


MEMORANDUM NOTICE

To: CREDIT COMMITTEE

From: Lee Krueger 

Subject: **REGULAR CREDIT COMMITTEE MEETING
NOVEMBER 19, 2019 – 2:00 P.M.**

Date: November 14, 2019

Chair Mullin is calling a meeting of the Credit Committee for Tuesday, **November 19, 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 October 22, 2019 Regular Credit Committee Meeting

Conflict of Interest

Conflicts with any items on the agenda

Agenda Items

1. Lake West Bldg, LLC – Approval of a \$769,000 Trillion BTU Loan
2. One Corporate Plaza, LLP – Approval of a \$293,000 Trillion BTU Loan
3. Conveyance of Land to Shidler/West Finance Partners V LP Arlington Jackson Business Center, Portion of PID 19.29.22.42.0017
4. 2020 Lease Renewal and Rental Rate Adjustment – District Energy – Southport Terminal
5. 2020 Lease Renewal and Rental Rate Adjustment – Aggregate Industries-MWR, Inc. – Barge Terminal No. 1
6. 2020 Lease Renewal and Rental Rate Adjustment and Addition of One Five-Year Renewal Option – Continental Cement Company, LLC – Red Rock Terminal
7. Such other Business that May Come Before the Committee

**SAINT PAUL PORT AUTHORITY
MINUTES OF THE REGULAR CREDIT COMMITTEE MEETING
OCTOBER 22, 2019**

Committee Chair Williams called the Regular Meeting of the Credit Committee to order at 2:03 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	Brianne Hamm
Matt Hill	John Marshall	Don Mullin

Also present were the following:

Lee Krueger	Todd Hurley	Michael Linder
Bruce Kessel	Monte Hilleman	Andrea Novak
Dana Krueger	Ann Kosel	Linda Williams
Sarah Savela	Laurie Siever	George Hoene
Michael Solomon, City of Saint Paul		
Nneka Constantino, Merrill Lynch		
Councilmember Dai Thao, City of Saint Paul		
Eric Larson, General Counsel, City of Saint Paul		

APPROVAL OF MINUTES

Committee Member Mullin made a motion to approve the minutes of the September 17, 2019 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

MARKETING AND PROMOTION PARTNERSHIPS

Ms. Novak reviewed her memorandum with the Committee requesting approval to seek, apply for, and accept financial support from external organizations for marketing events and promotions. Committee Member Hamm made a motion to approve the request. The motion was seconded by Committee Member Mullin, submitted to a vote and carried unanimously.

**ISSUANCE OF APPROXIMATELY \$5.5 MILLION TAXABLE
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019-3**

Mr. Hurley reviewed the memorandum with the Committee requesting approval of the issuance of approximately \$5.5 million of taxable general obligation refunding bonds. Committee Member Marshall made a motion to approve the request. The motion was seconded by Committee Member Mullin, submitted to a vote and carried unanimously.

D.I.V.I.N.E. INSTITUTE, INC. - APPROVAL OF A \$500,000 TRILLION BTU LOAN

Mr. Linder reviewed his memorandum with the Committee requesting approval of a \$500,000 Trillion BTU loan to D.I.V.I.N.E. Institute, Inc. for the installation of HVAC equipment and LED lighting. Committee Member Mullin made a motion to approve the request. The motion was seconded by Committee Member Hamm, submitted to a vote and carried unanimously.

AUTH PROPERTIES, LLC - APPROVAL OF A \$1,700,000 TRILLION BTU LOAN

Mr. Linder reviewed his memorandum with the Committee requesting approval of a \$1,700,000 Trillion BTU loan to Auth Properties, LLC for the installation of a solar array. Committee Member Marshall made a motion to approve the request. The motion was seconded by Committee Member Hill, submitted to a vote and carried unanimously.

OTHER BUSINESS

There being no further business, the meeting was adjourned at 2:23 p.m.

By: _____

Its: _____

MEMORANDUM

To: CREDIT COMMITTEE
From: Michael J. Linder *MJL*
Subject: LAKE WEST BLDG, LLC
APPROVAL OF A \$769,000 TRILLION BTU LOAN

Meeting Date: November 19, 2019

Action Requested:

Provide approval for the Port Authority to initiate a Trillion BTU loan for approximately \$769,000 with Lake West Bldg, LLC for the installation of energy efficiency improvements on a commercial property located in Minnetonka, 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:

Lake West Bldg, LLC is a real estate holding company that owns a 55,000 square foot commercial office building located at 14525 Highway 7 in Minnetonka. The property owner is planning to complete multiple efficiency improvements including roof-top solar, an energy management system, new heat pumps and building envelope sealing and insulation. The property has a taxable market value of \$3,580,000 and a bank approved appraised value of \$9,200,000.

Proposed Project:

Project Description

Purchase Price and Installation	\$769,000
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Sources and Uses of Funds:

Sources of funds:

Trillion BTU	\$769,000
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Uses of funds:

128-kW Solar Array/ Roof Replacement	\$422,000
HVAC Controls and Pumps	\$108,000
Building Envelope Improvements	\$239,000

In order to leverage the grant funds, we are requesting that all local EDAs match the Trillion funds for projects in their area. Hennepin County is assisting with placing the PACE special assessment

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

Financial Analysis:

Tax returns were received for the last three years and show the property was profitable in all three years. A rent roll shows the property is 98% occupied with 25 tenants. Rental revenue has increased significantly over the past three years and the leases have varying expirations from 2021 to 2028. The property had a debt service coverage ratio of 1.18 to 1 at the end of 2018. With the PACE debt included the coverage ratio would have been 1.01 to 1. There was negative equity due to accumulated depreciation, deferred taxable gains on a 1031 exchange and the low book-value of the building compared to the appraised value. The following ratios are as of December 31, 2018:

Debt Service Coverage:	1.18	Trillion standard of at least:	1.15
Debt-to-Equity:	Neg.	Trillion standard of less than:	4.00

Proposal:

Source of Funds:	Trillion BTU
Use of Funds:	Renewable Energy and Efficiency Improvements
Amount of Loan:	\$769,000
Rate:	5.0%
Term:	10 years
Collateral:	Signed Loan Agreement PACE Special Assessment

Energy Savings:

1,350 MMBTUs (\$46,000) 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.
8 FTE for construction jobs.

