


MEMORANDUM NOTICE

To: CREDIT COMMITTEE
From: Todd Hurley 
Subject: **REGULAR CREDIT COMMITTEE MEETING
JUNE 28, 2022, 1:30 P.M.**

Date: June 23, 2022

Chair Mullin is calling a meeting of the Credit Committee for **Tuesday, June 28, 2022 at 1:30 p.m.** in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street No., Suite 240, St. Paul, MN. The purpose of the meeting is:

Minutes

Approval of Minutes of the May 24, 2022 Credit Committee Meeting

Conflict of Interest

Conflicts with any Items on the Agenda

Agenda Items

1. Go Wild, LLC – Authorization for the Issuance of Taxable Conduit Revenue Bonds in the Approximate Amount Not to Exceed \$45,000,000
2. 2020 Legislative Bonding Bill Special Appropriation Grant for Expansion of the Minnesota Museum of American Art
3. Minnesota Museum of American Art Ground Lease and Lease/Use Agreement
4. MAW 1529 Trust, LLC – Approval of a \$22,000 Trillion BTU Loan
5. Approval of Community Engagement, Marketing Events and Promotional Partnerships
6. Such Other Business
 - Credit Committee Communication and Recruitment Plan

**SAINT PAUL PORT AUTHORITY
MINUTES OF THE REGULAR CREDIT COMMITTEE MEETING
MAY 24, 2022**

The regular meeting of the Port Authority Credit Committee was held on May 24, 2022 at 2:00 p.m.

The following Committee Members were present:

Don Mullin
Matt Slaven

John Bennett
Brianne Hamm

John Marshall
Matt Hill

Also, present were the following:

Kathryn Sarnecki
Ann Kosel
Angie Helms
Andrea Novak
Eric Larson, City of Saint Paul

Pete Klein
Tonya Bauer
Bruce Kessel
Monte Hilleman

Dana Krueger
Linda Tran
Ann Kosel

APPROVAL OF MINUTES

Committee Member Marshall made a motion to approve the minutes of the April 26, 2022 Credit Committee meeting. The motion was seconded by Committee Member Hamm, submitted to a vote, and carried unanimously.

CONFLICT OF INTEREST

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

AGENDA ITEMS

**DEBORAH AND GARY KASTNER – dba KASTNER
RESTORATION, LLC – APPROVAL OF A \$95,000 TRILLION BTU LOAN**

Mr. Klein reviewed his memorandum with the Committee requesting approval for the Port Authority to initiate a Trillion BTU loan for approximately \$95,000 with Deborah and Gary Kastner – dba Kastner Restoration, LLC for the installation of a new 40 kW solar system on a commercial property located at 906 80th St. NE, Monticello, Minnesota. Committee Member Bennett made a motion to approve the request. The motion was seconded by Committee Member Marshall, submitted to a vote, and carried unanimously.

SUCH OTHER BUSINESS


There being no further business, the meeting was adjourned at 2:11 p.m.

By: _____

Its: _____

MEMORANDUM

To: CREDIT COMMITTEE **Meeting Date:** June 28, 2022

From: Bruce Kessel 

Subject: **GO WILD, LLC - AUTHORIZATION FOR THE ISSUANCE OF TAXABLE CONDUIT REVENUE BONDS IN THE APPROXIMATE AMOUNT NOT TO EXCEED \$45,000,000 RESOLUTION NO. _____**

Action Requested:

Provide approval for the Port Authority to issue up to \$45,000,000 of taxable conduit revenue bonds to be used to refinance the Treasure Island Center, a five-story mixed use and six story parking garage located at 400 Wabasha Street North, Saint Paul, Minnesota.

Public Purpose:

The refinancing will allow Go Wild LLC (Go Wild) to restructure its debt to provide stable long-term financing for its facility in Saint Paul. The facility's tenants provide amenities to downtown workers and residents including orthopedic care, pharmacy, health, and wellness products, as well as provides a practice facility for the state's professional hockey organization, which is a major asset to the area.

Business Subsidy:

The bonds will be market rate taxable revenue bonds and exempt from treatment as a business subsidy.

Background:

Go Wild is a Minnesota company that was formed in 2016 to own and renovate the approximately 610 stall parking garage and 276,000 square foot Macy's department store in the central business core of Saint Paul that had closed several years earlier. The renovated structure is considered to be a Class A/B property consisting of tenants including the Mn Wild Hockey team practice facility, State of Minnesota's Housing Finance Authority, City of Saint Paul and its Port Authority, the Prairie Island Indian Community and a number of other tenants. Approximately 20,000 square feet of the facility was sold and now houses a two-story Walgreen store. The property is 95% leased.

