


MEMORANDUM NOTICE

To: CREDIT COMMITTEE
From: Lee Krueger 
Subject: **REGULAR CREDIT COMMITTEE MEETING
AUGUST 24 – 1:30 P.M.**

Date: August 19, 2021

Chair Mullin is calling a meeting of the Credit Committee for **Tuesday, August 24, 2021, at 1:30 p.m.** Chair Mullin has determined, due to the emergency declared by the Governor of Minnesota and the Mayor of Saint Paul regarding the COVID-19 health pandemic, that it is not practical nor prudent for the Saint Paul Port Authority Credit Committee and members of the staff to meet in-person or pursuant to Minnesota Statutes, Section 13D.02. In light of the COVID-19 health pandemic, it is not feasible for any member of the Saint Paul Port Authority Credit Committee and staff to be present at the regular location, and all staff and Committee members of the Saint Paul Port Authority will attend this meeting by telephone or other electronic means.

It is also not feasible for members of the public to attend the meeting at its regular location due to the health pandemic and emergency. Accordingly, no meeting will be held at the Saint Paul Port Authority offices which are located at 400 Wabasha Street No., Suite 240, St. Paul, MN. Members of the public may monitor this meeting remotely at 651-395-7858, Conference ID: 829 462 412#. The purpose of the meeting is:

Minutes

Approval of Minutes of the June 22, 2021 Credit Committee Meeting

Conflict of Interest

Conflicts with any items on the agenda

Agenda Items

1. The Artist Sanctuary – Approval of a \$30,000 Trillion BTU Loan
2. Preliminary Certification of Tax Levy
3. Award of a Contract for the Red Rock Road Asphalt Mill and Overlay Project located in the Red Rock Terminal, Saint Paul, MN
4. Award of a Contract for the Construction of a Transload Facility located on Property Leased by Alter Logistics at the Southport Terminal, 801 Barge Channel Road, Saint Paul, Minnesota

5. Authorization to Apply for DEED Demolition Loan for use at the Hillcrest Redevelopment Site
6. EPUC Long-Term Lease Agreement with District Energy St. Paul, Inc.
7. Such other business that may come before the Committee.

**SAINT PAUL PORT AUTHORITY
MINUTES OF THE REGULAR CREDIT COMMITTEE MEETING
JUNE 22, 2021**

The regular meeting of the Port Authority Credit Committee was held on June 22, 2021 at 1:30 p.m. via Microsoft Teams.

The following Committee Members were present:

| | | |
|--------------|---------------|--------------|
| Don Mullin | Matt Slaven | Matt Hill |
| Brianne Hamm | John Marshall | John Bennett |

Also, present were the following:

| | | |
|---------------------|----------------|------------------|
| Ava Langston-Kenney | Todd Hurley | Ann Kosel |
| Linda Williams | Lee Krueger | George Hoene |
| Pete Klein | Michael Linder | Dana Krueger |
| Tonya Bauer | Linda Tran | Nelly Chick |
| Andrea Novak | Laurie Siever | David Johnson |
| Bruce Kessel | Monte Hilleman | Kathryn Sarnecki |

Eric Larson, City of Saint Paul
Rebecca Noecker, City of Saint Paul
Dai Thao, City of Saint Paul
Mike Zipko, Velocity Public Affairs

APPROVAL OF MINUTES

Committee Member Slaven made a motion to approve the minutes of the May 25, 2021 Credit Committee meeting. The motion was seconded by Committee Member Marshall.

Committee Member Hamm joined the meeting at this point.

The vote was submitted to a roll call vote and carried unanimously.

CONFLICT OF INTEREST

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

AGENDA ITEMS

HENNEPIN FLATS, LLC – APPROVAL OF A \$25,000 TRILLION BTU LOAN

Mr. Linder reviewed his memorandum with the Committee requesting approval for the Port Authority to initiate a Trillion BTU loan for approximately \$25,000 with Hennepin Flats for the installation of an 8.5-kW solar installation on a commercial property located in Minneapolis, Minnesota. Committee Member Marshall made a motion to approve the request. The motion was seconded by Committee Member Hamm, submitted to a roll call vote and carried unanimously.

2829 PARK AVE – APPROVAL OF A \$20,000 TRILLION BTU LOAN

Mr. Linder reviewed his memorandum with the Committee requesting approval for the Port Authority to initiate a Trillion BTU loan for approximately \$20,000 with Blackpool, LLC, William Mark, LLC, Parkslope, LLC and Alibi Ridge, LLC for the installation of a 6.5-kW solar installation on a commercial property located in Minneapolis, Minnesota. Committee Member Hill made a motion to approve the request. The motion was seconded by Committee Member Slaven, submitted to a roll call vote and carried unanimously.

Committee Member Bennett joined the meeting at this point.

610 FRANKLIN AVE WEST – APPROVAL OF A \$57,000 TRILLION BTU LOAN

Mr. Linder reviewed his memorandum with the Committee requesting approval for the Port Authority to initiate a Trillion BTU loan for approximately \$57,000 with Bryant Baker, LLC, Bernae Marvin, LLC, Bryant Budolfson, LLC, 505 Stone, LLC and Cloverleaf Properties, LLC for a 20-kW solar installation on a commercial property located in Minneapolis, Minnesota. Committee Member Hill made a motion to approve the request. The motion was seconded by Committee Member Marshall, submitted to a roll call vote and carried unanimously.

PROSPECT FOUNDRY, LLC – FORBEARANCE AGREEMENT EXTENSION

Mr. Klein reviewed his memorandum with the Committee requesting approval of a one-year extension of the May 2020 Forbearance Agreement with Prospect Foundry, LLC. Committee Member Marshall made a motion to approve the request. The motion was seconded by Committee Member Hamm, submitted to a roll call vote and carried unanimously.

SPECTRUM INVESTMENT GROUP, LLC – FORBEARANCE AGREEMENT EXTENSION

Mr. Klein reviewed his memorandum with the Committee requesting approval of a one-year extension of the May 2020 Forbearance Agreement with Spectrum Investment Group, LLC until May 1, 2022. Committee Member Slaven made a motion to approve the request. The motion was seconded by Committee Member Bennett, submitted to a roll call vote and carried unanimously.

LICENSE AGREEMENT WITH THE METROPOLITAN COUNCIL FOR THE INSTALLATION OF AN ADA ACCESSIBLE BUS BOARDING PAD AT THE BUS STOP LOCATED AT 1500 ENERGY PARK DRIVE, SAINT PAUL, MINNESOTA

Ms. Bauer reviewed her memorandum with the Committee requesting authorization to enter into a License Agreement with the Metropolitan Council for the installation of an ADA accessible bus boarding pad at 1500 Energy Park Drive, Saint Paul, Minnesota. Committee Member Slaven made a motion to approve the request. The motion was seconded by Committee Member Hill, submitted to a roll call vote and carried unanimously.

Chair Mullin asked Ms. Bauer to see if prevailing wages would be attached to the build out of this boarding pad. Ms. Bauer confirmed she would check and report back to Chair Mullin.

OTHER BUSINESS

Mr. Krueger shared the following:

Credit Committee and Board meetings will continue to be on the same day, the fourth Tuesday of the month starting at 1:30 p.m., for the foreseeable future.

