


MEMORANDUM NOTICE

To: CREDIT COMMITTEE
From: Lee Krueger 
Subject: **REGULAR CREDIT COMMITTEE MEETING
JANUARY 15, 2019 – 2:00 P.M.**

Date: January 10, 2019

Chair Williams is calling a meeting of the Credit Committee for Tuesday, **JANUARY 15, 2019**, at **2:00 p.m.** in the Board room of the Port Authority of the City of Saint Paul located at 380 St. Peter Street, Suite 850, Saint Paul, Minnesota 55102. The purpose of the meeting is:

Minutes

Approval of Minutes of the December 11, 2018 Regular Credit Committee Meeting

Conflict of Interest

Conflicts with any items on the agenda

Agenda Items

1. Approval of Designated Depositories of the Port Authority
2. Concordia University, St. Paul – Authorization for the Issuance of Bank-Qualified Tax-Exempt Conduit Revenue Bonds in the Approximate Amount of \$5,500,000
3. Eastgate I, LLC – Approval of a \$143,000 Trillion BTU Loan
4. NSP Post 39 American Legion – Approval of an \$80,000 Trillion BTU Loan
5. Roger and Judith Walkes – Approval of an \$81,100 Trillion BTU Loan
6. 2019 Grant Application and Acceptance Authorization
7. Acceptance of Grant Funding from Minnesota's Port Development Assistance Program for a Direct Barge-Rail-Truck Transload Facility at Southport Terminal with Alter Logistics Company
8. Acceptance of Grant Funding from Minnesota's Port Development Assistance Program for a Barge Receiving System at Barge Terminal No. 1 with BThree, LLC

9. Acceptance of Grant Funding from Minnesota's Port Development Assistance Program for Fender Replacement Project at Barge Terminal No. 1
10. 2018-2022 Lease – Origination, Inc. at 637 Barge Channel Road – Southport Terminal
11. 2019 Lease Amendment and Rental Rate Adjustments – Hawkins, Inc. at 701 Barge Channel Road and 0 Barge Channel Road – Southport Terminal
12. Such other Business that May Come Before the Committee

**SAINT PAUL PORT AUTHORITY
MINUTES OF THE REGULAR CREDIT COMMITTEE MEETING
DECEMBER 11, 2018**

Committee Chair Williams called the Regular Meeting of the Credit Committee to order at 2:02 p.m. in the Board Room of the Saint Paul Port Authority, 380 St. Peter Street, Suite 850, Saint Paul, Minnesota 55102.

The following Committee Members were present:

Paul Williams	John Bennett	John Marshall
Don Mullin		

Also present were the following:

Lee Krueger	Pete Klein	Michael Linder
Monte Hilleman	Andrea Novak	Laurie Siever
Dana Krueger	Deb Forbes	
Eric Larson, General Counsel, City of Saint Paul		

APPROVAL OF MINUTES

Committee Member Mullin made a motion to approve the minutes of the November 20, 2018 Credit Committee meeting. The motion was seconded by Committee Member Marshall, submitted to a vote and carried unanimously.

CONFLICT OF INTEREST

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

AGENDA ITEMS

BOLLINGER FARMS, LLC

AND CLIFFORD AND SUSAN BOLLINGER - APPROVAL OF A \$111,000 TRILLION BTU LOAN

Mr. Linder reviewed his memorandum with the Committee requesting approval of a \$111,000 Trillion BTU loan to Bollinger Farms, LLC and Clifford and Susan Bollinger for the installation of a 50-kW solar array.

There being no further discussion, Committee Member Bennett made a motion to approve a \$111,000 Trillion BTU loan to Bollinger Farms, LLC and Clifford and Susan Bollinger for the installation of a 50-kW solar array. The motion was seconded by Committee Member Marshall, submitted to a vote and carried unanimously.

**HANSON BUILDING AND REMODELING, LLC
AND MOOKIE AND CHINO, LLC - APPROVAL OF A \$54,000 TRILLION BTU LOAN**

Mr. Linder reviewed his memorandum with the Committee requesting approval of a \$54,000 Trillion BTU loan to Hanson Building and Remodeling, LLC and Mookie and Chino, LLC for the installation of a 20-kW solar array.

There being no discussion, Committee Member Marshall made a motion to approve a \$54,000 Trillion BTU loan to Hanson Building and Remodeling, LLC and Mookie and Chino, LLC for the installation of a 20-kW solar array. The motion was seconded by Committee Member Bennett, submitted to a vote and carried unanimously.

COMMERCIAL INVESTORS GROUP III, LLC – APPROVAL OF A \$203,000 TRILLION BTU LOAN

Mr. Linder reviewed his memorandum with the Committee requesting approval of a \$203,000 Trillion BTU loan to Commercial Investors Group III, LLC for the installation of LED lighting and an 18-kW solar array.

Discussion included, but was not limited to, permanent financing for the overall project and the post-renovation value of the building.

There being no further discussion, Committee Member Marshall made a motion to approve a \$203,000 Trillion BTU loan to Commercial Investors Group III, LLC for the installation of LED lighting and an 18-kW solar array. The motion was seconded by Committee Member Mullin, submitted to a vote and carried unanimously.

OTHER BUSINESS

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

By: _____

Its: _____

MEMORANDUM

To: CREDIT COMMITTEE

Meeting Date: January 15, 2019

From: Bruce A. Kessel



Subject: APPROVAL OF DESIGNATED DEPOSITORIES OF THE PORT AUTHORITY
RESOLUTION NO. _____

Action Requested:

Approval of an updated list of financial institutions as designated depositories of the Port Authority, attached hereto as Exhibit A.

Background:

Minnesota Statutes Chapter 469.052 requires port authorities to designate depositories every two years and permits the governing body to authorize its treasurer or chief financial officer to make such designations. A governmental entity's deposits and investments must comply with Minnesota Statutes Chapter 118A, entitled "Deposit and Investment of Local Public Funds".

In the past, all banks with locations in Saint Paul and the East Metro, as well as the 4M Fund which was established by the League of Minnesota Cities, have been designated as depositories. Any deposits above insured amounts as established by FDIC or NCUA also will require collateralization in accordance with state statutes.

In conjunction with the PACE Program, several financial institutions are willing to fund PACE loans provided they have a temporary source that can be drawn on in the event that a PACE assessment is paid late. To achieve this, funds could be placed in an interest-bearing account at such institution to fund such a reserve. When the list of depositories was approved in August 2018, no credit unions in the east metro were included on the list. Several are interested in purchasing PACE loans provided we establish a reserve account. As such, we are requesting that they be added to the list of approved depositories.

Recommendation:

We recommend approval, as well as authorization for the President or their designee to execute all related documents necessary to establish and maintain the necessary account(s) and the authorization of the Chief Financial Officer to make or amend such designations hereafter.

Attachments: Exhibit A – List of financial institutions
Resolution

EXHIBIT A

General

4M Fund (Minnesota Municipal Money Market)

Saint Paul Area

Alliance Bank
Associated Bank
BankCherokee
BMO Harris Bank
Bridgewater Bank
Bremer Bank
Coulee Bank
Drake Bank
First Bank & Trust
First Farmers and Merchants Bank
Highland Bank
Old National Bank
Sunrise Banks
TCF Bank
US Bank
Wells Fargo
Western Bank

East Metro Area

Boundary Waters Bank
Lake Elmo Bank
Premier Banks

Credit Unions

Hiway Federal Credit Union
Spire Credit Union

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

[APPROVAL OF DESIGNATED DEPOSITORIES OF PORT AUTHORITY]

WHEREAS, pursuant to Minnesota Statute Chapter 469.052, all governmental entities are required to designate depositories every two years and a governmental entity's deposits and investments must comply with Minnesota Statutes Chapter 118A.

NOW THEREFORE, BE IT RESOLVED, that the financial institutions (Banks and Credit Unions) set forth on Exhibit A attached hereto are hereby designated depositories of the Port Authority of the City of Saint Paul. Any funds deposited in said institutions are to be insured by the appropriate United States Governmental entity (FDIC or NCUA) or collateralized in accordance with the appropriate state statute. Funds deposited in said Banks may be withdrawn by check, draft, or other orders when countersigned by the President or the Chief Financial Officer and impressed with facsimile signatures of the Chair and Treasurer. The President and Chief Financial Officer are authorized to endorse in the name of said Port Authority checks or other negotiable instruments for deposit in said account; and be it

FURTHER RESOLVED that the Banks are hereby authorized and directed to honor and pay any checks so drawn by any of said officers, whether said checks be payable to the order of the officer signing such checks, or any of said officers in their individual capacities or not, and whether such checks or drafts are deposited to the individual credit of any of the other officers, or not; and be it

FURTHER RESOLVED, that the Chief Financial Officer may designate one or more financial institutions as a depository of the Port Authority's funds and make investments of funds under Sections 118A.01 to 118A.06 or other applicable laws; and be it

FINALLY RESOLVED, that the authority granted by this Resolution shall be effective as of January 22, 2019 and shall expire on January 22, 2021.

Adopted: January 22, 2019

PORT AUTHORITY OF THE CITY OF
SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

EXHIBIT A

General

4M Fund (Minnesota Municipal Money Market)

Saint Paul Area

Alliance Bank
Associated Bank
BankCherokee
BMO Harris Bank
Bridgewater Bank
Bremer Bank
Coulee Bank
Drake Bank
First Bank & Trust
First Farmers and Merchants Bank
Highland Bank
Old National Bank
Sunrise Banks
TCF Bank
US Bank
Wells Fargo
Western Bank

East Metro Area


Boundary Waters Bank
Lake Elmo Bank
Premier Banks

Credit Unions

Hiway Federal Credit Union
Spire Credit Union

MEMORANDUM

To: CREDIT COMMITTEE **Meeting Date:** January 15, 2019

From: Peter M. Klein 

Subject: **CONCORDIA UNIVERSITY, ST. PAUL – AUTHORIZATION FOR THE ISSUANCE OF BANK-QUALIFIED TAX-EXEMPT CONDUIT REVENUE BONDS IN THE APPROXIMATE AMOUNT OF \$5,500,000**
RESOLUTION NO. _____

Action Requested:

Provide approval for the Port Authority to issue approximately \$5,500,000 of bank-qualified conduit tax-exempt revenue bonds to be used to finance the acquisition of the Central Midway building located at 393 Dunlap Street in Saint Paul.

