

May 28, 2022

SENT VIA EMAIL

Mayor Melvin Carter	Saint Paul City Council Members
15 Kellogg Blvd. West	15 Kellogg Blvd. West
390 City Hall	310 City Hall
Saint Paul, MN 55102	Saint Paul, MN 55102

Dear Mayor Carter and City Council Members:

I am pleased to inform you that the Saint Paul Port Authority, in our capacity as a state-wide economic development agency, has been requested to serve as conduit bond issuer for the Mall of America Mystery Cove Waterpark Project. A copy of the request letter dated April 22, 2022 is attached.

The proposed 360,000 sq. ft. facility will cost an estimated \$400 million, create robust economic benefits by attracting more than 900,000+ visitors to the Minneapolis/Saint Paul Region while filling 100,000+ hotel room nights each year, and provide numerous jobs, including over 700 construction jobs subject to a Project Labor Agreement. In addition, this project will generate significant local, regional, and statewide taxes. Please see the attached the Waterpark Economic Impact Analysis.

As the conduit issuer there is no financial or legal recourse to the Saint Paul Port Authority. However, in this role, we can help provide access to the taxable bond market and ensure that these bonds are only sold to accredited investors.

Before the Saint Paul Port Authority can act as conduit issuer on this project, the city councils' of both the City of Bloomington and the City of Saint Paul must consent through an adopted resolution, followed by a public hearing, and the passage of a bond resolution by the Saint Paul Port Authority Board.

The current schedule calls for these actions to occur by the end of June, with a target of passing the consent resolution at the Saint Paul City Council on June 22, 2022, and the bond resolution at the Saint Paul Port Authority Board on June 28, 2022.

I am available to discuss this at your convenience and I thank you for your consideration.

Sincerely,



Todd P. Hurley, Interim President
Saint Paul Port Authority

Enclosures

CC: Jamie Tincher
John McCarthy
Nicole Goodman
Michael Solomon
Adam Niblick
Holly Houston
Saint Paul Port Authority Credit Committee and Board Members

Waterpark Impacts

Economic Impacts	Construction	Operations
Jobs	722	901
Fiscal Impact - Total	\$169,700,000	\$1,214,657,091
Fiscal Impact - Annualized	n/a	\$121,465,709

TAXES GENERATED

Local - Bloomington	10yr Total	Annualized
Food & Beverage - 3.0%	\$790,000	\$79,000
Lodging - 7.0%	\$2,693,000	\$269,300
Admissions - 3.0%	\$10,646,000	\$1,064,600
Property	\$5,209,573	\$520,957
TOTAL Local Taxes:	\$19,338,573	\$1,933,857
Regional - Hennepin	10yr Total	Annualized
Sales - 0.4%	\$4,858,000	\$485,800
Property	\$7,394,232	\$739,423
TOTAL Regional Taxes:	\$12,252,232	\$1,225,223
State - Minnesota	10yr Total	Annualized
Income - Construction - 5.35%	\$2,330,000	n/a
Income - Operations - 5.35%	\$13,111,000	\$1,311,100
Sales - 6.85%	\$83,204,000	\$8,320,400
Business Tax - 9.8%	\$4,338,000	\$433,800
Property	\$4,201,268	\$420,127
Add'l State Taxes - 10.0%	\$13,318,000	\$1,331,800
TOTAL State Taxes:	\$120,502,268	\$12,050,227
Combined Tax Generation	\$152,093,073	\$15,209,307

Regional Impacts

Overnight visitors will spend \$372 on average outside of waterpark
 22% of visitors will be overnight guests / 11% will be new to the region
 \$8.6M of non-waterpark spending at local Bloomington businesses
 \$54.2M of spill-over spending at local businesses by construction crews



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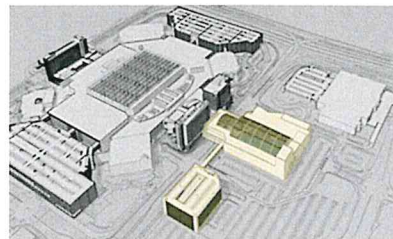
April 22, 2022

Todd Hurley
 Interim President, CFO/COO
 Saint Paul Port Authority
 400 Wabasha Street N #240
 St. Paul, MN 55102

Peter Klein
 VP, Finance
 Saint Paul Port Authority
 400 Wabasha Street N #240
 St. Paul, MN 55102

Dear Todd and Peter,

We are reaching out to you to request the services of St. Paul Port Authority (“SPPA”) to serve as conduit issuer for the upcoming taxable financing of the Mall of America Mystery Cove Waterpark (“Project”). The Project will be the largest indoor waterpark in North America, at approximately 360,000 SF. It will be a highly themed entertainment experience, with state-of-the-art water slides, two wave pools, lazy river, children’s play areas, lounging cabanas, and premium food and beverage options. The Project will be directly attached to the Mall of America and its 40 million annual guests.



The Project is projected to: (i) attract over 900,000 visitors per year, (ii) generate nearly 100,000 hotel room nights to the region and (iii) create over \$15 million in new taxes annually. As such, the Project will benefit the entire Minneapolis/St. Paul region. Having the involvement of SPPA as issuer of the bonds to finance the Project is very important to its success. With the strong name of SPPA as conduit issuer, the depth and breadth of the investor pool interested in purchasing the bonds is anticipated to be much greater than without SPPA. However, it important to note that SPPA will be strictly serving as conduit issuer. SPPA is not providing any security, nor is it liable in any way, for the payment of principal and interest of the bonds. The bond financing is currently anticipated to be approximately \$315,000,000,* with a closing date of July 12, 2022.*

We appreciate your consideration in having SPPA serve as conduit issuer on this very important financing. Please do not hesitate to contact us with any questions or if you need any additional information.

Sincerely yours,

Kurt Hagen
 Senior Vice President
 Mall of America

Chris Roberts
 Director
 Barclays

* Preliminary, subject to change.