In-person committee and Board meetings will pick up sometime this fall depending on when Governor Walz lifts the emergency declaration. Commissioners will still have the option to call in and possibly utilize Teams, only if a 10-day notice is published.

There being no further business, the meeting was adjourned at 1:57 p.m.

By: _____
Its: _____

MEMORANDUM

To: CREDIT COMMITTEE

From: Michael J. Linder *MJL*

Subject: **THE ARTIST SANCTUARY**
APPROVAL OF A \$30,000 TRILLION BTU LOAN

Meeting Date: August 24, 2021

Action Requested:

Provide approval for the Port Authority to initiate a Trillion BTU loan for approximately \$30,000 with The Artist Sanctuary for the installation of energy efficient HVAC systems and LED lighting on a commercial property located in Red Wing, Minnesota.

Public Purpose:

The Trillion BTU Revolving Loan Fund was established with a grant from the State of Minnesota via a Federal stimulus grant for energy conservation and the retention and expansion of jobs in the State. Additionally, the Minnesota Legislature has mandated that all utilities attempt to reduce existing customer energy usage by 1.5% annually.

Business Subsidy:

Loans under the Trillion BTU Fund are not subject to business subsidy reporting because they are for energy efficiency projects.

Background:

The Artist Sanctuary is a non-profit organization to help local artists and other non-profits pursue their work. The property was a vacant church and is located at 602 West Ave in Red Wing, it has a tax assessed value of \$167,200. The Director, Heidi Bacon, received the property as a donation and has been transforming the building over the past two years. Improvements to the building include ADA accessibility, asbestos abatement, new restrooms, and exterior repairs.

Proposed Project:

| | |
|---------------------------------|----------|
| HVAC Equipment and LED Lighting | |
| Purchase Price and Installation | \$30,000 |

Sources and Uses of Funds:

| | |
|---------------------------------|----------|
| Sources of funds: | |
| Trillion BTU | \$30,000 |
| Uses of funds: | |
| HVAC Equipment and LED Lighting | \$30,000 |

Goodhue County is assisting with placing the PACE special assessment on the property taxes and another funder may finance that portion of the project once the special assessment is in place. Trillion BTU funds will act as a bridge loan until that time. In the event that the special assessment is not assessed or if another funder does not take out the Trillion BTU loan, it will remain the funding source.

Financial Analysis:

There are two mortgages on the property, a first mortgage in the amount of \$49,000 and a second mortgage through the Red Wing Housing Authority in the amount of \$50,000 at 0% interest, \$25,000 of which is forgivable. Income over the past two years has consisted of grants and donations through the city of Red Wing and Goodhue County. Future anticipated revenue will come from ongoing donations as well as rent from the artists and tenants that will utilize the facility. Debt to equity with the proposed PACE loan is 1.70 to 1. Debt service coverage was negative since the building is currently being renovated with no tenants in the building.

The following ratios are as of December 31, 2020.

| | | | |
|------------------------|----------|---------------------------------|------|
| Debt Service Coverage: | Negative | Trillion standard of at least: | 1.15 |
| Debt-to-Equity: | 1.70 | Trillion standard of less than: | 4.00 |

Proposal:

Source of Funds: Trillion BTU

Use of Funds: HVAC Equipment and LED Lighting

Amount of Loan: \$30,000

Rate: 4.25%

Term: 10 years

Collateral: Signed Loan Agreement
PACE Special Assessment

Energy Savings:

45 MMBTUs (\$1,600) annually.

Workforce Implications:

Davis-Bacon wage requirements need to be followed.

1 FTE for construction jobs.

Policy Exceptions:

Yes – There is negative cash available for debt service since the property is currently being renovated with no tenants.

Recommendation:

We recommend the approval of a \$30,000 Trillion BTU loan to The Artist Sanctuary.

MEMORANDUM

To: CREDIT COMMITTEE
From: Todd P. Hurley 
Subject: PRELIMINARY CERTIFICATION OF TAX LEVY
RESOLUTION NO. _____

Meeting Date: August 24, 2021

Action Requested:

Approval of the preliminary Truth in Taxation Certification.

Background:

Minnesota Truth in Taxation Law provides that special taxing districts (including port authorities), counties, municipalities, and school districts must certify to the County Auditor by the 15th of September of each year, the proposed tax levy for taxes levied in the subsequent calendar year.

The recommended 2021 tax levy payable in 2022 is:

| | |
|--|--------------------|
| 1. General Obligation Bond Debt Service | \$3,851,537 |
| 2. Mandatory Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 4, at a rate not to exceed .01813% of market value | \$2,256,700 |
| 3. Discretionary Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 6. Pledged to industrial redevelopment. | <u>\$ 105,000</u> |
| TOTAL 2021 TAX LEVY | <u>\$6,213,237</u> |

Recommendation:

We recommend approval of the preliminary Truth in Taxation Certification.

Attachments: Comparison of Tax Levy
Resolution

PORT AUTHORITY OF THE CITY OF SAINT PAUL
COMPARISON OF TAX LEVY

TAX LEVY PAYABLE

| | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--------------------|---------------------|---------------------|---------------------|
| G.O. Bonds | \$3,851,537 | \$3,849,685 | \$3,554,391 |
| Mandatory Levy | 2,256,700 | 2,006,700 | 2,006,700 |
| Discretionary Levy | <u>105,000</u> | <u>105,000</u> | <u>105,000</u> |
| TOTAL | \$ 6,213,237 | \$ 5,961,385 | \$ 5,666,091 |

Resolution No. _____

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

[PRELIMINARY CERTIFICATION OF TAX LEVY]

WHEREAS, pursuant to Minnesota Statutes Section 275.065, all taxing districts are required to certify the preliminary levy they may impose for the current tax year payable in 2022 prior to September 15, 2021.

NOW THEREFORE, BE IT RESOLVED, that the Port Authority adopts the following as its maximum tax levy for taxes payable in 2022 as follows:

- | | | |
|----|--|--------------------|
| 1. | General Obligation Bond Debt Service: | \$3,851,537 |
| 2. | Mandatory Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 4, at a rate not to exceed .01813% of market value: | \$2,256,700 |
| 3. | Discretionary Levy pursuant to Minnesota Statutes Section 469.053, Subdivision 6, pledged to industrial redevelopment: | <u>\$ 105,000</u> |
| | TOTAL 2020 TAX LEVY | <u>\$6,213,237</u> |

Adopted: August 24, 2021


PORT AUTHORITY OF THE CITY OF
SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE  **Meeting Date:** August 24, 2021

From: GEORGE HOENE – SENIOR PROJECT MANAGER

Subject: **AWARD OF A CONTRACT FOR THE RED ROCK ROAD ASPHALT MILL AND OVERLAY PROJECT LOCATED IN THE RED ROCK TERMINAL, SAINT PAUL, MN**
RESOLUTION NO: _____

Action Requested:

Approval for the authorization to award a contract to the lowest responsive and responsible bidder for the Red Rock Road Asphalt Mill and Overlay Project (the “Project”) located on street property owned by the City of Saint Paul, MN (the “City”) at the Red Rock Terminal, Saint Paul, Minnesota.