Public Purpose:

The financing will allow Concordia to more efficiently provide educational services benefitting its students in Saint Paul.

Business Subsidy:

The proposed issuance of bonds is for a not-for-profit organization and is exempt from treatment as a business subsidy.

Background:

Concordia University is a liberal arts university in Saint Paul, Minnesota. Concordia was founded in 1893 and currently enrolls approximately 5,000 students. The institution is an affiliate of the nine-member Concordia University system. Concordia is currently a tenant in the Central Midway building, occupying over 30% of the rentable space.

Proposal:

Type of Bonds: The tax-exempt revenue bonds will be “bank-qualified” under Section 265 of the Code. This will allow a bank to hold the tax-exempt bonds without a reduction in their effective yield which would otherwise impact a “non-bank qualified” tax-exempt holding.

Rate: Approximately 4.25% fixed for 7 years

Security: First secured interest and mortgage on the project in favor of the bondholders, including the land, building and personal property associated with the project.

Term: Twenty-five year fully amortizing

Issuer:	Saint Paul Port Authority
Borrower:	Concordia University, St. Paul
Borrower's Counsel:	McGrann Shea
Bank:	Bremer Bank
Bank's Counsel:	Christoffel & Elliott
Bond Counsel:	Kennedy & Graven

Conduit Financing:

The bonds will be a conduit financing of the Port Authority and will not constitute or give rise to a liability of the Port Authority, the City of Saint Paul or the State of Minnesota or a charge against their general credit or taxing powers. The bondholders will not have the right to demand payment on the bonds out of any funds to be raised from taxation or from any revenue sources other than those expressly pledged to payment of the bonds pursuant to the funding agreement. The Port Authority's role in this loan is that of Issuer only.

The Port Authority will receive fees in the amount of 1/8 of a point (approximately \$6,875.00) at closing and 1/8 of a point on the outstanding balance, annually, for the life of the bonds.

Workforce Implications:

N/A

Policy Exceptions:

None.

Disclosure:

The Port Authority Commissioners by SEC rules are obligated to disclose any risks or facts you may be aware of that would affect the probability of repayment on these bonds.

Recommendation:

We recommend approval for the Port Authority to issue approximately \$5,500,000 of bank-qualified conduit tax-exempt revenue bonds to be used to finance the acquisition of the Central Midway building located at 393 Dunlap Street in Saint Paul.

Attachment: Resolution

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

**[RESOLUTION AUTHORIZING THE ISSUANCE OF CONDUIT REVENUE
OBLIGATIONS FOR THE BENEFIT OF CONCORDIA UNIVERSITY, ST. PAUL,
OR ANY OF ITS AFFILIATES; AUTHORIZING THE EXECUTION OF THE
REVENUE OBLIGATIONS AND RELATED DOCUMENTS; AND TAKING
OTHER ACTIONS RELATED THERETO]**

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority") is authorized by Minnesota Statutes, Sections 469.048 through 469.068 and 469.084, as amended (the "Port Authority Act"), and by Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the "Development Act"), to issue its revenue bonds to, among other things, finance, in whole or in part, the cost of the acquisition, construction, improvement, or extension of a revenue producing enterprise, whether or not operated for profit; and

WHEREAS, the revenue bonds issued under the Port Authority Act and the Development Act are not a debt of the City of Saint Paul (the "City"), are not secured by a pledge of the full faith and credit of the City, and are payable solely from the revenues expressly pledged to the revenue bonds; and

WHEREAS, Concordia University, St. Paul, a Minnesota nonprofit corporation, or any of its affiliates (the "Borrower"), has proposed that the Port Authority issue its conduit revenue obligations, in one or more series, as taxable or tax-exempt obligations (the "Notes"), in an estimated aggregate principal amount not to exceed \$5,500,000, for the benefit of the Borrower, for the purposes of (i) financing a portion of the costs of the acquisition of a building located at 393 North Dunlap Street in the City (the "Project") to be owned and operated by the Borrower for educational purposes; (ii) funding required reserves, if any; and (iii) paying costs of issuance of the Notes; and

WHEREAS, the Borrower has represented to the Port Authority that it is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as a result of the application of Section 501(c)(3) of the Code; and

WHEREAS, Section 147(f) of the Code, and regulations promulgated thereunder, and Section 469.154, subdivision 4 of the Development Act require that, prior to the issuance of the Notes, the Board of Commissioners of the Port Authority (the "Board") approve the issuance of the Notes after conducting a public hearing thereon preceded by publication of a notice of public hearing (in the form required by Section 147(f) of the Code and applicable regulations) in the official newspaper of the Port Authority and a newspaper of general circulation in the City at least fourteen (14) days prior to the public hearing date; and

WHEREAS, a notice of public hearing was published at least fourteen (14) days prior to the regularly scheduled meeting of the Board in the *Legal Ledger*, the official newspaper of the Port Authority, and in the *Pioneer Press*, a newspaper of general circulation in the City, with respect to the required public hearing under Section 147(f) of the Code and the Development Act; and

WHEREAS, on the date hereof, the Board conducted a duly noticed public hearing at which a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing, on the issuance of the Notes pursuant to the requirements of Section 147(f) of the Code and the regulations promulgated thereunder; and

WHEREAS, pursuant to Section 469.154 of the Development Act, prior to the issuance of the Notes by the Port Authority, the Commissioner of the Minnesota Department of Employment and Economic Development (“DEED”) must approve the costs of the Project to be funded by the Notes on the basis of an application submitted by the Port Authority with all required attachments and exhibits (the “DEED Application”); and

WHEREAS, the Notes are proposed to be issued under the terms of this resolution, will be issued in one or more series, as taxable or tax-exempt obligations, and will be sold to Bremer Bank, National Association, a national banking association (the “Lender”); and

WHEREAS, the Port Authority will loan the proceeds derived from the sale of the Notes to the Borrower pursuant to a Loan Agreement (the “Loan Agreement”) between the Port Authority and the Borrower; and

WHEREAS, the Loan Agreement requires the Borrower to make loan repayments to produce revenue sufficient to pay the principal of, premium, if any, and interest on the Notes when due, and the Port Authority will assign its rights to the loan repayments (excluding certain reserved rights of the Port Authority), additional payments, and certain other rights under the Loan Agreement to the Lender pursuant to the terms of a Pledge Agreement (the “Pledge Agreement”) between the Port Authority and the Lender; and

WHEREAS, in order to secure the Borrower’s obligations under the Loan Agreement, the Borrower will execute and deliver to the Lender a Combination Mortgage, Security Agreement, and Fixture Financing Statement (the “Mortgage”) and an Assignment of Leases and Rents (the “Assignment of Leases and Rents”); and

WHEREAS, the Borrower may execute, deliver, or cause to be executed and delivered, to the Lender one or more security agreements and/or guaranties as security; and

WHEREAS, Port Authority management has reviewed the proposal to issue the Notes with the Credit Committee, all as more specifically set forth in the staff memorandum on file, and the Credit Committee recommends approval of this resolution, the issuance of the Notes, and the execution of all documents outlined herein and in the staff memorandum, or otherwise necessary to the consummation of these transaction;

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

1. The Board hereby finds, determines, and declares that:

(a) The issuance and sale of the Notes, the execution and delivery by the Port Authority of the Loan Agreement and the Pledge Agreement, and the performance of all covenants and agreements of the Port Authority contained in the Loan Agreement and the Pledge Agreement are undertaken pursuant to the Development Act.

(b) It is hereby found and determined that the Project furthers the purposes set forth in the Development Act, and therefore the Project constitutes a "project" within the meaning of Section 469.153, subdivision 2(b) of the Development Act. The Port Authority acknowledges, finds, determines, and declares that the issuance of the Notes is authorized by the Development Act and is consistent with the purposes of the Development Act and that the issuance of the Notes and the other actions of the Port Authority under the Loan Agreement, the Pledge Agreement, and this resolution constitute a public purpose and are in the best interests of the Port Authority.

(c) The loan repayments to be made by the Borrower under the Loan Agreement are fixed to produce revenues sufficient to provide for the prompt payment of principal of, premium, if any, and interest on the Notes issued under this resolution when due, and the Loan Agreement also provides that the Borrower is required to pay all expenses of the operation and maintenance of the Project, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all lawfully imposed taxes and special assessments levied upon or with respect to the Project and payable during the term of the Loan Agreement.

(d) As provided in the Loan Agreement, the Notes shall not be payable from or charged upon any funds other than the revenues or funds and assets pledged to its payment, nor shall the Port Authority or the City be subject to any liability thereon, except as otherwise provided in this paragraph. No holder of the Notes shall ever have the right to compel any exercise by the Port Authority or by the City of its taxing powers to pay any of the Notes or the interest or premium thereon, or to enforce payment thereof against any property of the Port Authority or the City except the interests of the Port Authority in the Loan Agreement and the revenues and assets thereunder, which will be assigned to the Lender under the Pledge Agreement. The Notes shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Port Authority or the City, except the interests of the Port Authority in the Loan Agreement, and the revenues and assets thereunder, which will be assigned to the Lender under the Pledge Agreement. The Notes shall recite that the Notes are issued pursuant to the Development Act; that the Notes, including interest and premium, if any, thereon, are payable solely from the revenues and assets pledged to the payment thereof; and that the Notes shall not constitute a debt of the Port Authority or the City within the meaning of any constitutional or statutory limitations.

2. In accordance with Section 469.154 of the Development Act, Port Authority staff are hereby authorized and directed to cause a draft copy of the DEED Application, together with drafts of all required attachments and exhibits, to be prepared by Kennedy & Graven, Chartered, as bond counsel ("Bond Counsel"). Port Authority staff and other officers, employees, attorneys, and agents of the Port Authority are hereby authorized to provide DEED with any information needed for this purpose, and Port Authority staff is authorized to initiate and assist in the preparation of such documents as may be deemed appropriate by Bond Counsel.

