finance the Property acquisition are in the best interests of the Port District and the taxpayers thereof.

BE IT FURTHER RESOLVED, that the President or anyone acting under his direction is hereby authorized and directed to execute any and all necessary documents to consummate the above described transactions, and Port Authority staff is hereby authorized to enter into negotiations with, enter into such agreements, and retain such consultants, as deemed necessary or advisable by the Port Authority staff in furtherance of the planning, financing, acquisition, and development of the Property.

I certify that the above resolution was adopted by the Board of Commissioners of the Port Authority of the City of Saint Paul on December 17, 2024.

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

ATTEST:

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

EXHIBIT A  
To Resolution No. 4808

Legal Description of: 245 Maryland Avenue East in Saint Paul, Minnesota,  
former Big Kmart Site

**Parcel ID: 192922440021**

**Legal Description:**

That part of Tract A, Registered Land Survey No. 353, lying westerly of the northerly extension of a line being 10.60 feet easterly of, as measured at right angles to, and parallel with the easterly line of Tract C, Registered Land Survey No. 353.

That part of Tract B, Registered Land Survey No. 353, lying westerly of the northerly extension of a line being 10.60 feet easterly of, as measured at right angles to, and parallel with the easterly line of Tract C, Registered Land Survey No. 353.

That part of Tract D, Registered Land Survey No. 353, lying northwesterly of the northerly extension of a line being 10.60 feet easterly of, as measured at right angles to, and parallel with the easterly line of Tract C, Registered land Survey No. 353.

That part of Tract E, Registered Land Survey No. 353, lying northwesterly of the northerly extension of a line being 10.60 feet easterly of, as measured at right angles to, and parallel with the easterly line of Tract C, Registered land Survey No. 353.

All of Tracts F and G. Registered Land Survey No. 353.

That part of Tract H, Registered Land Survey No. 353, lying northerly, northwesterly. and westerly of the following described line:

Commencing at the southwest corner of said Tract H, thence easterly along the south line of said Tract H a distance of 204.74 feet to the point of beginning thence northerly deflecting to the left 90 degrees 45 minutes 15 seconds a distance of 45.00 feet, thence easterly parallel with said south line of Tract H to a line 30.00 feet northwesterly of and parallel with the tangent part of the southeasterly line of said Tract H; thence northeasterly along said parallel line to the southerly line of Tract C, Registered Land Survey No. 353; thence easterly along the southerly line of said Tract C to the southeast corner thereof; thence northerly along the easterly line of said Tract C to the northeast corner of said Tract C, the point of termination.

Subject to an easement for sewer purposes in favor of the City of Saint Paul as set forth in the instrument recorded in Book 34 of Plans, page 37, over a strip of land 24 feet in width across said Lots 24, 25 and 26 and said part of Maryland Street, vacated, the center line of which easement is described as beginning at a point on the North line of said Lot 9, Block 2, Westminster Addition, distant 20 West from Northeast corner of said Lot 9; thence North, parallel to the East line of said lot 9 and its extension, to the North line of Maryland Avenue as shown on said Westminster addition; thence continuing North on said last described parallel line a distance of 16.16 feet; thence on a tangential curve to the left having a radius of 60 feet and a delta angle of 55 degrees, 54 minutes; thence Northwesterly on a tangent to said curve a distance of 739.75 feet; thence on a tangential curve to the left having a radius of 60 feet and a delta angle of 29 degrees, 10 minutes and there terminating. The location of which easement has been stipulated to in Torrens Case 11682. (Covers part of Tracts A, D, E, F, G and H).



Subject to all the terms and conditions of Section 228 of Saint Paul Legislative Code as to Maryland Street as set forth in the instrument on Book 68 of Plans, page 11. (Covers part of Tracts D, E and F.).

Subject to the terms and conditions of Section 228 of Saint Paul Legislative Code, and certain other terms and conditions as set forth in the instrument recorded in Book 93 of Plans, Page 18, as to Hyacinth Avenue. (Covers Tracts A, D and E of above property.).

**Northeast Corner: Parcel ID 192922420029**

**Legal Description:**

That part of Lot 17, J. W. BASS GARDEN LOTS, Ramsey County, Minnesota which lies South of the Easterly extension of the North line of REGISTERED LAND SURVEY NO. 353 in said Ramsey County, West of the West line of L'Orient Street as dedicated in the plat of ARLINGTON BUSINESS PARK in said Ramsey County and Northeast of the Northeast line of Tract E of said REGISTERED LAND SURVEY NO. 353.

**Parcel 1 (Tract A): Parcel ID 192922430006**

**Legal Description:**

Tract A, Registered Land Survey No. 267, files of Registrar of Titles, Ramsey County, Minnesota. Together with a non-exclusive easement for the deposit and maintenance of slope and fill material on part of Tract B, Registered Land Survey No. 267 and a non-exclusive easement for ingress and egress over part of Tract B, Registered Land Survey No. 267.

**Parcel 2 (Outlot J): Parcel ID 192922440023**


**Legal Description:**

Outlot J, ARLINGTON BUSINESS PARK, according to the recorded plat thereof, Ramsey County, Minnesota.

## MEMORANDUM

**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** December 17, 2024

**From:** Michael Solomon 

**Subject:** **AUTHORIZATION OF AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH THE ACQUISITION OF THE KMART SITE; DISTRICT 6, WARD 5 RESOLUTION NO. 4812**

**Action Requested:**

Approval of a resolution authorizing the Saint Paul Port Authority (the “Port Authority”) to utilize the proceeds of its Taxable General Obligation Bonds, Series 2023-1 (the “Bonds”), or any other funds, via an interfund loan, currently anticipated to be repaid with potential future tax increments under Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the “TIF Act”), to advance the payment of certain costs in connection with the acquisition of the former Kmart site located at 245 Maryland Ave E, Saint Paul, MN (the “Property”).

**Background:**

The Port Authority issued the Bonds on September 14, 2023, as authorized by resolution No. 4738, dated August 18, 2023, and as approved by the Saint Paul City Council (“City Council”), in the amount of \$10,000,000 for the following purposes: (1) to fund the acquisition of marginal and blighted land in the City of Saint Paul, (2) for the preparation of the land for redevelopment, and (3) for other purposes set forth in Minnesota Statutes Sections 469.048 to 469.068.

**Current Status and Future Actions:**

The Port Authority has identified an opportunity to acquire the Property, which meets the requirements of the purposes above, and seeks to utilize the proceeds of the Bonds to fund the acquisition, such acquisition to be authorized by the Board via separate action. Additionally, the Port Authority expects to incur additional costs associated with the acquisition including but not limited to administrative expenses such as closing and preparation of a blight study in connection with the future redevelopment of the Property (the “Project”)

While numerous steps remain to be taken to formally do so, the Port Authority is considering the establishment of one or more Tax Increment Financing (“TIF”) districts, as a potential tool to facilitate the Project and support its mission. This action requested today lays the groundwork for the potential future use of TIF proceeds for Project expenses.

With the utilization of the Bond proceeds for the acquisition of the Property and related costs, the Port Authority seeks to retain the flexibility to repay itself from future tax increments via an interfund loan (the “Loan”). The Loan structure via an internal borrowing is consistent with Port Authority past practices to support other similar redevelopment projects. The Loan would only



## MEMORANDUM

fund tax increment eligible expenses, would be structured with a not to exceed interest rate of 8%, and would be payable semi-annually only from tax increment from the applicable TIF district, if established, net of any amount paid on any other obligations to which the TIF is pledged.

The next steps will be to study the blight on the Property, determine a redevelopment and financing plan before consideration of the actual establishment of a TIF district which requires further Board and City Council action. The Port Authority may incur more costs in this process that could be reimbursed via the internal borrowing structure and future interfund loans that would also require Board approval. Additionally, the City Council will consider a resolution supporting the Port Authority's acquisition of the Property and completion of the Project including, if necessary, via the implementation of available financing tools.

**Recommendation:**

We recommend approval of a resolution authorizing the Port Authority to utilize the proceeds of the Bonds, or any other fund, via an interfund loan, currently anticipated to be repaid with potential future tax increments under the TIF Act, to advance the payment of certain costs in connection with the acquisition of the Property.

Attachment: Resolution

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

**[RESOLUTION AUTHORIZING AN INTERFUND LOAN  
FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH  
THE ACQUISITION OF THE KMART SITE; DISTRICT 6, WARD 5]**

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

WHEREAS, the SPPA has determined to acquire the property currently identified as Parcel ID Nos. 192922440021, 192922420029, 192922430006, and 192922440023 located at approximately 235 Maryland Avenue E and 245 Maryland Avenue E (the “Property”) in the City of Saint Paul (the “City”) (the “Project”);

WHEREAS, the SPPA is considering establishing one or more Tax Increment Financing Districts which are anticipated to include the Property and adjacent roads and rights of way (each a “TIF District”) pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the “TIF Act”);

WHEREAS, under Section 469.178, Subdivision 7 of the TIF Act, the SPPA is authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act;

WHEREAS, the SPPA has determined that it has funds currently available to pay for the costs of acquiring the Property and other expenses relating to the Project, including but not limited to conducting a blight study of the Property and administrative expenses (as defined in the TIF Act) relating to the Project (collectively, the “Expenditures”) on a temporary basis from the Project Fund established for the SPPA’s Taxable General Obligation Bonds, Series 2023-1 (the “Bonds”) or any other fund, as determined by the Chief Financial Officer of the SPPA, from which such advances, from time to time, may be legally made (the “Fund”);

WHEREAS, the provisions of Section 469.176, Subdivision 5 of the TIF Act do not apply because the Bonds were issued pursuant to Minnesota Statutes, Sections 469.048 to 469.068, as amended (the “Port Authority Act”), and particularly Section 469.060 thereof, rather than Section 469.178 of the TIF Act.

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

1. The SPPA hereby designates the Expenditures as an interfund loan to be repaid from the tax increments from the applicable TIF District, when and if established, in an aggregate principal amount not to exceed \$10,000,000 (the “Interfund Loan”), together with interest thereon at the rate of 8.0%, which is the rate determined in accordance with Minnesota Statutes,

Section 469.178, Subdivision 7 as the greater of the rates specified under Minnesota Statutes, Sections 270C.40 or 549.09 at the time the Interfund Loan, or any part of it, is first made; provided, however, the Chief Financial Officer of the SPPA is authorized to specify a lower rate.

2. Principal and interest (“Payments”) on the Interfund Loan will be paid annually on or before December 31 (each a “Payment Date”), commencing on the first Payment Date on which the SPPA has Available Tax Increment (defined below), or on any other dates determined by the Chief Financial Officer of the SPPA, through the earlier of (i) the date the Interfund Loan and all accrued interest thereon are paid in full or (ii) the date of last receipt of tax increment from the applicable TIF District.

3. Payments on the Interfund Loan will be made solely from the tax increment from the applicable TIF District received by the SPPA from Ramsey County in the 12-month period before any Payment Date, net of the amount paid under any agreement with a private developer or otherwise pledged to the payment of any obligation (the “Available Tax Increment”). Payments shall be applied first to accrued interest, and then to unpaid principal, unless otherwise specified by the Chief Financial Officer of the SPPA. Interest accruing from the Loan Date will be compounded semiannually on February 1 and August 1 of each year and added to principal, unless otherwise specified by the Chief Financial Officer of the SPPA. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes, or contracts secured in whole or in part with tax increments of the applicable TIF District, and are on a parity with any other outstanding or future interfund loans secured in whole or in part with tax increments of such TIF District. The principal sum and all accrued interest payable under this resolution are pre-payable in whole or in part at any time by the SPPA without premium or penalty. As directed by the Chief Financial Officer of the SPPA, such payments may be deposited in the Fund, or to any other fund or account of the SPPA or to directly reimburse the SPPA for the repayment of the Bonds which finance the Expenditures.

4. This resolution is evidence of internal borrowing by the SPPA in accordance with Minnesota Statutes, Section 469.178, subdivision 7, and the SPPA is authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act or any fund used to repay the Bonds which finance the Expenditures. The written terms and conditions of the Interfund Loan are set forth herein and may be modified or amended in writing by the SPPA prior to the final Payment Date.

5. The Board hereby authorizes the expenditure of the proceeds of the Bonds to pay the Expenditures.

6. The Interfund Loan shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City or the SPPA and is payable solely from Available Tax Increment.

7. The SPPA may at any time make a determination to forgive the outstanding principal amount on the Interfund Loan, in whole or in part, on any date, to the extent permissible under law.

Approved by the Board of Commissioners of the Port Authority of the City of Saint Paul this 17<sup>th</sup> day of December, 2024.

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

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

ATTEST:

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

**REGULAR BOARD MEETING  
NOVEMBER 26, 2024**

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The regular meeting of the Port Authority Board was held on November 26, 2024, at 2:00 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	Don Mullin
Matt Slaven	Nelsie Yang	

Also, present were the following:

Jan Almquist	Amanda Burns	Ilwad Hasson
Todd Hurley	Holly Huston	Sarah Illi
Annamarie Kosel	Dana Krueger	Emily Lawrence
Kathryn Sarnecki	Mike Solomon	Gao Thao
Nikki Tix	Phoua Vang	Annie Watson
Kristine Williams	JP Yohannes	
Trinidad Uribe, Sprinkler Fitters Local 417		
Mindy Utesch, Bremer Bank		

**APPROVAL OF MINUTES**

Commissioner Mullin made a motion to approve the minutes of the October 22, 2024 annual Board meeting. The motion was seconded by Commissioner Brendmoen and carried unanimously.

**CONFLICTS OF INTEREST**

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

**NEW BUSINESS**

**ADMINISTRATIVE COMMITTEE**

**RESOLUTION NO. 4805  
APPROVAL OF 2025 OPERATING BUDGET**

Motion was made by Commissioner Mullin to approve Resolution No. 4805, which was reviewed by the Administrative Committee and recommended for approval by the Board. The motion was seconded by Commissioner Yang and carried unanimously.

**RESOLUTION NO. 4806**  
**FINAL CERTIFICATION OF TAX LEVY**

Motion was made by Commissioner Mullin to approve Resolution No. 4806, which was reviewed by the Administrative Committee and recommended for approval by the Board. The motion was seconded by Commissioner Henry and carried unanimously.

**CREDIT COMMITTEE**

**RESOLUTION NO. 4807**  
**AUTHORIZATION OF CONTRACT AWARD FOR THE CONSTRUCTION AND  
INSTALLATION OF BARGE TERMINAL NO 1 – BULK SILOS, LLC BARGE RECEIVING SYSTEM**

Motion was made by Commissioner Mullin to approve Resolution No. 4807, which was reviewed by the Credit Committee and recommended for approval by the Board. The motion was seconded by Commissioner Brendmoen and carried unanimously.

There being no further business, the meeting was adjourned at 2:10 p.m.

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

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