Approval of this action authorizes the Saint Paul Port Authority (“Port Authority”) President or his designees to enter a construction contract with the lowest responsive and responsible bidder to complete the work as described below.

Background:

Commercial navigation on the Mississippi River enhances our regional economy by providing a cost-effective, environmentally-sound way to transport commodities to global markets. Good road access is integral to this mission. Red Rock Terminal is a vital link for trans-shipment of goods into and out of the upper Midwest and Canada, with Red Rock Road being a vital infrastructure link. This road repair project will retain and enhance the Port Authority’s capacity to provide sound terminal road access for river shipments for approximately the next 20 years to come.

About 20 years ago Red Rock Road received an asphalt road mill and overlay repair under the City of Saint Paul’s Street Repair Program. The life expectancy of a commercial asphalt road, under frost conditions, is approximately 20 years and Red Rock Road has reached the end of its useful life. Red Rock Road does not at this time meet the conditions necessary to be included on the City’s current Street Repair List. Through negotiations with the City, the Port Authority has agreed to become the Project Manager for the Project, with funds provided by the City’s Street Assessment Program. The Port Authority has prepared the construction plans and has been accepted into the City’s Public Bidding Program, including HREEO (Human Rights & Equal Economic Opportunity) Compliance Monitoring. The Port Authority, as Project Manager, will be reimbursed by the City for all project expenses and staff time. The Project is expected to be completed this fall, weather permitting.

Project:

The Red Rock Road Asphalt Mill & Overlay Project consists of:

The removal, subsurface, curb, cutter, castings, repairs and reinstallation of 26,260 square yards of bituminous asphalt roadway. This work includes all the necessary safety precautions

MEMORANDUM

to maintain 24-hour-7-days per week ingress and egress to all facilities on the road. This Project will adhere to the Minnesota Department of Transportation Specifications and Standards for State Funded Construction Contracts. See maps attached for location and depiction of project.

| | |
|------------------------------|---|
| Project Management Agreement | (To be Executed Upon Bid Opening-August 18, 2021) |
| TOTAL PROJECT COST: | \$945,385.00 |

Due to permit, site conditions and operational requirements, construction of the Project needs to be completed, if possible, before the end of the 2021 construction season (Nov. 2021). This has compressed the administrative timeline for Board consideration of the BID Award.

The City of Saint Paul has adopted a \$1.2 million budget for this project. The Red Rock Road contract will not be awarded if the total project costs exceed \$1.2 million or an amended budget amount sufficient to fund the project is adopted by the City of Saint Paul.

The City of Saint Paul Department of Human Rights and Equal Economic Opportunity (HREEO) Procurement Office conducted a public bidding process on behalf of the Port Authority and opened sealed bids on August 18, 2021. A tabulation of the bids follows:

| COMPANY | BID AMOUNT |
|------------------------------------|--------------|
| Minnesota Paving & Materials, Inc. | \$694,973.55 |
| Bituminous Roadways, Inc. | \$702,257.80 |
| North Valley, Inc. | \$751,447.37 |
| FPI Paving Contractors, Inc. | \$884,879.00 |

Current Status

The HEERO Procurement Office received four (4) bids for the project. The apparent lowest bidder was Minnesota Paving & Materials, Inc. The engineering consultant will review the bid to confirm the lowest responsive and responsible bidder.

Recommendation:

We recommend approval for the authorization to award a contract to the lowest responsive and responsible bidder for the Red Rock Road Asphalt Mill and Overlay Project located on street property owned by the City of Saint Paul at the Red Rock Terminal, Saint Paul, Minnesota.

Attachments: Maps (2) – Area of Operation
Resolution

CITY OF ST. PAUL

Department of Public Works

CONSTRUCTION PLAN

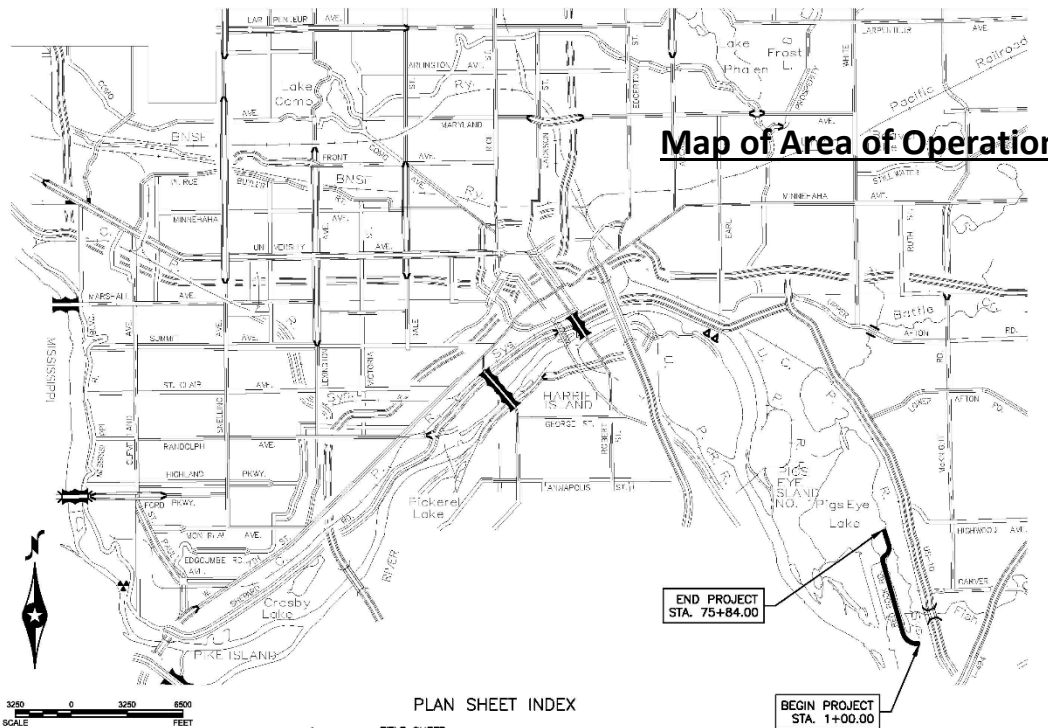
for
MILL AND OVERLAY

of
RED ROCK ROAD

includes

MILL AND OVERLAY & INCIDENTALS

| | | |
|------------------|---------------|-------------|
| GROSS LENGTH | 7,484.00 FEET | 1.417 MILES |
| BRIDGES—LENGTH | 0.00 FEET | 0.000 MILES |
| EXCEPTION—LENGTH | 0.00 FEET | 0.000 MILES |
| NET—LENGTH | 7,484.00 FEET | 1.417 MILES |



PLAN SHEET INDEX

- | | |
|-------|---|
| 1 | TITLE SHEET |
| 2 | LEGEND & LOCATION AREA MAP |
| 3 | STATEMENT OF ESTIMATED QUANTITIES |
| 4 | SOIL AND CONSTRUCTION NOTES & STANDARD PLATES |
| 5 | TYPICAL SECTIONS |
| 6-7 | MISCELLANEOUS DETAILS |
| 8-9 | ALIGNMENT TABULATION |
| 10-16 | PAVING PLANS |
| 17-19 | EROSION CONTROL & TURF ESTABLISHMENT PLAN |
| 20-21 | TRAFFIC CONTROL PLAN |

THIS PLAN CONTAINS 21 SHEETS

!! CAUTION !!