3. The Port Authority hereby authorizes the issuance of the Notes in a principal amount not to exceed \$5,500,000, subject to approval of the costs related to the Project by DEED. The Notes shall be issued pursuant to the terms set forth in the forms of Notes now on file with the Port Authority. The aggregate principal amount of the Notes, the interest rate of the Notes, the terms for adjustment of the interest rate on the Notes, the date of the documents referenced in this resolution and the Notes, and the terms of redemption of the Notes may be established or modified with the approval of the Port Authority. The execution and delivery of

the Notes shall be conclusive evidence that the Port Authority has approved such terms as subsequently established or modified. The offer of the Lender to purchase the Notes at the price of par plus accrued interest, if any, to the date of delivery at the interest rate or rates specified in the Notes is hereby accepted.

4. The Notes shall be special, limited obligations of the Port Authority payable solely from the revenues provided by the Borrower pursuant to the Loan Agreement. The Board hereby authorizes and directs the Chair of the Port Authority (or any commissioner) and the President of the Port Authority (together, the "Port Authority Officials") to execute and deliver the Notes in substantially the forms now on file with the Port Authority. The Port Authority Officials are hereby authorized to execute and deliver any agreements with any depository institution, including any representation letter or amendment to any existing representation letter, in the event the Port Authority and the Lender elect to register the Notes in book-entry form.

5. The Loan Agreement and the Pledge Agreement are hereby approved in substantially the forms on file with the Port Authority on the date hereof. The terms of the Loan Agreement and the Pledge Agreement may be established or modified with the approval of the Port Authority. The execution and delivery of such documents shall be conclusive evidence that the Port Authority has approved such terms as subsequently established or modified. The Port Authority Officials are authorized and directed to execute and deliver the Loan Agreement and the Pledge Agreement. Copies of all of the documents necessary to the transaction herein described shall be delivered, filed, and recorded as provided herein and in the Loan Agreement.

6. The Port Authority Officials and other officers, employees, and agents of the Port Authority are hereby authorized and directed to prepare and furnish to Bond Counsel and the Lender certified copies of all proceedings and records of the Port Authority relating to the issuance of the Notes, including a certification of this resolution. Such officers, employees, and agents are hereby authorized to execute and deliver, on behalf of the Port Authority, all other certificates, instruments, and other written documents that may be requested by Bond Counsel, the Lender, or other persons or entities in conjunction with the issuance of the Notes. Without imposing any limitation on the scope of the preceding sentence, such officers, employees, and agents are specifically authorized to execute and deliver one or more certificates of the Port Authority, one or more endorsements of the Port Authority to the tax certificate of the Borrower, an Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, and all other documents and certificates as shall be necessary and appropriate in connection with the issuance, sale, and delivery of the Notes. The Port Authority hereby authorizes Kennedy & Graven, Chartered, acting as Bond Counsel, to prepare, execute, and deliver one or more approving legal opinions with respect to the Notes.

7. The Port Authority hereby authorizes the Borrower to provide such security for payment of its obligations under the Loan Agreement and for payment of the Notes, as is agreed upon by the Borrower and the Lender, and the Port Authority hereby approves the execution and delivery of such security, including but not limited to the Mortgage and the Assignment of Leases and Rents.

8. The United States Department of the Treasury has promulgated final regulations governing the use of the proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the Port Authority or a borrower from the Port Authority for project expenditures paid prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the Port Authority adopt a statement of official intent to reimburse an original expenditure not later than sixty (60) days after payment of the

original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds occur within eighteen months after the later of: (i) the date the expenditure is paid; or (ii) the date the project is placed in service or abandoned, but in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

To the extent any portion of the proceeds of the Notes will be applied to expenditures with respect to the Project, the Port Authority reasonably expects to reimburse the Borrower for the expenditures made for costs of the Project from the proceeds of the Notes after the date of payment of all or a portion of such expenditures. All reimbursed expenditures shall be capital expenditures, costs of issuance of the Notes, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations and also qualifying expenditures under the Development Act.

9. All agreements, covenants, and obligations of the Port Authority contained herein and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the Port Authority to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the Port Authority and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the Board, or of any officer, employee, or agent of the Port Authority in that person's individual capacity. Neither the members of the Board nor any officer executing the Notes shall be liable personally on the Notes or be subject to any personal liability or accountability by reason of the issuance of the Notes.

10. Except as herein otherwise expressly provided, nothing herein or in the Loan Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm, or corporation other than the Port Authority and the registered and beneficial owners of the Notes, any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provision hereof or of the Loan Agreement or any provision thereof; this resolution, the Loan Agreement and all of their provisions being intended to be, and being for the sole and exclusive benefit of the Port Authority and the registered and beneficial owners of the Notes issued under the provisions of this resolution and the Loan Agreement, and the Borrower to the extent expressly provided in the Loan Agreement.

11. In case any one or more of the provisions of this resolution, other than the provisions contained in the first sentence of Section 4 hereof, or of the documents mentioned herein, or of the Notes issued hereunder 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 documents, or of the Notes, but this resolution, the aforementioned documents, and the Notes shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein. If for any reason the Port Authority Officials, or any other officers, employees, or agents of the Port Authority authorized to execute certificates, instruments, or other written documents on behalf of the Port Authority, shall for any reason cease to be an officer, employee, or agent of the Port Authority after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Port Authority Officials are unable to execute and deliver the documents referred to in this resolution, such documents may be executed by any member of the Board or any officer of the

Port Authority delegated the duties of such Port Authority Officials with the same force and effect as if such documents were executed and delivered by the Port Authority Officials.

12. The authority to approve, execute, and deliver future amendments to the Loan Agreement, the Pledge Agreement, and other financing documents entered into by the Port Authority in connection with the issuance of the Notes and the other transactions herein contemplated, is hereby delegated to the President of the Port Authority, subject to the following conditions: (i) such amendments do not require the consent of the holders of the Notes, or if such consent is required it has been obtained; (ii) such amendments do not materially adversely affect the interests of the Port Authority as the issuer of the Notes; (iii) such amendments do not contravene or violate any policy of the Port Authority; and (iv) such amendments are acceptable in form and substance to Bond Counsel. 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 Port Authority Officials shall be conclusive evidence of the approval of such instruments in accordance with the terms thereof.

13. The Borrower has agreed to pay directly or through the Port Authority any and all costs paid or incurred by the Port Authority in connection with the transactions authorized by this resolution, whether or not the Notes are issued.

14. This resolution shall take effect and be in force from and after its passage.

Adopted: January 22, 2019

PORT AUTHORITY OF THE CITY OF
SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE

From: Michael J. Linder *MJL*

Subject: EASTGATE I, LLC
APPROVAL OF A \$143,000 TRILLION BTU LOAN

Meeting Date: January 15, 2019

Action Requested:

Provide approval for the Port Authority to initiate a Trillion BTU loan for approximately \$143,000 with Eastgate I, LLC for the installation of roof-top HVAC units on a commercial property located in St. Cloud, 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:

Eastgate I, LLC is a real estate holding company that owns three commercial properties in St. Cloud. The subject property is located at 22 Wilson Avenue NE, St. Cloud and has a tax assessed value of \$925,000. The building is a multi-tenant office building that is currently 75% occupied. There is one mortgage that secures three separate properties all owned by Robert Abel since 1970.

Proposed Project:

Roof-top HVAC Units

Purchase Price and Installation	\$143,000
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Sources and Uses of Funds:

Sources of funds:

Trillion BTU	\$143,000
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Uses of funds:

Project Description	\$143,000
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In order to leverage the grant funds, we are requesting that all local EDAs match the Trillion funds for projects in their area. Benton 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 funder of the loan.

Financial Analysis:

Tax returns were received for the last three years and the building was profitable in all three years. In 2018, the owner consolidated three properties into a single LLC, Eastgate I. Financial statements show the combined entity had a debt service coverage ratio of 1.11 prior to the PACE assessment and 1.02 when factoring in the new debt. The debt-to-equity ratio was 0.60 to 1. The following ratios are as of December 31, 2017:

Debt Service Coverage:	1.11	Trillion standard of at least:	1.15
Debt-to-Equity:	0.60	Trillion standard of less than:	4.00

Proposal:

Source of Funds:	Trillion BTU
Use of Funds:	Roof-top HVAC Units
Amount of Loan:	\$143,000
Rate:	5.0%
Term:	10 years
Collateral:	Signed Loan Agreement PACE Special Assessment

Energy Savings:

265 MMBTUs (\$9,000) annually.

Workforce Implications:

Davis-Bacon wage requirements need to be followed.
1 FTE for construction jobs.

Policy Exceptions:

Yes – Debt service coverage ratio was below guideline. This is mitigated by the consistent profitability of the company and low leverage.

Recommendation:

We recommend the approval of a \$143,000 Trillion BTU loan to Eastgate I, LLC.

MEMORANDUM

To: CREDIT COMMITTEE

From: Michael J. Linder *MJL*

Subject: **NSP POST 39 AMERICAN LEGION**
APPROVAL OF AN \$80,000 TRILLION BTU LOAN

Meeting Date: January 15, 2019

Action Requested:

Provide approval for the Port Authority to initiate a Trillion BTU loan for approximately \$80,000 with NSP Post 39 American Legion for the installation of 5 roof-top HVAC units on a commercial property located in North St. Paul, 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 American Legion Post 39 is located in North St. Paul. The American Legion was chartered and incorporated by Congress in 1919. Post 39 was established that year and is celebrating their 100-year anniversary in 2019. The property is located at 2678 7th Avenue E. The property has a tax assessed value of \$1,060,900. There are currently no mortgages on the property. They are replacing all of their roof-top heating and cooling units.

Proposed Project:

5 Roof-top HVAC Units	
Purchase Price and Installation	\$80,000

Sources and Uses of Funds:

Sources of funds:	
Trillion BTU	\$80,000
Uses of funds:	
5 Roof-top HVAC Units	\$80,000

In order to leverage the grant funds, we are requesting that all local EDAs match the Trillion funds for projects in their area. Ramsey 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 funder of the loan.

Financial Analysis:

Tax returns were received for the last three years and show the Legion had a net decrease in assets over the past three years. This was partly due to depreciation as well as a loss in revenue from gaming activities, mainly due to cash prizes given away on these activities. There are no mortgages on the property and the organization has limited additional debt. The organization had \$550,000 in net assets, which included \$202,000 in savings and investment accounts, and \$30,000 in net liabilities. This results in a liabilities to net assets ratio of 0.06 to 1. The following ratios are as of December 31, 2017:

Debt Service Coverage:	N/A	Trillion standard of at least:	1.15
Debt-to-Equity:	0.06	Trillion standard of less than:	4.00

Proposal:

Source of Funds:	Trillion BTU
Use of Funds:	5 Roof-top HVAC Units
Amount of Loan:	\$80,000
Rate:	5.0%
Term:	10 years
Collateral:	Signed Loan Agreement PACE Special Assessment

Energy Savings:

140 MMBTUs (\$4,800) annually.

Workforce Implications:

Davis-Bacon wage requirements need to be followed.
1 FTE for construction jobs.