Go Wild originally obtained construction financing to renovate the facility. In 2020, a three-year floating rate mortgage was obtained from two local banks. Interest rates are projected to continue to increase, and the mortgage is reaching its final maturity date. In evaluating its options for refinancing and locking into a fixed interest rate, Go Wild has determined that it is in its best interest to issue long term fixed interest bonds to accredited investors, in an amount equal to the approximate outstanding mortgage; as currently structured, this would require approximately \$40,000,000 to refinance the existing mortgage and associated financing costs. Since there is also outstanding PACE and Tax Increment Financing Debt, the structure could

MEMORANDUM

change prior to finalizing the project. Therefore, to provide flexibility to modify the structure, we are requesting approval of up to \$45,000,000. The approval of the City will be required for this issuance to proceed.

Proposal:

Type of Bonds:	Taxable revenue bonds. The minimum principal amount of the bonds will be \$100,000. Initial investor letters will be required, and the bonds may be sold only to qualified institutional buyers.
Rate:	Approximately 6.00% to 6.25%
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:	Ten years, 30-year principal amortization, interest only through 2024
Issuer:	Saint Paul Port Authority
Issuer Counsel:	Office of City Attorney – Eric Larson
Borrower:	Go Wild, LLC
Property:	Treasure Island Center, 400 Wabasha Street North
Borrower's Counsel:	Stinson, LLC
Placement Agent:	Robert W. Baird & Co.
Underwriter's Counsel	Frost Brown Todd LLC
Bond Counsel:	Ballard Spahr LLP
Trustee:	US Bank

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.

Workforce Implications:

N/A - refinancing

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 up to \$45,000,000 of taxable conduit revenue bonds to be used to refinance the Treasure Island Center, a five-story mixed use and six story parking garage located at 400 Wabasha Street North, Saint Paul, Minnesota.

Attachment: Resolution

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

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

WHEREAS, under the Minnesota Municipal Industrial Development Act, Minnesota Statutes, Sections 469.152-469.1655, as amended (the “Act”), the Port Authority, is authorized to issue revenue bonds to finance or refinance, in whole or in part, the costs of the acquisition, construction, improvement, or extension of revenue producing enterprises, whether or not operated for profit; and

WHEREAS, Go Wild, LLC, a Minnesota limited liability company (the “Borrower”), has requested that the Port Authority issue one or more series of conduit revenue bonds, to be designated as Commercial Mortgage Revenue Bonds (Go Wild, LLC Project), Taxable Series 2022-3 (or such other designation as necessary) (the “Bonds”) and loan the proceeds derived from the sale of the Bonds to the Borrower pursuant to a Loan Agreement, dated on or after July 1, 2022, between the Port Authority and the Borrower (the “Loan Agreement”) to refinance the Project (defined below); and

WHEREAS, the Borrower has represented to the Port Authority that it is proposing to utilize the proceeds of the Bonds in order to: (i) refinance certain outstanding mortgage debt originally incurred by the Borrower to finance the acquisition, renovation, and equipping of an approximately 540,000 square foot five-story mixed-use commercial building and attached six-level parking structure known as the Treasurer Island Center, located at 400 Wabasha Street North, Saint Paul, Minnesota (the “Project”); and (ii) pay costs of issuance for the Bonds; and

WHEREAS, the Bonds are proposed to be issued under the terms of this resolution and an Indenture of Trust, dated on or after July 1, 2022 (the “Indenture”), between the Port Authority and U.S. Bank Trust Company, National Association, as Trustee (the “Trustee”); and

WHEREAS, under the terms of the Indenture, the Borrower has pledged its revenues to secure any obligations issued under the Indenture and the Borrower has also granted a mortgage on the Project; and

WHEREAS, the Bonds will be sold to and/or privately placed by Robert W. Baird & Co. Incorporated (the “Underwriter”) pursuant to one or more Bond Purchase Agreements (the “Bond Purchase Contract”); and

WHEREAS, the Borrower and the Underwriter do not currently anticipate having a debt service reserve fund to secure repayment of the Bonds; and

WHEREAS, pursuant to Section 469.154, subdivision 4, of the Act, prior to submitting an application to the Minnesota Department of Employment and Economic Development (“DEED”) for approval of refinancing of the Project, the Board of Commissioners of the Port Authority must conduct a public hearing on the proposal to refinance the Project; and

WHEREAS, following the publication of a notice (the "Public Notice") of a public hearing in the *Legal Ledger*, the official newspaper of the Port Authority, and the *Pioneer Press*, a newspaper of general circulation, at least fourteen (14) days before the regularly-scheduled meeting of the Port Authority on this date (June 28, 2022), the Board of Commissioners conducted a public hearing at which a reasonable opportunity was provided for interested individuals to express their views on the proposal by the Borrower to refinance the Project and the proposed issuance of the Bonds; and

WHEREAS, the Public Notice included a general description of the refinancing of the Project, the maximum aggregate face amount of the Bonds to be issued with respect to the Project, the identity of the owner, operator, or manager of the Project (the Borrower), the location of the Project by street address or the general location, and a statement that a draft copy of the proposed application to DEED, together with all attachments and exhibits, was available for inspection from the Port Authority; and

NOW, THEREFORE, BE IT RESOLVED THAT:

1. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Bonds, in one or more series of conduit revenue bonds, in an original aggregate principal amount not to exceed \$45,000,000. If the Bonds are issued in more than one series of conduit revenue bonds, the separate series shall be separately designated as set forth above or in such other manner as is deemed appropriate by the Chair of the Port Authority (or any Commissioner), and the Interim President of the Port Authority (collectively, the "Port Authority Officials"), in their discretion. The Bonds shall be issued under the terms of this resolution and the Indenture. The Bonds shall bear interest at fixed rates established by the terms of the Indenture; provided that the combined net interest cost on the Bonds shall not exceed [7.5]%. The Bonds shall be designated, shall be numbered, shall be dated, shall mature, shall be subject to redemption or tender prior to maturity, shall be in such form, and shall have such other terms, details, and provisions as are prescribed in the Indenture and Bond Purchase Contract, in the form now on file with the Port Authority, with the amendments referenced herein.

The Port Authority hereby authorizes the issuance of the Bonds in minimum denominations of \$100,000 or any integral multiple of \$1,000 or \$5,000 in excess thereof. The Bonds shall only be offered by the Underwriter to Qualified Institutional Buyers ("QIBs") within the meaning of Rule 144A under the Securities Act of 1933, as amended who execute and deliver an investor letter in the form approved by the Port Authority Officials.

All of the provisions of the Bonds, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Bonds shall be substantially in the form in the Indenture on file with the Port Authority, which forms are hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of each series of Bonds, the stated maturities of each series of Bonds, the principal amount of Bonds maturing on each maturity date, the interest rates on the Bonds, and the terms of redemption of the Bonds) as the Port Authority Officials, in their discretion, shall determine. The execution of the Bonds with the manual or facsimile signatures of the Port Authority Officials and the delivery of the Bonds by the Port Authority shall be conclusive evidence of such determination.

2. The Bonds shall be special limited obligations of the Port Authority payable solely from the revenues provided by the Borrower pursuant to the Loan Agreement and from the revenues and security pledged, assigned, and granted pursuant to the following documents: (i) the Trust Estate pledged under the Indenture; (ii) the mortgages previously granted by the prior lenders to the Borrower and assigned to the Trustee and to be amended and restated in connection with the issuance of the Bonds (as amended, collectively, the "Mortgage"); (iii) a Shortfall Agreement, dated on or after July 1, 2022 (the "Shortfall Agreement"), from Capital City Properties, a Minnesota nonprofit corporation and a 501(c)(3) organization ("CCP") in favor of the Trustee with respect to any shortfalls (up to \$2,100,000 annually) for payments associated with the naming rights for the Project from CCP for the benefit of the Trustee; (iv) a Limited Guaranty Agreement, dated on or after July 1, 2022 (together, the "MHVG Limited Guaranty"), from Minnesota Hockey Venture Group, LP ("MHVG") for the benefit of the Trustee, subject to a cap of \$6,000,000; (v) a Limited Guaranty Agreement, dated on or after July 1, 2022 (together, the "Tareen Limited Guaranty"), from Basir Tareen for the benefit of the Trustee, subject to a cap of \$2,000,000; and (vi) any additional security which the Borrower may pledge to the payment of the Bonds. Although the Bonds are not currently contemplated to be secured by a debt service reserve fund, one may be added at the request of the Borrower and the Underwriter and with the approval of the Port Authority Officials.

All of the provisions of the Indenture, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Indenture shall be substantially in the form on file with the Port Authority, which is hereby approved, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Port Authority Officials, in their discretion, shall determine, and the execution thereof by the Port Authority Officials shall be conclusive evidence of such determination.

3. 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 Bonds 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.

4. As provided in the Loan Agreement, the Bonds shall not be payable from or charged upon any funds other than the revenue pledged to their 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 Bonds shall ever have the right to compel any exercise by the Port Authority or the City of any taxing powers to pay the Bonds 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 Trustee under the terms of the Indenture. The Bonds shall recite that the Bonds are special, limited obligations of the Port Authority issued pursuant to the Act, and that the Bonds, including interest and premium, if any, thereon, are payable solely from the revenues and assets pledged to the payment thereof, and the Bonds shall not constitute a debt of the Port Authority or the City within the meaning of any constitutional or statutory limitations.

5. The Board of Commissioners of the Port Authority hereby authorizes the Port Authority Officials to execute and deliver the Indenture, the Loan Agreement, the Bond Purchase Contract and any other documents required by the Underwriter and the Borrower in connection with the issuance of the Bonds (collectively, the "Financing Documents"). The Port Authority Officials are also authorized and directed to execute and deliver the Bonds in accordance with the terms of the Indenture, and the Bond Purchase Contract, which shall provide the terms and conditions, covenants, rights, obligations, duties, and agreements of the owners of the Bonds, the Port Authority, the Underwriter, and the Trustee as set forth therein. All of the provisions of the Financing Documents to which the Port Authority is a party, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Financing Documents to which the Port Authority is a party shall be substantially in the forms on file with the Port Authority which are hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Port Authority Officials, in their discretion, shall determine, and the execution of the Financing Documents to which the Port Authority is a party by the Port Authority Officials shall be conclusive evidence of such determination.

The Bond Purchase Contract may be executed by the Interim President or his proper designee and the Chair or any Commissioner is not required to execute the Bond Purchase Contract in order for it to be effective and binding on the Port Authority. Any documents authorized in this Resolution and required to be signed by one or more Port Authority Officials are authorized to be executed and delivered either manually or through an electronic document signing program such as DocuSign or AdobeSign as allowable under the adopted procedures of the Port Authority.

6. The Port Authority Officials and other officers, employees, and agents of the Port Authority are hereby authorized to execute and deliver, on behalf of the Port Authority, the Financing Documents to which it is a party and such other documents as are necessary or appropriate in connection with the issuance, sale, and delivery of the Bonds, including various certificates of the Port Authority. The Port Authority hereby approves the execution and delivery by the Trustee of the Indenture and all other instruments, certificates, and documents prepared in conjunction with the issuance of the Bonds that require execution by the Trustee. The Trustee is hereby appointed as Bond Registrar and paying agent with respect to the Bonds. The Port Authority hereby authorizes Ballard Spahr LLP, as bond counsel to the Borrower, to prepare, execute, and deliver its approving legal opinion with respect to the Bonds.

7. The Port Authority has not participated in the preparation of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum relating to the offer and sale of the Bonds (collectively, the "Limited Offering Memorandum"), and has made no independent investigation with respect to the information contained therein (other than with respect to information provided under the captions "ISSUER" and "ABSENCE OF LITIGATION - Issuer," as it relates to the Port Authority), including the appendices thereto, and the Port Authority assumes no responsibility for the sufficiency, accuracy, or completeness of such information. Subject to the foregoing, the Port Authority hereby consents to the distribution and the use by the Underwriter of the Limited Offering Memorandum in connection with the offer and sale of the Bonds. The Limited Offering Memorandum is the sole offering document consented to by the Port Authority for use in connection with the offer and sale of the Bonds.

8. Except as otherwise provided in this resolution, all rights, powers, and privileges conferred and duties and liabilities imposed upon the Port Authority or the Board of

Commissioners by the provisions of this resolution or of the aforementioned documents shall be exercised or performed by the Port Authority or by such members of the Board of Commissioners, or such officers, board, body, or agency thereof as may be required or authorized by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation, or agreement herein contained or contained in the aforementioned documents shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board of Commissioner of the Port Authority, or any officer, agent, or employee of the Port Authority in that person's individual capacity, and neither the Board of Commissioners of the Port Authority nor any officer or employee executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No provision, covenant, or agreement contained in the aforementioned Financing Documents, the Bonds or in any other document relating to the Bonds, and no obligation therein or herein imposed upon the Port Authority or the breach thereof, shall constitute or give rise to any pecuniary liability of the Port Authority or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the Port Authority has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreement which are to be applied to the payment of the Bonds, as provided therein and in the Indenture.

9. Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or Borrower, other than the Port Authority or any holder of the Bonds issued under the provisions of this resolution, any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provisions hereof, this resolution, the aforementioned documents and all of their provisions being intended to be and being for the sole and exclusive benefit of the Port Authority and any holder from time to time of the Bonds issued under the provisions of this resolution.

10. In case any one or more of the provisions of this resolution, other than the provisions contained in Section 8 hereof, or of the aforementioned documents, or of the Bonds 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 Bonds, but this resolution, the aforementioned documents, and the Bonds shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

11. The Bonds, when executed and delivered, shall contain a recital that they are issued pursuant to the Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Bonds, and to the execution of the aforementioned documents to happen, exist, and be performed precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

12. The officers of the Port Authority, the Saint Paul City Attorney's Office (as "Issuer's Counsel"), other attorneys, engineers, and other agents or employees of the Port Authority and Ballard Spahr LLP as bond counsel are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, and the Bonds for the full, punctual, and complete performance of all the terms, covenants, and

agreements contained in the Bonds, the aforementioned documents, and this resolution. In the event that for any reason any of the Port Authority Officials is unable to carry out the execution of any of the documents or other acts provided herein, such documents may be executed and such actions may be taken by any official or employee of the Port Authority or the City delegated the duties of any such Port Authority Official with the same force and effect as if such documents were executed and delivered by such Port Authority Official.

13. The Borrower has agreed and it is hereby determined that any and all costs incurred by the Port Authority in connection with the Project will be paid by the Borrower, including the costs and expenses of Issuer's Counsel and the Port Authority's initial and ongoing annual issuance fees for the Bonds. It is understood and agreed that the Borrower shall indemnify, defend and hold harmless the Port Authority against all liabilities, losses, damages, costs and expenses (including reasonable attorney's fees and expenses incurred by the Port Authority) arising with respect to the Project or the Bonds, as provided for and agreed to by and between the Borrower and the Port Authority in the Loan Agreement.

14. The authority to approve, execute and deliver future amendments to the Financing Documents entered into by the Port Authority in connection with the issuance of the Bonds and consents required under the Financing Documents is hereby delegated to the Port Authority Officials, subject to the following conditions: (a) such amendments or consents do not require the consent of the respective holders of the Bonds or such consent has been obtained; (b) such amendments or consents do not materially adversely affect the interests of the Port Authority; (c) such amendments or consents do not contravene or violate any policy of the Port Authority, and (d) such amendments or consents are acceptable in form and substance to the counsel retained by the Port Authority to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Port Authority Officials shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.

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

Adopted: June 28, 2022

PORT AUTHORITY OF THE CITY OF
SAINT PAUL

By _____
Its _____

ATTEST


By _____
Its _____

MEMORANDUM

To: CREDIT COMMITTEE

Meeting Date: June 28, 2022

From: Brittany Nelson



Subject: 2020 LEGISLATIVE BONDING BILL SPECIAL APPROPRIATION GRANT FOR
EXPANSION OF THE MINNESOTA MUSEUM OF AMERICAN ART
RESOLUTION NO. _____

Action Requested:

Authorize the Port Authority to enter into a Grant Agreement for the total MMAA Project in the amount of \$10,500,000.

Background:

The City of Saint Paul and the Port Authority have been reviewing and approving the MMAA Project dating back to April of 2014 to the present. Grant appropriations were not made for MMAA in 2015 or 2016.

For its 2017 Legislative Agenda, on December 7, 2016, in City Resolution No. 16-2121, the City of Saint Paul supported the Minnesota Museum of American Art project at \$8M. Nothing was awarded in the regular session of the 2017 Legislature, but the 2017 Legislative First Special Session included a grant to the Port Authority in the amount of \$6M (instead of the \$8M initially requested) to design, construct, furnish, and equip new museum galleries and an art study facility for the MMAA. Prior to applying for the grant award, the Board approved and authorized the Port Authority to serve as legal sponsor for the Special Appropriation Grant under Resolution No. 4604 on August 22, 2017.

In 2018, the City of Saint Paul's legislative agenda included the MMAA project per City Resolution No. 18-562; and the Port Authority was awarded an additional grant amount under the 2018 Legislative session bonding bill in the amount of \$2.5M towards the MMAA Project for which approval of this additional appropriation from the State is now sought.

In 2020, the Port Authority was awarded an additional grant amount under the 2018 Legislative session bonding bill in the amount of \$2M towards the MMAA Project for which approval of this additional appropriation from the State is now sought.

2017	\$6,000,000
2018	\$2,500,000
2020	\$2,000,000
Total	\$10,500,000

For additional background, see a Credit Committee Memo titled Minnesota Museum of American Art Ground Lease and Lease/Use Agreement dated March 19, 2019, which is included in the March 2019 Credit Committee Packet.

The Port Authority is seeking authorization to enter into a Grant Agreement with the State of Minnesota as the public entity supporting the project for a total grant amount of \$10.5M, which will be entirely non-recourse to the Port Authority, including any out-of-pocket expenditures.

Grant Agreement Terms:

The Grant Agreement is between the Port Authority of the City of Saint Paul, as the Public Entity, and the Minnesota Department of Employment and Economic Development (DEED), as the State Entity. MMAA is the fee owner of the galleries and property, and the Port Authority will enter a long-term lease with the Museum to have a qualifying interest in the project and make it eligible for the grant.

Recommendation:

We recommend authorizing the Port Authority to enter into a Grant Agreement for the MMAA Project in the amount of \$10,500,000.

Attachment: Resolution

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

**[2018 AND 2020 LEGISLATIVE BONDING BILL SPECIAL APPROPRIATION GRANT FOR EXPANSION OF
THE MINNESOTA MUSEUM OF AMERICAN ART]**

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

WHEREAS, the Port Authority is authorized by Minnesota Statutes, Sections 469.048, 469.068 and 469.084 to undertake these types of obligations, including, but not limited to, the redevelopment of, and the buying, selling, and conveying of interests in, real property in the City of Saint Paul, Minnesota in furtherance of economic development.

WHEREAS, on April 22, 2014, the Port Authority Board of Commissioners approved Resolution No. 4501 supporting 2014 Legislative Session Bonding Bill to include an appropriation for \$500,000 in state general obligation funds for a grant for construction design for the expansion of the Minnesota Museum of American Art (“MMAA”), which funding was awarded.

WHEREAS, on December 17, 2014, in City Resolution No. 14-2178, as part of its 2015 Legislative Agenda, the City of Saint Paul supported the Minnesota Museum of American Art project at \$3M. On January 27, 2015, the Port Authority Board of Commissioners approved Resolution No. 4535 supporting 2015 Legislative Session Bonding Bill to include an appropriation of \$6,000,000 in state general obligation funds for a grant for construction of the expansion of the MMAA. MMAA did not receive any state general obligation bonding in the 2015 session.

WHEREAS, on June 23, 2015, the Port Authority Board of Commissioners approved Resolution No. 4546 supporting for the 2016 Legislative Session “[supporting] legislative request for \$1,900,000 for the Roy Wilkins’ facility schematic design and further support[ing] MMAA’s legislative request for \$8,000,00 for the design and construction.” On December 9, 2015, in City Resolution No. 15-2175, as part of its 2016 Legislative Agenda, the City of Saint Paul supported the Minnesota Museum of American Art project at \$8M. MMAA did not receive any state general obligation bonding in the 2016 session.

WHEREAS, on December 7, 2016, in City Resolution No. 16-2077, as part of its 2017 Legislative Agenda, the City of Saint Paul supported the Minnesota Museum of American Art project at \$8M. Nothing was awarded in the regular session of the 2017 Legislature, but in conjunction with this Resolution, in the 2017 Legislative First Special Session, Chapter 8, Article 1, Section 20, Subdivision 21, entitled Saint Paul – Minnesota Museum of American Art, the bonding bill included a grant to the Port Authority in the amount of \$6M (instead of the \$8M initially requested) to design, construct, furnish, and equip new museum galleries and an art study facility for the MMAA (“MMAA Project”). As a result, on August 22, 2017, the Port Authority Board of Commissioners approved and authorized the Port Authority to serve as legal sponsor for the Special Appropriation Grant under Resolution No. 4604.

WHEREAS, in the 2018 legislative session, under the Laws of Minnesota, 2018, Chapter 214, Article 1, Section 1, Subdivision 26, and Article 2, Section 40, each entitled Saint Paul – Minnesota Museum of American Art, the Port Authority was awarded an additional grant amount under the bonding bill in the amount of \$2,500,000 towards the MMAA Project, for which approval of this additional appropriation is hereby sought.

WHEREAS, in the 2020 Legislative Fifth Special Session, under the Laws of Minnesota, 2020, Chapter 3, Article 1, Section 21, Subdivision 40, entitled Saint Paul – Minnesota Museum of American Art, the Port Authority was awarded an additional grant amount under the bonding bill in the amount of \$2,000,000 towards the MMAA Project, for which approval of this additional appropriation is hereby sought.

WHEREAS, the Port Authority seeks authorization to enter into the Grant Agreement for the above-referenced project for the total grant amount of \$10,500,000 which will be entirely non-recourse to the Port Authority, including any out-of-pocket expenditures.

WHEREAS, the Port Authority has the legal authority to receive financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

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

BE IT RESOLVED, that the Port Authority has the legal authority to receive financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

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

BE IT FURTHER RESOLVED, that the Port Authority agrees to accept and act as the legal sponsor for the Project as set forth in Laws of Minnesota 2020, Chapter 3, Article 1, Section 21, Subdivision 40, entitled Saint Paul – Minnesota Museum of American Art for the awarded amount of \$2,000,000.

BE IT FURTHER RESOLVED, that the Port Authority is hereby authorized to enter into a Grant Agreement for the MMAA Project which encompasses the amount of \$6,000,000 awarded under the Laws of Minnesota, 2017 First Special Session, Chapter 8, Article 1, Section 20, Subdivision 21 **AND** the amount of \$2,500,000 awarded under the Laws of Minnesota 2018, Chapter 214, Article 1, Section 1, Subdivision 26, and Article 2, Section 40 **AND** the amount of \$2,000,000 awarded under the Laws of Minnesota 2020, Chapter 3, Article 1, Section 21, Subdivision 40, for a combined total in the Grant Agreement of \$10,500,000.

BE IT FURTHER RESOLVED, that the Interim President and Chief Financial Officer/Chief Operating Officer and the Senior Manager, Business Strategies, Innovation & Finance Officer of the Port Authority are hereby authorized and directed to execute and deliver the Grant Agreement.

Adopted: _____, 2022

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

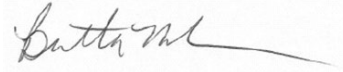
By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE

Meeting Date: June 28, 2022

From: Brittany Nelson



**Subject: MINNESOTA MUSEUM OF AMERICAN ART GROUND LEASE
AND LEASE/USE AGREEMENT
RESOLUTION NO. _____**

Action Requested:

Approval for the authorization of the Saint Paul Port Authority ("Port Authority") to enter into a Ground Lease and a Lease/Use Agreement with the Minnesota Museum of American Art ("MMAA").

Background:

The State of Minnesota has awarded the Port Authority \$10,500,000 for the design, construction and furnishing of a new museum, galleries, offices, art study facility, loading dock and art restoration and receiving area for the MMAA.

MMAA has completed phase one of the project, which totaled \$9,600,000. The state bonded portion covers phase two of the project, which has a budget of \$13,920,407 with \$10,500,000 in state bonding and the remainder raised through its capital campaign as required by the Grant Agreement.

For the space being developed, MMAA has a purchase agreement with the building owner to acquire ownership of the condominium unit. Under terms that meet the requirements for use of state general obligation bond proceeds, MMAA will thereafter enter a Ground Lease with the Port Authority. The space would be subleased back to MMAA under a Lease/Use Agreement. There will be no obligation of the Port Authority.

The agreement with MMAA to serve as legal sponsor is in compliance with the parameters included in the Port Authority's Grant Agreement support resolution. The project will be entirely non-recourse to the Port Authority including any out-of-pocket expenditures.

Ground Lease Terms:

Minnesota Museum of American Art is the Lessor (Landlord) and the Port Authority is the Lessee (Tenant). The term of the lease 25 years, from December 31, 2024, which is the expected completion date of the project. The state grant funds require the lease to be 125% of the useful life of the project, which is 20 years according to the architect.

Lease/Use Agreement Terms:

The Port Authority is the Lessor (Sub-Landlord) and the MMAA is the Lessee (Sub-Tenant) and the term of the Lease/Use Agreement consists of 10 years with two renewals of 10 years and 5 years respectfully (or the remaining term of the ground lease, if less than 5 years). The Lease/Use Agreement requires MMAA to submit supporting documents to the State pursuant to the Grant Agreement, to be monitored by the Port Authority and its representatives.

Recommendation:

We recommend the approval of the authorization for the Saint Paul Port Authority to enter into a Ground Lease and a Lease/Use Agreement with the Minnesota Museum of American Art.

Attachment: Resolution

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

[MINNESOTA MUSEUM OF AMERICAN ART GROUND LEASE AND LEASE/USE AGREEMENT]

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

WHEREAS, the Port Authority is authorized by under Minn. Stat. Sections 469.048-469.068 and 469.084 to undertake these types of obligations, including, but not limited to, the redevelopment of, and the buying, selling, and conveying of interests in real property in the City of Saint Paul, Minnesota in furtherance of economic development.

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.

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 State of Minnesota awarded the Port Authority \$10,500,000 for the design, construction and furnishing of a new museum, galleries, offices, art study facility, loading dock and art restoration and receiving area for the Minnesota Museum of American Art (“MMAA”) through a state-bonded grant.

WHEREAS, the Grant Agreement terms require the Port Authority to enter into a Ground Lease with MMAA and then sublease the property back to MMAA under a Lease/Use Agreement in order to serve as the legal sponsor and remain in compliance within the parameter included in our support resolution requirement under the Grant Agreement.

WHEREAS, the project will be entirely non-recourse to the Port Authority, including any out-of-pocket expenditures.

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

BE IT RESOLVED that the Port Authority is authorized to enter into a Ground Lease and a Lease/Use Agreement with the Minnesota Museum of American Art.

BE IT FURTHER RESOLVED that the Port Authority certifies that it will comply with all applicable laws and regulations as stated in the grant agreements and will serve as legal sponsor in compliance with the parameters included in the Port Authority’s Grant Agreement support

resolution.

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 in this matter.

Adopted: June 28, 2022

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE

Meeting Date: June 28, 2022

From: Peter M. Klein 

Subject: MAW 1529 Trust, LLC - APPROVAL OF A \$22,000 TRILLION BTU LOAN

Action Requested:

Provide approval for the Port Authority to initiate a Trillion BTU loan for approximately \$22,000 with MAW 1529 Trust, LLC for the installation of new Boiler in a five-unit apartment located at 1529 E. 2nd Street, Duluth, 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 Marlis A. Westenfield Trust has owned this property since 2013. All five units are currently leased. The current assessed value for this property is \$247,900 and there is no mortgage or other debt on the property.

Proposed Project:

New Boiler and Stack

Purchase Price and Installation	\$31,000
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Sources and Uses of Funds:

Sources of funds:

Equity	\$ 9,000
Trillion BTU	\$22,000

Uses of funds:

Project Description	\$95,000
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In order to leverage the grant funds, we are working with public and private partners to ultimately fund this project. Saint Louis County is assisting with placing the PACE special assessment on the property taxes and another funder will likely 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 unlikely event that the special assessment is not assessed or if another funder does not take out the Trillion BTU loan, Trillion BTU will remain the funder of the loan.

Financial Analysis:

The tax returns have been reviewed for the past three years. The property has been profitable in two of those years. When factoring in the depreciation expense, the property was also profitable in the third year. There is no debt on the property and there is sufficient cash flow to service the PACE loan. The following ratios were as of 12/31/2020 for MAW 1529 Trust, LLC:

Debt Service Coverage:	4.03	Trillion standard of at least:	1.15
Debt-to-Equity:	0.97	Trillion standard of less than:	4.00

Proposal:

Source of Funds:	Trillion BTU
Use of Funds:	New Boiler
Amount of Loan:	\$22,000
Rate:	4.25%
Term:	10 years
Collateral:	Signed Loan Agreement PACE Special Assessment

Energy Savings:

214 MMBTUs (\$1,638) annually.

Workforce Implications:

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

Policy Exceptions:

None

Recommendation:

We recommend the approval of a \$22,000 Trillion BTU loan to MAW 1529 Trust, LLC.

To: CREDIT COMMITTEE

Meeting Date: June 28, 2022

From: Andrea L. Novak



**Subject: APPROVAL OF COMMUNITY ENGAGEMENT, MARKETING
EVENTS AND PROMOTIONAL PARTNERSHIPS
RESOLUTION NO. _____**

Action Requested:

Approval for the President of the Port Authority of the City of Saint Paul (the “Port Authority”) or anyone acting under his direction, to seek, apply for, and accept financial support, such as grants, contributions, participation, and sponsorships from external organizations in furtherance of the Port Authority’s mission, such as community engagement, marketing events and promotional partnerships.

Background:

On occasion, the Port Authority hosts events or commits to initiatives that engage and/or educate the community on relevant topics. A similar Resolution was requested and approved in 2019 and was valid through 2020.

As an example, sponsors were secured for the TPT Working River production. As a result, we were able to develop a high-quality communication tool that reached a large, statewide audience. This would not have been possible without outside support.

Attached hereto is an example of a current sponsorship opportunity. Community engagement continues to be a priority for The Heights redevelopment project and garnering support from community partners allows us to direct larger investments into these important initiatives.

Proposal:

The Port Authority would seek, apply for, and accept grants, contributions, participation, and sponsorships from external organizations for marketing events and promotions. At no time would business/vendor decisions be made based on financial commitments. The approval would be valid through December 31, 2022.

Recommendation:

We recommend approval for the Port Authority to seek, apply for, and accept financial support, such as grants, contributions, participation, and sponsorships from external organizations in furtherance of the Port Authority’s mission, such as community engagement, marketing events and promotional partnerships.

Attachment: Sponsorship Sample
Resolution

HOUSING AT THE HEIGHTS

COMMUNITY ENGAGEMENT SPONSORSHIP LEVELS

High Density Supporter

\$5,000

Logo placement on community engagement related webpages with links to company website

(3) social media recognition events

(1) blog highlighting support

(1) banner ad on a housing-related webpage

Medium Density Supporter

\$2,500

Logo placement on community engagement related webpages with links to company website

(2) social media recognition events

(1) banner ad on a housing-related webpage

Low Density Supporter

\$750

Name listed on community engagement related webpages with links to company website

(1) social media recognition event

One of the most exciting things to come out of the Hillcrest Master Plan (a.k.a. "The Heights") is approval for 1,000 new housing units on Saint Paul's Greater East Side. Over the course of this summer and fall, the Saint Paul Port Authority will be in the community gathering much needed feedback on what current and future residents want to see in their neighborhood. Focus areas include the housing mix, affordability levels, and activation of outdoor spaces.

Sponsorship commitments can be sent to Laurie Siever at las@sppa.com. Thank you!



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

**[APPROVAL FOR COMMUNITY ENGAGEMENT,
MARKETING EVENTS AND PROMOTIONAL PARTNERSHIPS]**

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

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

WHEREAS, the Port Authority represents that it needs to seek, apply for, and accept financial support such as grants, contributions, participation and sponsorships from external organizations in furtherance of the Port Authority’s mission, such as community engagement, marketing events and promotional partnerships.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, that the Port Authority is authorized to seek, apply for, and accept financial support such as grants, contributions, participation and sponsorships from external organizations for community engagement and marketing events and promotional partnerships;

BE IT FURTHER RESOLVED, that this approval will be valid through December 31, 2022; and,

BE IT FURTHER RESOLVED, that the President or anyone acting under his direction is hereby authorized to execute any and all necessary documents in order for Port Authority staff to seek, apply for and accept financial support for community engagement, marketing events and promotional partnerships.

Adopted: _____

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

Attest:

By _____
Its Secretary