

**Credit Committee  
Board Meeting****May 27, 2025**

Committee Chair Slaven and Board Chair Mullin are calling a regular meeting of the Credit Committee and Board of Commissioners for **Tuesday, May 27, 2025. The Committee meeting will start at 1:45 p.m., and the Board meeting will start at 2:00 p.m.** in the Board Room of the Saint Paul Port Authority, **400 Wabasha Street No., Suite 240, St. Paul, MN.**

**Credit Committee  
May 27, 2025 | 1:45 p.m.****Minutes**

Approval of the Minutes from the April 22, 2025 Credit Committee Meeting

**Conflicts of Interest**

Conflicts with any Items on the Agenda

**New Business**

1. Bob's Cabins, LLC – Approval of a \$120,000 PACE Trillion BTU Loan
2. Resolution Making Certain Findings with Respect to a Structurally Substandard Building and Other Improvements Prior to Demolition in Connection with the Kmart Site; District 6, Ward 5

Such Other Business that May Come Before the Committee

**Regular Board Meeting  
May 27, 2025 | 2:00 p.m.****Minutes**

Approval of the Minutes from the April 22, 2025 Regular Board Meeting

**Conflicts of Interest**

Conflicts with any Items on the Agenda

**New Business****Credit Committee**

1. Resolution No. 4816 - Resolution Making Certain Findings with Respect to a Structurally Substandard Building and Other Improvements Prior to Demolition in Connection with the Kmart Site; District 6, Ward 5

Such Other Business that May Come Before the Board

cc: City Clerk  
Reporters

**CREDIT COMMITTEE MEETING  
APRIL 22, 2025**

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The meeting of the Port Authority Credit Committee was held on April 22, 2025, at 1:47 p.m. in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street, Suite 240, Saint Paul, Minnesota, 55102.

The following Committee Members were present:

Amy Brendmoen	Courtney Henry	John Marshall
Don Mullin	Matt Slaven	Trinidad Uribe
Mindy Utesch		

Also, present were the following:

Jan Almquist	Ashley Aram	Tonya Bauer
Todd Hurley	Holly Huston	Emma Kasiga
Annamarie Kosel	Emily Lawrence	Francis Onu
Kathryn Sarnecki	Mike Solomon	Kristine Williams
Linda Williams		
Matt Boehlke, Xcel Energy		
Craig Coil, TKDA		
Ted Davis, Davis Communications		
Trisha Duncan, Xcel Energy		
Cheniqua Johnson, City of Saint Paul		
Chris Knopik, CliftonLarsonAllen		
Nick Marten, Xcel Energy		
Elisa Rassmussen, Xcel Energy		
Bria Shea, Xcel Energy		
Carrie Sickles, Xcel Energy		
Grace Trocinske, CliftonLarsonAllen		
Nelsie Yang, City of Saint Paul		

**APPROVAL OF MINUTES**

Committee Member Mullin made a motion to approve the minutes of the March 25, 2025, regular Credit Committee meeting. The motion was seconded by Committee Member Uribe and carried unanimously.

**CONFLICTS OF INTEREST**

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

**AGENDA ITEMS****RESOLUTION DECLARING THE OFFICIAL INTENT OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL TO REIMBURSE CERTAIN ORIGINAL EXPENDITURES RELATED TO A REDEVELOPMENT SITE FROM THE PROCEEDS OF TAX-EXEMPT BONDS TO BE ISSUED BY THE PORT AUTHORITY AFTER THE PAYMENT OF SUCH ORIGINAL EXPENDITURES**

Mr. Solomon reviewed his memorandum with the Committee, requesting approval of a resolution authorizing the Saint Paul Port Authority to reimburse expenditures related to the acquisition, demolition, decoupling, and preparation for redevelopment of a portion of the St. Joseph's Hospital site from the proceeds of tax-exempt bonds. These bonds are anticipated to be issued upon future approval of the Board and adoption of an ordinance by the Saint Paul City Council. Mr. Solomon also presented an overview of the project.