Policy Exceptions:

Yes - The Legion had a net decrease in assets in the last three years. This is caused partially by depreciation as well as charitable donations, scholarships and cash prizes for gaming activities.

Recommendation:

We recommend the approval of an \$80,000 Trillion BTU loan to NSP Post 39 American Legion.

MEMORANDUM

To: CREDIT COMMITTEE

From: Michael J. Linder *MJL*

Subject: **ROGER AND JUDITH WALKES**
APPROVAL OF AN \$81,100 TRILLION BTU LOAN

Meeting Date: January 15, 2019

Action Requested:

Provide approval for the Port Authority to initiate a Trillion BTU loan for approximately \$81,100 with Roger and Judith Walkes for the installation of 33-kW solar array on an agricultural property located in Plainview, 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:

Roger and Judith Walkes operate a farm located at 25089 County Road 25 in Plainview, Minnesota. They raise cattle and grow feed corn and other crops. They are installing a 33-kW ground mounted solar array near one of their cattle barns to offset electricity use. The property has a tax assessed value of \$1,334,000. The borrowers have a construction mortgage for a new barn as well as a traditional real estate mortgage. Loan-to-value of the two mortgages using the tax value of the property is 23%.

Proposed Project:

33-kW Solar Array

Purchase Price and Installation	\$81,100
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Sources and Uses of Funds:

Sources of funds:

Trillion BTU	\$81,100
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Uses of funds:

33-kW Solar Array	\$81,100
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In order to leverage the grant funds, we are requesting that all local EDAs match the Trillion funds for projects in their area. Wabasha 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 funder of the loan.

Financial Analysis:

Tax returns were received for the last three years through December of 2017 and the borrowers were profitable in all three years. The debt service coverage ratio was 1.99 to 1 using the 2017 tax returns and when including the PACE loan would have been 1.76 to 1. A balance sheet was not obtained, however, using their outstanding debt and tax value of the property, a proforma debt-to-equity ratio would be 0.31 to 1. The following ratios are as of December 31, 2017:

Debt Service Coverage:	1.99	Trillion standard of at least:	1.15
Debt-to-Equity:	N/A	Trillion standard of less than:	4.00

Proposal:

Source of Funds:	Trillion BTU
Use of Funds:	33-kW Solar Array
Amount of Loan:	\$81,100
Rate:	5.0%
Term:	10 years
Collateral:	Signed Loan Agreement PACE Special Assessment

Energy Savings:

140 MMBTUs (\$4,500) annually.

Renewable Energy Rebates and Incentives:

The borrower is eligible to receive additional incentives including the investment tax credit equal to 30% of the system's cost, accelerated depreciation and performance-based incentives through the local utility.

Workforce Implications:

Davis-Bacon wage requirements need to be followed.
1 FTE for construction jobs.

Policy Exceptions:

None.

Recommendation:

We recommend the approval of an \$81,100 Trillion BTU loan to Roger and Judith Walkes.

MEMORANDUM

To: CREDIT COMMITTEE

Meeting Date: January 15, 2019

From: Eric D. Larson 

Subject: **2019 GRANT APPLICATION AND ACCEPTANCE AUTHORIZATION**
RESOLUTION NO. _____

Action Requested:

Approval for 2019 for the President of the Port Authority of the City of Saint Paul or anyone acting under his direction to apply for and accept any grant or other financial or resource assistance so long as the assistance furthers the Port Authority's mission.

Background:

The Port Authority seeks programs that provide grants or other financial or resource assistance that can help the Port Authority further its mission. Some of the programs require a Board resolution enclosed with the application authorizing the applicant to apply for and receive a grant or other financial or resource assistance. At times the application deadline date precedes the Port Authority's next Board meeting and, therefore, the Port Authority has not been able to provide a Board resolution in support of its application. In such instances, the Port Authority has supplemented its application as soon as possible afterwards. To the best of the Port Authority's knowledge, the lack of any such resolution has not precluded an award to the Port Authority. Regardless, Port Authority staff recommends that the Board approve a resolution, which contains many of the standard board representations and statutory information required for such program assistance and further authorizes the Port Authority to apply for and accept any grant or other financial or resource assistance so long as the assistance furthers the Port Authority's mission. This resolution may help further the Port Authority's application especially as the competition for such assistance becomes greater.

At the May 22, 2012, April 23, 2013, December 17, 2013, December 16, 2014, December 15, 2015, January 24, 2017, and April 24, 2018 Board meetings, Board approval was given to Resolution Nos. 4426, 4457, 4490, 4525, 4560, 4590, and 4629 respectively, authorizing the application for and acceptance of financial or resource assistance for 2012, 2013, 2014, 2015, 2016, 2017, and 2018. This new resolution would authorize this assistance for 2019.

Recommendation:

It is therefore recommended that the Board approve a resolution authorizing the President of the Port Authority of the City of Saint Paul or anyone acting under his direction to apply for and accept any grant or other financial or resource assistance so long as the assistance furthers the Port Authority's mission.

Attachment: Resolution

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

[2019 GRANT APPLICATION AND ACCEPTANCE AUTHORIZATION]

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

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

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; and

WHEREAS, under Minn. Stat. §§ 469.048 to 469.061, the Port Authority has the powers and duties conferred upon all port authorities; and

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; and

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

WHEREAS, federal, state, county, city, and other governmental entities and agencies have established grant, or other various assistance programs, which the Port Authority could use in furtherance of its statutory mission; and

WHEREAS, for instance, the Minnesota legislature established environmental assistance grant programs to provide financial assistance in the development of environmentally sustainable practices in Minnesota through voluntary partnerships and goal-oriented, economically driven approaches to pollution prevention and resource conservation; and

WHEREAS, many non-profit organizations have established grant, or other various assistance programs, which the Port Authority could use in furtherance of its statutory mission; and

WHEREAS, the Port Authority represents that it has undertaken reasonable and good faith efforts to procure funding in pursuit of its mission from other sources in addition to grant, or other program resources to which it may seek assistance.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL: That the Port Authority has the legal authority to apply for financial assistance, and has the institutional, managerial, and financial capability to ensure adequate project administration of any financial assistance received; and

BE IT FURTHER RESOLVED, that any sources and amounts of any matching funds, local or otherwise, identified in the Port Authority's application will be committed to the identified project per the application; and

BE IT FURTHER RESOLVED, that the Port Authority has not violated any federal, state or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice; and

BE IT FURTHER RESOLVED, that the Port Authority certifies that it will comply with all applicable laws and regulations as stated in the grant/assistance agreements; and

BE IT FURTHER RESOLVED for the year 2019, that the President or anyone acting under his direction is hereby encouraged and authorized to apply to, and accept from, if awarded, a grant or some other financial or resource assistance in any amount from any federal, state, county, city, and other governmental entities and agencies or non-profit organizations so long as the assistance furthers the Port Authority's mission; and

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 complete grant/assistance applications and secure their receipt; and

BE IT FURTHER RESOLVED, that notwithstanding the above, all loans and other financial or resource assistance that needs to be repaid by the Port Authority will require Board approval prior to the execution of documents imposing the specific debt obligation and amount by and upon the Port Authority.

Adopted: January 22, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE **Meeting Date:** January 15, 2019

From: Ava Langston-Kenney *ALK-K*

Subject: **ACCEPTANCE OF GRANT FUNDING FROM MINNESOTA'S PORT DEVELOPMENT ASSISTANCE PROGRAM FOR A DIRECT BARGE-RAIL-TRUCK TRANSLOAD FACILITY AT SOUTHPORT TERMINAL WITH ALTER LOGISTICS COMPANY**
RESOLUTION NO. _____

Action Requested:

Approval for the Port Authority to accept, receive and administer funding from the Minnesota Port Development Assistance Program for a grant in the amount of \$1,818,050 for final design and construction of a Direct Barge-Rail-Truck Transload Facility located in the Southport Terminal, Alter Logistics Company, 801 Barge Channel Road, Saint Paul, Minnesota.

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 increase the Port Authority's capacity to provide terminal access for river shipping.

The Minnesota Port Development Assistance (PDA) Program has provided the Port Authority with grant dollars for capital improvements in the Saint Paul Harbor since 1996. The Ports & Waterways Section of MNDOT administers the Program which is funded by State Legislature. The grant requires a minimum local match of 20% of the improvement cost.

This Project proposes to:

- Rehabilitate an existing rail spur
- Install a new rail spur
- Install a reinforced load/unloading pad and associated road paving to improve traffic circulation within the Project. See Attachment 1 - A map, depicting the project site and its surrounding area.

The facility currently has some limited rail access and is served by the Union Pacific Railroad, a Class 1 rail line. Installing a new rail spur and rehabilitating the existing rail spur would greatly enhance the terminal's 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. Alter Logistics is leasing approximately 22.33 acres of land from the Port Authority in Southport Terminal. Their lease runs from April 1, 1981 through March 31, 2021 with eight five-year renewal options and one final four-year renewal option that would extend their lease to March 31, 2035.

The Port Authority is working with Alter Logistics concerning funding for all Project costs not covered by the PDA grant; thus, more than meeting the 20% match required by the PDA grant. The Port Authority does not anticipate participating in the Project costs. In the event the Port Authority would need to do so, the Port Authority will use its River Maintenance funds.

Accordingly, this Project adds to Southport Terminal's capacity to move overweight and oversize freight directly from a barge to rail as well as to a truck, providing maximum intermodal flexibility to the terminal. The Project has the added advantage of reducing fugitive dust and idling CO2 and NOx emissions, which improve the air quality for terminal workers and the surrounding community.

This Project is the first phase of a larger Southport Terminal Intermodal Improvement Project.