UTILITIES IN THE AREA, BEFORE CONSTRUCTION
UTILIZE 1 CALL 1-800-252-1166

THE SUBSURFACE UTILITY INFORMATION IN THIS PLAN IS UTILITY
QUALITY LEVEL "D". THIS QUALITY LEVEL WAS DETERMINED
ACCORDING TO THE GUIDELINES OF CHANCE 38-52, ENTITLED
"STANDARD GUIDELINES FOR THE COLLECTION AND DEPICTION OF
EXISTING SUBSURFACE UTILITY DATA."

SPECIFICATION REFERENCE

THE 2018 EDITION OF THE MINNESOTA DEPARTMENT OF
TRANSPORTATION "STANDARD SPECIFICATIONS FOR
CONSTRUCTION" SHALL GOVERN, AS MODIFIED BY CITY OF SAINT
PAUL "STANDARD SUPPLEMENTAL SPECIFICATIONS FOR
CONSTRUCTION" AND THE SPECIAL PROVISIONS.

ALL TRAFFIC CONTROL DEVICES SHALL CONFORM TO THE MOST
RECENT EDITION OF THE MUTCD, INCLUDING "FIELD MANUAL FOR
TRAFFIC CONTROL ZONE LAYOUTS"

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY DIRECT
SUPERVISION, AND THAT I AM A DULY REGISTERED PROFESSIONAL ENGINEER UNDER THE
LAWS OF THE STATE OF MINNESOTA.

SIGNATURE Jonathan M. Simmons

DATE 06/24/2021 LIC. NO. 52517 PRINT NAME JONATHAN M. SIMMONS



SAINT PAUL PORT AUTHORITY

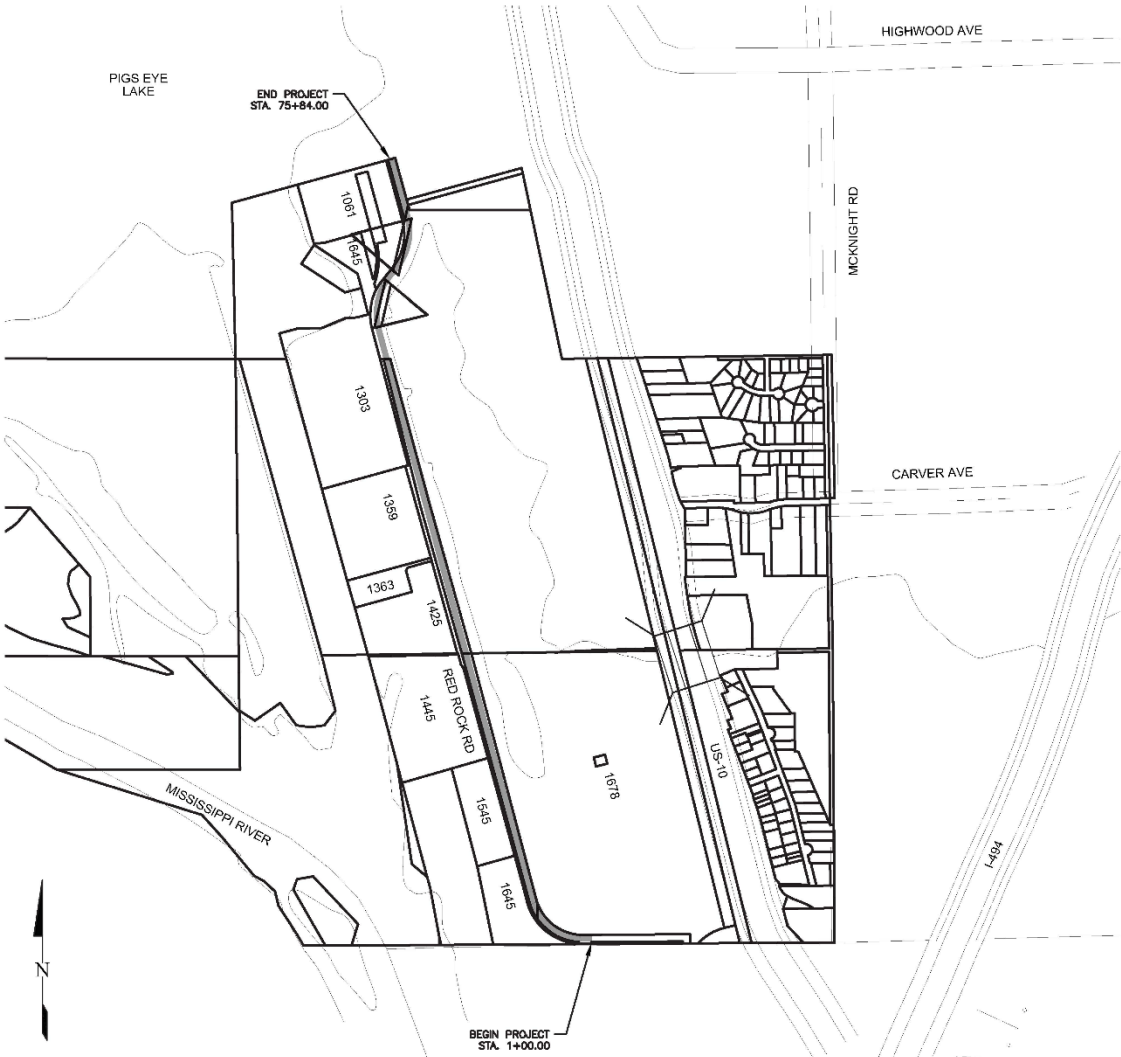
RED ROCK ROAD

KLJ PROJECT: 2016-00679
SHEET: 1 of 21

- EXISTING & REMOVAL LEGEND**
- CONSTRUCTION LIMITS
 - RIGHT-OF-WAY
 - EXISTING CURB
 - EXISTING WATER GATE VALVE
 - EXISTING HYDRANT
 - EXISTING MANHOLE
 - EXISTING CATCH BASIN
 - MILL BITUMINOUS SURFACE (3")
 - FULL DEPTH RECLAMATION (14")
 - REMOVE CURB & GUTTER
- CONSTRUCTION LEGEND**
- 3" BITUMINOUS OVERLAY
 - FULL DEPTH RECONSTRUCTION
 - CONSTRUCT CURB & GUTTER
 - ADJUST WATER GATE VALVE HOUSING
 - ADJUST MANHOLE
 - INSTALL CATCH BASIN CASTING