Commissioner Slaven expressed concerns about advancing the project at this stage. He emphasized the need for a clearer vision and noted that a residential component is essential to a successful redevelopment of the site and highlighted financing challenges posed by the current rent control ordinance. He also expressed the need for a long-term plan for payment of the carrying costs of the site. As such, he did not recommend moving the project out of the Committee. Committee Member Brendmoen expressed that she desired to see the project return to the Committee for further consideration in the future.

Committee Member Marshall supported the motion to table the vote until a future meeting. The motion was seconded by Committee Member Uribe and carried unanimously.

Such Other Business That May Come Before the Committee

**QUARTERLY REPORT ON EXTERNAL PACE LENDING – 1Q 2025**

Ms. Huston presented the Committee with the Quarterly Report on external PACE Loans.

**MINNPACE & TRILLION BTU UPDATE**

Ms. Huston presented the Committee with an update on the MinnPACE and Trillion BTU loan programs. The Committee thanked Ms. Huston for her reports and the work done to grow the lending programs.

There being no other further business, the meeting was adjourned at 2:29 pm.

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

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

## MEMORANDUM

**To:** CREDIT COMMITTEE

**Meeting Date:** May 27, 2025

**From:** Holly Huston 

**Subject: BOB'S CABINS, LLC  
APPROVAL OF A \$120,000 PACE TRILLION BTU LOAN**

**Action Requested:**

Provide approval for the Port Authority of the City of Saint Paul (the "Port Authority") to initiate a PACE Trillion BTU loan for approximately \$120,000 (the "Loan") to Bob's Cabins, LLC (the "Borrower") to install solar panels on the property owned by the Borrower located in Two Harbors, Minnesota (the "Project").

**Background:**

Bob's Cabins is a destination on the North Shore of Lake Superior, located at 664 Old North Shore Road, Two Harbors, MN (the "Property"). The Property opened in 1920 and has 16 individual cabins along Lake Superior available for reservations throughout the year. The solar panels will be located on the cabins and are estimated to save the business \$7,170 in annual electrical costs, saving 57,000 kilowatt hours (kWh) of electricity.

**Proposed Project:**

The Project will include labor and materials to install and commission a 40 KW DC solar array on the Property.

Use of Funds	
Solar	\$120,000
<b>Total Use</b>	<b>\$120,000</b>
Sources	
Trillion BTU Loan	\$120,000
<b>Total Sources</b>	<b>\$120,000</b>

**Financial Analysis:**

The Property is valued at \$2.1M and does not have an outstanding mortgage. The Borrower acquired the Property in 2020 through a contract for deed, which carries a remaining balance of \$1.6 million. This contract has been officially recorded with the County. Both parties to the agreement have completed and submitted the petition for special assessment, formally requesting the PACE assessment. The Property has sufficient equity, and all financial ratios are in compliance with the Trillion BTU Loan Program requirements.

**Ratios:**

Debt Service Coverage:	1.5	Trillion Standard of at Least:	1.15
Debt-to-Equity:	0.52	Trillion Standard of less Than:	4.00
Loan to Value:	65%	Industry Standard of less Than:	80%

**Loan Terms:**

Source of Funds:	Trillion BTU - Statewide
Collateral:	PACE Assessment
Use of Funds:	Solar
Amount of Loan:	\$120,000
Rate:	5.25%
Term:	10 years
Assessment Start:	2026

**Trillion BTU and PACE Criteria Compliance:**

- ☒ Loan amount is less than or equal to 30% of the Property's assessed or appraised value.  
30% (appraisal \$2.4MM X 30% = \$720,00)
- ☒ Energy Audit provided, estimated annual savings is \$7,170 and 57,000 kWh (20 – year savings \$192,660).
- ☒ Davis Bacon applies.
- ☒ Licensed Contractor.
- ☒ Lender Acknowledgment.

**Workforce Implications:**

1 FTE for construction jobs.

**Policy Exceptions:**

No.

**Recommendation:**

We recommend approval for the Port Authority to initiate the Loan for approximately \$120,000 to the Borrower for the Project.

