


## MEMORANDUM NOTICE

**To:** CREDIT COMMITTEE

**From:** Lee Krueger 

**Subject:** **REGULAR CREDIT COMMITTEE MEETING  
OCTOBER 22, 2019 – 2:00 P.M.**

**Date:** October 17, 2019

Chair Williams is calling a meeting of the Credit Committee for Tuesday, **October 22, 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 September 17, 2019 Regular Credit Committee Meeting

### **Conflict of Interest**

Conflicts with any items on the agenda

### **Agenda Items**

1. Marketing and Promotion Partnerships
2. Issuance of approximately \$5.5 Million Taxable General Obligation Refunding Bonds, Series 2019-3
3. D.I.V.I.N.E. Institute, Inc. – Approval of a \$500,000 Trillion BTU Loan
4. Auth Properties, LLC – Approval of a \$1,700,000 Trillion BTU Loan
5. Such other Business that May Come Before the Committee

**SAINT PAUL PORT AUTHORITY  
MINUTES OF THE REGULAR CREDIT COMMITTEE MEETING  
SEPTEMBER 17, 2019**

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

The following Committee Members were present:

Paul Williams	John Bennett	Brianne Hamm
Matt Hill	Don Mullin	

Also present were the following:

Lee Krueger	Todd Hurley	Michael Linder
Bruce Kessel	Monte Hilleman	Andrea Novak
Dana Krueger		
Eric Larson, General Counsel, City of Saint Paul		

**APPROVAL OF MINUTES**

Committee Member Mullin made a motion to approve the minutes of the August 20, 2019 Credit Committee meeting. The motion was seconded by Committee Member Bennett, submitted to a vote and carried unanimously.

**CONFLICT OF INTEREST**

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

**AGENDA ITEMS**

**BELLE ENTERPRISES, LLC – APPROVAL OF A \$193,000 TRILLION BTU LOAN**

Mr. Linder reviewed his memorandum with the Committee requesting approval of a \$193,000 Trillion BTU loan to Belle Enterprises, LLC for the installation of HVAC units and a solar array. Discussion included, but was not limited to, the low debt service coverage ratio and the tenant mix.

There being no further discussion, Committee Member Mullin made a motion to approve a \$193,000 Trillion BTU loan to Belle Enterprises, LLC for the installation of HVAC units and a solar array. The motion was seconded by Committee Member Hill, submitted to a vote and carried unanimously.

**HIGHLAND BLOOMINGTON, LLC - APPROVAL OF A \$235,000 TRILLION BTU LOAN**

Mr. Linder reviewed his memorandum with the Committee requesting approval of a \$235,000 Trillion BTU loan to Highland Bloomington, LLC for the installation of an energy management system and LED lighting.

Following a brief discussion about historical occupancy rates, Committee Member Bennett made a motion to approve a \$235,000 Trillion BTU loan to Highland Bloomington, LLC for the installation of an energy management system and LED lighting. The motion was seconded by Committee Member Hamm, submitted to a vote and carried unanimously.

**WILLMAR COMMUNITY THEATRE, INC.  
APPROVAL OF A \$93,000 TRILLION BTU LOAN**

Mr. Linder reviewed his memorandum with the Committee requesting approval of a \$93,000 Trillion BTU loan to Willmar Community Theatre, Inc. for the installation of new HVAC equipment. Discussion included, but was not limited to, the organization's operating budget and prior year operating losses.

There being no further discussion, Committee Member Mullin made a motion to approve a \$93,000 Trillion BTU loan to Willmar Community Theatre, Inc. for the installation of new HVAC equipment. The motion was seconded by Committee Member Bennett, submitted to a vote and carried unanimously.

**OTHER BUSINESS**

There being no further business, the meeting was adjourned at 2:16 p.m.

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

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

## MEMORANDUM

**To:** CREDIT COMMITTEE **Meeting Date:** October 22, 2019

**From:** Andrea Novak *Andrea Novak*

**Subject:** **MARKETING AND PROMOTION PARTNERSHIPS**  
**RESOLUTION NO. \_\_\_\_\_**

**Action Requested:**

Approval for the President of the Saint Paul 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, for Saint Paul Port Authority marketing events and promotions that further the Saint Paul Port Authority's mission.

**Background:**

On occasion, the Saint Paul Port Authority and its wholly owned subsidiary CCP, host events or commit to marketing initiatives that educate the community on relevant topics. Current examples include a commercial real estate seminar held earlier this month with nationally known speakers and an upcoming river shipping documentary in partnership with TPT. At no time will business/vendor decisions be made based on financial commitments. This approval would be valid through December 31, 2020 and need to be reapproved to continue in 2021.

**Recommendation:**

It is recommended that the Board approve a resolution, valid through December 31, 2020, authorizing the President of the Saint Paul 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 for Saint Paul Port Authority marketing events and promotions that further the Saint Paul Port Authority's mission.

**Attachments:**

Resolution

Marketing materials for the commercial real estate event and TPT documentary

# Understanding Net Zero in the Commercial Sector

**Wednesday, October 16 | 11:30 a.m. to 3:30 p.m. | Surly Brewing Co.**

Lunch Provided Compliments of LHB | Happy Hour to Follow Compliments of United Properties

Join NAIOP and the Saint Paul Port Authority for an exciting afternoon of stimulating conversation with nationally renowned presenters in the commercial real estate industry.

## Session Content to Include:

Current Trends in the Commercial Real Estate Market

Net Zero Progress in the Twin Cities

Connecting Net Zero to the Broker Sales Pitch

The Future of Sustainable Design

**THREE HOURS OF CONTINUING EDUCATION CREDITS** are pending. Credits will be submitted through **NAIOP** Minnesota for commercial real estate credits and **USGBC** for LEED credits.



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**6**  
SPONSORS  
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FUNDERS

# Help Us Tell the Story OF THE WORKING RIVER

The Saint Paul Port Authority is partnering with Twin Cities PBS (TPT) to create a documentary that highlights the current state of river shipping on the Mississippi, with a primary focus on Saint Paul ports. We view this as a storytelling opportunity that will help Minnesotans better understand how important river shipping is to the local, state, and regional economy. It will also serve as a tool to reinforce the message to our elected officials that infrastructure investments are critical to the long-term vitality of our state.

## Timeline

On-camera interviews will take place in August and September, with production wrapping up by December 31, 2019. We anticipate broadcasting between February and March 2020. Broadcasts will include (16) 30-minute segments on TPT, with four primetime placements. Additional “short” versions will run at least 64 times across TPT2, TPT Life, and Minnesota Public Television Association (MPTA).