NOTES

1. UTILITIES SHOWN ON THE DRAWINGS ARE PLOTTED FROM THE BEST INFORMATION AVAILABLE AT THE TIME OF PLAN PREPARATION, BUT MAY NOT REFLECT ACTUAL LOCATIONS. THE CONTRACTOR SHALL VERIFY LOCATIONS OF ALL UTILITIES BEFORE BEGINNING CONSTRUCTION. THE CONTRACTOR SHALL GIVE 5 WORKING DAYS NOTICE TO THE OWNERS OF ALL KNOWN UTILITIES BEFORE STARTING ANY OPERATIONS AFFECTING THOSE PROPERTIES, OR BEGINNING EXCAVATION IN THE VICINITY OF THOSE PROPERTIES. THE CONTRACTOR'S ATTENTION IS DIRECTED TO SECTION 1507 IN THE STANDARD SPECIFICATIONS.



| | | | | | | | | |
|--|----|------|----|------------|---|--|--|--|
| SAINT PAUL MINNESOTA | | | | | <small>If any party does not wish to publish, reproduction, or report, the project shall be used as a reference only. The project shall be used as a reference only. The project shall be used as a reference only.</small> Project Name: JONATHAN M. SIMMONS Date: 06/24/2021 Drawing No: 52517 | | SAINT PAUL PORT AUTHORITY LEGEND AND LOCATION AREA MAP RED ROCK ROAD | SHEET 2 OF 21 |
| | NO | DATE | BY | CRD / APPR | | | | |
| <small>Jun 27, 2021 - 13:27:37 - K. J. Heppner\Development\2021\13-27-2021\Red Rock Road 2021\Location Map.dwg</small> | | | | | | | | |

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

**[AWARD OF CONTRACT FOR THE RED ROCK ROAD ASPHALT MILL AND OVERLAY
PROJECT LOCATED IN THE RED ROCK TERMINAL IN SAINT PAUL, MINNESOTA]**

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

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

WHEREAS, under Minn. Stat. § 469.055, the Port Authority shall (1) promote the general welfare of the port district, and of the port as a whole; (2) try to increase the volume of the port's commerce; (3) promote the efficient, safe, and economical handling of the commerce; and (4) provide or promote adequate docks, railroad and terminal facilities open to all on reasonable and equal terms for the handling, storage, care, and shipment of freight and passengers to, from, and through the port.

WHEREAS, the Port Authority seeks to award a contract to the lowest responsive and responsible bidder for the Red Rock Road Asphalt Mill and Overlay Project located in the Red Rock Terminal in Saint Paul, Minnesota.

WHEREAS, the City of Saint Paul Department of Human Rights and Equal Economic Opportunity (HREEO) issued a Request of Proposal (RFP) on behalf of the Port Authority and conducted an open public process, received sealed responses to the RFP, and opened the sealed responses on August 18, 2021.

WHEREAS, the responses have been received, tabulated and evaluated, and it appears that the lowest responsive and responsible submission is from Minnesota Paving & Materials, Inc. in the total amount of \$694,973.55.

WHEREAS, the Port Authority staff is undertaking the process of evaluating and negotiating with Minnesota Paving & Materials, Inc. before the contract is awarded.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, that the Port Authority is authorized to award the contract for the Red Rock Road Asphalt Mill and Overlay Project in the Red Rock Terminal to the lowest responsive and responsible bidder per the terms of the Request for Proposal, including the materials submitted in response to the Request for Proposal.

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

Adopted: August 24, 2021

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE **Meeting Date:** August 24, 2021

From: AVA LANGSTON-KENNEY *ALK*

Subject: **AWARD OF A CONTRACT FOR THE CONSTRUCTION OF A TRANSLOAD FACILITY LOCATED ON PROPERTY LEASED BY ALTER LOGISTICS AT THE SOUTHPORT TERMINAL, 801 BARGE CHANNEL ROAD, SAINT PAUL, MINNESOTA**
RESOLUTION NO: _____

Action Requested:

Authorization to award a contract to the lowest responsive and responsible bidder for the construction of a transload facility located on property leased by Alter Logistics Company ("Alter") at the Southport Terminal, 801 Barge Channel Road, Saint Paul, Minnesota.

Approval of this action authorizes the Saint Paul Port Authority ("Port Authority") President or his designees to enter a construction contract with the lowest responsive and responsible bidder to complete the work as described below.

Background:

Commercial navigation on the Mississippi River enhances our regional economy by providing a cost-effective, environmentally-sound way to transport commodities to global markets. This project will retain and enhance the Saint Paul Port Authority's capacity to provide terminal access for river shipping.

In 1981, Alter and its associated companies entered into its original lease with the Port Authority and is currently operating under the 2021 Fourth Lease Renewal and Amendment. Alter has partnered with the Port Authority to 1) complete construction of a heavy lift pad; 2) complete construction documents and secure funding for dock wall rehabilitation/reconstruction; and, 3) complete construction documents and secure funding for a commodity storage and handling pad. These projects add capacity to move overweight and oversize freight directly from a barge to a train as well as to a truck, provide maximum intermodal flexibility to the Southport Terminal, and has the added advantage of reducing fugitive dust and idling CO₂ and NO_x emissions, which improve the air quality for terminal workers and the surrounding community.

The facility currently has some limited rail access and is served by Union Pacific Railroad, a Class 1 rail line, with switching available to other major rail carriers of Burlington Northern/Santa Fe and Canadian Pacific. Installing a new rail spur and rehabilitating the existing rail spur would greatly enhance the ability to transload to/from barge and rail for all commodities/freight, as well as provide the ability to move oversized freight unable to be trucked over long distances on the highway system.

MEMORANDUM

Project:

The Transload Facility Project consists of:

The installation of 4,596 feet of industrial track and ballast and associated earthwork, removals of existing site improvements, two turnouts, two earthen bumpers, two heavy duty timber rail crossings, turf establishment, erosion control, and associated site work. All work must conform to Union Pacific (UP) Railroad industrial track standards. See maps attached for location and depiction of project.

| | |
|--|-----------------------|
| Port Development Assistance Grant Agreement #1035876 (Executed Feb. 2021) | |
| Grant Amount: | \$1,818,050.00 |
| Private Match (Minimum-See attached Alter Funding letter committing to pay all project costs in excess of Grant amount): | \$741,271.00 |
| Total Project Cost: | \$2,559,321.00 |

Due to permit, site conditions and operational requirements, construction of the project needs to be completed, if possible, before the end of the 2021 construction season (Nov. 2021). This has compressed the administrative timeline for Board consideration of the BID Award.

The City of Saint Paul Department of Human Rights and Equal Economic Opportunity (HREEO) Procurement Office conducted a public bidding process on behalf of the Port Authority and received one bid. The sealed bid was opened on August 18, 2021. A tabulation of the bids follows:

| COMPANY | BID AMOUNT |
|------------------------|----------------|
| Carl Bolander and Sons | \$2,530,000.00 |

The Port Authority's Engineer's 2020 Sixty-Percent Construction Plan Cost Estimate for this work was \$1,998,150 for construction and materials.

Current Status

The HEERO Procurement Office received one bid for the project. The apparent lowest bidder was Carl Bolander and Sons. The engineering consultant will review the bid, address the \$531,859 increase in the estimated budget, and confirm the lowest responsive and responsible bidder.

There is sufficient cash in the River Maintenance Fund to complete this project.

MEMORANDUM

Recommendation:

We recommend approval for the authorization to award a contract to the lowest responsive and responsible bidder for the construction of a transload facility located on property leased by Alter at the Southport Terminal, 801 Barge Channel Road, Saint Paul, Minnesota.