## MEMORANDUM

**To:** CREDIT COMMITTEE  
BOARD OF COMMISSIONERS

**Meeting Date:** May 27, 2025

**From:** Michael Solomon 

**Subject:** RESOLUTION MAKING CERTAIN FINDINGS WITH RESPECT TO A STRUCTURALLY  
SUBSTANDARD BUILDING AND OTHER IMPROVEMENTS PRIOR TO DEMOLITION  
IN CONNECTION WITH THE KMART SITE; DISTRICT 6, WARD 5  
  
RESOLUTION NO. 4816

**Action Requested:**

Approval of a resolution:

- (1) accepting a report of inspection procedures and results for determining qualifications of a Tax Increment Financing (“TIF”) District (the “Report”) at the former Kmart redevelopment site located at 245 Maryland Ave E. (the “Site”);
- (2) finding that the condition of the Site satisfies the requirements of Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the “TIF Act”) for the creation of one or more eligible redevelopment districts;
- (3) authorizing the financing and performance of the demolition or removal of the building and other improvements on the Site;
- (4) authorizing the inclusion of the Site in one or more redevelopment TIF Districts, if established in the future, preserving the right of the Port Authority of the City of Saint Paul (the “Port Authority”) to create a TIF District at the Site in the future; and
- (5) amending the previously approved Interfund Loan (as defined below) to designate additional expenses, including but not limited to demolition and environmental expenses.

**Background:**

The Port Authority acquired the Site in December of 2024, utilizing the proceeds of its Series 2023 General Obligation Bonds, and authorized an interfund loan (the “Interfund Loan”) in order to potentially reimburse itself for costs of the acquisition, including but not limited to administrative costs such as closing expenses and preparation of the Report, via Board Resolutions No. 4808 and 4812, both adopted December 17, 2024.

## MEMORANDUM

### **Current Status and Future Actions:**

The Port Authority contracted with LHB to prepare the Report, which is on file with the President of the Port Authority and summarized in this memorandum. LHB inspected and evaluated the Site to determine whether it meets the statutory requirements for a potential future redevelopment TIF District.

The Report found that the Site met the following tests for the establishment of a redevelopment TIF District:

- (1) the coverage test, having 100% of the parcels occupied by buildings, streets, utilities, paved or gravel roads, or similar structures;
- (2) the condition of building test, with the only existing building on the Site being structurally substandard; and,
- (3) the distribution test, with such conditions being reasonably distributed throughout the Site.

While numerous steps and approvals remain to create a TIF district, the completion and acceptance of the Report must be completed prior to any demolition activity happening on the Site. The proposed resolution does not obligate the Port Authority to create a TIF district but preserves its opportunity to do so in the future. After adoption of the resolution accepting the Report, the Port Authority will continue predevelopment activities including planning for the demolition and remediation of the Site.

Finally, the Port Authority intends to supplement the Interfund Loan by designating additional expenses, including but not limited to demolition and environmental expenses, increasing the aggregate principal amount to an amount not to exceed \$12,000,000, inclusive of amounts advanced under the initial Interfund Loan.

### **Recommendation:**

We recommend approval of the acceptance of the Report, authorization of the demolition of the Site, the establishment of findings needed to preserve the Port Authority's ability to create a redevelopment TIF District in the future, and the amendment of the Interfund Loan.

Attachments: Resolution

**RESOLUTION OF THE**  
**PORT AUTHORITY OF THE CITY OF SAINT PAUL**  
**[RESOLUTION MAKING CERTAIN FINDINGS WITH RESPECT TO A STRUCTURALLY**  
**SUBSTANDARD BUILDING AND OTHER IMPROVEMENTS PRIOR TO DEMOLITION**  
**IN CONNECTION WITH THE KMART SITE; DISTRICT 6, WARD 5]**

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

WHEREAS, the Port Authority has acquired the property currently identified as Parcel ID Nos. 192922440021, 192922420029, 192922430006, and 192922440023 located at approximately 235 Maryland Avenue E and 245 Maryland Avenue E (the “Property”) in the City of Saint Paul (the “City”);

WHEREAS, the Port Authority is considering establishing one or more Tax Increment Financing Districts which are anticipated to include the Property and adjacent roads and rights of way (each a “TIF District”) pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the “TIF Act”);

WHEREAS, Section 469.174, subd. 10(d) of the TIF Act provides, among other things, that a parcel may be deemed to be occupied by a structurally substandard building and/or other qualifying building and by improvements if (1) the parcel was occupied by a substandard building or other improvements within three years of the filing of the request for certification of the parcel as part of the district with the county auditor; (2) the substandard buildings or other improvements were demolished or removed by the authority or the demolition or removal was financed by the authority or was done by a developer under a development agreement with the authority; and (3) the authority found by resolution before the demolition or removal that the parcel was occupied by a structurally substandard building or other qualifying building and that after demolition and clearance the authority intended to include the parcel within a district;

WHEREAS, under Section 469.174, subd. 10(d) of the TIF Act, the Port Authority is authorized to make findings regarding parcels occupied by a structurally substandard building and other improvements prior to demolition or removal of the building and other improvements and prior to establishing a TIF District and, subject to certain terms and conditions as described in this resolution, such buildings and other improvements will be deemed to exist at the time of establishing a TIF District despite demolition or removal;

WHEREAS, such findings and actions do not obligate the Port Authority to create a tax increment financing district but preserve the opportunity to do so;



WHEREAS, for public safety and redevelopment reasons, the Port Authority wishes to demolish a substandard building currently located on the Property in connection with redevelopment of the Property prior to the creation of the TIF District;

WHEREAS, pursuant to a resolution adopted December 17, 2024, (the “Initial Interfund Loan Resolution”) and Section 469.178, subdivision 7 of the TIF Act, the Port Authority has previously determined that it has funds currently available to pay for the costs of acquiring the Property and other expenses relating to redevelopment of the Property (the “Project”), including but not limited to conducting a blight study of the Property and administrative expenses (as defined in the TIF Act) relating to the Project (collectively, the “Initial Expenditures”) on a temporary basis and has designated the Initial Expenditures as an interfund loan to be repaid from the tax increments from the applicable TIF District, when and if established, in an aggregate principal amount not to exceed \$10,000,000 (the “Initial Interfund Loan”), together with interest thereon at the rate of up to 8.0%; and

WHEREAS, the Port Authority has determined to supplement the Initial Interfund Loan Resolution as provided herein and designate additional expenses relating to the Project, including but not limited to demolition and environmental expenses (collectively, and together with the Initial Expenditures, the “Expenditures”) as an interfund loan per Section 469.178, subdivision 7 of the TIF Act.

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

1. The Port Authority has received that certain Report of Inspection Procedures and Results for Determining Qualifications of a Tax Increment Financing District Kmart Redevelopment TIF District, dated February 28, 2025, prepared by LHB, Inc. (the “LHB Report”), documenting that the Property consists of four parcels with one building and, based on an inspection of the building, the building on the Property was determined to be substandard under the definition set forth in Minnesota Statutes, Sections 469.174, subdivision 10 (the “Substandard Building”). Based on the LHB Report and other information available to the Board, the Board finds that the building currently on Parcel ID # 192922440021 is structurally substandard to a degree requiring substantial renovation or clearance. The reasons and supporting facts for this determination are included in the LHB Report and on file with the President of the Port Authority.

2. In addition, in satisfaction of Minnesota Statutes Section 469.174, Subdivisions 10(a)(1) and (d)(3), the Board hereby finds, based on the LHB Report, the following conditions, reasonably distributed throughout the District, exist: (1) parcels consisting of at least 70% of the area of the proposed TIF District are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and (2) more than 50% of the buildings located within the proposed TIF District are deemed “structurally substandard” (within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10(b) and (c)) to a degree requiring substantial renovation or clearance.

The Property consists of 5 parcels, and (1) 100% of the parcels (which is more than 70%) are “occupied” as defined in Minnesota Statutes, Section 469.174, Subd. 10(e), in that at least 15% of the area of each parcel is occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and (2) there is one building on the Property, which is structurally substandard to a degree requiring substantial renovation or clearance and the costs of bringing the structurally substandard building into compliance with building codes applicable to a new building would exceed 15% of the cost of constructing new structures of the same size and type on the site.

3. After the date of approval of this resolution, the building and other improvements on the Property may be demolished or removed by the Port Authority, or such demolition or removal may be financed by the Port Authority, or may be undertaken by a developer pursuant to a development agreement between such developer and the Port Authority.

4. The Port Authority intends to demolish the Substandard Building on the Property, subject to the requirements of the TIF Act, and that after demolition and clearance the Port Authority intends to subsequently include the Property in one or more redevelopment TIF Districts, which, if established, shall be established and certification requested therefore from the Ramsey County auditor within 3 years after the date of building demolition on the Property.

5. Upon filing the request for certification of a new TIF District, the Port Authority will notify the Ramsey County auditor that the original tax capacity of the Property must be adjusted to reflect the greater of (a) the current net tax capacity of the parcel, or (b) the estimated market value of the parcel for the year in which a Substandard Building thereon was demolished or removed, but applying class rate for the current year, all in accordance with Minnesota Statutes, Section 469.174, subdivision 10(d).

6. The Port Authority hereby designates the Expenditures as an interfund loan to be repaid from the tax increments from the applicable TIF District, when and if established, in an aggregate principal amount not to exceed \$12,000,000 (including the amounts advanced under the Initial Interfund Loan, the “Interfund Loan”), together with interest thereon from the date of expenditure or advance at the rate of 8.0%, which is the rate determined in accordance with Minnesota Statutes, Section 469.178, Subdivision 7 as the greater of the rates specified under Minnesota Statutes, Sections 270C.40 or 549.09 at the time the Interfund Loan, or any part of it, is first made; provided, however, the Chief Financial Officer of the Port Authority is authorized to specify a lower rate.

7. Principal and interest (“Payments”) on the Interfund Loan will be paid annually on or before December 31 (each a “Payment Date”), commencing on the first Payment Date on which the Port Authority has Available Tax Increment (defined below), or on any other dates determined by the Chief Financial Officer of the Port Authority, through the earlier of (i) the date the Interfund Loan and all accrued interest thereon are paid in full or (ii) the date of last receipt of tax increment from the applicable TIF District.

8. Payments on the Interfund Loan will be made solely from the tax increment from the applicable TIF District received by the Port Authority from Ramsey County in the 12-month period before any Payment Date, net of the amount paid under any agreement with a private developer or otherwise pledged to the payment of any obligation (the "Available Tax Increment"). Payments shall be applied first to accrued interest, and then to unpaid principal, unless otherwise specified by the Chief Financial Officer of the Port Authority. Interest accruing from the Loan Date will be compounded semiannually on February 1 and August 1 of each year and added to principal, unless otherwise specified by the Chief Financial Officer of the Port Authority. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes, or contracts secured in whole or in part with tax increments of the applicable TIF District, and are on a parity with any other outstanding or future interfund loans secured in whole or in part with tax increments of such TIF District. The principal sum and all accrued interest payable under this resolution are pre-payable in whole or in part at any time by the Port Authority without premium or penalty. As directed by the Chief Financial Officer of the Port Authority, such payments may be deposited in the Project Fund established for the Port Authority's Taxable General Obligation Bonds, Series 2023-1 (the "Bonds") or any other fund, as determined by the Chief Financial Officer of the Port Authority, from which such advances, from time to time, may be legally made (the "Fund"), or to directly reimburse the Port Authority for the repayment of the Bonds which finance the Expenditures.

9. This resolution is evidence of internal borrowing by the Port Authority in accordance with Section 469.178, subdivision 7, of the TIF Act, and the Port Authority is authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act or any fund used to repay the Bonds which finance the Expenditures. The written terms and conditions of the Interfund Loan are set forth herein and may be modified or amended in writing by the Port Authority prior to the final Payment Date.