## Sponsorship/Funding Opportunity

**For a \$2,500 investment, all funders and sponsors will be acknowledged in every form of presentation of this content, including every broadcast, publication, and web streaming of the video or segments.** Sponsors will also have the ability to share content on their websites and social media channels. Because this project spans over two calendar years, payments can be made in 2019, 2020, or split between the two.

**If interested in sponsorship/funding opportunities, please contact Andrea Novak at [aln@sppa.com](mailto:aln@sppa.com) by August 15, 2019.**

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

**[MARKETING AND PROMOTION PARTNERSHIPS]**

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

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

WHEREAS, the Port Authority represents that it needs to seek, apply for, and accept financial support such as grants, contributions, participation, and sponsorships from external organizations for marketing events and promotions that further the mission of the Port Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL: That for the remainder of the year 2019 and continuing through December 31, 2020, that the President or anyone acting under his direction on behalf of the Port Authority is hereby encouraged and authorized to seek, apply for and accept financial support and has the institutional, managerial, and financial capability to ensure adequate administration of any financial support received for its marketing and promotional events; and

BE IT FURTHER RESOLVED, that the President or anyone acting under his direction is hereby authorized and directed to execute any and all necessary documents in order to seek, apply for and accept financial support for Saint Paul Port Authority marketing events and promotions continuing through December 31, 2020.

Adopted: October 22, 2019.

PORT AUTHORITY OF THE CITY OF SAINT PAUL

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

ATTEST:

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



## MEMORANDUM

**To:** CREDIT COMMITTEE **Meeting Date:** October 22, 2019

**From:** Bruce A. Kessel 

**Subject:** **ISSUANCE OF APPROXIMATELY \$5.5 MILLION TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019-3**  
**RESOLUTION NO. \_\_\_\_\_**

**Action Requested:**

Approval of the issuance of approximately \$5.5 million of Taxable General Obligation Refunding Bonds for interest rate savings.

**Background:**

In 2009, General Obligation (GO) Bonds were issued in the amount of \$8,165,000 to assist in the remediation of the Beacon Bluff Business Center. The bonds were split between taxable and tax exempt. The bonds proposed to be refunded total \$5 million and consist of \$2,945,000 of 2009-15 GO Taxable bonds with an original principal amount of \$6,110,000 and maturities between 2021 and 2027 at rates between 4.5% and 5.375%, and \$2,055,000 of 2009-16 GO Tax-Exempt bonds with an original principal amount of \$2,055,000 and maturities between 2027 and 2030 at rates between 4.1% and 4.2%

**Current Status:**

The present value of the refunding savings, based on current interest rates, is estimated to be in excess of 10%, or just over \$600,000, with annual debt service savings of around \$65,000. The new bonds would have a true interest cost of approximately 2%, the maturity would remain similar to the current bonds with an average life of approximately six years, and the principal amount issued would not exceed \$5.5 million.

The 2019-3 bonds can be issued any time after December 1, 2019 as current refunding. A portion of the 2019-3 bonds will be issued as an advanced refunding with an escrow account to make the debt service payments on the 2009-16 bonds until they can be called and repaid. We are coordinating this bond issue with the City's next General Obligation bond issue to save on the cost of issuance. The bonds will be backed by the full faith, credit and resources of the City of Saint Paul.

**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 of the issuance of approximately \$5.5 million of taxable General Obligation Refunding Bonds.

Attachments: Resolution



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

**TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019-3**

WHEREAS, in accordance with the provisions of Minnesota Statutes, Sections 469.048 to 469.068, Section 469.084 and Chapter 475, as amended (together, the "Act"), the Port Authority of the City of Saint Paul, Minnesota (the "Port Authority") is permitted upon authorization by the City Council of the City of Saint Paul, Minnesota (the "City") to issue tax-exempt or taxable bonds that are general obligation bonds of the City, including bonds to refund, on a current basis or an advance refunding basis; and

WHEREAS, the Port Authority is proposing to issue one or more series of general obligation bonds in an original aggregate amount not to exceed \$5,500,000 (the "Series 2019-3 Bonds") whereby the Port Authority, with the consent of the City, levies a tax and pledges the full faith and credit and unlimited taxing power of the City in order to: (i) current refund the 2021-2027 maturities of the Port Authority's General Obligation Bonds, Series 2009-15 (the "Series 2009-15 Bonds"), issued in the original aggregate principal amount of \$6,110,000, (ii) advance refund the 2021-2030 maturities of the Port Authority's Tax-Exempt General Obligation Bonds, Series 2009-16 (the "Series 2009-16 Bonds" and together with the Series 2009-15 Bonds, the "Prior Bonds"), issued in the original aggregate principal amount of \$2,055,000, and (iii) pay costs of issuance of the Series 2019-3 Bonds; and

WHEREAS, the proceeds of the Prior Bonds financed a portion of the cost of the purchase and redevelopment of 46 acres of land in the City, now known as the Beacon Bluff Industrial Park; and

WHEREAS, by an Ordinance No. 08-1082 adopted by the City Council on October 28, 2008, and approved by the Mayor (the "Ordinance"), the City, among other things, pledged the full, faith and credit and unlimited taxing power of the City to the Prior Bonds; and

WHEREAS, by this Resolution, the Port Authority is requesting that a resolution be considered by the City Council of the City and to be approved by the Mayor (the "City Resolution"), that, among other things, will (i) consent to the issuance of the Series 2019-3 Bonds by the Port Authority, and (ii) confirm the Ordinance and the general obligation and full faith and credit pledge of the City to the Series 2019-3 Bonds for the purposes described above in this Resolution; and

WHEREAS, the Port Authority desires to issue and sell, with the advice of PFM Financial Advisors LLC (formerly known as Public Financial Management, Inc.) (the "Municipal Advisor"), the Series 2019-3 Bonds which will be designated as Taxable General Obligation Refunding Bonds, Series 2019-3; and

WHEREAS, the Port Authority reserves the right to not issue the Series 2019-3 Bonds or refund the Series 2009-15 Bonds or the Series 2009-16 Bonds if the sale of the Series 2019-3 Bonds will not achieve sufficient debt service savings; and

WHEREAS, pursuant to this Resolution, a pricing committee will be named, described of the persons named herein, to determine certain terms of the Series 2019-3 Bonds as hereinafter described.

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

Section 1. Sale of the Series 2019-3 Bonds.

1.01. Purpose of the Series 2019-3 Bonds. The Port Authority is proposing to issue the Series 2019-3 Bonds pursuant to the Act, in original aggregate principal amount not to exceed \$5,500,000, in order to finance the purposes described in the recitals of this Resolution.

1.02. Requirements of the Act. The Port Authority has complied with or will comply with the provisions of the Act, the Ordinance, and the City Resolution.

1.03. Pricing Committee. The pricing committee for the Series 2019-3 Bonds will consist of the Chief Financial Officer of the Port Authority or their designee, the City's Debt Manager or the City's Treasury Analyst as such designee, and a representative of the Municipal Advisor (the "Pricing Committee") and is hereby delegated the authority to determine the final pricing of the Series 2019-3 Bonds and to sell the Series 2019-3 Bonds either by negotiated or competitive sale and to authorize the Port Authority to enter into a Bond Purchase Agreement or bid form (the "Purchase Agreement") with an underwriter or winning bidder. The Pricing Committee is hereby delegated the authority to establish the terms and conditions of each series of the Series 2019-3 Bonds, subject to the limitations set forth in this Resolution. In addition, the Pricing Committee is hereby authorized to establish the annual amount of the tax levy to be certified to the Ramsey County Auditor (the "Auditor") with respect to each series of the Series 2019-3 Bonds. The Series 2019-3 Bond terms, amendments, if any, and tax levy, as set forth in the completed certificate of the Pricing Committee (the "Pricing Committee Certificate") shall, upon delivery, be deemed to be a part of this Resolution as if set forth originally herein and such terms shall be incorporated and included in the form of the Series 2019-3 Bonds and in such other certificates, documents and agreements as appropriate.

The final decision of the Pricing Committee to execute and deliver the Purchase Agreement on behalf of the Port Authority. The Pricing Committee, in its discretion on behalf of the Port Authority, may waive non-substantive informalities with respect to the proposals to purchase the Series 2019-3 Bonds. The Pricing Committee is hereby authorized to determine the maturity dates, principal amounts of the stated maturities of the Series 2019-3 Bonds, and such other terms of the Series 2019-3 Bonds, as the Pricing Committee deems most appropriate and in the best interests of the Port Authority, provided (i) the combined true-interest cost for the Series 2019-3 Bonds shall not exceed 3.50% per annum; (ii) the final maturity date of the Series 2019-3 Bonds shall be no later than February 1, 2030; (iii) the combined original aggregate principal amount of the Series 2019-3 Bonds shall not exceed \$5,500,000; and (iv) the net present value of debt service savings on the Prior Bonds selected by the Pricing Committee to be refunded by the Series 2019-3 Bonds exceeds 5.00%.

1.04. Execution of Purchase Agreement. The Chief Financial Officer of the Port Authority, or his designee, is directed to execute and deliver the Purchase Agreement if the bid or proposal of the purchaser is determined by the Pricing Committee to meet the requirements of Section 1.03 above.

1.05. General Terms of the Series 2019-3 Bonds. The Series 2019-3 Bonds will be dated as of their date of issuance or shall be dated such other date as the Pricing Committee may determine in denominations of \$5,000 or any integral multiple thereof, and each series of the Series 2019-3 Bonds shall be numbered from R-1 upwards in order of issuance, or with such

other numbering and in such other order as the Pricing Committee may determine. The issuance, sale and delivery of the Series 2019-3 Bonds pursuant to the Act is hereby approved by the Port Authority.

#### 1.06. Redemption.

(a) No Optional Redemption. The Series 2019-3 Bond will not be subject to optional redemption prior to maturity, unless determined to be advantageous by the Pricing Committee.

(b) No Scheduled Mandatory Redemption. There are no Term Bonds which are subject to mandatory redemption and prepayment on scheduled dates, unless determined to be advantageous by the Pricing Committee.

(c) Selection of Series 2019-3 Bonds to be Redeemed; Redemption Procedure. In the event any of the Series 2019-3 Bonds are called for redemption, notice thereof identifying the Series 2019-3 Bonds to be redeemed shall be given by the Registrar (as defined herein) by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Series 2019-3 Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, shall not affect the validity of the proceedings for the redemption of Series 2019-3 Bonds. Series 2019-3 Bonds so called for redemption shall cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the Registrar at that time.

#### Section 2. Registration and Payment.

2.01. Registered Form. The Series 2019-3 Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Series 2019-3 Bond, the principal amount thereof, is payable by check or draft issued by the Registrar.

2.02. Dates; Interest Payment Dates. Each Series 2019-3 Bond shall be dated as of the last interest payment date preceding the date of authentication to which interest on the Series 2019-3 Bonds has been paid or made available for payment, unless: (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Series 2019-3 Bonds will be dated as of the date of authentication; or (ii) the date of authentication is prior to the first interest payment date, in which case the Series 2019-3 Bonds will be dated as of the date of original issue. The Series 2019-3 Bonds shall mature on such dates and in such principal amounts as indicated in the Pricing Committee Certificate. The Series 2019-3 Bonds shall bear interest at the rates per annum as indicated in the Pricing Committee Certificate and shall be payable on each February 1 and August 1, commencing on February 1, 2020, computed on the basis of a 360-day year of twelve thirty-day months. The interest on the Series 2019-3 Bonds is payable to the registered owners of record thereof as of the close of business on the fifteenth (15th) day of the immediately preceding month, whether or not such day is a business day.

2.03. Registrar. The Chief Financial Officer of the Port Authority is hereby authorized to appoint a bank or trust company (or officer of the Port Authority) to act as paying agent, bond registrar and transfer agent with respect to the Series 2019-3 Bonds (the "Registrar" or "Paying Agent"). The Port Authority hereby names U.S. Bank National Association as the initial Registrar and Paying Agent. Such Registrar shall so act for all Series 2019-3 Bonds unless and until a successor Registrar is duly appointed. Such appointment and designation shall be made by

certificate delivered by the Chief Financial Officer upon delivery of the Series 2019-3 Bonds to the initial purchaser. A successor Registrar shall be a bank or trust company eligible for designation as bond registrar pursuant to the Act, and may be appointed pursuant to any contract the Port Authority and such successor Registrar shall execute which is consistent herewith. The Registrar shall also serve as Paying Agent unless and until a successor Paying Agent is duly appointed. Principal and interest on the Series 2019-3 Bonds shall be paid to the registered holder or holders of the Series 2019-3 Bonds (the "Holder" or "Holders") in the manner set forth in the form of the Series 2019-3 Bonds. The effect of registration and the rights and duties of the Port Authority and the Registrar with respect thereto are as follows:

(a) *Register.* The Registrar shall keep a bond register in which the Registrar provides for the registration of ownership of the Series 2019-3 Bonds and the registration of transfers and exchanges of the Series 2019-3 Bonds entitled to be registered, transferred, or exchanged.

(b) *Transfer of Series 2019-3 Bonds.* Upon surrender for transfer of a Series 2019-3 Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 2019-3 Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth (15th) day of the month preceding each interest payment date and until that interest payment date.

(d) *Exchange of Series 2019-3 Bonds.* When Series 2019-3 Bonds are surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Series 2019-3 Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(e) *Cancellation.* Series 2019-3 Bonds surrendered upon transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the Port Authority.

(f) *Improper or Unauthorized Transfer.* When a Series 2019-3 Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Series 2019-3 Bond until the Registrar is satisfied that the endorsement on the Series 2019-3 Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(g) *Persons Deemed Owners.* The Port Authority and the Registrar may treat the person in whose name a Series 2019-3 Bond is registered in the bond register as the absolute owner of the Series 2019-3 Bond, whether the Series 2019-3 Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Series 2019-3 Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon the Series 2019-3 Bond to the extent of the sum or sums so paid.

(h) *Taxes, Fees, and Charges.* The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Series 2019-3 Bond sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to the transfer or exchange.

(i) *Mutilated, Lost, Stolen or Destroyed Series 2019-3 Bond.* If a Series 2019-3 Bond becomes mutilated or is destroyed, stolen, or lost, the Registrar shall deliver a new Series 2019-3 Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Series 2019-3 Bond or in lieu of and in substitution for any Series 2019-3 Bond destroyed, stolen, or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Series 2019-3 Bond destroyed, stolen, or lost, upon filing with the Registrar of evidence satisfactory to it that the Series 2019-3 Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance, and amount satisfactory to it and as provided by law, in which both the Port Authority and the Registrar must be named as obligees. Series 2019-3 Bonds so surrendered to the Registrar shall be cancelled by the Registrar and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen, or lost Series 2019-3 Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Series 2019-3 Bond prior to payment.

2.04. Execution, Authentication and Delivery. The Series 2019-3 Bonds shall be prepared under the direction of the Pricing Committee, provided that all signatures may be printed, engraved, or lithographed facsimiles of the originals. The Series 2019-3 Bonds are hereby authorized to be executed by the Chair and Secretary of the Port Authority, or their designee. If an officer whose signature or a facsimile of whose signature appears on the Series 2019-3 Bonds ceases to be such officer before the delivery of any Series 2019-3 Bond, that signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Series 2019-3 Bond shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Series 2019-3 Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Series 2019-3 Bonds need not be signed by the same representative. The executed certificate of authentication on a Series 2019-3 Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Series 2019-3 Bonds have been so prepared, executed, and authenticated, the Port Authority shall deliver the same to the initial purchaser upon payment of the purchase price in accordance with the Bond Purchase Agreement heretofore made and executed, and the initial purchaser is not obligated to see to the application of the purchase price.

2.05. Temporary Series 2019-3 Bonds. The Port Authority may elect to deliver, in lieu of printed definitive Series 2019-3 Bonds, one or more typewritten temporary Series 2019-3 Bonds in substantially the form set forth in EXHIBIT A with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Series 2019-3 Bonds, the temporary Series 2019-3 Bonds shall be exchanged therefore and cancelled.

### Section 3. Form of the Series 2019-3 Bonds.

3.01. Printing of Series 2019-3 Bonds. All of the provisions of each series of the Series 2019-3 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. Each series of the Series 2019-3 Bonds shall be substantially in the form attached to this Resolution as EXHIBIT A, 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 the Series 2019-3 Bonds, the stated maturities of each series of the Series 2019-3 Bonds, the interest rates on each series of the Series 2019-3 Bonds, the terms of redemption of each series of the Series 2019-3 Bonds, and variation from Port Authority policies regarding methods of offering general obligation bonds) as the Pricing Committee, in their discretion, shall determine and as memorialize on the Pricing Committee Certificate. The execution of each series of the Series 2019-3 Bonds with the manual or facsimile signatures of the Chair and Secretary, or their proper designees, and the delivery of the Series 2019-3 Bonds by the Port Authority shall be conclusive evidence of such determination.

3.02. Approving Legal Opinion. The Secretary is authorized and directed to obtain a copy of the proposed approving legal opinion of Ballard Spahr LLP, as Bond Counsel, which shall be complete except as to dating thereof and cause the opinion to accompany each Series 2019-3 Bond.

#### Section 4. Payment; Security; Pledges and Covenants.

##### 4.01. Funds.

(a) Debt Service Fund. A “Taxable General Obligation Refunding Bonds, Series 2019-3 Debt Service Fund” (the “Debt Service Fund”) is hereby created. The proceeds of the ad valorem taxes hereinafter levied as described in this Resolution and the City Resolution, are hereby pledged to the Debt Service Fund. If a payment of principal or interest on the Series 2019-3 Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Port Authority and the City will pay such principal or interest and be reimbursed for those advances out of the proceeds of the taxes levied by the Port Authority, without limitation as to rate or amount, by this Resolution, when collected.

(b) Refunding Fund. There is hereby pledged and there shall be credited to a special fund for the Prior Bonds (the “Refunding Fund”) and accounts therein if determined by the Chief Financial Officer to be advantageous or necessary. The City will deposit proceeds of the Series 2019-3 Bonds, in amounts to sufficient to redeem and prepay the 2021-2027 maturities of the Series 2009-15 Bonds on February 1, 2020, and defease the 2021-2030 maturities of the 2009-16 Bonds and redeem and prepay the 2022-2030 maturities plus accrued interest on February 1, 2021. The Chief Financial Officer is authorized to transfer the funds to the Escrow Agent (as defined herein) as required by Section 6 of this Resolution.

(c) Other Accounts and Subaccounts. The Chief Financial Officer is hereby authorized to create such accounts or subaccounts within the Debt Service Fund and Refunding Fund (and accounts and subaccounts therein) to properly administer such funds and accounts and to assure compliance with the preceding paragraphs. Specifically, the Chief Financial Officer may create separate accounts and subaccounts to hold and apply the proceeds of the Series 2019-3 Bonds and revenues for the payment thereof.

(d) Use of Proceeds. On the date of issuance of the Series 2019-3 Bonds, the Port Authority shall:

(i) appropriate to the Debt Service Fund: (i) capitalized interest, if any, to be financed from Series 2019-3 Bond proceeds, in the amount determined by the Chief Financial Officer of the Port Authority; (ii) any original issue premium of the Series 2019-3 Bonds determined by the Chief Financial Officer of the Port Authority to be deposited therein; (iii) the accrued interest, if any, paid by the Underwriter upon closing and delivery of the Series 2019-3 Bonds; and (iv) any amounts necessary to pay the interest due on the Series 2019-3 Bonds on or prior to August 1, 2020; and

(ii) use the funds in the Series 2009-15 Refunding Account to current refund the Series 2009-15 Bonds on the Series 2009-15 Redemption Date and (use the funds in the Series 2009-16 Refunding Account to advance refund the Series 2009-16 Bonds on the Series 2009-16 Redemption Date.

(e) Allocation of Investment Earnings. Investment earnings shall be credited to the fund or account from which the investment was made.

(f) Other Accounts and Subaccounts. The Port Authority is hereby authorized to create such accounts or subaccounts within the Project Fund and the Debt Service Fund (and accounts therein) to properly administer such funds and accounts and to assure compliance with the preceding paragraphs, and Section 6 hereof. Specifically, the Port Authority may create separate accounts and subaccounts to hold and apply the proceeds of the Series 2019 Bonds and revenues for the payment thereof.

4.02. Filing of Resolution. The Secretary of the Port Authority is authorized and directed to file a certified copy of this Resolution, as well as an originally executed copy of the Pricing Committee Certificate, with the Auditor of Ramsey County, Minnesota (the "Auditor"), together with such other information as he or she shall require, and to obtain the Auditor's certificate that the Series 2019-3 Bonds have been entered in the Auditor's bond register, and that the tax levy required by law and this Resolution has been made.

4.03. Pledge of Tax Levy. For the purpose of paying the principal of and interest on the Series 2019-3 Bonds, and in accordance with the Ordinance and the City Resolution, and as required by Section 469.060 of the Act, there is hereby levied by the Port Authority a direct annual irrepealable ad valorem tax (the "Tax") upon all of the taxable property in the City, to be spread upon the tax rolls and collected with and as part of other general taxes of the City. The Tax will be credited to the Debt Service Fund and the applicable subaccounts in the Debt Service Fund in the amounts for each year calculated by the Pricing Committee and set forth the Certificate of the Pricing Committee.

4.04. Overlevy Requirement. It is determined that the estimated collection of the foregoing Tax will produce at least five percent (5%) in excess of the amount needed to meet, when due, the principal and interest payments on the Series 2019-3 Bonds. The Tax so levied herein will be irrepealable until all of the Series 2019-3 Bonds are paid, provided that at the time the City makes its annual tax levies the City Clerk may certify to the Auditor (or the official of Ramsey County performing the functions of the Auditor) the amount available in the respective subaccount of the Debt Service Fund to pay principal and interest due during the ensuing year, and the Auditor will thereupon reduce the levy collectible during such year by the amount so certified.

4.05. General Obligation Pledge. If amounts on deposit in the Debt Service Fund are not sufficient to pay principal and interest on the Series 2019-3 Bonds, as the same become due, the full faith and credit and taxing powers of the City shall be and are hereby irrevocably pledged. If



the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Series 2019-3 Bonds payable therefrom, the deficiency shall be promptly paid out of any other funds of the Port Authority and the City will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the taxes levied by the Port Authority, without limitation as to rate or amount, by this Resolution, when collected.

#### Section 5. Authentication of Transcript.

5.01. Furnishing of Documents. The officers of the Port Authority are authorized and directed to prepare and furnish to the initial purchaser and to Ballard Spahr LLP, as bond counsel to the Port Authority, certified copies of proceedings and records of the Port Authority relating to the Series 2019-3 Bonds and to the financial condition and affairs of the Port Authority and/or the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Series 2019-3 Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the Port Authority as to the facts stated therein.

5.02 Negotiated Sale. The Port Authority has retained the Municipal Advisor as an independent municipal advisor, and the Port Authority has heretofore determined, and hereby determines, to sell the Series 2019-3 Bonds by private negotiation, all as provided by Section 475.60, Subdivision 2(9) of the Municipal Debt Act.

5.03. Official Statement. The Municipal Advisor will prepare, with assistance from Port Authority staff and Bond Counsel, a Preliminary Official Statement to be used in the marketing of the Series 2019-3 Bonds. The President, Chief Financial Officer, and Controller of the Port Authority are authorized to take all necessary actions as required for the publication and approval of the Preliminary Official Statement. The use and distribution of the Preliminary Official Statement and of a final Official Statement (collectively, the "Official Statement") in connection with the offer and sale of the Series 2019-3 Bonds is hereby approved. The President and Chief Financial Officer (or their proper designees) are authorized and directed to certify that they have examined the Official Statement, and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement and that the Official Statement will not, at the date of closing, and did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

#### Section 6. Redemption of Prior Bonds; Escrow Agreement; Escrow Account; Advance Refunding; Findings; Redemption of Series 2009-16 Bonds.

6.01. Escrow Account for Series 2009-16 Bonds. The Port Authority shall establish and maintain an Escrow Account (the "Escrow Account") with an escrow agent authorized under the Act (the "Escrow Agent"), which is a suitable financial institution within the State, whose deposits are insured by the Federal Deposit Insurance Corporation, whose combined capital and surplus is not less than \$500,000 and said financial institution is hereby designated as Escrow Agent. The President and Chief Financial Officer or their designees are hereby authorized to enter into an Escrow Agreement (the "Escrow Agreement") with the Escrow Agent. All proceeds of the sale of the Series 2019-3 Bonds allocated to the advance refunding of the Series 2009-16 Bonds will be deposited to the Escrow Account and will be received by the Escrow Agent and applied to fund

the Escrow Account as set forth in the Escrow Agreement. The Escrow Account will be invested in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as will be required to provide sufficient funds to pay when due the interest to accrue on the 2021-2030 maturities of the Series 2009-16 Bonds through February 1, 2021 (the "2009-16 Redemption Date"). From the Escrow Account there will be paid (i) all interest paid on, or to be paid on, or to accrue on the 2021-2030 maturities of the Series 2009-16 Bonds through the 2009-16 Redemption Date, and (ii) the principal of the Series 2009-16 Bonds due on the Series 2009-16 Redemption Date. The money in the Escrow Account will be used solely for the purposes herein set forth and for no other purpose, except that any surplus in the Escrow Account may be remitted to the Port Authority, all in accordance with the Escrow Agreement. Upon completion of the final redemption of the 2009-16 Bonds and the payment of the costs thereof, any surplus may be transferred as authorized by Minnesota Statutes, Section 475.65, or otherwise transferred to the Debt Service Fund, as determined by the Chief Financial Officer.

6.02. Sufficiency of Escrow Account for Series 2009-16 Bonds. It is hereby found and determined that the proceeds of the Series 2009-16 Bonds available and appropriated to the Escrow Account will be sufficient, together with the permitted earnings on the investment of the Escrow Account, to (i) pay the interest due on the 2021-2030 maturities of the Series 2009-16 Bonds through and including the 2009-16 Redemption Date, and (ii) on the Series 2009-16 Redemption Date, pay the principal due on the 2021-2030 maturities of the Series 2009-16 Bonds on the Series 2009-16 Redemption Date.

6.03. Redemption of Series 2009-16 Bonds. The 2021-2030 maturities of the 2009-16 Bonds maturing on or after the 2009-16 Redemption Date will be redeemed and prepaid on the 2009-16 Redemption Date. The Series 2009-16 will be redeemed and prepaid in accordance with their terms and in accordance with the terms and conditions set forth in substantially the form of Notice of Call for Redemption attached to the Escrow Agreement as an exhibit which terms and conditions are hereby approved and incorporated herein by reference. The Escrow Agent is authorized and directed to send a copy of the Notice of Redemption to each registered holder of the 2021-2030 maturities of the Series 2009-16 Bonds in order that they be redeemed and prepaid on the 2009-16 Redemption Date.

6.04. Advance Refunding Requirements to be Met. It is hereby found and determined that based upon information presently available from the Municipal Advisor, the issuance of the Series 2009-16 Bonds will result in a reduction of debt service cost to the Port Authority on the 2021-2030 maturities of the Series 2009-16 Bonds, such that the present value of such debt service or interest cost savings (the "Reduction") is at least three percent (3%) of the debt service on the 2021-2030 maturities of the Series 2009-16 Bonds. The Reduction, after the inclusion of all authorized expenses of refunding in the computation of the effective interest rate on the Series 2009-16 Bonds is anticipated to be adequate to authorize the issuance of the portion of the Series 2009-16 Bonds attributable to the advance refunding of the 2021-2030 maturities of the Series 2009-16 Bonds as provided by Minnesota Statutes, Section 475.67, Subdivision 12 and 13, as amended. If the Pricing Committee determines that the Reduction will not meet the requirements set forth in Section 475.67, Subdivision 12 and 13 of the Act, then the Pricing Committee is authorized to reduce the principal amount of the Series 2009-16 Bonds, as necessary.

6.05. Redemption of Series 2009-15 Bonds. The 2021-2027 maturities of the 2009-15 Bonds maturing on or after February 1, 2021 will be redeemed and prepaid on February 1, 2020 (the "2009-15 Redemption Date"). The Series 2009-15 will be redeemed and prepaid on the 2009-15 Redemption Date in accordance with their terms and in accordance with the terms of a

Notice of Call for Redemption to be prepared by the Port Authority. The paying agent for the 2009-15 Bonds is authorized and directed to send a copy of the Notice of Redemption to each registered holder of the 2021-2027 maturities of the Series 2009-15 Bonds in order that they be redeemed and prepaid on the 2009-15 Redemption Date.

Section 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Series 2019-3 Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Series 2019-3 Bond for each of the maturities set forth in the certificate of the Pricing Committee. Upon initial issuance, the ownership of each Series 2019-3 Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). Except as provided in this section, all of the outstanding Series 2019-3 Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Series 2019-3 Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Port Authority, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Series 2019-3 Bonds as securities depository ("Participants") or to any other person on behalf of which a Participant holds an interest in the Series 2019-3 Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of Cede & Co., DTC or any Participant with respect to any ownership interest in the Series 2019-3 Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Series 2019-3 Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Series 2019-3 Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Series 2019-3 Bonds, of any amount with respect to principal of, premium, if any, or interest on the Series 2019-3 Bonds. The Port Authority, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2019-3 Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Series 2019-3 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2019-3 Bond, for the purpose of registering transfers with respect to such Series 2019-3 Bonds, and for all other purposes. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2019-3 Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the Port Authority's obligations with respect to payment of principal of, premium, if any, or interest on the Series 2019-3 Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Series 2019-3 Bond, as shown in the registration books kept by the Registrar, will receive a certificated Series 2019-3 Bond evidencing the obligation of this Resolution. Upon delivery by DTC to the Port Authority of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." shall refer to such new nominee of DTC, and upon receipt of such a notice, the Port Authority shall promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The Port Authority has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which shall govern payment of principal of, premium, if any, and interest on the Series 2019-3 Bonds and notices with respect to the Series 2019-3 Bonds. Any Paying Agent or Registrar subsequently appointed by the Port Authority with respect to the Series 2019-3 Bonds shall agree to take all action

necessary for all representations of the Port Authority in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the Port Authority, by resolution of the Board of Commissioners, determines that it is in the best interests of the persons having beneficial interests in the Series 2019-3 Bonds that they be able to obtain Series 2019-3 Bond certificates, the Port Authority will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Series 2019-3 Bond certificates. In such event the Port Authority will issue, transfer and exchange Series 2019-3 Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Series 2019-3 Bonds at any time by giving notice to the Port Authority and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the Port Authority shall issue and the Registrar shall authenticate Series 2019-3 Bond certificates in accordance with this Resolution and the provisions hereof shall apply to the transfer, exchange and method of payment thereof.

7.05. Payments to DTC. Notwithstanding any other provision of this Resolution to the contrary, so long as a Series 2019-3 Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Series 2019-3 Bond and all notices with respect to the Series 2019-3 Bond shall be made and given, respectively, in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Defeasance. When all Series 2019-3 Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the holders of the Series 2019-3 Bonds will cease, except that the pledge of the City's full faith and credit by the Port Authority for the prompt and full payment of the principal of and interest on the Series 2019-3 Bonds will remain in full force and effect. The Port Authority may discharge all Series 2019-3 Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment, including interest earned thereon, in full of the Series 2019-3 Bonds. If any Series 2019-3 Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

Section 9. Continuing Disclosure. In order to satisfy the continuing disclosure requirements of Rule 15c2-12(b)(5), 17 CFR §240, 15c2-12, promulgated by the Securities Exchange Commission under the Securities Exchange Act of 1934, as amended, the appropriate officials of the Port Authority are hereby authorized and directed to execute and deliver a continuing disclosure undertaking substantially in the form of the Continuing Disclosure Certificate set forth in the Official Statement (the "Continuing Disclosure Certificate"). The Continuing Disclosure Certificate is hereby approved with such changes, modifications, additions, and deletions as shall be necessary and appropriate and approved by the City Attorney and Ballard Spahr LLP, as bond counsel to the Port Authority.

Section 10. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity, or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Resolution.

Section 11. Headings. Headings in this Resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

Section 12. Cancellation of Prior Tax Levies. Upon the redemption and prepayment of the Series 2009-15 Bonds on the 2009-15 Redemption Date, the tax levy with respect to the Series 2009-15 Bonds shall be cancelled. Upon the redemption deposit of proceeds of the Series 2019-3 Bonds with the Escrow Agent in the Escrow Account to defease the 2021-2030 maturities of the Series 2009-16 Bonds, the tax levy with respect to the Series 2009-3 Bonds shall be cancelled.

Section 13. Tax-Exempt Status of the Series 2009-16 Bonds. The Port Authority will not take any action which will adversely affect the tax-exempt status of the outstanding Series 2009-16 Bonds.

Adopted: October 22, 2019

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

ATTEST:

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

CERTIFICATION

I hereby certify that this is a true and correct copy, as on file with the Port Authority of the City of Saint Paul.

Dated: \_\_\_\_\_, 2019

(SEAL)

\_\_\_\_\_  
Notary Public  
Ramsey County of the State of Minnesota

**EXHIBIT A**

**FORM OF SERIES 2019-3 BOND**

No. R-\_\_\_\_\_

\$\_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF RAMSEY**

**PORT AUTHORITY OF THE CITY OF SAINT PAUL  
TAXABLE GENERAL OBLIGATION REFUNDING BOND,  
SERIES 2019-3**

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
_____ %	_____ August 1, 20	_____ December __, 2020	_____

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the Port Authority of the City of Saint Paul, Minnesota (the "Issuer"), certifies that it is indebted and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, on the Maturity Date specified above, with interest thereon from the date hereof at the annual rate specified above, payable February 1 and August 1 in each year, commencing [February 1, 2020], to the person in whose name this Series 2019-3 Bond is registered at the close of business on the fifteenth (15th) day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by U.S. Bank National Association, as Registrar, Paying Agent, Transfer Agent, and Authenticating Agent, or its designated successor under the Resolutions described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged by the Port Authority.

This Series 2019-3 Bond is one of an issue in the aggregate principal amount of \$\_\_\_\_\_, all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued pursuant to Ordinance No. 08-1082 adopted by the City Council of the City on October 28, 2008, a resolution of the City Council adopted on October 23, 2019, and a resolution of the Board of Commissioners of the Issuer adopted on October 22, 2019 (collectively, the "Resolution"), for the purpose of providing money to: (i) current refunding the 2021-2027 maturities of the Port Authority's Taxable General Obligation Bonds, Series 2009-15 (the "Series 2009-15 Bonds") and the 2021-2030 maturities of the Tax-Exempt General Obligation Bonds, Series 2009-16 (the "Series 2009-16 Bonds"), and (ii) pay costs of issuance of the Series 2019-3 Bonds. The principal hereof and interest hereon are payable primarily from ad valorem taxes, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are



irrevocably pledged for payment of this Series 2019-3 Bond and the Port Authority and the City have obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency, which additional taxes may be levied without limitation as to rate or amount. The Series 2019-3 Bonds are issued only as fully registered bonds in denominations of \$5,000 or any integral multiple thereof of single maturities. The interest on this Series 2019-3 Bond shall be calculated on the basis of a year of 360 days and twelve 30-day months.

As provided in the Resolution and subject to certain limitations set forth therein, this Series 2019-3 Bond is transferable upon the books of the Port Authority at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Series 2019-3 Bonds of other authorized denominations. Upon such transfer or exchange the Port Authority will cause a new Series 2019-3 Bond or Series 2019-3 Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The Port Authority and the Registrar may deem and treat the person in whose name this Series 2019-3 Bond is registered as the absolute owner hereof, whether this Series 2019-3 Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the Port Authority nor the Registrar will be affected by any notice to the contrary.

This Series 2019-3 Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Registrar by manual signature of one of its authorized representatives.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Series 2019-3 Bond in order to make it a valid and binding general obligation of the Port Authority in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Series 2019-3 Bond does not cause the indebtedness of the Port Authority to exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the Port Authority of the City of Saint Paul, Minnesota, by its Board of Commissioners has caused this Series 2019-3 Bond to be executed on its behalf by the facsimile signature of its Chair, attested by the facsimile signature of its Secretary

**PORT AUTHORITY OF THE CITY OF SAINT  
PAUL, MINNESOTA**

---

Chair or Designee

Attest:

---

Secretary or Designee

(The remainder of this page is intentionally left blank.)

## CERTIFICATE OF AUTHENTICATION

This is one of the Series 2019-3 Bonds delivered pursuant to the Resolution mentioned within.

### U.S. BANK NATIONAL ASSOCIATION

By \_\_\_\_\_  
Authorized Official

### ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Series 2019-3 Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

UNIF GIFT MIN ACT

TEN ENT -- as tenants by entireties

\_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

JT TEN — as joint tenants with right of  
survivorship and not as tenants in common

under Uniform Gifts or Transfers to  
Minors Act, State of \_\_\_\_\_

Additional abbreviations may also be used though not in the above list.

(The remainder of this page is intentionally left blank.)

## ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Series 2019-3 Bond and all rights thereunder, and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Series 2019-3 Bond on the books kept for registration of the within Series 2019-3 Bond, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Series 2019-3 Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not effect transfer of this Series 2019-3 Bond unless the information concerning the assignee requested below is provided.

Name and Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Include information for all joint owners if  
this Series 2019-3 Bond is held by joint account.)

Please insert social security or other identifying number of assignee

\_\_\_\_\_

(The remainder of this page is intentionally left blank.)

## MEMORANDUM

**To:** CREDIT COMMITTEE

**From:** Michael J. Linder *MJL*

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

**Meeting Date:** October 22, 2019

**Action Requested:**

Provide approval for the Port Authority to initiate a Trillion BTU loan for approximately \$500,000 with D.I.V.I.N.E Institute for the installation of energy efficiency measures on a commercial property located in Minneapolis, 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:**

D.I.V.I.N.E. Institute operates a home for girls age 12-17 and provides safe housing and support services. They currently have a home in Saint Paul where up to eight residents can live and are expanding their reach with their purchase of a new building where up to 16 girls can reside. The building is being completely renovated and high-efficiency HVAC units are being installed as well as LED lighting, a new roof, insulation, and new windows and doors. The property is located at 628 East Franklin Street and is currently owned by the City of Minneapolis. D.I.V.I.N.E. was awarded the development rights to the building after the City requested proposals for redevelopment. The building was acquired for \$50,000

**Proposed Project:**

HVAC Equipment and LED Lighting	
Purchase Price and Installation	\$500,000

**Sources and Uses of Funds:**

Sources of funds:	
Trillion BTU	\$500,000
Uses of funds:	
HVAC Equipment	\$400,000
LED Lighting	\$100,000

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:**

Audited financial statements were received for 2018, the first year they operated the home and were required to prepare an audit. They show the organization had an increase in net assets and a debt to net assets ratio of 2.28 to 1. Their main source of revenue comes from Ramsey and Hennepin counties for their housing services. They provided proforma financial statements for the project and show a proforma debt service coverage ratio of 1.89 to 1 in their first full year of operations. They have secured financing from a local bank as well as long-term, low interest rate loans from the City of Minneapolis. The total cost of the project is \$3,545,000 with an as completed appraised value of \$3,350,000. The following ratios are as of December 31, 2018:

Debt Service Coverage:	3.20	Trillion standard of at least:	1.15
Debt-to-Equity:	2.28	Trillion standard of less than:	4.00

**Proposal:**

Source of Funds:	Trillion BTU
Use of Funds:	HVAC Equipment and LED Lighting
Amount of Loan:	\$500,000
Rate:	5.0%
Term:	10 years
Collateral:	Signed Loan Agreement PACE Special Assessment

**Energy Savings:**

780 MMBTUs (\$26,000) annually.

**Workforce Implications:**

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

**Policy Exceptions:**

None.

**Recommendation:**

We recommend the approval of a \$500,000 Trillion BTU loan to D.I.V.I.N.E Institute, Inc.

## MEMORANDUM

**To:** CREDIT COMMITTEE

**From:** Michael J. Linder *MJL*

**Subject:** AUTH PROPERTIES, LLC  
APPROVAL OF A \$1,700,000 TRILLION BTU LOAN

**Meeting Date:** October 22, 2019

**Action Requested:**

Provide approval for the Port Authority to initiate a Trillion BTU loan for approximately \$1,700,000 with Auth Properties, LLC. for the installation of a 1.35-MW solar array on a commercial property located in St. Paul, Minnesota.

**Public Purpose:**

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

**Business Subsidy:**

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

**Background:**

Auth Properties, LLC is the real estate holding company that owns the 305,000 square foot commercial building located at 845 Minnehaha Avenue E in Saint Paul, located in the Beacon Bluff business center. Vomela Specialty Company and its affiliates operate in this recently constructed facility. The property currently has a tax assessed value of \$10,670,400.

**Proposed Project:**

1.35 MW Solar Array

Purchase Price and Installation	\$1,700,000
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**Sources and Uses of Funds:**

Sources of funds:

Trillion BTU	\$1,700,000
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Uses of funds:

1.35 MW Solar Array	\$1,700,000
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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. Ramsey County is assisting with placing the PACE special assessment on the property taxes and another funder may finance that portion of the project once the special assessment is in place. Trillion BTU funds will act as a bridge loan until that time. In the event that



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

**Financial Analysis:**

Audited financial statements were received for the operating entity, Vomela Specialty Company (VSC) and Affiliates. Auth Properties, LLC is a subsidiary of Camada Limited Partnership, which is included in the consolidated financial statements for VSC. The consolidated companies were profitable in all three years with increasing profitability in the last two years. The combined debt service coverage ratio of the company and its affiliates was 2.76 to 1 at the end of 2018. The debt-to-equity was within guideline at 0.48 to 1. The following ratios are as of December 31, 2018:

Debt Service Coverage:	2.76	Trillion standard of at least:	1.15
Debt-to-Equity:	0.48	Trillion standard of less than:	4.00

**Proposal:**

Source of Funds:	Trillion BTU
Use of Funds:	1.35 MW Solar Array
Amount of Loan:	\$1,700,000
Rate:	4.5%
Term:	10 years
Collateral:	Signed Loan Agreement PACE Special Assessment

**Energy Savings:**

5500 MMBTUs (\$163,000) 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.  
19 FTE for construction jobs.

**Policy Exceptions:**

None.

**Recommendation:**

We recommend the approval of a \$1,700,000 Trillion BTU loan to Auth Properties, LLC.

**Trillion BTU / PACE Loan Summary**  
**For the month of October 2019**

<b>Borrower</b>	<b>D.I.V.I.N.E. Institute, Inc.</b>	<b>Auth Properties, LLC</b>
<b>Loan Amount</b>	\$ 500,000	\$ 1,700,000
<b>Interest Rate</b>	5.00%	4.50%
<b>Term (Years)</b>	10	10
<b>Collateral</b>		
Signed Loan Agreement	Y	Y
Personal Guaranty	N	N
PACE Special Assessment	Y	Y
<b>Project Description</b>	HVAC units and controls	1.35-MW Solar Array
<b>Sources &amp; Uses</b>		
<b>Sources of Funds:</b>		
Trillion BTU	\$ 500,000	\$ 1,700,000
Other Funding Sources		
<b>Total Sources</b>	\$ 500,000	\$ 1,700,000
<b>Uses of Funds:</b>		
HVAC	\$ 400,000	
LED Lighting	\$ 100,000	
Solar Array		\$ 1,700,000
Other		
<b>Total Uses</b>	\$ 500,000	\$ 1,700,000
<b>Financial Ratios</b>		
Debt Service Coverage (Std > 1.15)	3.20	2.76
Debt-to-Equity (Std < 4.00)	2.28	0.48
Profitable in 2 of last 3 years (Y/N)	Y	Y
Policy Exception (Y/N)	N	N
<b>Annual Energy Savings</b>		
MMBTUs	780	5,500
Dollars	\$ 26,000	\$ 163,000
<b>Workforce Implications</b>		
Construction Jobs	6	19