Attachments: Map of Project Area
Map of Area of Operation
Funding Commitment Letter from Alter Logistics Company
Resolution

SPPA South Port Alter Terminal Transload Project



Map of Area of Operation

Project Area

Ramsey County

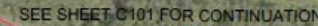
Dakota County

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community


Number and Land Use Code Description

| | | | |
|---|----------------------------|---|---------------------------|
| 1 | Other Industrial Structure | 3 | Foundry & Heavy Mfg Plant |
| 2 | Industrial, Vacant Land | 4 | Industrial, Vacant Land |
| 5 | Industrial - Preferred | | |

TO HOFFMAN AVE. YARD

[illegible]

| | |
|-------------------------------|-----|
| UNION PAC RAILROAD | |
| LOCATION: | |
| DWG TITLE: | DEV |

| | |
|---|----------------------|
|  Office of Assistant Vice President Engineering Design/Construction | |
| ST. PAUL, MINNESOTA | |
| ELOPMENT CONCEPT 10% PLAN VIEW | DRAWING FILE C100 |



LOGISTICS COMPANY

2117 State Street, Suite 300 Bettendorf, IA 52722-5172
(563) 344-5111

January 23, 2019

Ms. Ava Langston-Kenney
Project Manager
Saint Paul Port Authority
380 Saint Peter Street #850
Saint Paul, MN 55102

RE: MNDOT Grant Agreement – PDA Program

Dear Ava:

I am writing to advise that Alter Logistics Company will commit to fund all project costs over \$1,818,050 for the rail improvement project at our facility located in the Southport Industrial District.

Please let me know if you need any additional information in this regard.

Best regards,

Jeffrey D. Goldstein
Chairman, Chief Executive Officer

JDG/cmw

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

**[AWARD OF CONTRACT FOR THE CONSTRUCTION OF A TRANSLOAD FACILITY LOCATED ON
PROPERTY LEASED BY ALTER LOGISTICS AT THE SOUTHPORT TERMINAL]**

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

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

WHEREAS, under Minn. Stat. § 469.055, the Port Authority shall (1) promote the general welfare of the port district, and of the port as a whole; (2) try to increase the volume of the port's commerce; (3) promote the efficient, safe, and economical handling of the commerce; and (4) provide or promote adequate docks, railroad and terminal facilities open to all on reasonable and equal terms for the handling, storage, care, and shipment of freight and passengers to, from, and through the port.

WHEREAS, the Port Authority seeks to award a contract for the construction of a transload facility located on property leased by Alter Logistics Company ("Alter") in the Southport Terminal.

WHEREAS, the City of Saint Paul Department of Human Rights and Equal Economic Opportunity (HREEO) issued a Request of Proposal (RFP) on behalf of the Port Authority and conducted an open public process, received sealed responses to the RFP, and opened the sealed responses on August 18, 2021.

WHEREAS, the responses have been received, tabulated and evaluated, and it appears that the lowest responsive and responsible submission is from Carl Bolander and Sons in the total amount of \$2,530,000.00.

WHEREAS, the Port Authority staff is undertaking the process of evaluating and negotiating with Carl Bolander and Sons before the contract is awarded.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, that the Port Authority is authorized to award the contract for the construction of a transload facility to the lowest responsive and responsible bidder per the terms of the Request for Proposal, including the materials submitted in response to the Request for Proposal.

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

Adopted: August 24, 2021

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE

Meeting Date: August 24, 2021

From: Kathryn Sarnecki 

Subject: **AUTHORIZATION TO APPLY FOR DEED DEMOLITION LOAN FOR USE AT THE HILLCREST REDEVELOPMENT SITE**
RESOLUTION NO. _____

Action Requested:

The Port Authority of the City of Saint Paul (the “Port Authority”) seeks authorization to apply for and accept a demolition loan up to \$250,000 from the Minnesota Department of Employment and Economic Development (DEED), authorization to apply for and accept a DEED grant during redevelopment to offset 50% of the loan amount, and pledge general revenue of the Port Authority as a loan repayment source in order to pay for demolition of existing buildings at the Hillcrest Redevelopment site (the “Hillcrest Site”), located at 2200 Larpenteur Avenue East, Saint Paul, Minnesota.

Background

The Port Authority acquired the former Hillcrest Golf Course site in July 2019 to facilitate the mixed-use redevelopment of one of the last large tracts of land within the Saint Paul city limits. See the map attached which shows the location of the property. Redeveloping the Hillcrest Site presents an incredible opportunity for the City of Saint Paul (the “City”) and will be an enormous asset for the East Side of the City. The potential of this brownfield for housing, jobs and green space on the Hillcrest Site are important for the City now and in the future. The Port Authority is collaborating with the City as it develops a comprehensive master plan. As the owner, the Port Authority has the obligation to pay for the demolition, remediation, and soil corrections at the Hillcrest Site to make it buildable, as well as the infrastructure, including roads and utilities. The DEED Demolition Loan would be one of the funding mechanisms to take the next step in the Redevelopment of the Hillcrest Site.

The DEED Demolition loan program can pay up to 100% of the demolition costs for a qualifying site. The Hillcrest Site meets the following conditions and is therefore a qualifying property:

1. The property and structures are owned by the development authority.
2. The structures on the property have been vacant for at least one year.
3. The structures constitute a threat to public safety because of inadequate maintenance, dilapidation, obsolescence, or abandonment.
4. The structures are not listed on the National Register of Historic Places.
5. Upon completion of the demolition, the development authority reasonably expects that the property will be improved, and these improvements will result in economic development benefits to the municipality.

MEMORANDUM

Under Minnesota Statutes Chapter 469, the Port Authority will need to pledge general revenue as a loan repayment source. The loan term can be up to 15 years and would bear interest at 2%, however, interest will not accrue during the first two years of the loan and loan repayment will commence in the third year, including interest. There is the potential for the commissioner of DEED to forgive up to 50% of the original loan upon completion of the redevelopment plan if the project would otherwise have received grant funding in DEED's most recent semi-annual grant round.

Proposal:

| | |
|----------------------|---|
| Use of Funds: | Hillcrest Existing Building Demolition |
| Loan Requested: | \$250,000 |
| Rate: | 2.0%, payments and interest accrual start in year 3. |
| Term: | up to 15 years |
| Source of Repayment: | SPPA general revenues, with opportunity to offset 50% with DEED grant during site redevelopment |

Recommendation:

We recommend that the Board authorize staff to apply for and accept a DEED demolition loan up to \$250,000 and a future grant to forgive 50% of the loan from DEED, and pledge general revenue of the Port Authority as a loan repayment source for demolition of existing buildings at the Hillcrest Redevelopment Site.

Attachments: Map
 Resolution

112 Acres: Former Hillcrest Golf Course

2200 Larpenteur Ave E, Saint Paul MN



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Data contained on this map has not been field verified and should be used as reference only. It is the user's responsibility for field verifying elevations, locations, dimensions, etc. to conduct detail design.