Policy Exceptions:

Yes – Negative equity caused by non-cash expenses as well as deferred tax obligations.

Recommendation:

We recommend the approval of a \$769,000 Trillion BTU loan to Lake West Bldg, LLC.

MEMORANDUM

To: CREDIT COMMITTEE

From: Michael J. Linder *MJL*

Subject: ONE CORPORATE PLAZA, LLP
APPROVAL OF A \$293,000 TRILLION BTU LOAN

Meeting Date: November 19, 2019

Action Requested:

Provide approval for the Port Authority to initiate a Trillion BTU loan for approximately \$293,000 with One Corporate Plaza, LLP. for the installation of a high efficiency HVAC system on a commercial property located in Edina, 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:

One Corporate Plaza, LLP is a real estate holding company for a four-story multi-tenant office building located at 7400 Metro Boulevard in Edina. The 98,000 square foot building was constructed in 1968 and has approximately 87 tenants with an occupancy rate of 99%. The property has a taxable market value of \$8,100,000.

Proposed Project:

High Efficiency HVAC System

Purchase Price and Installation	\$293,000
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Sources and Uses of Funds:

Sources of funds:

Trillion BTU	\$293,000
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Uses of funds:

High Efficiency HVAC System	\$293,000
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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. Hennepin County is assisting with placing the PACE special assessment on the property taxes and another funder may finance that portion of the project once the special assessment is in place. Trillion BTU funds will act as a bridge loan until that time. In the event that

the special assessment is not assessed or if another funder does not take out the Trillion BTU loan, it will remain the funding source.

Financial Analysis:

Tax returns were received for the last three years through 2018 and year-to-date financial statement for 2019. The company was profitable in all three years and through August of 2019. There is no mortgage on the property, so a debt service coverage ratio is not applicable. With the PACE loan the coverage ratio would have been 8.31 to 1. A rent roll shows the property is 99% occupied with lease expiration dates ranging from 2020 to 2024. The following ratios are as of December 31, 2018:

Debt Service Coverage:	N/A	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:	High Efficiency HVAC System
Amount of Loan:	\$293,000
Rate:	5.0%
Term:	10 years
Collateral:	Signed Loan Agreement PACE Special Assessment

Energy Savings:

440 MMBTUs (\$15,000) annually.

Workforce Implications:

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

Policy Exceptions:

None.

Recommendation:


We recommend the approval of a \$293,000 Trillion BTU loan to One Corporate Plaza, LLP.

Trillion BTU / PACE Loan Summary
For the month of November 2019

Borrower	Lake West Bldg, LLC	One Corporate Plaza, LLP
Loan Amount	\$ 769,000	\$ 293,000
Interest Rate	5.00%	5.00%
Term (Years)	10	10
Collateral		
Signed Loan Agreement	Y	Y
Personal Guaranty	N	N
PACE Special Assessment	Y	Y
Project Description	HVAC units and controls	1.35-MW Solar Array
Sources & Uses		
Sources of Funds:		
Trillion BTU	\$ 769,000	\$ 293,000
Other Funding Sources		
Total Sources	\$ 769,000	\$ 293,000
Uses of Funds:		
HVAC	\$ 108,000	\$ 293,000
LED Lighting		
Solar Array	\$ 422,000	
Other	\$ 239,000	
Total Uses	\$ 769,000	\$ 293,000
Financial Ratios		
Debt Service Coverage (Std > 1.15)	1.18	N/A
Debt-to-Equity (Std < 4.00)	Neg.	N/A
Profitable in 2 of last 3 years (Y/N)	Y	Y
Policy Exception (Y/N)	Y	N
Annual Energy Savings		
MMBTUs	1,350	440
Dollars	\$ 46,000	\$ 15,000
Workforce Implications		
Construction Jobs	8	3

MEMORANDUM

To: CREDIT COMMITTEE **Meeting Date:** November 19, 2019

From: Tonya Bauer 

Subject: **CONVEYANCE OF LAND TO SHIDLER/WEST FINANCE PARTNERS V LP**
ARLINGTON JACKSON BUSINESS CENTER, PORTION OF PID 19.29.22.42.0017
RESOLUTION NO. _____

Action Requested:

Approval of the conveyance of approximately .14 acres (6,130 sq/ft) of land located at Arlington Jackson Business Center to Shidler/West Finance Partners V LP.

Background:

In the mid-1990's the Port Authority redeveloped 28.04 acres of property located along L'Orient Street between Maryland Avenue East and Arlington Avenue East into the Port Authority's Arlington Jackson Business Center. The redevelopment and platting process at that time had resulted in a remnant parcel that was created along the right-of-way of L'Orient Street. A portion of this remnant parcel is the ingress and egress access to an adjacent property which houses a Kmart department store. See attached a map outlining the Arlington Jackson Business Center and remnant parcel to be sold. The Port Authority neither uses nor has an expressed purpose for ownership of this portion of remnant land.

The adjacent property owner (Shidler/West Finance Partners V LP) has expressed interest to purchase this land to maximize future redevelopment potential of the former Kmart site. The land has no development potential as a stand-alone parcel and has significant limitations for development activity to any party other than the owner of the Kmart site.

Shidler/West Finance Partners V LP has owned the adjacent site for over 30 years and Kmart has been a long-term leasehold tenant. It is important to note that while Kmart has recently announced their store closing, they are not in default of their leasehold and currently possess site control. Shidler/West Finance Partners V LP has been involved with the redevelopment of a variety of Kmart real estate assets throughout the country, including two Twin Cities locations; Maplewood, MN and Minnetonka, MN. Shidler/West Finance Partners V LP is a reputable developer and tend to be long-term owners of their real estate assets. They see the future redevelopment potential for this site and are looking to optimize future development outcomes.

The Port Authority has no active interest in retaining ownership of this remnant land. On the contrary the Port Authority's interest is to devise title to the property to resolve title and to increase the use and maximize tax revenue of the real estate.

Recommendation:

Approval of the conveyance of approximately .14 acres (6,130 sq/ft) of land located at Arlington Jackson Business Center to Shidler/West Finance Partners V LP.

Attachments: Map, Survey and Resolution

**SAINT PAUL PORT AUTHORITY
LAND CONVEYANCE TRANSACTION**

Action Requested:

Approval of the conveyance of approximately .14 acres (6,130 sq/ft) of land located at Arlington Jackson Business Center to Shidler/West Finance Partners V LP.

Development Officer:

Tonya Bauer

Grantee:

Shidler/West Finance Partners V LP

Grantee Address:

1 Lincoln Plaza, Suite 37K1
New York, NY 10023

Location of Property to be Conveyed:

The property measures approximately .14 acres (6,130 sq/ft). See the attached updated survey dated November 11, 2019.

Conveyance Structure:

The purchase price that has been offered is \$15,000 cash, which equates to approximately \$2.44 per square foot of land. Conveyance of land would be by a Quit Claim Deed.

Nature of Intended Use:

Continued use as a parking lot, at this time.

Business Subsidy Agreement

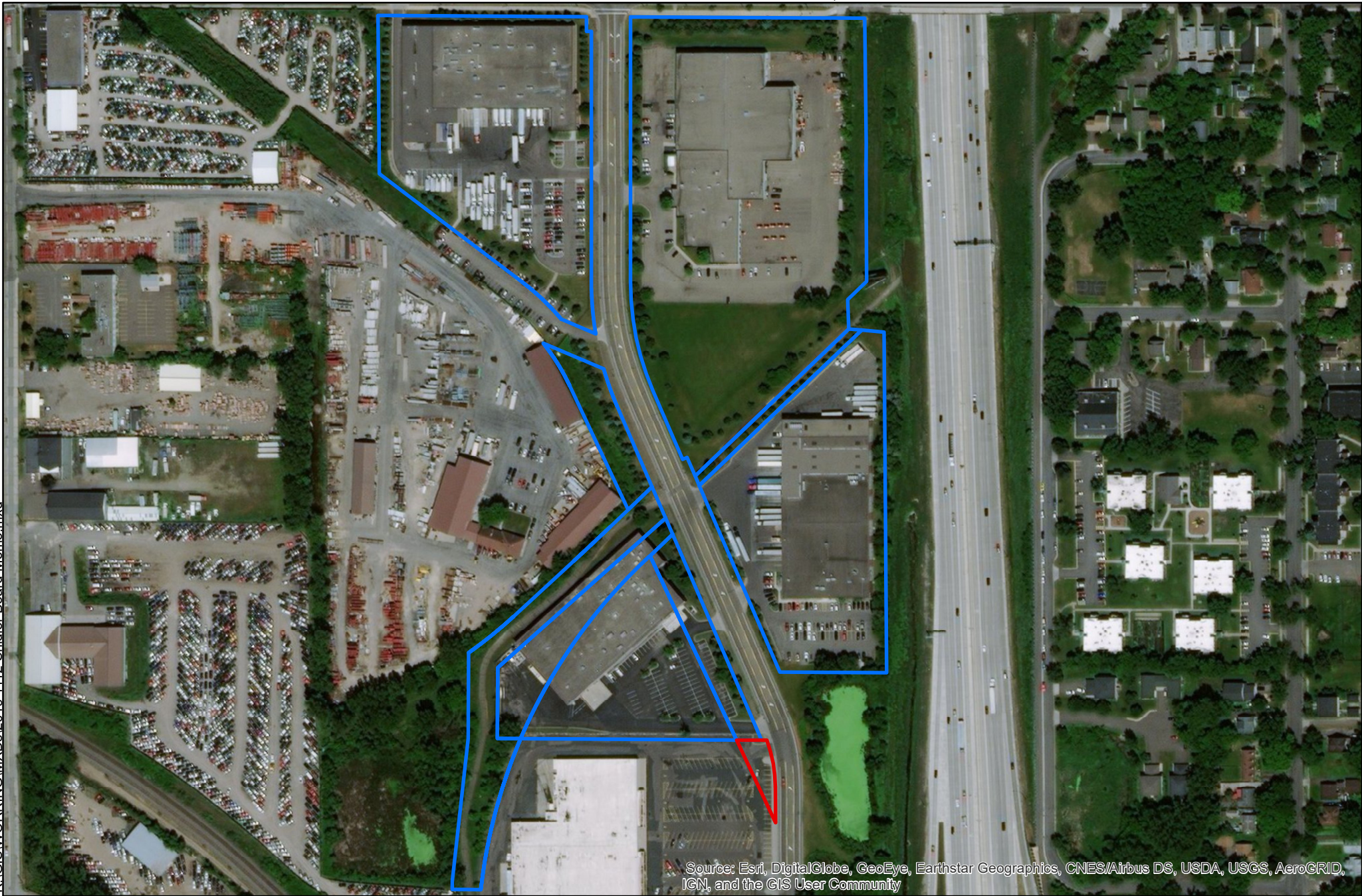
There is no business subsidy agreement required for this transaction.

Development Officer's Comments:

The Port Authority has no active interest in retaining ownership of this portion of remnant land. On the contrary the Port Authority's interest is to devise title to the property to resolve title and to increase the use and maximize tax revenue of the real estate.

I recommend approval of the conveyance of land to Shidler/West Finance Partners V LP.

Shidler/West Finance Partners V, LP





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.

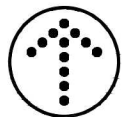
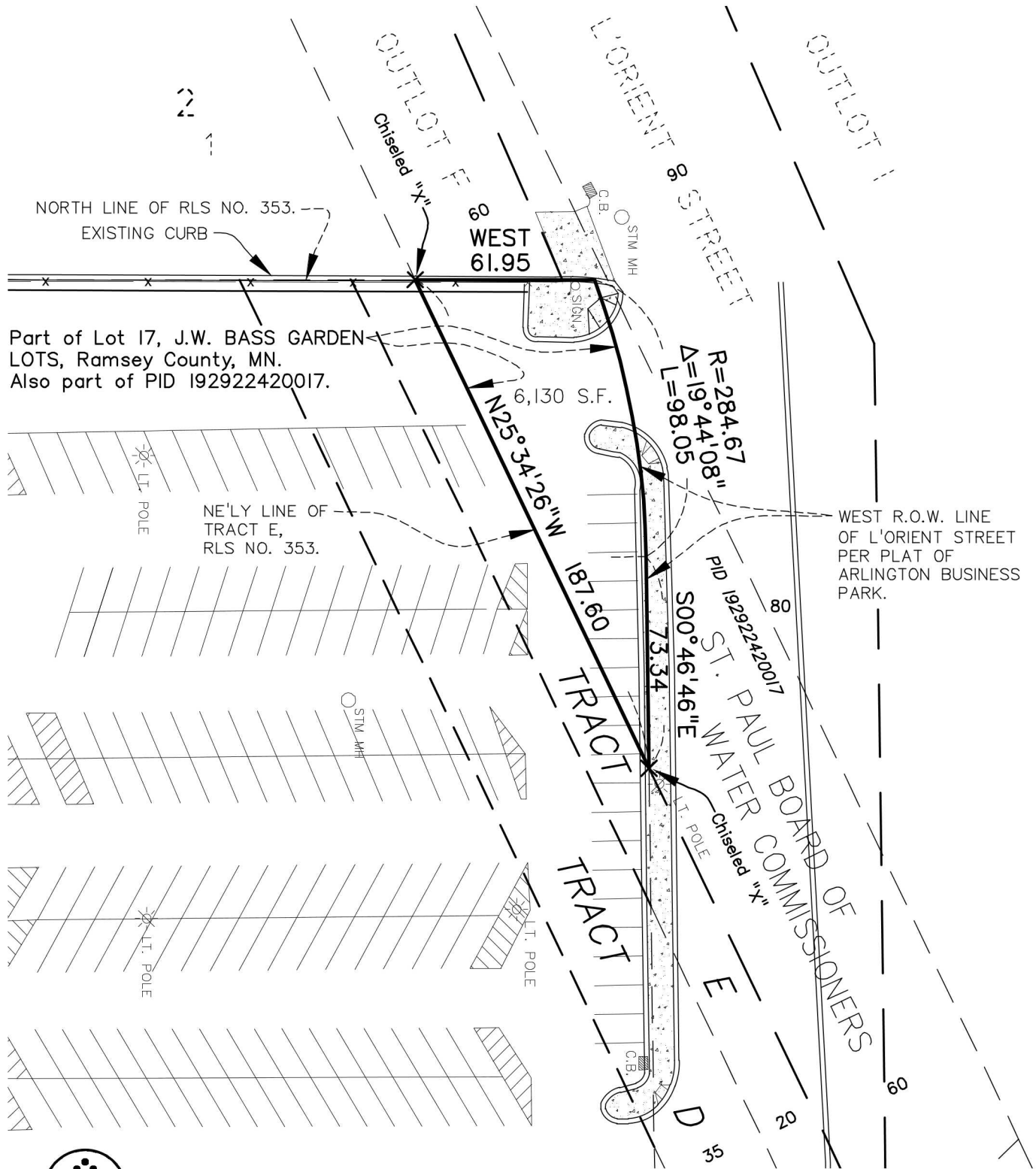
The Saint Paul Port Authority specially disclaims all warranties, expressed or implied, including but not limited to implied warranties of fitness for a particular purpose, with respect to the information contained on this map. The Saint Paul Port Authority shall have no liability with respect to any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



-  Remnant Parcel to be sold
-  Arlington - Jackson

0 125 250 500 Feet





NORTH



Proposed Description:

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

FILE NAME: SHW19001 DESC.dwg

PROJECT NUMBER: SHW19001

Proposed Description

Lot 17, J.W. BASS GARDEN LOTS

Parcel Description • 11.11.2019

SHEET 1 OF 1



in collaboration with:
Shidler West Finance
Partners V, LP

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

**[CONVEYANCE OF LAND TO SHIDLER/WEST FINANCE
PARTNERS V LP – ARLINGTON JACKSON BUSINESS CENTER]**

WHEREAS, The Port Authority of the City of Saint Paul (the "Port Authority"), pursuant to Minnesota Statutes, Section 469.065, did place a notice, a copy of which with proof of publication is on file in the office of the Port Authority, of a public hearing on the proposed conveyance of property owned by the Port Authority in a legal newspaper, said hearing to be held to determine whether it is in the best interests of the port district of Saint Paul and the people thereof and in furtherance of the general plan of port improvement and industrial development to convey real estate located at the Arlington Jackson Business Center, and by reference made a part hereof and any personal property of the Port Authority included therewith (collectively, the "Property").

WHEREAS, the Port Authority did conduct a public hearing pursuant to said notice on November 26, 2019, at which hearing all taxpayers in the port district, both for and against the conveyance, were allowed to state their views.

WHEREAS, Shidler/West Finance Partners V LP ("Shidler") has entered into a Purchase Agreement to purchase real estate at the Arlington Jackson Business Center, which Property is owned by the Port Authority.

WHEREAS, it is in the best interests of the port district and the people thereof, and in furtherance of the general plan of port improvement and industrial development, to approve the real estate conveyance.

WHEREAS, the Port Authority has investigated the facts of the proposal with said investigation including the terms and conditions of said agreement, the proposed use of the Property, and the relationship thereof to the port district of Saint Paul and the business facilities of the Port Authority in general.

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

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

1. That the Board of Commissioners of the Port Authority hereby finds, determines and declares that it is for the best interests of the port district and the people thereof, and in furtherance of the general plan of industrial development, to enter into said agreement to convey the land; and

2. That the actions of the President of the Port Authority in causing public notice of the proposed conveyance, and in describing the terms and conditions of such conveyance, which have been available for inspection by the public at the office of the Port Authority from and after the publication of notice of hearing, are in all respects ratified and confirmed; and

3. That the President of the Port Authority is hereby authorized and directed to complete and execute said agreement to purchase in substantially the form as is on file in the office of the Port Authority, and the proper Port Authority officers are hereby authorized and directed to complete and execute all documents necessary to convey title in form as approved by counsel.

Adopted: _____

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

Attest:

By _____
Its Secretary

MEMORANDUM

To: CREDIT COMMITTEE **Meeting Date:** Nov. 19, 2019

From: Kathryn L. Sarnecki 

Subject: **2020 LEASE RENEWAL AND RENTAL RATE ADJUSTMENT – DISTRICT ENERGY – SOUTHPORT TERMINAL**
RESOLUTION NO. _____

Action Requested:

Approval of a 2020 lease renewal and rental rate adjustment for the leased premises at 571 Barge Channel Road in Saint Paul at the Southport Terminal with Tenant District Energy St. Paul, Inc. ("Tenant").

Background:

The Port Authority leased 85,075 square feet from Lot 2 and 27, 632 square feet from Outlot A (formerly Parcel 3) totaling 112,707 square feet of property in the Southport Terminal in Saint Paul, Minnesota, to Tenant extending to December 31, 2019, with two one-year renewal options through December 31, 2021 (the "Leased Premises"). The Leased Premises recently became encumbered by a trail easement benefitting the City of Saint Paul that will result in a change to the leasable square feet. A map depicting the Leased Premises is attached hereto for your reference. The Leased Premises is primarily used for a maintenance and warehousing facility associated with its downtown operations.

The Port Authority has granted a temporary construction easement over part of the leased area of Outlot A consisting of 22 feet from the eastern property boundary and consisting of 2,050 square feet. Therefore, the leased square foot area for this two-year term (during Piram Trail construction) will be reduced to 110,657.

Tenant has requested and the Port Authority has approved an extension of the first one-year renewal option to a two-year renewal option through the year December 31, 2021.

Lease Terms and Conditions:

Original Lease: 1/1/2015 to 12/31/19 with two one-year renewal options through 12/31/21.

Proposed: Extension of the first renewal option by increasing it to be for a total of two years:

Two-Year Renewal and Rental Rate Adjustment: 1/1/20 through 12/31/21.

Annual rental rate adjustments is 3% per year (with a multiplier of 1.030).

<i>Base Rent for year ending 12/31/2019 (112,707 square feet):</i>	<i>\$31,670.67, or \$0.281 psf</i>
<i>Base Rent Multiplier beginning 1/1/2020: 1.030</i>	

Base Rent	SF Included	Per SF rate	Period Total	Monthly
Jan. 1, 2020 - Dec. 31, 2020	110,657	0.289	\$32,027.46	\$2,668.95
Jan. 1, 2021 – Dec. 31, 2021	110,657	0.298	\$32,975.79	\$2,747.98

Recommendation:

Approval for the 2020 two-year lease renewal and rental rate adjustment to extend the lease out to the year 2021 for the Leased Premises at 571 Barge Channel Road in the Southport Terminal for District Energy St. Paul, Inc.

Attachment: Map
Resolution

Exhibit A
Southport Terminal
District Energy Lease Area

571 Barge Channel Road
Saint Paul, MN

Legal Description:

Lot 2 (Parcel 2) and Outlot A
(formerly Parcel 3), Block 1,
Southport Addition No. 2



0 30 60 120 Feet



0 15 30 60 90 120
Meters



380 St. Peter Street
Suite 850
St. Paul, MN 55102
(651) 224-5686
www.sppa.com



DESCRIPTION OF PROPERTY SURVEYED

(Per Certificate of Title No. 363357)

- Lot 2, Block 1, Southport Addition No. 2
Lot 3, Block 1, Southport Addition No. 2
Outlot A, Southport Addition No. 2

Property is located in Ramsey County, Minnesota.

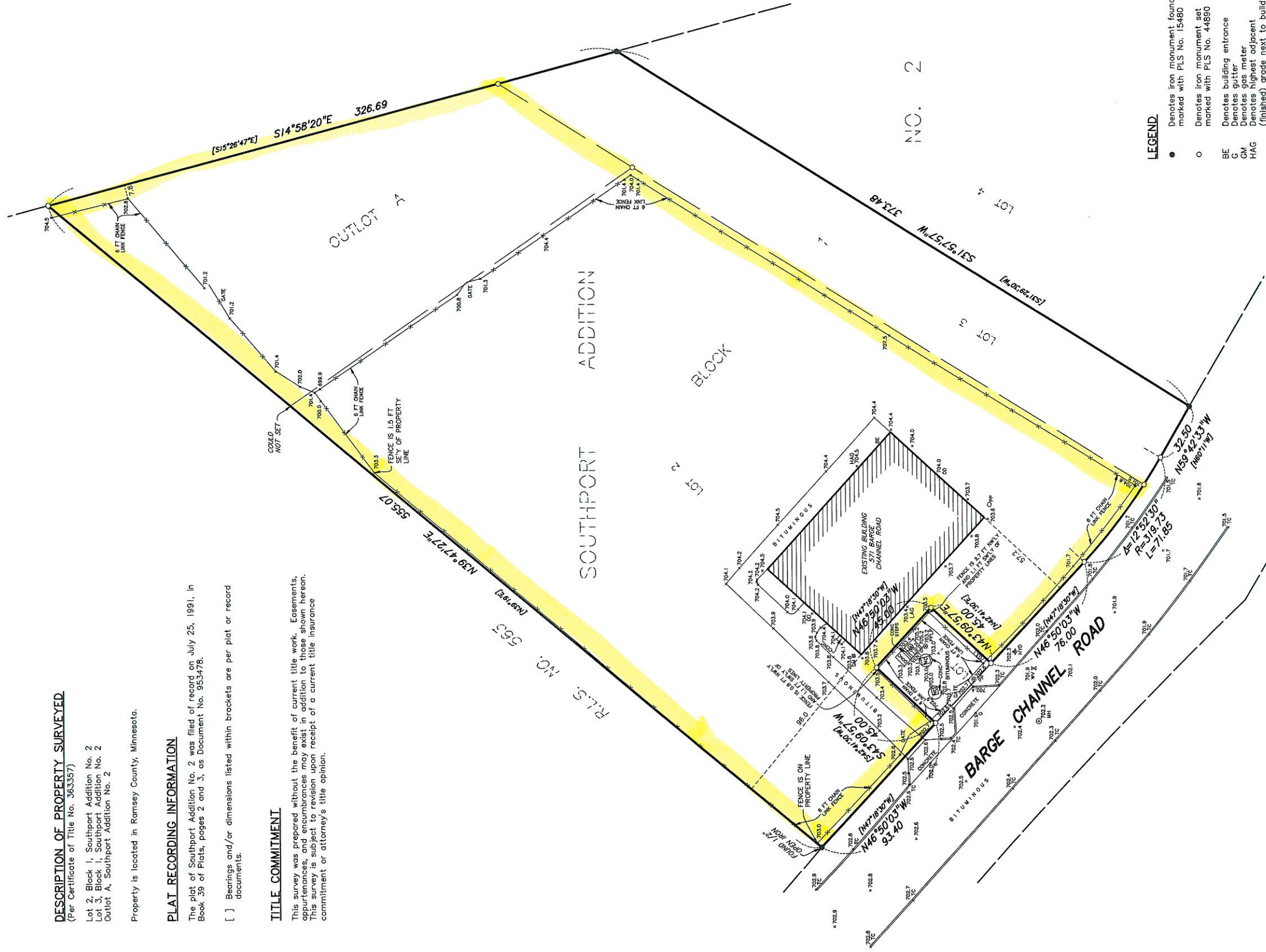
PLAT RECORDING INFORMATION

The plat of Southport Addition No. 2 was filed of record on July 25, 1991, in Book 39 of Plats, pages 2 and 3, as Document No. 953478.

[] Bearings and/or dimensions listed within brackets are per plat or record documents.

TITLE COMMITMENT

This survey was prepared without the benefit of current title work. Easements, appurtenances, and encumbrances may exist in addition to those shown hereon. This survey is subject to revision upon receipt of a current title insurance commitment or attorney's title opinion.



LEGEND

- Denotes iron monument found marked with PLS No. 15480
- Denotes iron monument set marked with PLS No. 44890
- BE Denotes building entrance
- G Denotes gutter
- GM Denotes gas meter
- HAG Denotes highest adjacent (finished) grade next to building (HAG)
- HYD Denotes fire hydrant
- LAG Denotes lowest adjacent (finished) grade next to building (LAG)
- LIFT Denotes lift station
- MC Denotes metal cover
- MH Denotes manhole
- OD Denotes overhead door
- PPLP Denotes power pole/light pole
- TC Denotes top of concrete curb
- WV Denotes water valve

GENERAL NOTE

- 1.) Survey coordinate and bearing basis: Ramsey County System (North American Datum of 1983 Coordinates, final adjustment December 17, 1991)

UTILITY NOTES

- 1.) Visible above ground evidence of some utilities is shown hereon per field location. This survey does not purport to show utilities.
- 2.) Contact GOPHER STATE ONE CALL at 851-454-0002 (800-252-1166) for precise onsite location of utilities prior to any excavation.

AREA

Gross = 132,578 square feet or 3.044 acres

BENCH MARK

- 1.) BENCH MARK DISK STAMPED 6245 A 1976 IN SIDEWALK AT SOUTHEAST CORNER OF BELVIDERE STREET BRIDGE NUMBER 62044 OVER TRUNK HIGHWAY 52, 0.4 MILE SOUTHEAST ON TRUNK HIGHWAY 56 (CONCORD STREET FROM THE JUNCTION OF TRUNK HIGHWAY 56 (CONCORD STREET) A TRUNK HIGHWAY 52 IN ST. PAUL, THEN 0.1 MILE SOUTH ON STICKNE STREET, THEN 0.2 MILE WEST AND NORTH ALONG WINONA STREET EAST, THEN 102 FEET WEST ON BELVIDERE STREET EAST.

ELEVATION = 830.746 FEET (NAVD88)



Perform boundary survey	SMT	03/16/2015
Revision	By	Date
Survey originally dated March 11, 2011	LFC	

Drawing Title:
**BOUNDARY SURVEY FOR:
DISTRICT ENERGY ST. PAUL INC.**
571 Barge Channel Road
Saint Paul, MN

SUNDE
LAND SURVEYING
www.sundes.com
Main Office: 9601 East Broadway, Suite 118
Minneapolis, MN 55426-1436
952-881-2425 (Fax: 952-888-3326)
North Office: 1000 North
Brooklyn Park, MN 55420-3446
952-881-2425 (Fax: 952-888-3326)

Project: 2011-020-A	BN/Pp: 627/89	Date: 03/16/2015
Township: 28 Range: 22 Section: 9		
File: 2011020A001.dwg		Sheet: 1 of 1

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Dated this 16th day of March, 2015

SUNDE LAND SURVEYING, LLC.

By: *Leonard F. Carlson*
Leonard F. Carlson, P.L.S. Minn. Lic. No. 44890

**RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL
[2020 LEASE RENEWAL AND RENTAL RATE
ADJUSTMENT – DISTRICT ENERGY – 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 2020 Lease Renewal and Rental Rate Adjustment for the leased premises at 571 Barge Channel Road in the Southport Terminal with District Energy (the “Tenant”), which extends the first renewal option by increasing it to be for a total of two years and adjusts the rates in the Lease to be commiserate with the leasable square footage reduced to 110,657, due to a temporary construction easement granted to the City of Saint Paul for construction of the Piram Trail, through December 31, 2021 as set forth below:

<i>Base Rent for year ending 12/31/2019 (112,707 square feet): \$31,670.67, or \$0.281 psf</i> <i>Base Rent Multiplier beginning 1/1/2020: 1.030</i>
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Base Rent	SF Included	Per SF rate	Period Total	Monthly
Jan. 1, 2020 - Dec. 31, 2020	110,657	0.289	\$32,027.46	\$2,668.95
Jan. 1, 2021 – Dec. 31, 2021	110,657	0.298	\$32,975.79	\$2,747.98

WHEREAS, the Leased Premises is primarily used for a maintenance and warehousing facility associated with Tenant’s downtown operations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed 2020 Lease Renewal and Rental Rate Adjustment, 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 2020 Lease Renewal and Rental Rate Adjustment in accordance with the above-referenced terms in form as approved by counsel.

Adopted: November 26, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: CREDIT COMMITTEE

Meeting Date: Nov. 19, 2019

From: Kathryn L. Sarnecki

Subject: 2020 LEASE RENEWAL AND RENTAL RATE ADJUSTMENT – AGGREGATE INDUSTRIES-MWR, INC. - BARGE TERMINAL NO. 1
RESOLUTION NO. _____

Action Requested:

Approval of a 2020 lease renewal and rental rate adjustment for the leased premises at 1177 Childs Road in Saint Paul at Barge Terminal No. 1 with Tenant, Aggregate Industries-MWR, Inc. ("Tenant").

Background:

The Port Authority leased 651,206 square feet of property to Tenant extending to December 30, 2029, with two five-year renewal options through December 30, 2039 in Barge Terminal No. 1 in Saint Paul, Minnesota (the "Leased Premises"). A map depicting the Leased Premises is attached hereto for your reference. The Leased Premises is primarily used for shipping, handling and storage of sand, gravel and crushed rock and for any use associated with the blending or processing of aggregate products.

Lease Terms and Conditions:

Original Lease: 12/31/2014 to 12/30/29 with two five-year renewal options through 12/30/39.

Proposed Five-Year Renewal and Rental Rate Adjustment (through the year 2024): 12/31/2019 to 12/31/2020 and then beginning January 1, 2021 and ending December 31, 2021, and similarly each year throughout the Lease term ending December 31, 2024. By doing so, this will revise the Lease Term to be based on a January to December calendar year.

Annual rental rate adjustments is 3.5% per year (with a multiplier of 1.035).

<i>Base Rent for year ending 12/30/2019: \$166,708.73</i> <i>Base Rent Multiplier beginning 12/31/2019: 1.035</i>
--

Base Rent	SF Included	Period Total	Quarterly
Dec. 31, 2019 – Dec. 31, 2020	651,206	\$172,543.53	\$43,135.88
Jan. 1, 2021 – Dec. 31, 2021	651,206	\$178,582.55	\$44,645.64
Jan. 1, 2022 – Dec. 31, 2022	651,206	\$184,832.93	\$46,208.23
Jan. 1, 2023 – Dec. 31, 2023	651,206	\$191,302.08	\$47,825.52
Jan. 1, 2024 – Dec. 31, 2024	651,206	\$197,997.65	\$49,499.41

Tonnage fees are as follows: for 2020 is \$0.020/ton; for 2021 and 2022 is \$0.030/ton; and for 2023 and 2024 is \$0.040/ton and are capped pursuant to the original Lease at \$60,000 per year through 2024.

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:

Tenant's responsibility to invest in capital improvements to the Leased Premises pursuant to the Lease has been satisfied by the investment by Tenant of \$1,050,000 into the Leased Premises to date, along with their common annual maintenance charges of \$35,000/year.

Recommendation:

Approval for the 2020 lease renewal and rental rate adjustment to extend the lease out to the year 2034 for the Leased Premises at 1177 Childs Road in Barge Terminal No. 1 for Aggregate Industries-MWR, Inc.

Attachment: Map
Resolution



Aggregate Industries - MWR, Inc.

1177 Childs Road Saint Paul, MN

Barge Terminal No. 1

14.95 Acres (651,206 sq ft)

Lessee

 Aggregate Industries - MWR, Inc

 Dock Wall: 677 Feet

 Railroad

0 150 300 600 900 1,200 Feet



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.

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

**[2020 LEASE RENEWAL AND RENTAL RATE ADJUSTMENT –
AGGREGATE INDUSTRIES-MWR, INC. – 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 Port Authority wants to enter into a 2020 Lease Renewal and Rental Rate Adjustment for the leased premises at 1177 Childs Road in Barge Terminal No. 1 with Aggregate Industries-MWR, Inc. (the "Tenant"), which adjusts the rates in the Lease through December 31, 2024 as set forth below:

<i>Base Rent for year ending 12/30/2019 - \$166,708.73</i> <i>Base Rent Multiplier beginning 12/31/2019: 1.035</i>

Base Rent	SF Included	Period Total	Quarterly
Dec. 31, 2019 – Dec. 31, 2020	651,206	\$172,543.53	\$43,135.88
Jan. 1, 2021 – Dec. 31, 2021	651,206	\$178,582.55	\$44,645.64
Jan. 1, 2022 – Dec. 31, 2022	651,206	\$184,832.93	\$46,208.23
Jan. 1, 2023 – Dec. 31, 2023	651,206	\$191,302.08	\$47,825.52
Jan. 1, 2024 – Dec. 31, 2024	651,206	\$197,997.65	\$49,499.41

WHEREAS, tonnage fees are as follows: for 2020 is \$0.020/ton; for 2021 and 2022 is \$0.030/ton; and for 2023 and 2024 is \$0.040/ton and are capped pursuant to the original Lease at \$60,000 per year through 2024.

WHEREAS, Tenant's responsibility to invest in capital improvements to the Leased Premises pursuant to the Lease has been satisfied by Tenant's investment of \$1,050,000 to date.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed 2020 Lease Renewal and Rental Rate Adjustment, 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 2020 Lease Renewal and Rental Rate Adjustment in accordance with the above-referenced terms in form as approved by counsel.

Adopted: November 26, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____

MEMORANDUM

To: CREDIT COMMITTEE

Meeting Date: Nov. 19, 2019

From: Kathryn L. Sarnecki 

Subject: **2020 LEASE RENEWAL AND RENTAL RATE ADJUSTMENT AND ADDITION OF ONE FIVE-YEAR RENEWAL OPTION – CONTINENTAL CEMENT COMPANY, L.L.C. – RED ROCK TERMINAL**
RESOLUTION NO. _____

Action Requested:

Approval of a 2020 lease renewal and rental rate adjustment and the addition of one five-year renewal option to extend the lease out to the year 2034 for the leased premises for PID 23.28.22.23.0006 at 0 Red Rock Road (with entrance easement at 1363 Red Rock Road) in the Red Rock Terminal with Tenant, Continental Cement Company, L.L.C. ("Tenant").

Background:

The Port Authority leased 144,992 square feet of property to Tenant with a 15-year lease extending to December 31, 2029: 137,519 square feet at 0 Red Rock Road and 7,473 feet at 1363 Red Rock Road as access to their facility in the Red Rock Terminal in Saint Paul, Minnesota (the "Leased Premises"). A map depicting the Leased Premises is attached hereto for your reference. The Leased Premises is primarily used for shipping, handling and storage of cement and concrete additives.

Lease Terms and Conditions:

Original Lease: 1/1/2015 to 12/31/29

Proposed Five-Year Renewal and Rental Rate Adjustment: 1/1/20 through 12/31/24

Provide one additional 5-year renewal option to extend lease out to 2034 based on capital investment completed and planned.

Annual rental rate adjustments is 2.0% per year (with a multiplier of 1.02).

Base Rent for year ending 12/31/2019 - \$58,721.76

Base Rent Multiplier beginning 1/1/2020: 1.02

Base Rent	SF Included	Period Total	Quarterly
Jan. 1, 2020 – Dec. 31, 2020	144,992	\$59,896.20	\$14,974.05
Jan. 1, 2021 – Dec. 31, 2021	144,992	\$61,094.12	\$15,273.53
Jan. 1, 2022 – Dec. 31, 2022	144,992	\$62,316.00	\$15,579.00
Jan. 1, 2023 – Dec. 31, 2023	144,992	\$63,562.32	\$15,890.58
Jan. 1, 2024 – Dec. 31, 2024	144,992	\$64,833.57	\$16,208.39

Tonnage fees will remain the same at 0.10 ton of loaded product inbound tonnage only. High volume tonnage rate of \$0.75/ton will apply at 200,001 tons, pursuant to the method of measurement in the original Leases. 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.

Rail Blockages:

Tenant has been having restricted access in and out of their site as a result of physical train and railcar blockage of access to the Leased Premises. The Port Authority is committed to continue to address mitigation options to resolve issues involving Canadian Pacific railroad operations (servicing Gavilon with unit trains) at the greater Red Rock Terminal presently affecting Tenant's access to safe use of the Leased Premises. Rental rates are likely to increase in the next rental rate adjustment period once this issue has been addressed.

Tenant Improvements:

Tenant's responsibility to invest in capital improvements to the Leased Premises pursuant to the Lease has been satisfied by the investment by Tenant of \$1,934,500 into the Leased Premises to date. Once the rail issue and blockage issue has been resolved, their capital improvement budget for the next five years is approximately \$1,977,000 on top of their annual maintenance budget of approximately \$150,000.

Recommendation:

Approval for the 2020 lease renewal and rental rate adjustment and the addition of one five-year renewal option to extend the lease out to the year 2034 for the Leased Premises at 0 Red Rock Road with site access through 1363 Red Rock Road in the Red Rock Terminal for Continental Cement Company, L.L.C.

Attachment: Map
Resolution



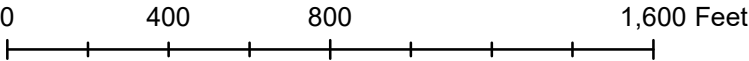
Red Rock Termianl	
Continental Cement Company L.L.C.	
1363 Red Rock Road	0 Red Rock Road
Saint Paul MN	Saint Paul MN
137,519 sq. ft.	at 0 Red Rock Road
7,473 sq. ft.	at 1363 Red Rock Road
144,992 Total sq/ft.	

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Continental Cement Company, LLC



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

**[2020 LEASE RENEWAL, OPTION EXTENSION, AND RENTAL RATE
ADJUSTMENT – CONTINENTAL CEMENT COMPANY, L.L.C. – RED ROCK 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 2020 Lease Renewal, Option Extension, and Rental Rate Adjustment for the leased premises at 1363 Red Rock Road in the Red Rock Terminal with Continental Cement Company, L.L.C. (the “Tenant”), which adjusts the rates in the Lease through December 31, 2024 as set forth below:

<i>Base Rent for year ending 12/31/2019 - \$58,721.76</i> <i>Base Rent Multiplier beginning 1/1/2020: 1.02</i>

Base Rent	SF Included	Period Total	Quarterly
Jan. 1, 2020 – Dec. 31, 2020	144,992	\$59,896.20	\$14,974.05
Jan. 1, 2021 – Dec. 31, 2021	144,992	\$61,094.12	\$15,273.53
Jan. 1, 2022 – Dec. 31, 2022	144,992	\$62,316.00	\$15,579.00
Jan. 1, 2023 – Dec. 31, 2023	144,992	\$63,562.32	\$15,890.58
Jan. 1, 2024 – Dec. 31, 2024	144,992	\$64,833.57	\$16,208.39

WHEREAS, the Port Authority agrees to add one additional five-year renewal option to the above term, so as to extend the Lease to the year 2034. The additional five-year renewal option is based and contingent upon capital investment currently completed and future investment plans.

WHEREAS, tonnage fees will be paid annually at a rate of \$0.10 per ton of loaded product, with a high volume tonnage rate of \$0.075 a ton at 200,001 tons, pursuant to this 2020 Lease Renewal.

WHEREAS, Tenant’s responsibility to invest in capital improvements to the Leased Premises pursuant to the Lease has totaled to date the sum of \$1,934,500. Tenant’s proposed capital improvement for the next five years is approximately \$1,977,000, subject to the satisfactory resolution of the restricted access issues due to rail blockages and the reasonable management approval thereof.

WHEREAS, because at the Red Rock Terminal, railroad blockage has been an ongoing public health, welfare and safety issue, as well as business interruption issue, the Tenant insisted on the following Lease section:

6. **Rail Blockages.** The Port Authority recognizes and confirms that it has a duty under Minn. Stat. § 469.055 “shall promote the efficient, safe, and economical handling of the commerce” and to “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 . . . to, from, and through the port.” Tenant agrees to reasonably cooperate with the Port Authority and the Port Authority shall take all reasonable steps to help prevent trains of Soo Line Railroad Company (“CP”) from unduly blocking access to and from Tenant’s facilities, including but not limited to helping to ensure that CP switching is limited within the Terminal, train operations are limited to off-peak business hours, and undertaking reasonable capital improvements, in cooperation with CP, to minimize train blockages. The Port Authority recognizes and affirms that this is a critical business and safety concern. The terms of this renewal recognize in part the current circumstances in which Tenant has been having restricted access in and out of their site as a result of physical train and railcar blockage of access to the Leased Premises. Both parties are committed to continue to address and implement all reasonable mitigation options to resolve the issues involving railroad operations at the greater Red Rock Terminal presently affecting Tenant’s access to safely use the Leased Premises. Once these issues have been resolved, the Tenant understands that rental rates for any upcoming renewal options are likely to increase to cover any pro rata increases in costs reasonably incurred by the Port Authority to mitigate the train blockage issue for the benefit of the Terminal’s tenants.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL that the proposed 2020 Lease Renewal, Option Extension, and Rental Rate Adjustment, 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 2020 Lease Renewal, Option Extension and Rental Rate Adjustment in accordance with the above-referenced terms in form as approved by counsel.

Adopted: November 26, 2019

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its _____

ATTEST:

By _____
Its _____