Projected Construction Transload Facility Cost:

<u>SOURCE OF FUNDS</u>	<u>COST</u>
PDA Grant	\$ 1,818,050
Alter Logistics	\$ 681,950 ¹
SPPA River Maintenance Funds	
Total Project Estimated Cost	\$ 2,500,000

Recommendation:

Approval for the Port Authority to accept, receive and administer \$1,818,050 of grant funds awarded by the Port Development Assistance Program for the construction of a new rail spur extension, rehabilitation of a connecting rail spur, and paving of a reinforced load/unloading pad including associated circulation road paving at the Southport Terminal – Alter Logistics, 801 Barge Channel Road, Saint Paul, Minnesota.

Attachments: Map
 Resolution

¹The projected costs are initial estimates subject to securing a construction bid and a resulting construction contract, these and other construction-related details are still to be determined. As a result, Alter Logistics' actual contribution may well vary from this estimate.

SPPA Southport Terminal Alter Direct Barge-Rail-Truck Transload Facility



Ramsey County

Project Area

Dakota County

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.



 Project Area



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

**[ACCEPTANCE OF GRANT FUNDING FROM MINNESOTA'S PORT
DEVELOPMENT ASSISTANCE PROGRAM FOR A DIRECT
BARGE-RAIL-TRUCK TRANSLOAD FACILITY AT THE SOUTHPORT TERMINAL]**

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

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

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 two of the Port Authority Commissioners must be members of the Council of 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, 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).

WHEREAS, the Port Authority represents that it has undertaken reasonable and good faith efforts to procure funding in pursuit of its mission from other sources in addition to grant, or other program resources to which it may seek assistance.

WHEREAS, the Port Authority desires to request and accept from a grant from the Minnesota Port Development Assistance (PDA) Program in the amount of \$1,818,050 for a direct barge-rail-truck transload facility at the Southport Terminal, Alter Logistics, 801 Barge Channel Road, Saint Paul, Minnesota.

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 encouraged and authorized to request and accept from, if awarded, a grant from the Minnesota Port Development Assistance (PDA) Program in the amount of \$1,818,050 for a direct barge-rail-truck transload facility located in the Southport Terminal.

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 complete the grant application and secure its receipt, including any matching fund requirements.

Adopted: _____

PORT AUTHORITY OF THE CITY OF SAINT PAUL


By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE **Meeting Date:** January 15, 2019

From: Ava Langston-Kenney 

Subject: **ACCEPTANCE OF GRANT FUNDING FROM MINNESOTA'S PORT DEVELOPMENT ASSISTANCE GRANT PROGRAM FOR A BARGE RECEIVING SYSTEM AT BARGE TERMINAL NO. 1 WITH BTHREE, LLC**
RESOLUTION NO. _____

Action Requested:

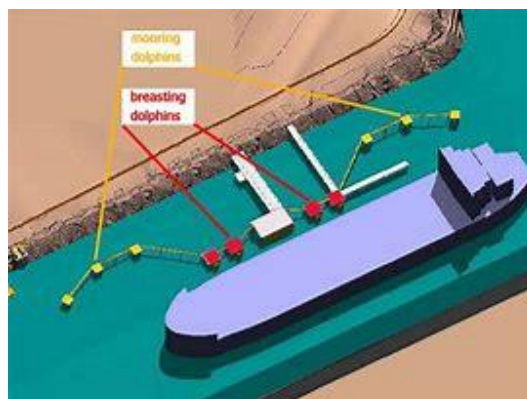
Approval for the Port Authority to accept, receive and administer funding from the Minnesota Port Development Assistance Program for a grant in the amount of \$2,590,000 for construction of a new Barge Receiving System located at Barge Terminal No. 1, BThree, LLC, 2145 Childs Road, Saint Paul, Minnesota.

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 increase the Port Authority's capacity to provide terminal access for river shipping.

The Minnesota Port Development Assistance (PDA) Program has provided the Port Authority with grant dollars for capital improvements in the Saint Paul Harbor since 1996. The Ports & Waterways Section of MNDOT administers the Program which is funded by State Legislature. The grant requires a minimum local match of 20% of the improvement cost.

This Project includes the installation of a new barge receiving system complete with a new bulkhead (dockwall) equipment platform, two barge breasting dolphins, (illustrated below), as



well as, the construction of a new barge access bridge and walkway and a new underground pneumatic transport pipeline from the waterfront to the storage tanks located at the tenant site at 2145 Childs Road in Barge Terminal No. 1. See Attachment 1 - A map depicting the project site and its surrounding area.

Constructing the Barge Receiving System at Barge Terminal No. 1 will provide a water-borne commodities/freight-handling system where the old loading cell is no longer useable. Installation of this new system and equipment will increase Barge Terminal No. 1's capacity for barge unloading, adding an estimated 65,000-110,000 tons of cementitious commodity materials transferred each year. BThree, LLC is leasing approximately 3.5 acres of land from the Port Authority in Barge Terminal No. 1. Their lease runs from January 1, 2016 through December 31, 2025 with two five-year renewal options that would extend their lease to 2035. This Project will position this important inland river terminal to take full advantage of economic development opportunities in the long term.

Overall Project Budget:

<u>SOURCE OF FUNDS</u>	<u>Barge Receiving System</u>
PDA Grant	\$ 2,590,000
BThree, LLC	\$ 648,000
SPPA River Maintenance Funds	
Total Project Estimate	\$ 3,238,000

Recommendation:

Approval for the Port Authority of the City of Saint Paul to accept, receive and administer \$2,590,000 of grant funds awarded by the Port Development Assistance Program for the construction of a new Barge Receiving System located in Barge Terminal No. 1, BThree, LLC, 2145 Childs Road, Saint Paul, Minnesota.

Attachments: Map
 Resolution

SPPA: PDAP-BT1 Barge Receiving System Project Area



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.

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SPPA: PDAP-BT1 Barge Receiving System Project Area

 Project Area



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

**[ACCEPTANCE OF GRANT FUNDING FROM MINNESOTA'S PORT
DEVELOPMENT ASSISTANCE PROGRAM FOR A BARGE
RECEIVING SYSTEM AT BARGE TERMINAL NO. 1 WITH BTHREE, LLC]**

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

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

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 two of the Port Authority Commissioners must be members of the Council of 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, 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).

WHEREAS, the Port Authority represents that it has undertaken reasonable and good faith efforts to procure funding in pursuit of its mission from other sources in addition to grant, or other program resources to which it may seek assistance.

WHEREAS, the Port Authority desires to request and accept from a grant from the Minnesota Port Development Assistance (PDA) Program in the amount of \$2,590,000 for a barge receiving system at Barge Terminal No. 1, BThree, LLC, 2145 Childs Road, Saint Paul, Minnesota.

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 encouraged and authorized to request and accept from, if awarded, a grant from the Minnesota Port Development Assistance (PDA) Program in the amount of \$2,590,000 for a barge receiving system at Barge Terminal No. 1.

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 complete the grant application and secure its receipt, including any matching fund requirements.

Adopted: _____

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE

Meeting Date: January 15, 2019

From: Kathryn L. Sarnecki 

Subject: **ACCEPTANCE OF GRANT FUNDING FROM MINNESOTA'S PORT DEVELOPMENT ASSISTANCE PROGRAM FOR FENDER REPLACEMENT PROJECT AT BARGE TERMINAL NO. 1**
RESOLUTION NO. _____

Action Requested:

Approval for the Port Authority to accept, receive and administer \$108,295 of grant funding from the Minnesota Port Development Assistance Program for replacement of fenders along the dock wall located at Barge Terminal No. 1, utilized at Aggregate Industries leased property, 1177 Childs Road, Saint Paul, Minnesota.

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 increase the Port Authority's capacity to provide terminal access for river shipping.

The Minnesota Port Development Assistance (PDA) Program has provided the Port Authority with grant dollars for capital improvements in the Saint Paul Harbor since 1996. The Ports & Waterways Section of MNDOT administers the Program which is funded by State Legislature. The grant requires a local match of 20% of the improvement cost.

Aggregate Industries is leasing approximately 15 acres of land from the Port Authority in Barge Terminal No. 1 and said Lease runs from December 31, 2014 through December 30, 2029, with two five-year options, which would extend said Lease out to December 30, 2039.

In 2015, the Saint Paul Port Authority received PDA Grant #00839 to repair the dockwall at Barge Terminal No. 1 at properties leased to Aggregate Industries and Hawkins, Inc. The total project cost was \$2,495,000. Since completion, some of the fenders have not been able to withstand the forces applied by Aggregate Industries' day-to-day operations. The Port Authority and Aggregate Industries design did not account for their need to move the barges (once docked/moored) by sliding them along the dockwall. The designed fenders are rubber which has been great for absorbing impact, however, because of the curvature of the wall, these rubber fenders are getting stuck on the barge corners hindering the movement of barges during unloading. As a result, more force is used to move the barges and the fenders become warped and shredded and then unable to effectively protect the new wall face.

Aggregate Industries contributed \$800,000 to the dockwall repairs. Of that contribution, \$700,000 was used during construction, and the remaining \$100,000 will be used to replace the damaged fenders. Additionally, Aggregate Industries annually contributes \$35,000 to our river maintenance fund to be used for common area maintenance.

The Port Authority requested and has been awarded remaining available PDA grant dollars in the amount of \$108,295 to replace the damaged fenders and add additional horizontal fenders to protect the new dockwall. This project will position this important inland river terminal to take full advantage of economic development opportunities in the long-term. See Attachment 1 - A map, depicting the project site and its surrounding area.

Overall Project Budget:

<u>SOURCE OF FUNDS</u>	<u>2015 DOCK WALL REPAIR COST</u>	<u>2019 FENDER REPLACEMENT COST</u>
PDA Grant	\$ 1,395,000	\$108,295
Aggregate Industries	\$700,000	\$100,000
SPPA River Maintenance (includes other tenant contributions)	\$400,000	\$78,155
Total Cost	\$ 2,495,000	\$286,450

Recommendation:

Approval for the Port Authority to accept, receive and administer \$108,295 of grant funds awarded by the Port Development Assistance Program for the replacement of fenders along 725 feet of dockwall located at Barge Terminal No. 1, Aggregate Industries, 1177 Childs Road, Saint Paul, Minnesota.

Attachments: Map
 Resolution

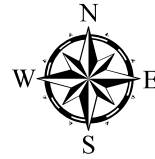
SPPA: PDAP-BT1 Barge Terminal #1 Fender Replacement



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.



SPPA: PDAP-BT1 Barge Terminal #1 Fender Replacement

 Project Area



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

**[ACCEPTANCE OF GRANT FUNDING FROM MINNESOTA'S PORT DEVELOPMENT
ASSISTANCE PROGRAM FOR FENDER REPLACEMENT PROJECT AT BARGE TERMINAL NO. 1]**

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

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

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 two of the Port Authority Commissioners must be members of the Council of 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, 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).

WHEREAS, the Port Authority represents that it has undertaken reasonable and good faith efforts to procure funding in pursuit of its mission from other sources in addition to grant, or other program resources to which it may seek assistance.

WHEREAS, the Port Authority desires to request and accept from a grant from the Minnesota Port Development Assistance (PDA) Program in the amount of \$108,295 for the replacement of fenders along the dockwall located in Barge Terminal No. 1, Aggregate Industries, 1177 Childs Road, Saint Paul, Minnesota.

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 encouraged and authorized to request and accept from, if awarded, a grant from the Minnesota Port Development Assistance (PDA) Program in the amount of \$108,295 for the replacement of fenders along the dockwall located in Barge Terminal No. 1, Aggregate Industries, 1177 Childs Road, Saint Paul, Minnesota.

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 complete the grant application and secure its receipt, including any matching fund requirements.

Adopted: _____

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE

Meeting Date: January 15, 2019

From: Kathryn L. Sarnecki 

Subject: 2018-2022 LEASE – ORIGATION, INC. AT 637 BARGE CHANNEL ROAD -
SOUTHPORT TERMINAL
RESOLUTION NO: _____

Action Requested:

Approval of a five-year Lease for leased premises with dockwall access at 637 Barge Channel Road, Saint Paul, Minnesota in the Southport Terminal with Origination, Inc.

Background:

The Port Authority previously licensed the area adjacent to the highdock wall at the Southport Terminal. Origination has had five consecutive years of use under our license agreements and would like to be able to plan river shipping transportation for more than one year at a time. Therefore, we are considering a five-year lease of the same areas as were previously covered under a license agreement.

The leased area will consist of a barge loading area that is 600 linear feet of the high dockwall at the Southport slip consisting of up to six barge stations (three along the wall and staged two-deep off the wall). The leased area includes 50 feet northeast (perpendicular) to the dockwall for a leased area of 30,000 square feet of land (the “Leased Premises”) at 637 Barge Channel Road in the Southport Terminal in Saint Paul, Minnesota. A map depicting the area is attached hereto for your reference. This Lease with Origination, Inc. goes back to January 1, 2018 and is to exist through December 31, 2022. The Leased Premises is primarily used for the loading and unloading of bulk commodities.

Lease Terms and Conditions:

Proposed Lease: January 1, 2018 to December 31, 2022

Annual rental rate adjustments 3.0% per year (with a multiplier of 1.030)

Base Rent	Annual Rent	Per Square Foot	Square Feet Included
Jan. 1, 2018 – Dec. 31, 2018	\$7,500	0.25	30,000
Jan. 1, 2019 – Dec. 31, 2019	\$7,725	0.2575	30,000
Jan. 1, 2020 – Dec. 31, 2020	\$7,950	0.265	30,000
Jan. 1, 2021 – Dec. 31, 2021	\$8,190	0.273	30,000
Jan. 1, 2022 – Dec. 31, 2022	\$8,430	0.281	30,000

Tonnage fees will be \$0.25 per ton of product moved through the site.

Origination previously paid an annual \$5,000 license fee but had non-exclusive rights. The proposed lease gives them exclusive rights as long as they unload for all public clients and also makes them responsible for maintenance. These rental rates are in line with the other comparable leases in our river terminals. All the base rent from this Lease and half of the tonnage will go to 876 bondholders. The other half of the tonnage will go to our River Maintenance Fund.

Tenant Obligations:

Origination is obligated to load/unload product for public clients at market rates. Origination and other Southport tenants are responsible for dockwall and common area (including roadways and stormwater management areas) maintenance and repairs.

Recommendation:

Approval of the 2018 Lease for the Leased Premises at 637 Barge Channel Road, Saint Paul, Minnesota, in the Southport Terminal for Origination, Inc.

Attachment: Map
Resolution



Southport Terminal

Barge Staging 2018 - 2022

Legend

-  NOPARKING_STAGINGAREA
-  LOWDOCK
-  Ingredient Transport Lease
-  Ingredient Transport Barge Stations
-  Origination Lease
-  50' x 600' Land Area Lease



380 St. Peter Street
Suite 650
St. Paul, MN 55102
(651) 224-5686
www.sppa.com



**RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL
[2018-2022 LEASE WITH ORIGATION, INC. AT
637 BARGE CHANNEL ROAD – SOUTHPORT TERMINAL]**

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

WHEREAS, the Port Authority wants to enter into a five-year Lease for leased premises with dockwall access at 637 Barge Channel Road, Saint Paul, Minnesota in the Southport Terminal with Origation, Inc. (the “Tenant”), which adjusts the rates in the Lease through December 31, 2022 as set forth below:

Base Rent	Annual Rent	Per Square Foot	Square Feet Included
Jan. 1, 2018 – Dec. 31, 2018	\$7,500	0.25	30,000
Jan. 1, 2019 – Dec. 31, 2019	\$7,725	0.2575	30,000
Jan. 1, 2020 – Dec. 31, 2020	\$7,950	0.265	30,000
Jan. 1, 2021 – Dec. 31, 2021	\$8,190	0.273	30,000
Jan. 1, 2022 – Dec. 31, 2022	\$8,430	0.281	30,000

WHEREAS, tonnage fees will be set at \$0.25 per ton of product moved through the site.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed 2018 Lease, as contained in the Memorandum to the Board, is hereby approved; and

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

Adopted: January 22, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: CREDIT COMMITTEE **Meeting Date:** January 15, 2019

From: Kathryn L. Sarnecki 

Subject: **2019 LEASE AMENDMENT AND RENTAL RATE ADJUSTMENTS – HAWKINS, INC.
AT 701 BARGE CHANNEL ROAD AND 0 BARGE CHANNEL ROAD-SOUTHPORT
TERMINAL
RESOLUTION NO. _____**

Action Requested:

Approval for two 2019 lease amendment and rental rate adjustments for leased premises at 701 Barge Channel Road and 0 Barge Channel Road in the Southport Terminal with Hawkins, Inc.

Background:

The Port Authority leased 2.1757 acres (94,774 sq/ft) at 701 Barge Channel Road and 1.0542 acres (45,921 sq/ft) at 0 Barge Channel Road in the Southport Terminal in Saint Paul, Minnesota to Hawkins, Inc. with a separate Lease for each property extending to December 31, 2034, with two five-year periods extending the Leases to December 31, 2044 (the “Leased Premises”). A map depicting the Leased Premises is attached hereto for your reference. The Leased Premises is primarily used for bulk chemical blending and distribution and the loading and unloading of bulk commodities.

Lease Terms and Conditions:

Current Leases: Through December 31, 2034

Current Options to Renew: Two five-year periods to December 31, 2044

Proposed Five-Year Rental Rate Adjustment: January 1, 2019 through December 31, 2023

Annual rental rate adjustments for both five-year periods are 3.5% per year (with a multiplier of 1.035).

701 Barge Channel Road:

Base Rent	Annual Rent	Per Square Foot	Square Feet Included
Jan. 1, 2019 – Dec. 31, 2019	\$27,563.59	0.291	94,774
Jan. 1, 2020 – Dec. 31, 2020	\$28,528.31	0.301	94,774
Jan. 1, 2021 – Dec. 31, 2021	\$29,526.80	0.312	94,774
Jan. 1, 2022 – Dec. 31, 2022	\$30,560.24	0.322	94,774
Jan. 1, 2023 – Dec. 31, 2023	\$31,629.85	0.334	94,774

0 Barge Channel Road:

Base Rent	Annual Rent	Per Square Foot	Square Feet Included
Jan. 1, 2019 – Dec. 31, 2019	\$13,355.43	0.291	45,921
Jan. 1, 2020 – Dec. 31, 2020	\$13,822.87	0.301	45,921
Jan. 1, 2021 – Dec. 31, 2021	\$14,306.67	0.312	45,921
Jan. 1, 2022 – Dec. 31, 2022	\$14,807.40	0.322	45,921
Jan. 1, 2023 – Dec. 31, 2023	\$15,325.66	0.334	45,921

Tonnage fees will be increased from \$0.10 per ton to \$0.12 per ton of loaded product, pursuant to the method of measurement in the original Leases.

These rental rates are in line with the other comparable leases in our river terminals. All the base rent from this lease and half of the tonnage will go to 876 bondholders. The other half of the tonnage will go to our River Maintenance Fund.

Tenant Improvements:

Pursuant to the agreement in the current Leases (2014 and 2015), it was tenant's responsibility to invest at least \$1.5 million in capital improvements at each leased location. Since 2015, tenant has invested a total of \$5.9 million on the two properties combined; this includes: construction of 8 new storage tanks, new tank and truck containment areas, and new rail spur with rail containment structures, all with associated roadways and stormwater pond.

Recommendation:

Approval for the 2019 lease amendment and rental rate adjustment for the Leased Premises at 701 Barge Channel Road and 0 Barge Channel Road in the Southport Terminal for Hawkins, Inc.

Attachment: Map
Resolution

EXISTING LEASE AREA
"A" LEGAL DESCRIPTION:

All that part of the Southwest Quarter of of the Southwest Quarter of Section 9, Township 28 North, Range 22 West, Ramsey County, Minnesota; Government Lots 7, 8, 9, and 15 of said section; Tracts D, G, and H, R.L.S. No. 446, said Ramsey County; Lots 10 – 22, Block 56, together with dedicated alleys in Block 56, WEST ST. PAUL REAL ESTATE & IMPROVEMENT SYNDICATE NO. 4, said Ramsey county; and together with adjoining vacated Belvedere Avenue that is encompassed by a line that is described as follows:

Commencing at the northeast corner of the Northwest Quarter of Section 16, said Township 28 North, Range 22 West, said point being also on the South line of said Lot 8; thence North 0 degrees 50 minutes 30 seconds West (assuming the north line of said Northwest Quarter of Section 16 bears South 89 degrees 28 minutes 00 seconds West) for 341.10 feet; thence North 60 degrees 11 minutes 00 seconds West for 796.39 feet; thence North 29 degrees 49 minutes 00 seconds East for 500.00 feet; thence North 60 degrees 11 minutes 00 seconds West for 600.00 feet to the point of beginning of the line to be described; thence continuing North 60 degrees 11 minutes 00 seconds West for 200.00 feet; thence South 29 degrees 49 minutes 00 seconds West for 398.23 feet to the Northeasterly right of way line of the Chicago Rock Island Railroad and a point hereinafter referred to as "Point B"; thence South 15 degrees 27 minutes 00 seconds East, along said right of way, for 144.60 feet; thence South 60 degrees 11 minutes 00 seconds East for 97.28 feet thence North 29 degrees 49 minutes 00 seconds East for 500.00 feet to the point of beginning.

Subject to the reservation of an easement for railroad purposes over and across the northeasterly 17.00 feet of the above described parcel.

An easement for access purposes over and across the above described parcel, being a 32.00 foot wide strip of land the center line of which is described as follows:

Commencing at said Northeast corner of the Northwest Quarter of Section 16; thence North 0 degrees 50 minutes 30 seconds West (assuming the north line of said Northwest Quarter of Section 16 bears South 89 degrees 28 minutes 00 seconds West) for 341.10 feet; thence North 60 degrees 11 minutes 00 seconds West, a distance of 1552.89 feet; thence South 29 degrees 49 minutes 00 seconds West, a distance of 40.00 feet to the point of beginning of the centerline to be described; thence North 29 degrees 49 minutes 00 seconds East, a distance of 72.53 feet; thence northerly a distance of 22.16 feet along a tangential curve concave to the northwest having a central angle of 20 degrees 49 minutes 06 seconds and a radius of 61.00 feet; thence North 08 degrees 59 minutes 54 seconds East, tangent to said curve, a distance of 39.88 feet; thence northwesterly a distance of 26.03 feet along a tangential curve concave to the west having a central angle of 24 degrees 26 minutes 54 seconds and a radius of 61.00 feet; thence north 15 degrees 27 minutes 00 seconds West, tangent to said curve, a distance of 280.14 feet; thence northeasterly a distance of 48.19 feet along a tangential curve concave to the east having a central angle of 45 degrees 16 minutes 00 seconds and a radius of 61.00 feet, thence North 29 degrees 49 minutes 00 seconds East, tangent to said curve, a distance of 146.37 feet and said centerline there terminating.

Subject to an easement for additional roadway, utility and drainage purposes over and across that part of the above described property further described as:

Beginning at the aforementioned "Point B"; thence North 29 degrees 49 minutes 00 seconds East 67.57 feet; thence South 00 degrees 01 minutes 23 seconds East 76.65 feet; thence South 08 degrees 59 minutes 54 seconds East 45.95 feet; thence southwesterly 16.85 feet along a tangential curve concave to the west having a radius of 77.00 feet and a central angle of 12 degrees 32 minutes 25 seconds; thence North 15 degrees 27 minutes 00 seconds West, not tangent to last described curve, a distance of 82.63 feet to the point of beginning.

PROPOSED LEASE AREA
"B" LEGAL DESCRIPTION:

All that part of the Southwest Quarter of of the Southwest Quarter of Section 9, Township 28 North, Range 22 West, Ramsey County, Minnesota; Government Lots 7, 8, 9, and 15 of said section; Tracts D, G, and H, R.L.S. No. 446, said Ramsey County; and adjoining vacated Belvedere Avenue that is encompassed by a line that is described as follows:

Commencing at the northeast corner of the Northwest Quarter of Section 16, said Township 28 North, Range 22 West, said point being also on the South line of said Lot 8; thence North 0 degrees 50 minutes 30 seconds West (assuming the north line of said Northwest Quarter of Section 16 bears South 89 degrees 28 minutes 00 seconds West) for 341.10 feet; thence North 60 degrees 11 minutes 00 seconds East for 500.00 feet; thence North 60 degrees 11 minutes 00 seconds West for 800.00 feet; thence South 29 degrees 49 minutes 00 seconds West 17.00 feet to the point of beginning; thence continuing South 29 degrees 49 minutes 00 seconds West 336.18 feet; thence North 15 degrees 27 minutes 00 seconds East a distance of 237.11 feet to the intersection with a line bearing North 60 degrees 11 minutes 00 seconds West from the point of beginning; thence South 60 degrees 11 minutes 00 seconds East 100.00 feet to the point of beginning.

Subject to an easement for additional roadway purposes over and across the southwesterly 16.00 feet of the above described parcel;

PROPOSED LEASE AREA
"C" LEGAL DESCRIPTION:

All that part of the Southwest Quarter of of the Southwest Quarter of Section 9, Township 28 North, Range 22 West, Ramsey County, Minnesota; Government Lots 7, 8, 9, and 15 of said section; Tracts D, G, and H, R.L.S. No. 446, said Ramsey County; and adjoining vacated Belvedere Avenue that is encompassed by a line that is described as follows:

Commencing at the northeast corner of the Northwest Quarter of Section 16, said Township 28 North, Range 22 West, said point being also on the South line of said Lot 8; thence North 0 degrees 50 minutes 30 seconds West (assuming the north line of said Northwest Quarter of Section 16 bears South 89 degrees 28 minutes 00 seconds West) for 341.10 feet; thence North 60 degrees 11 minutes 00 seconds West for 796.39 feet; thence North 29 degrees 49 minutes 00 seconds East for 500.00 feet; thence North 60 degrees 11 minutes 00 seconds West for 200.00 feet; thence South 29 degrees 49 minutes 00 seconds West 17.00 feet; thence North 60 degrees 11 minutes 00 seconds West 100.00 feet to the point of beginning; thence South 29 degrees 49 minutes 00 seconds West 237.11 feet; thence North 15 degrees 27 minutes 00 seconds West 107.67 feet; thence northerly 35.55 feet along a tangential curve concave to the east having a radius of 45.00 feet and a central angle of 45 degrees 16 minutes 00 seconds; thence North 29 degrees 49 minutes 00 seconds East a distance of 129.36 feet to the intersection with a line bearing North 60 degrees 11 minutes 00 seconds West from the point of beginning; thence South 60 degrees 11 minutes 00 seconds East 89.82 feet to the point of beginning.

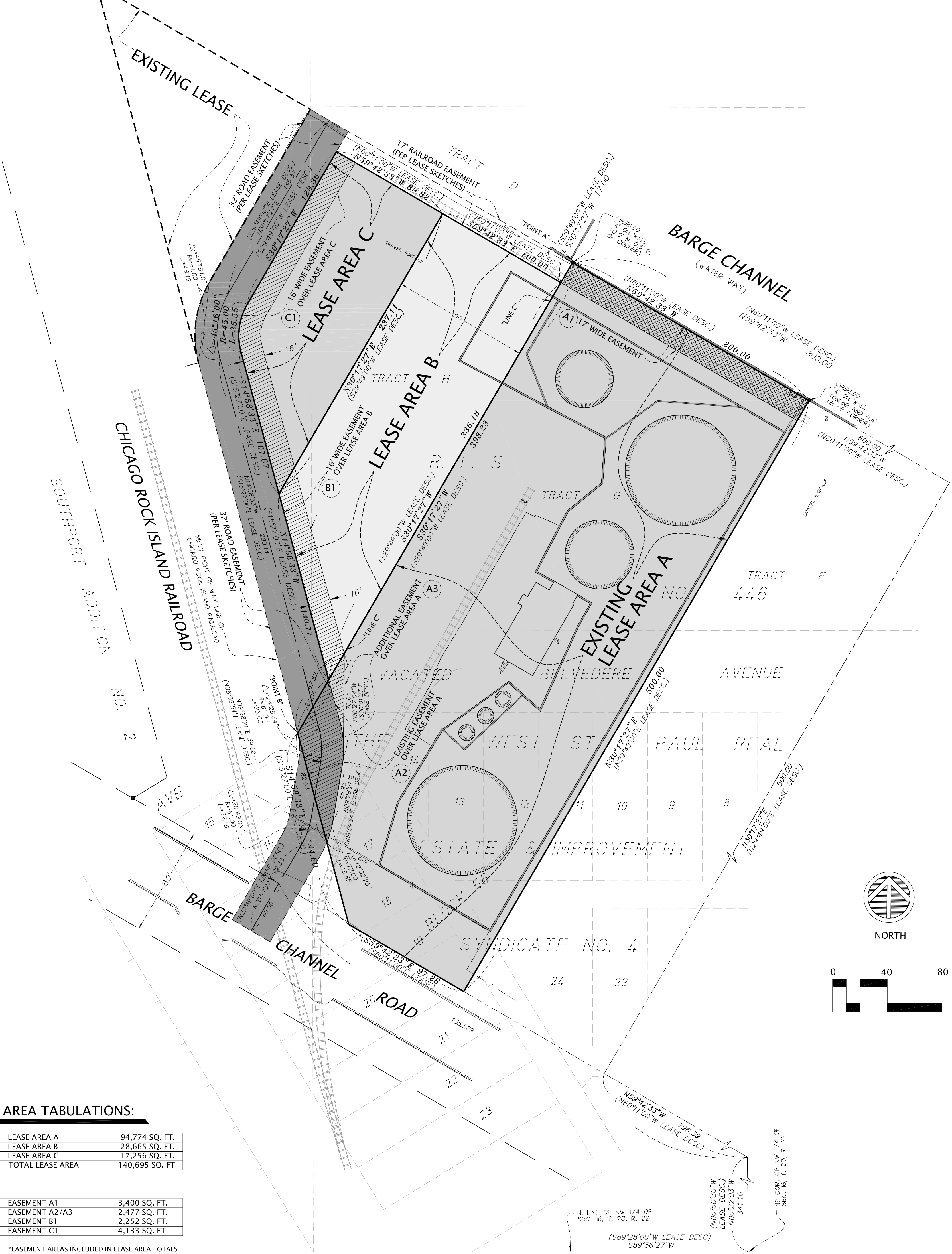
Subject to the reservation of an easement for additional roadway purposes over and across the southwesterly, westerly and northwesterly 16.00 feet of the above described parcel;

AREA TABULATIONS:

LEASE AREA A	94,774 SQ. FT.
LEASE AREA B	28,665 SQ. FT.
LEASE AREA C	17,256 SQ. FT.
TOTAL LEASE AREA	140,695 SQ. FT

EASEMENT A1	3,400 SQ. FT.
EASEMENT A2/A3	2,477 SQ. FT.
EASEMENT B1	2,252 SQ. FT.
EASEMENT C1	4,133 SQ. FT

*EASEMENT AREAS INCLUDED IN LEASE AREA TOTALS.



OVERALL LEASE
AREA DESCRIPTION:

All that part of the Southwest Quarter of the Southwest Quarter of Section 9, Township 28 North, Range 22 West, Ramsey County, Minnesota; Government Lots 7, 8, 9, and 15 of said section; Tracts D, G, and H, R.L.S. No. 446, said Ramsey County; Lots 10 – 22, Block 56, together with dedicated alleys in Block 56, WEST ST. PAUL REAL ESTATE & IMPROVEMENT SYNDICATE NO. 4, said Ramsey county; and together with adjoining vacated Belvedere Avenue that is encompassed by a line that is described as follows:

Commencing at the northeast corner of the Northwest Quarter of Section 16, said Township 28 North, Range 22 West, said point being also on the South line of said Lot 8; thence North 0 degrees 50 minutes 30 seconds West (assuming the north line of said Northwest Quarter of Section 16 bears South 89 degrees 28 minutes 00 seconds West) for 341.10 feet; thence North 60 degrees 11 minutes 00 seconds West for 796.39 feet; thence North 29 degrees 49 minutes 00 seconds East for 500.00 feet; thence North 60 degrees 11 minutes 00 seconds West for 600.00 feet to the point of beginning of the line to be described; thence continuing North 60 degrees 11 minutes 00 seconds West for 200.00 feet to a point hereinafter known as "Point A"; thence South 29 degrees 49 minutes 00 seconds West 17.00 feet; thence North 60 degrees 11 minutes 00 seconds West 189.82 feet; thence South 29 degrees 49 minutes 00 seconds West 129.36 feet; thence southerly 35.55 feet along a tangential curve concave to the east having a radius of 45.00 feet and a central angle of 45 degrees 16 minutes 00 seconds; thence South 15 degrees 27 minutes 00 seconds East a distance of 248.44 feet to the intersection with a line hereafter referred to as "Line C" which bears South 29 degrees 49 minutes 00 seconds West from aforesaid "Point A"; thence South 29 degrees 49 minutes 00 seconds West 45.05. feet to the Northeasterly right of way line of the Chicago Rock Island Railroad and a point hereinafter referred to as "Point B"; thence South 15 degrees 27 minutes 00 seconds East, along said right of way, for 144.60 feet; thence South 60 degrees 11 minutes 00 seconds East for 97.28 feet thence North 29 degrees 49 minutes 00 seconds East for 500.00 feet to the point of beginning.

A3: Subject to the reservation of an easement for additional roadway, utilities, and drainage purposes over and across that part of the above described property further described as:

Beginning at the aforementioned "Point B"; thence North 29 degrees 49 minutes 00 seconds East 67.57 feet; thence South 00 degrees 01 minutes 23 seconds East 76.65 feet; thence South 08 degrees 59 minutes 54 seconds West 45.95 feet; thence southwesterly 16.85 feet along a tangential curve concave to the west having a radius of 77.00 feet and a central angle of 12 degrees 32 minutes 25 seconds; thence North 15 degrees 27 minutes 00 seconds West, not tangent to last described curve, a distance of 82.63 feet to the point of beginning.

B1/C1: Subject to an easement for additional roadway purposes over and across the southwesterly, westerly and northwesterly 16.00 feet of the above described parcel lying northwesterly of the previously described "Line C".

A1: Subject to an easement for railroad purposes over and across the northeasterly 17.00 feet of the above described parcel lying southeasterly of the previously described "Line C".

EXISTING ROADWAY
EASEMENT DESCRIPTION:

An easement for access purposes over and across the following described property:

All that part of the Southwest Quarter of of the Southwest Quarter of Section 9, Township 28 North, Range 22 West, Ramsey County, Minnesota; Government Lots 7, 8, 9, and 15 of said section; Tracts D, G, and H, R.L.S. No. 446, said Ramsey County; Lots 10 – 22, Block 56, together with dedicated alleys in Block 56, WEST ST. PAUL REAL ESTATE & IMPROVEMENT SYNDICATE NO. 4, said Ramsey county; and together with adjoining vacated Belvedere Avenue that is encompassed by a line that is described as follows: Commencing at the northeast corner of the Northwest Quarter of Section 16, said Township 28 North, Range 22 West, said point being also on the South line of said Lot 8; thence North 0 degrees 50 minutes 30 seconds West (assuming the north line of said Northwest Quarter of Section 16 bears South 89 degrees 28 minutes 00 seconds West) for 341.10 feet; thence North 60 degrees 11 minutes 00 seconds West for 796.39 feet; thence North 29 degrees 49 minutes 00 seconds East for 500.00 feet; thence North 60 degrees 11 minutes 00 seconds West for 600.00 feet to the point of beginning of the line to be described; thence continuing North 60 degrees 11 minutes 00 seconds West for 200.00 feet; thence South 29 degrees 49 minutes 00 seconds West for 398.23 feet to the Northeasterly right of way line of the Chicago Rock Island Railroad; thence South 15 degrees 27 minutes 00 seconds East, along said right of way, for 144.60 feet; thence South 60 degrees 11 minutes 00 seconds East for 97.28 feet thence North 29 degrees 49 minutes 00 seconds East for 500.00 feet to the point of beginning.

Said easement being a 32.00 foot wide strip of land the center line of which is described as follows:

Commencing at said Northeast corner of the Northwest Quarter of Section 16; thence North 0 degrees 50 minutes 30 seconds West (assuming the north line of said Northwest Quarter of Section 16 bears South 89 degrees 28 minutes 00 seconds West) for 341.10 feet; thence North 60 degrees 11 minutes 00 seconds West, a distance of 1552.89 feet; thence South 29 degrees 49 minutes 00 seconds West, a distance of 40.00 feet to the point of beginning of the centerline to be described; thence North 29 degrees 49 minutes 00 seconds East, a distance of 72.53 feet; thence northerly a distance of 22.16 feet along a tangential curve concave to the northwest having a central angle of 20 degrees 49 minutes 06 seconds and a radius of 61.00 feet; thence North 08 degrees 59 minutes 54 seconds East, tangent to said curve, a distance of 39.88 feet; thence northwesterly a distance of 26.03 feet along a tangential curve concave to the west having a central angle of 24 degrees 26 minutes 54 seconds and a radius of 61.00 feet; thence North 15 degrees 27 minutes 00 seconds West, tangent to said curve, a distance of 280.14 feet; thence northeasterly a distance of 48.19 feet along a tangential curve concave to the east having a central angle of 45 degrees 16 minutes 00 seconds and a radius of 61.00 feet, thence North 29 degrees 49 minutes 00 seconds East, tangent to said curve, a distance of 146.37 feet and said centerline there terminating.

HAWKINS
BARGE CHANNEL

ST. PAUL,
MINNESOTA

CONTACT:

DREW SCOTT
HAWKINS, INC.
2381 Rosegate
Roseville, MN 55113
Phone: (612) 617.8595
Email: drew.scott@hawkinsinc.com

COUNTY:

RAMSEY
COUNTY

REVISIONS:

DATE	REVISION
09-05-14	INITIAL ISSUE
10-13-14	UPDATE DATUM/ADD DETAIL
10-15-14	ADD PLAN UTILITIES
04-29-15	LEASE SKETCH
04-30-15	OVERALL LEASE SKETCH
05-04-15	ADD AREAS
5-22-15	REVISIONS

CERTIFICATION:

I hereby certify that this plan 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.

Daniel L. Thurmes
Daniel L. Thurmes Registration No: 25718
Date: 9-05-14

PROJECT LOCATION:

701
BARGE CHANNEL RD

PID #092822310010

Suite #1
6750 Stillwater Blvd. N.
Stillwater, MN 55082
Phone 651.275.8969
Fax 651.275.8976
dan@cssurvey.net

CORNERSTONE
LAND SURVEYING, INC

FILE NAME SURVHAW1
PROJECT NO. HAW14001

LEASE DESCRIPTION
SKETCH

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

**[2019 LEASE AMENDMENT AND RENTAL RATE ADJUSTMENTS – HAWKINS, INC. AT
701 BARGE CHANNEL ROAD AND 0 BARGE CHANNEL ROAD – SOUTHPORT TERMINAL]**

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

WHEREAS, the Port Authority wants to enter into two 2019 Lease Amendment and Rental Rate Adjustments for leased premises at 701 Barge Channel Road and 0 Barge Channel Road in the Southport Terminal with Hawkins, Inc. (the “Tenant”), which adjust the rates in the Leases through December 31, 2023 as set forth below:

701 Barge Channel Road:

Base Rent	Period Total	Per Square Foot	Square Feet Included
Jan. 1, 2019 – Dec. 31, 2019	\$27,563.59	0.291	94,774
Jan. 1, 2020 – Dec. 31, 2020	\$28,528.31	0.301	94,774
Jan. 1, 2021 – Dec. 31, 2021	\$29,526.80	0.312	94,774
Jan. 1, 2022 – Dec. 31, 2022	\$30,560.24	0.322	94,774
Jan. 1, 2023 – Dec. 31, 2023	\$31,629.85	0.334	94,774

0 Barge Channel Road:

Base Rent	Period Total	Per Square Foot	Square Feet Included
Jan. 1, 2019 – Dec. 31, 2019	\$13,355.43	0.291	45,921
Jan. 1, 2020 – Dec. 31, 2020	\$13,822.87	0.301	45,921
Jan. 1, 2021 – Dec. 31, 2021	\$14,306.67	0.312	45,921
Jan. 1, 2022 – Dec. 31, 2022	\$14,807.40	0.322	45,921
Jan. 1, 2023 – Dec. 31, 2023	\$15,325.66	0.334	45,921

WHEREAS, tonnage fees will be increased from \$0.10 per ton to \$0.12 per ton of loaded product, pursuant to the method of measurement in the original Leases.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed 2019 Lease Amendment and Rental Rate Adjustments, as contained in the Memorandum to the Board, is hereby approved; and

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

Adopted: January 22, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____