The Saint Paul Port Authority specially disclaims all warranties, expressed or implied, including but not limited to implied warranties of fitness for a particular purpose, with respect to the information contained on this map. The Saint Paul Port Authority shall have no liability with respect to any loss or damage directly or indirectly arising out of the use of this data.

0 285 570 1,140 Feet

Hillcrest Project Area

 Hillcrest Project Area



 **Saint Paul**
PORT AUTHORITY

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

**[AUTHORIZATION TO APPLY FOR AND ACCEPT DEED DEMOLITION
LOAN FOR USE AT THE HILLCREST REDEVELOPMENT SITE]**

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

WHEREAS, the Port Authority's Board of Commissioners are appointed by the Mayor of the City of Saint Paul subject to the approval of the Council of the City of Saint Paul; and

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

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

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

WHEREAS, the Port Authority desires to apply for and accept a Minnesota Department of Employment and Economic Development ("DEED") demolition loan in an amount up to \$250,000 for use at the Hillcrest Redevelopment site and authorization to apply for and accept a DEED grant during redevelopment to offset 50% of the loan amount; and

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

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

WHEREAS, the Port Authority represents that it has undertaken reasonable and good faith efforts to procure funding from other sources.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the President is hereby authorized and directed on behalf of the Port Authority to apply for and accept a Minnesota Department of Employment and Economic Development for a demolition loan in an amount up to \$250,000 for use at the Hillcrest Redevelopment site to be submitted on or about September 1 2021 and authorization to apply for and accept a DEED grant during redevelopment to offset 50% of the loan amount.

BE IT FURTHER RESOLVED that the Port Authority of the City of Saint Paul has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

BE IT FURTHER RESOLVED that the sources and amount of the loan repayment and security identified in the application are committed to the project identified and the Port Authority has the authority to incur debt by resolution of the board authorizing issuance of a note, payable to DEED to repay and secure the loan.

BE IT FURTHER RESOLVED that the Port Authority of the City of Saint Paul has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

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

BE IT FURTHER RESOLVED that the President of the Port Authority of the City of Saint Paul is hereby authorized to execute such application as is necessary on behalf of the Port Authority of the City of Saint Paul.

I certify that the above resolution was adopted by the Board of Commissioners of the Port Authority of the City of Saint Paul on August 24, 2021.

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE **Meeting Date:** August 24, 2021
From: Peter M. Klein 
Subject: EPUC LONG-TERM LEASE AGREEMENT WITH DISTRICT ENERGY ST. PAUL, INC.
RESOLUTION NO. _____

Action Requested:

Provide approval to enter into a 20-year lease agreement with a single 10-year optional lease extension with District Energy St. Paul, Inc., or an affiliated entity. Additionally, provide authorization to extend the Energy Park Utility Company (EPUC) franchise agreement with the City of Saint Paul for the maximum franchise term of 20 years.

Background:

The Energy Park business center was one of the first Port Authority redevelopment projects on a brownfield site. The timing of the development was just after the energy crisis of the 1970s. The concept was to create an area where people could live near where they work. The development also included a district energy system, EPUC, that served all of the buildings within Energy Park.

When the system was upgraded from a two-pipe system to a four-pipe system in 2012-2013, all but one of the buildings agreed to extend their service agreements for 25 years. We continue to work with the other building owner, and we expect them to reconnect to the system as soon as their finances allow for it.

District Energy St. Paul has managed the operations of EPUC for over twenty years. They have performed this function very well. Annual rate increases to the customers of EPUC have been low since the four-pipe system was installed.

Current Status:

District Energy continues to operate EPUC as it has for over 20 years under a short-term Management Agreement. We would like to secure their services for a long-term period of time and a 20-year lease seems to be the best method to accomplish this objective.

EPUC has existing Port Authority debt that could be refinanced with District Energy bonds, providing an expected saving in excess of \$1,000,000 to EPUC customers over the next 15 years. The Port Authority's existing bonds would be extinguished by the District Energy bonds leaving the Port Authority without any direct bond obligations.

The Port Authority receives an annual fee of \$170,000. This amount has not increased since the four-pipe system was installed.

The current franchise agreement expires on August 1, 2036, and the current customer contracts expire at about the same time.

MEMORANDUM

Proposal:

The Port Authority would enter into a 20-year lease with District Energy St. Paul, Inc., or an affiliated entity, to manage and operate EPUC. The lease would also have a 10-year optional extension. All of the EPUC assets would be leased to District Energy and would continue to be owned by the Port Authority. District Energy would have the responsibility to maintain the assets and continue to provide service to EPUC customers.

As part of the refinancing of the existing EPUC debt, the Port Authority will request an extension of the current franchise agreement with the City of Saint Paul. The new term of the franchise would be 20 years. The Port Authority would then issue bonds for District Energy with the approval of the Port Authority Board at a later date.

The advantages of this proposal to the Port Authority are:

- 1) The lease would assure that EPUC has a competent operator well into the future.
- 2) The new District Energy bonds would refinance the Port Authority's existing bonds, leaving the Port Authority without out any direct bonding debt and reducing our risk.
- 3) Our annual fee would be maintained and increased over time.
- 4) The risk, operational and financial, to the Port Authority will be greatly reduced while maintaining a consistent revenue stream to the Port Authority.

Recommendation:

We recommend approval of a 20-year lease agreement with District Energy St. Paul, Inc., or an affiliated entity, to operate and manage the Energy Park Utility Company. We also recommend authorizing the Port Authority to extend the franchise agreement with the City of Saint Paul for the maximum term of 20 years.

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

Resolution authorizing entering into a long-term lease for the assets and management of Energy Park Utility Company with District Energy St. Paul, Inc. or an affiliate thereof and an extension of the EPUC franchise agreement with the City of Saint Paul

WHEREAS, the Port Authority of the City of Saint Paul, Minnesota, a public body corporate and politic organized and existing under the laws of the State of Minnesota (the "Port Authority"), previously developed the Energy Park Utility Company ("EPUC") which consists of a Central Energy Plant and Distribution System (the "System") which provides heating and cooling services to its customers (the "Customers") in the Energy Park area in the City of Saint Paul, Minnesota (the "City"); and

WHEREAS, the Port Authority currently operates the System under a franchise ordinance of the City with a term that currently expires on August 1, 2036 (the "Franchise"); and

WHEREAS, the System was originally designed as a 2-pipe heating and cooling system where heating is provided in the winter and cooling in the summer in 2013 to improve the EPUC services, the System was converted from a 2-pipe system to a 4-pipe system which allowed for both heating and cooling services to be provided to customers at the same time (the "2012 Project"); and

WHEREAS, the service area of EPUC is east of Snelling Avenue and includes a total of 25 buildings including office buildings, a medical clinic, a school building, the Bandana Square complex, manufacturing facilities, a Best Western hotel and numerous residential facilities including apartments, condominiums, and townhomes; and

WHEREAS, in order to finance the 2012 Project, the Port Authority previously issued its (i) Revenue Bonds (Energy Park Utility Company Project), Series 2012-3 (AMT) (the "Series 2012-3 Bonds") issued in the original aggregate amount of \$7,500,000 of which \$7,500,000 is currently outstanding and (ii) Taxable Revenue Bonds (Energy Park Utility Company Project), Series 2012-4 (the "Series 2012-4 Bonds" and, together with the Series 2012-3 Bonds, the "Series 2012 Bonds") issued in the original aggregate principal amount of \$1,000,000 and of which \$200,000 is currently outstanding; and