10. The Board hereby authorizes the expenditure of the proceeds of the Bonds to pay the Expenditures.

11. The Interfund Loan shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City or the Port Authority and is payable solely from Available Tax Increment.

12. The Port Authority may at any time make a determination to forgive the outstanding principal amount on the Interfund Loan, in whole or in part, on any date, to the extent permissible under law.

13. The President and Port Authority staff are hereby authorized and directed to take all actions and sign any documents or agreements necessary to implement this resolution.

Approved by the Board of Commissioners of the Port Authority of the City of Saint Paul this  
27th day of May, 2025.

PORT AUTHORITY OF THE CITY OF SAINT PAUL

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

ATTEST:

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

**REGULAR BOARD MEETING  
APRIL 22, 2025**

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The regular meeting of the Port Authority Board was held on April 22, 2025, at 2:30 p.m. in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street, Suite 240, Saint Paul, Minnesota, 55102.

The following Board Members were present:

Amy Brendmoen  
John Marshall  
Nelsie Yang

Courtney Henry  
Don Mullin

Cheniqua Johnson  
Matt Slaven

Also present were the following:

Jan Almquist  
Todd Hurley  
Annamarie Kosel  
Mike Solomon  
Mindy Utesch, Bremer Bank  
Grace Trocinske, CliftonLarsonAllen  
Chris Knopik, CliftonLarsonAllen  
Ted Davis, Davis Communications  
Elisa Rassmussen, Xcel Energy  
Trisha Duncan, Xcel Energy  
Matt Boehlke, Xcel Energy  
Bria Shea, Xcel Energy  
Nick Marten, Xcel Energy  
Carrie Sickles, Xcel Energy  
Craig Coil, TKDA

Ashley Aram  
Holly Huston  
Emily Lawrence  
Kristine Williams

Tonya Bauer  
Emma Kasiga  
Francis Onu  
Linda Williams

**APPROVAL OF MINUTES**

Commissioner Henry made a motion to approve the minutes of the March 25, 2025, regular Board meeting. The motion was seconded by Commissioner Marshall and carried unanimously.

**CONFLICTS OF INTEREST**

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

**NEW BUSINESS****ADMINISTRATIVE COMMITTEE**

**ACCEPTANCE OF THE 2024 AUDIT**

Motion was made by Commissioner Marshall to approve the acceptance of the 2024 audit which was reviewed by the Administrative Committee and recommended for approval by the Board. The motion was seconded by Commissioner Slaven and carried unanimously.

**CREDIT COMMITTEE****RESOLUTION NO. 4816****RESOLUTION DECLARING THE OFFICIAL INTENT OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL TO REIMBURSE CERTAIN ORIGINAL EXPENDITURES RELATED TO A REDEVELOPMENT SITE FROM THE PROCEEDS OF TAX-EXEMPT BONDS TO BE ISSUED BY THE PORT AUTHORITY AFTER THE PAYMENT OF SUCH ORIGINAL EXPENDITURES**

Commissioner Slaven stated that this item has been tabled to a future meeting.

Such Other Business That May Come Before the Board

**XCEL ENERGY'S UPDATE ON THE SAINT PAUL SERVICE CENTER AT THE HEIGHTS**

Ms. Trisha Duncan and Ms. Bria Shea of Xcel Energy ("Xcel") provided the Board with an overview of the company's long-term vision to deliver safe, affordable, reliable, and clean energy to its eight-state service territory. They outlined Xcel's goals of reducing carbon dioxide emissions by 80% by 2030 and achieving carbon-free electricity by 2050.

Next, Mr. Matt Boehlke, Xcel, and Mr. Craig Coil, TKDA, presented a high-level overview of Xcel's Saint Paul Service Center development at The Heights. Their presentation included the pre-design process, site plan, site and facility design, energy modeling, LEED certification goals, concept renderings of the facility, construction progress photos, and enhanced commissioning efforts.

There being no further business, the meeting was adjourned at 3:09 p.m.

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

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