WHEREAS, the Series 2012 Bonds were issued pursuant to a Resolution of the Board of Commissioners of the Port Authority and an Indenture of Trust, dated as of July 1, 2012 (the "Indenture"), between the Port Authority and U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, the Series 2012 Bonds were issued to: (i) finance the 2012 Project; (ii) fund the Reserve Requirements in the Reserve Fund for the Series 2012 Bonds; (iii) fund an initial deposit to the Capital Maintenance Fund; (iv) fund Capitalized Interest through February 1, 2013 for the Series 2012 Bonds; and (v) pay the costs of issuance with respect to the Series 2012 Bonds; and

WHEREAS, the operations of EPUC and the System are currently managed by Ever-Green Energy St. Paul, LLC (the “Manager”) which is an affiliate of District Energy St. Paul, Inc. (“District Energy”); and

WHEREAS, District Energy has operated unrelated heating and cooling district energy systems in and around Downtown St. Paul for approximately 40 years and was originally formed with cooperation from the City; and

WHEREAS, District Energy has proposed to the Port Authority that District Energy, or an affiliate of District Energy, enter into a long-term lease (the “EPUC Lease”) with the Port Authority for an initial term of 20 years consistent with the terms of a term sheet (the “EPUC Term Sheet”) negotiated by Port Authority staff and District Energy staff; and

WHEREAS, under the proposed terms of the EPUC Term Sheet: (i) fee title to the assets of the System and underlying land and facilities will remain with the Port Authority, subject to the terms of the EPUC Lease; (ii) District Energy is proposing to provide funds sufficient to prepay the outstanding Series 2012-3 Bonds and retire all of the Port Authority’s outstanding revenue debt associate with the System and the 2012 Project; (iii) District Energy and the Manager will operate the System for the term of the EPUC Lease and pay the operational costs associated with the System; (iv) the anticipated cost savings to the customers of the System is currently estimated at over \$1,000,000 for the remaining term of the Franchise (approximately 15 years); (v) the continuing disclosure obligations of the Port Authority under SEC Rule 15c2-12 with respect to the Series 2012 Bonds will be terminated; and (vi) the Port Authority will receive an annual fee of approximately \$170,000; and

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

1. For the purposes set forth above, Port Authority staff are hereby authorized to enter into formal discussions with District Energy with respect to the negotiation of the EPUC Lease and the consummation of the transaction anticipated by the EPUC Term Sheet.

2. The EPUC Term Sheet is hereby approved in substantially the form now on file with the Port Authority, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the President of the Port Authority (or any Commissioner) and the Chief Financial Officer of the Port Authority or his designee (collectively, the “Port Authority Officials”), in their discretion, shall determine, and the execution and delivery thereof by the Port Authority Officials shall be conclusive evidence of such determination. All of the provisions of the EPUC Term Sheet, when executed as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

3. The Port Authority Officials are hereby authorized to engage legal counsel to assist the Port Authority in the negotiation of the EPUC Lease with District Energy that is consistent with the terms of the EPUC Term Sheet.

4. The Port Authority Officials are hereby authorized and directed to take all actions necessary to effectuate a defeasance of the Series 2012 Bonds and a discharge of the Indenture in accordance with the terms of the Indenture. This authorization includes but is not limited to (i) purchasing State and Local Securities or other applicable United States Treasuries

or other securities authorized under the Indenture or Minnesota Statutes, Section 118A, (ii) entering into an escrow agreement (the "Escrow Agreement") with the Trustee, (iii) engaging an authorized nationally-recognized verification agent and appropriate bidding agent, if necessary, for any such escrow, (iv) preparing and sending out any notices of defeasance and redemption, (v) authorizing preparation of any necessary bond counsel opinion letters, and (vi) taking all other actions necessary to discharge the Indenture and the defeasance of the outstanding Series 2012-3 Bonds.

5. The Port Authority Officials, with the approval as to form by the City Attorney and outside counsel, are hereby authorized and directed to execute and deliver all certificates, documents, and instruments necessary to effectuate the transactions described in this resolution, including but not limited to the EPUC Lease, the Escrow Agreement, related subordination non-disturbance and attornment agreements, if any (collectively and including any necessary instruments, certificates and other documents specifically mentioned in this resolution, the "EPUC Documents").

The approval hereby given to the EPUC Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate as determined by the parties thereto and approved by the City Attorney and outside counsel to the Port Authority, the appropriate Port Authority staff person or by the officers authorized herein to execute or accept, as the case may be, said documents prior to their execution; and said officers or staff members are hereby authorized to approve said changes on behalf of the Port Authority. The execution of any instrument by the appropriate officer or officers of the Port Authority herein authorized 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 officers, any of the documents authorized by this Resolution to be executed 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, in the opinion of the bond counsel to the Port Authority, may act in their behalf.

It is hereby found, determined, and declared that the execution and delivery by the Port Authority of the EPUC Documents, and the performance of all covenants and agreements of the Port Authority contained in the EPUC Documents and of all other acts and things required under the Constitution and laws of the State of Minnesota to make the EPUC Documents valid and binding obligations of the Port Authority in accordance with their terms, are authorized by applicable Minnesota law.

6. The Port Authority Officials are authorized to request the consent of the City to the transaction described herein under the EPUC Lease that may be subject to the Franchise. In addition, the Port Authority Officials are also authorized to take all necessary action to request the City to extend the terms of the Franchise to its maximum allowable term of 20 years.

7. The Port Authority hereby approves the execution and delivery by the Trustee of Escrow Agreement and shall pay all necessary costs of the Trustee as escrow agent.

8. In case any one or more of the provisions of this Resolution, or of the aforementioned EPUC Documents shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, or of the aforementioned EPUC Documents, but this Resolution and the aforementioned EPUC

Documents shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

9. On any date subsequent to the date of defeasance of the Series 2012 Bonds, the Port Authority Officials are hereby authorized to execute and deliver any amendments or supplements to any of the documents referred to in this Resolution or other documents executed and delivered in connection with the EPUC Lease. The Port Authority Officials may impose any terms or conditions on the execution and delivery of any such amendment or supplement as the Port Authority Officials deem appropriate. The authority to approve, execute, and deliver future amendments to the documents referred to in this Resolution or other documents executed and delivered in connection with the transactions contemplated hereby is hereby delegated to the Chief Financial Officer of the Port Authority, subject to the following conditions: (a) such amendments do not require the consent of District Energy or any of the holder of the Series 2012 Bonds or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the Port Authority; (c) such amendments do not contravene or violate any policy of the Port Authority; and (d) such amendments are acceptable in form and substance to the City Attorney for the Port Authority or other counsel retained by the Port Authority to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Chief Financial Officer of the Port Authority shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Chief Financial Officer of the Port Authority, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the Port Authority authorized to act in their place and stead.

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

Adopted: August 24, 2021

PORT AUTHORITY OF THE CITY OF
SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary