
SAINT PAUL PORT AUTHORITY

2025 City Council Budget Hearing
November 13, 2024

AGENDA

- Overview
- River Terminals
- Light Industrial
- The Heights Update
- Loan Programs and Conduit Debt
- Budget
- Levy Request

Our Mission



The Saint Paul Port Authority is an economic development agency that expands the City's tax base, serves as a conduit to quality job opportunities, advances sustainable and equitable development, and advocates for river commerce.

Economic Development

- Tax base expansion
- Conduit to quality job opportunities
- Flexible loan programs to support business growth

Sustainable & Equitable Development

- Bringing contaminated properties back to productive use
- Pushing the limits for carbon free developments
- Flexible loan programs that support energy reduction

Advocate for River Commerce

- Critical to the regional economy
- Source for living wage jobs in Saint Paul
- Contributor to the tax base

OUR
CONNECTION TO
THE CITY

- The City of Saint Paul's economic development partner
- Created through state statute in 1929
- Mayor-selected and Council-approved Board of Commissioners (2/7 seats held by City Councilmembers)
- Operations supported by levy

OUR
BOARD OF
COMMISSIONERS

Matt Slaven, MV Ventures **BOARD CHAIR**

Don Mullin, Saint Paul Building & Trades

John Marshall, Xcel Energy

Nelsie Yang, City Council Member, Ward 6

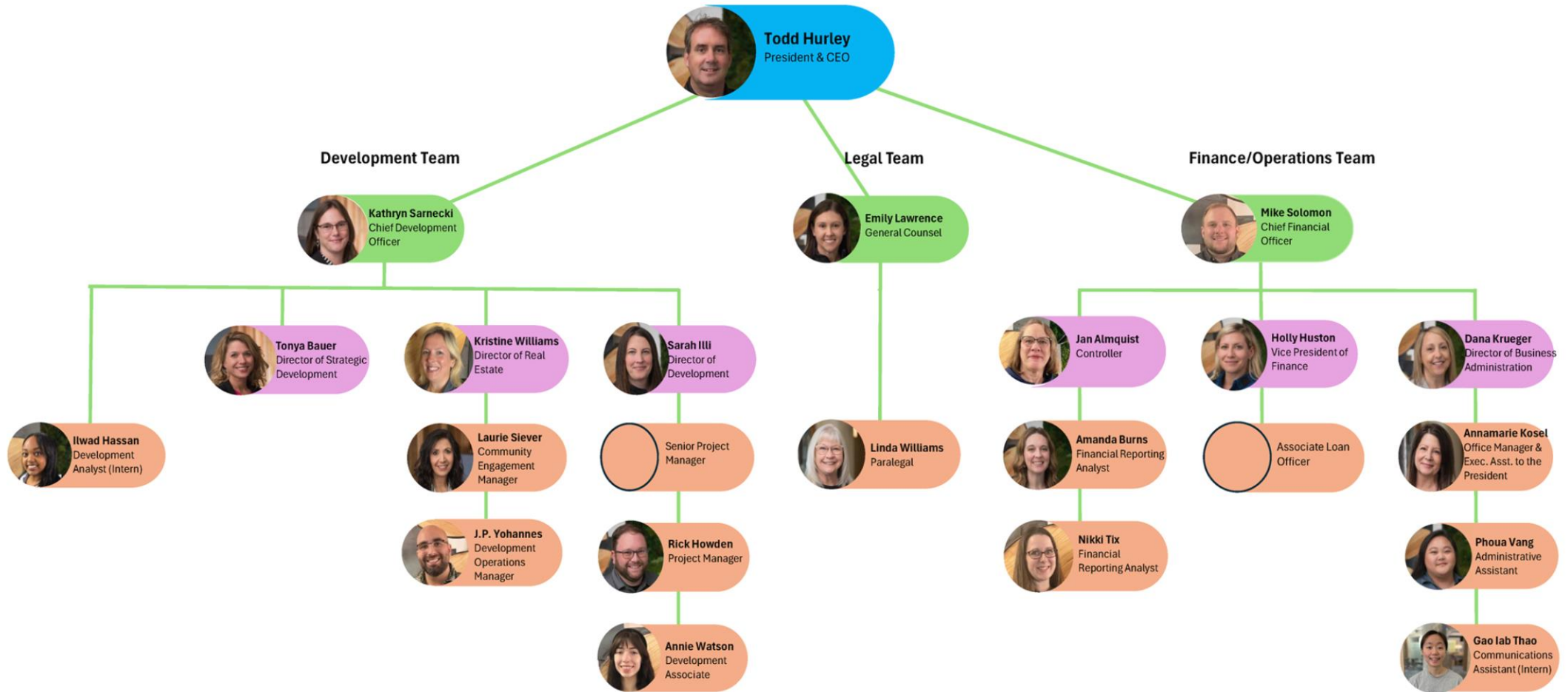
Cheniqua Johnson, City Council Member, Ward 7

Courtney Henry, KCB Corporation

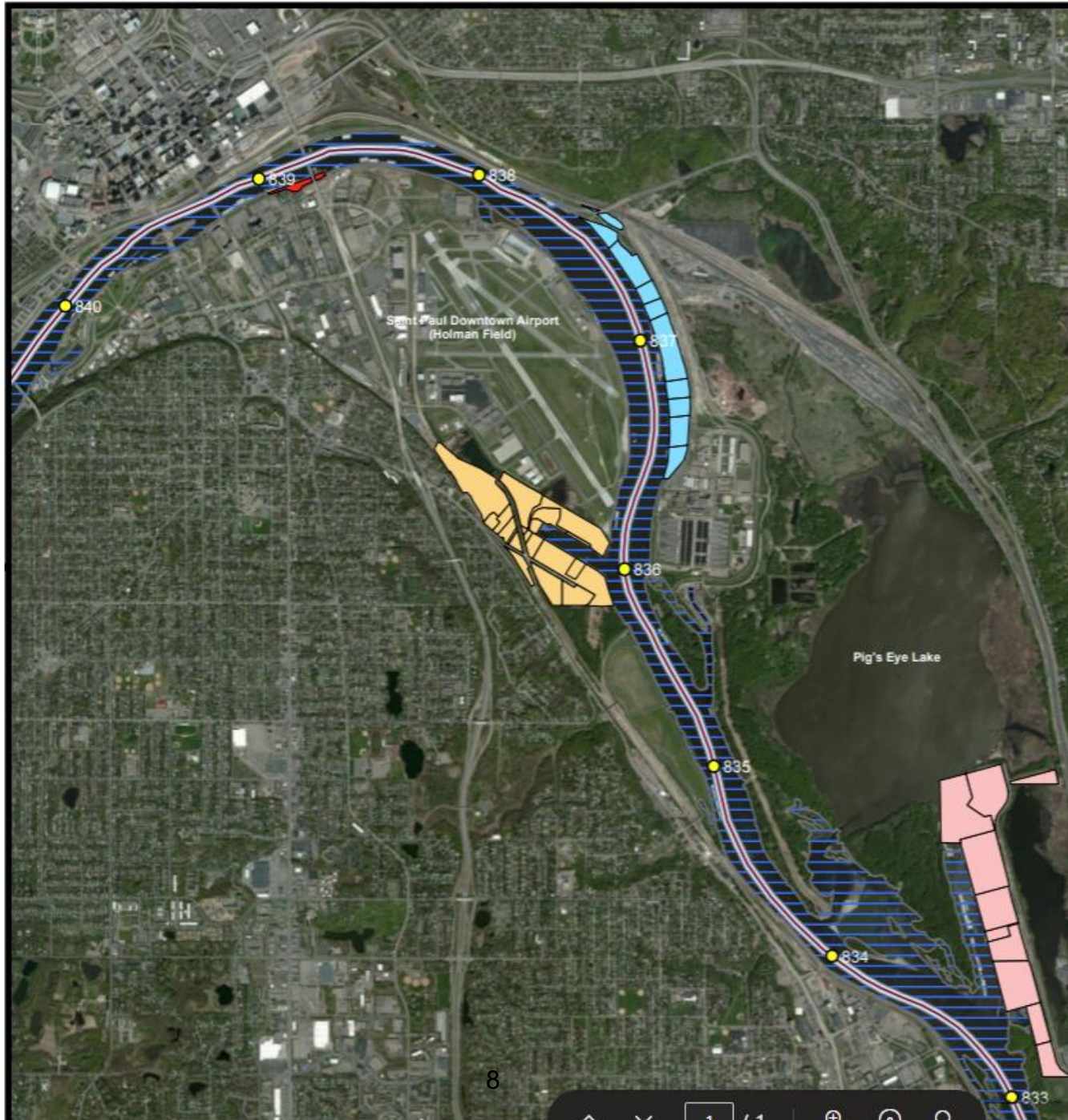
Amy Brendmoen, Amy Brendmoen Strategies, LLC

OUR TEAM

2025 Preliminary Budget includes 22 FTEs across 3 functional teams











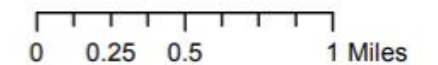
SAINT PAUL PORT AUTHORITY RIVER TERMINALS



Saint Paul Harbor

Legend

-  Barge Terminal 1
-  Barge Terminal 2
-  Southport Terminal
-  Red Rock Terminal
-  River Mile Marker
-  River Centerline per ACOE
-  ACOE 9ft Deep Navigation Channel (200ft Wide)
-  Mississippi River Channel (Not Maintained by ACOE)



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



SAINT PAUL
PORT AUTHORITY
RIVER TERMINALS



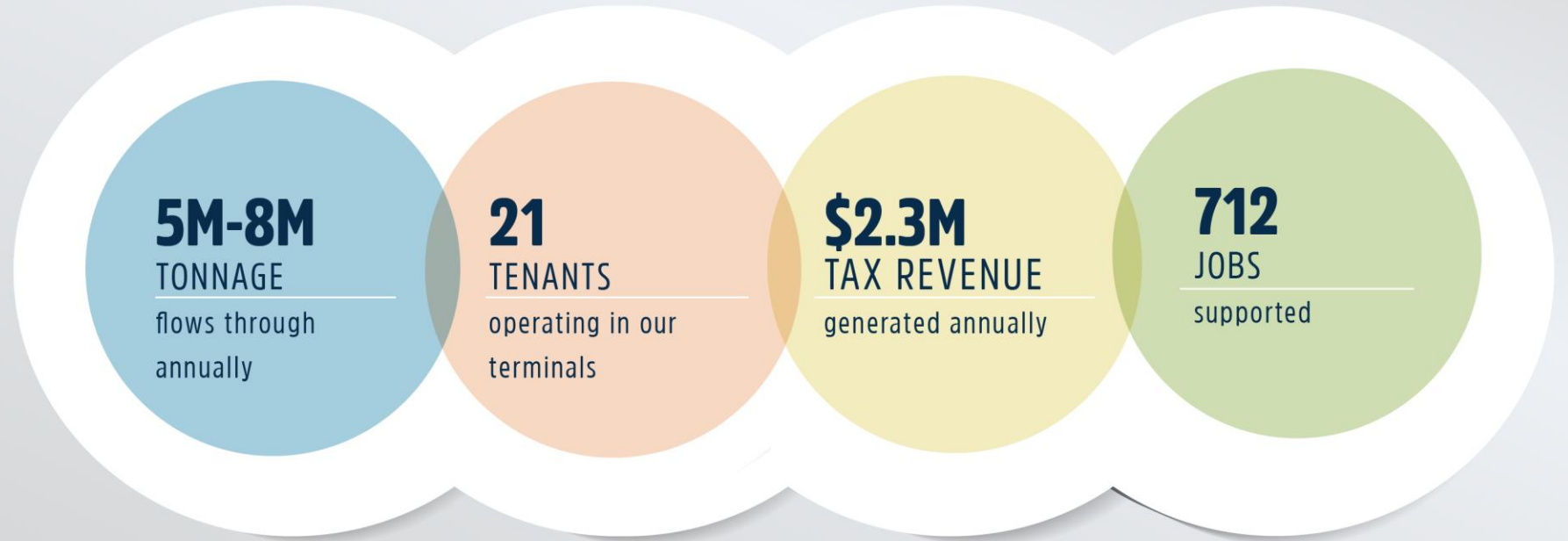
Top imports

- Fertilizer
- Petroleum products
- Aggregate
- Cement
- Salt

Top exports

- Soybeans
- Corn
- Grains
- Wheat
- Recycled metal

RIVER
TERMINAL
IMPACT



LIGHT INDUSTRIAL REDEVELOPMENT



SPPA is one of the most successful organizations in the state in terms of utilizing federal, state, and local grants for environmental clean-up



Expanded into inland redevelopment in the 1960s



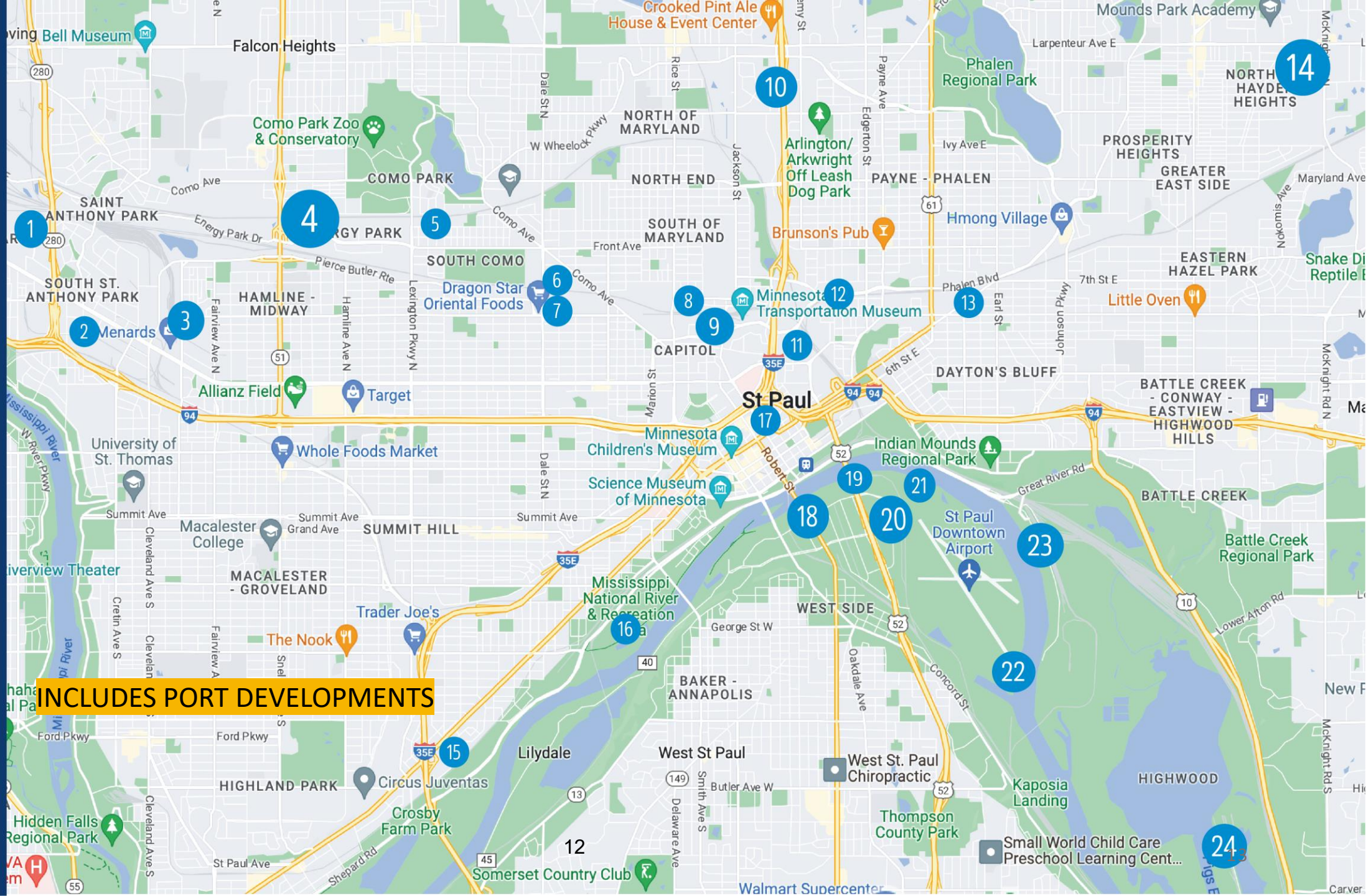
Transformed 17 brownfields into thriving business centers across Saint Paul



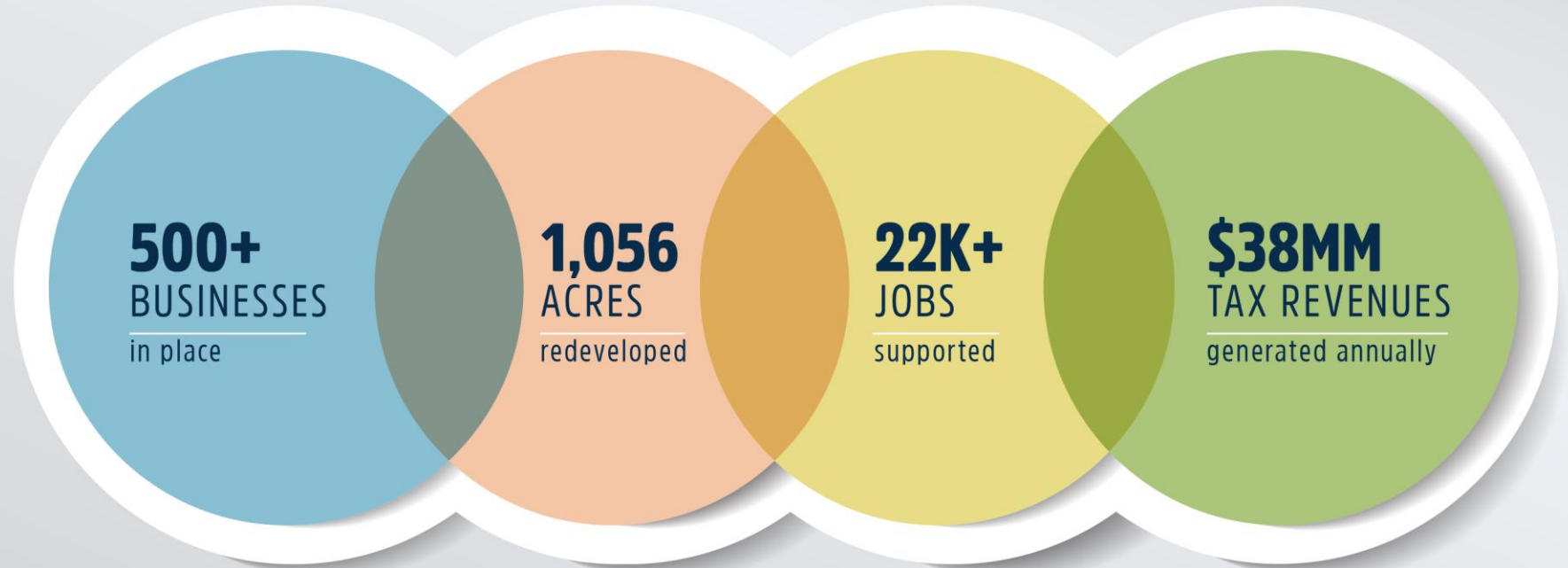
Working on our 18th brownfield-to-business center project at The Heights

SPPA BUSINESS CENTERS

1. Westgate
2. Pelham
3. Midway
4. Energy Park
5. Chatsworth
6. Great Northern N
7. Great Northern S
8. Sycamore-Rice
9. Empire Builder
10. Arlington Jackson
11. Williams Hill Junction
12. Westminster
13. Beacon Bluff
14. The Heights
15. Crosby Lake
16. River Bend
17. Treasure Island Center
18. Riverview West
19. Barge Terminal Two
20. Riverview
21. Northport
22. Southport
23. Barge Terminal One
24. Red Rock



BUSINESS
CENTER
IMPACT



THE HEIGHTS



THE HEIGHTS

ON SAINT PAUL'S GREATER EAST SIDE



24 acres zoned to support an influx of **1,000+ housing units** with a focus on quality and affordability



54 acres zoned for light industrial to support **1,000 living wage jobs** and \$100M+ in private investment



Significant sustainability goals including LEED for Communities Platinum certification



20+ acres of publicly accessible **green space**, broad trail network, and amenity spaces

EMPLOYMENT OPPORTUNITY

There are no large employers on the Greater Eastside and 33% of households make \$35K/year or less .



SOLUTION

Bring 1,000 living wage jobs to the site, focusing on light industrial operations with low barrier to entry jobs.



HOUSING OPPORTUNITY

There is a housing shortage in the City Saint Paul, including the Greater Eastside.



New Housing Options

- 24-acres
- 1,000+ Housing Units
- High Quality
- Sustainable
- Affordable Options Included
- Mix of Single + Multifamily



Partnership Vision for THE HEIGHTS Housing



With Support From:



Habitat
for
Humanity
2024
Carter
Work
Project
@ the
Heights



WHAT WE'VE HEARD SO FAR

- We've hosted **70 engagement opportunities** between community events, surveys, and workgroups
- Workgroups engaged **over 70 neighborhood representatives** of St. Paul's East Side

// Birding, fishing, outdoor rec, macroinvertebrates

// Stormwater demonstrations

// Kiosks that have people of the community to tell about thier stories

// Boardwalks & interpretive amphitheater outdoors

// Public art on retaining walls

// Sensory gardens throughout - music & color & water & light

// Town square around neighborhood node

// Hammock grove!

// Nature play by wetlands - reflective of local nature

Community Engagement Timeline

we are here



Quotes above were pulled from this workgroup!



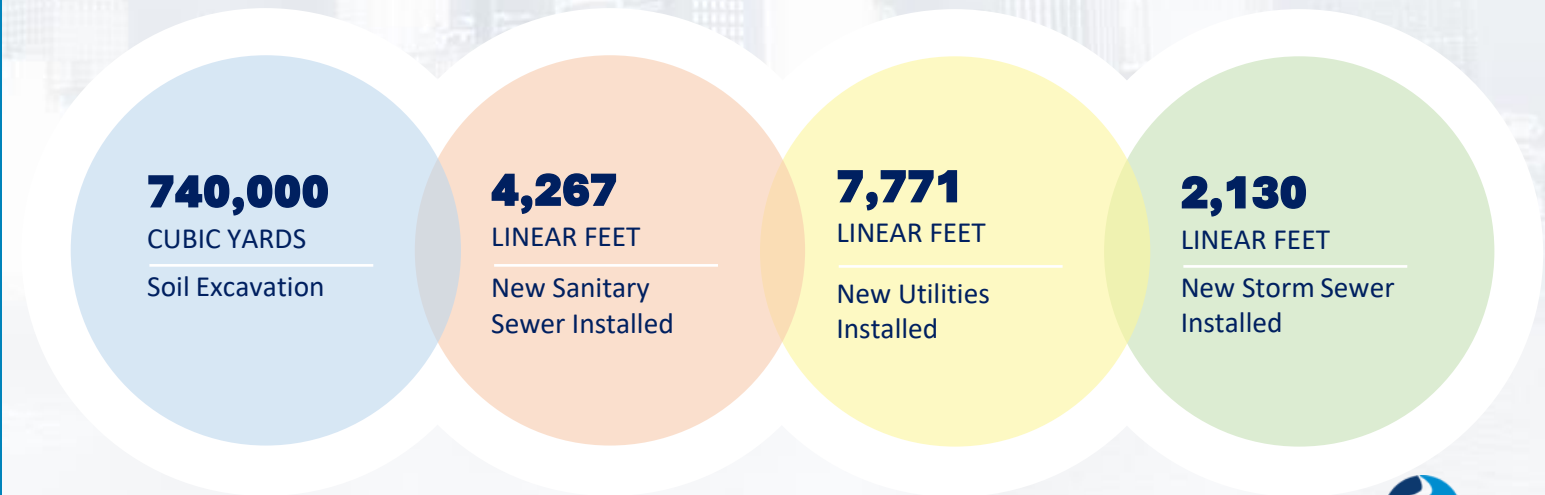
The Heights

Construction Update

- Bolander finishing grading and wetland work
- Designing Earth Contracting working on utilities
- Heights Community Energy groundbreaking
- Habitat for Humanity – 30 units under construction
- Xcel Service Center – grading and foundations work

Budget Update

- Secured \$16.7M in grants for the project: \$5M to date
- We are monitoring the budget and working to identify additional funding sources for future phases



Grant/Funding Summary

State of Minnesota - Infrastructure Bonding	\$11,000,000
Port Authority Job Bill TIF	\$7,000,000
MN DEED Redevelopment Infrastructure Grant	\$701,405
MN DEED Cleanup Loan/Grant	\$1,300,000
Ramsey County Critical Corridors	\$500,000
Ramsey County Env. Response Fund	\$300,000
Metropolitan Council TBRA	\$750,000
USEPA Cleanup Grant	\$500,000
USEPA Revolving Loan Funds	\$1,300,000

The Heights

September 2024

January 2024



TIMELINE FOR THE HEIGHTS



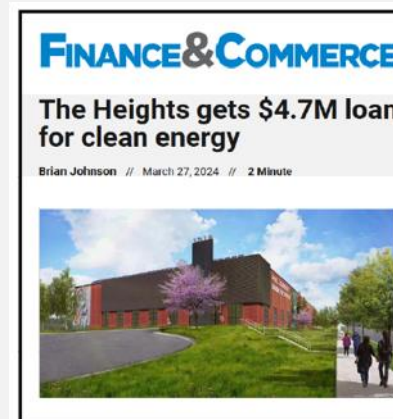
DISTRICT GEOTHERMAL

AQUIFER THERMAL ENERGY STORAGE (ATES)

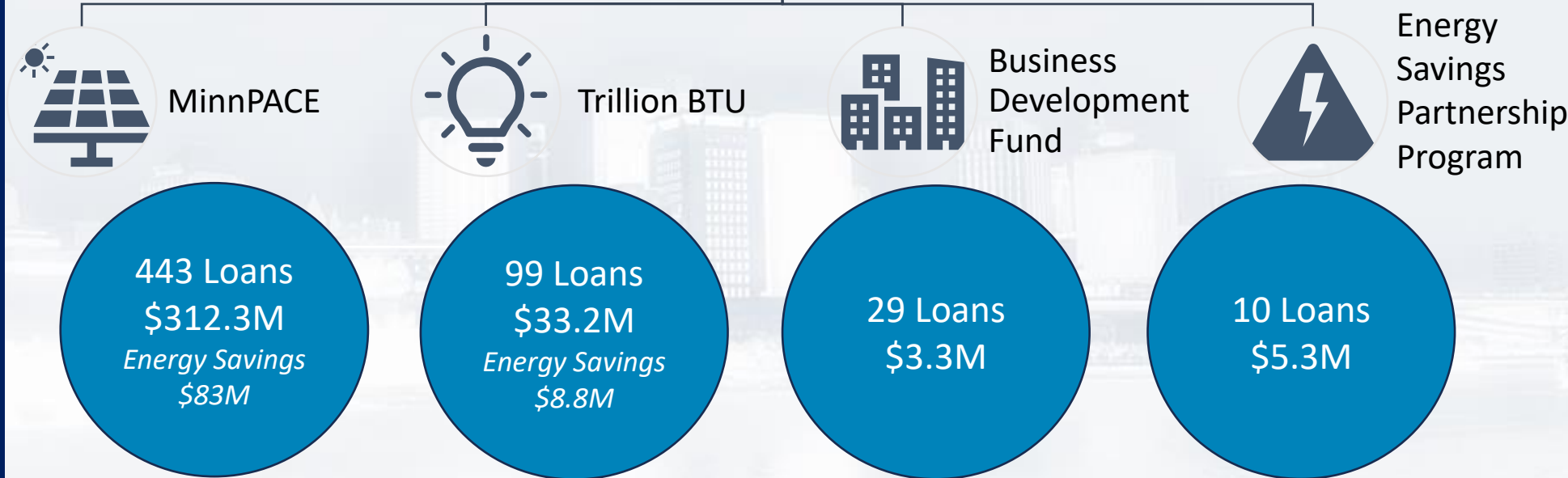
- Wells, piping network, and heat pumps
- Move heating and cooling between buildings and the local aquifer
- Heating without on-site natural gas consumption
- Smaller footprint than traditional geothermal wellfield
- Favorable hydrogeology
- Couple with renewable electricity

FIRST MnCIFA LOAN APPROVED

- Bridge funding for early work
- Minnesota Climate Innovation Finance Authority (MnCIFA)
- Accelerate proven clean energy technology
- Greenhouse gas reduction projects
- Bring benefits to historically underserved communities



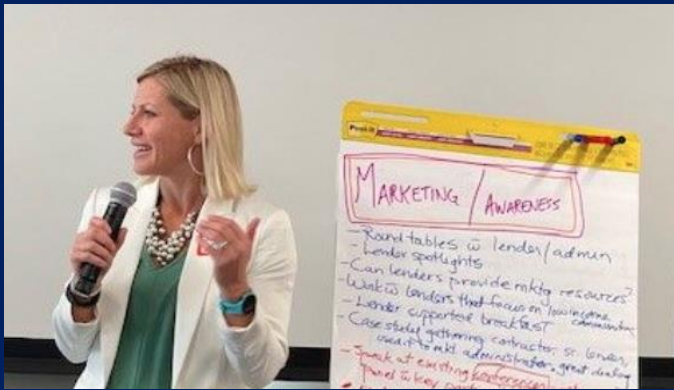
Loan Programs



Financial Tools



Financial Tools



Loan Programs

- MinnPACE Surpassed \$300M in green energy loans.
- MinnPACE Ranked 6th in the nation.
- Leadership in PACE Nation and C-PACE Alliance.
- Revamped Loan Management System.
- Revitalizing Business Development Fund and Energy Partnership Program.
- Positioned to support future growth and increase marketing.

Conduit Revenue Bonds

- Revenue generating approximately \$275,000 annually.
- District Energy Conduit Bonds issuance in 2023 and 2024.
- Ramping up for the first affordable housing conduit revenue bond opportunity.

571

LOANS
closed

\$349M

INVESTMENTS

supporting energy
efficiency and small
businesses

\$92M

ENERGY SAVINGS

realized
annually

3,470

JOB

supported

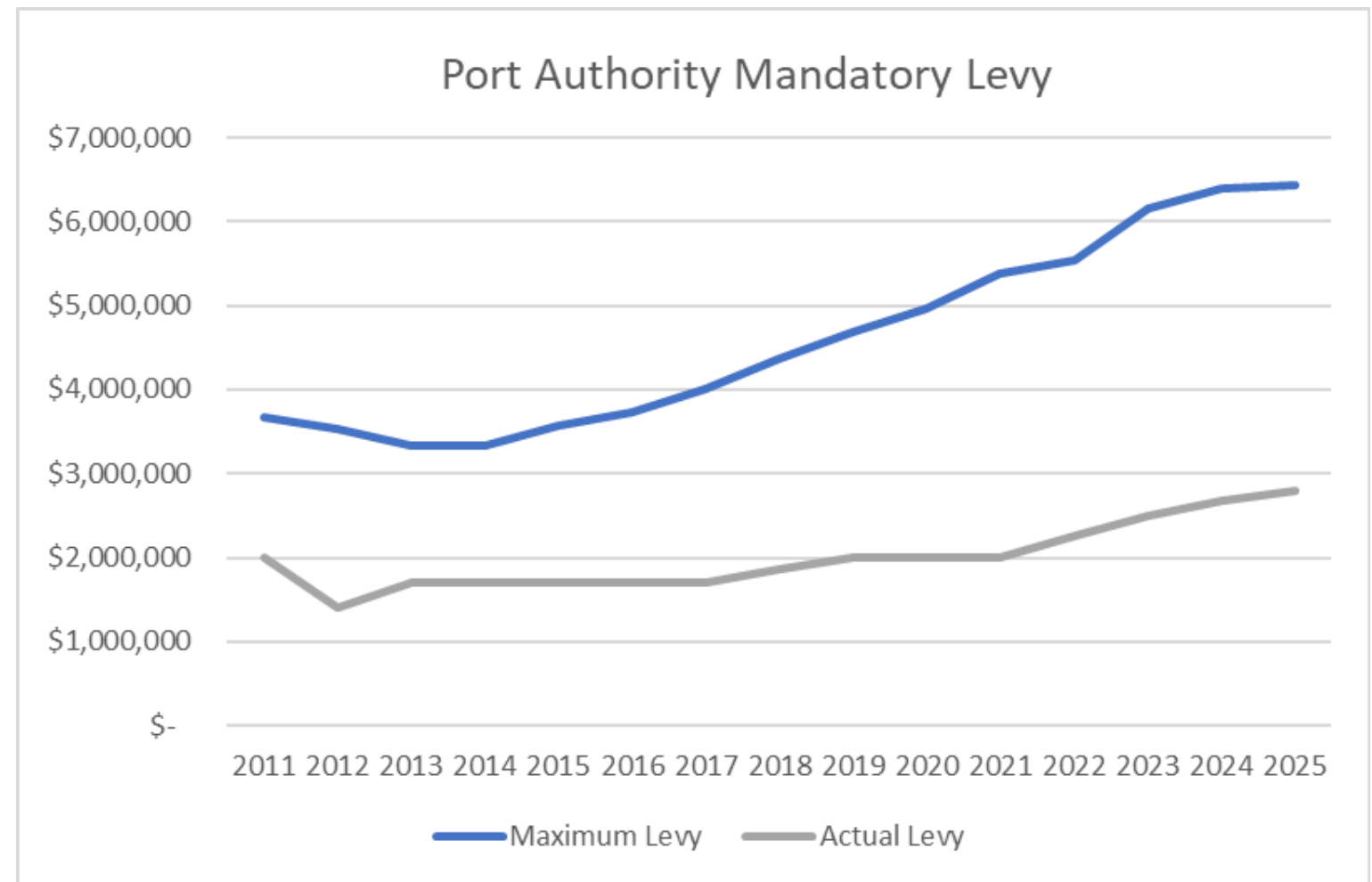
PORT AUTHORITY
TAX LEVIES

Tax Levy Payable	2024	2025	Change
General Obligation Bond Debt Service <i>City delegated powers allow to levy for ad valorem taxes to pay debt service on GO bonds.</i>	5,526,343	5,527,366	1,023
Mandatory Levy <i>pursuant to Minnesota Statutes Section 469.053, Subdivision 4, at a rate not to exceed .01813% of market value to generate.</i>	2,671,700	2,796,700	125,000
Discretionary Levy <i>pursuant to Minnesota Statutes Section 469.053, Subdivision 6. Pledged to industrial redevelopment.</i>	105,000	105,000	-
Total Levy	8,303,043	8,429,066	126,023

DEBT
BUDGET

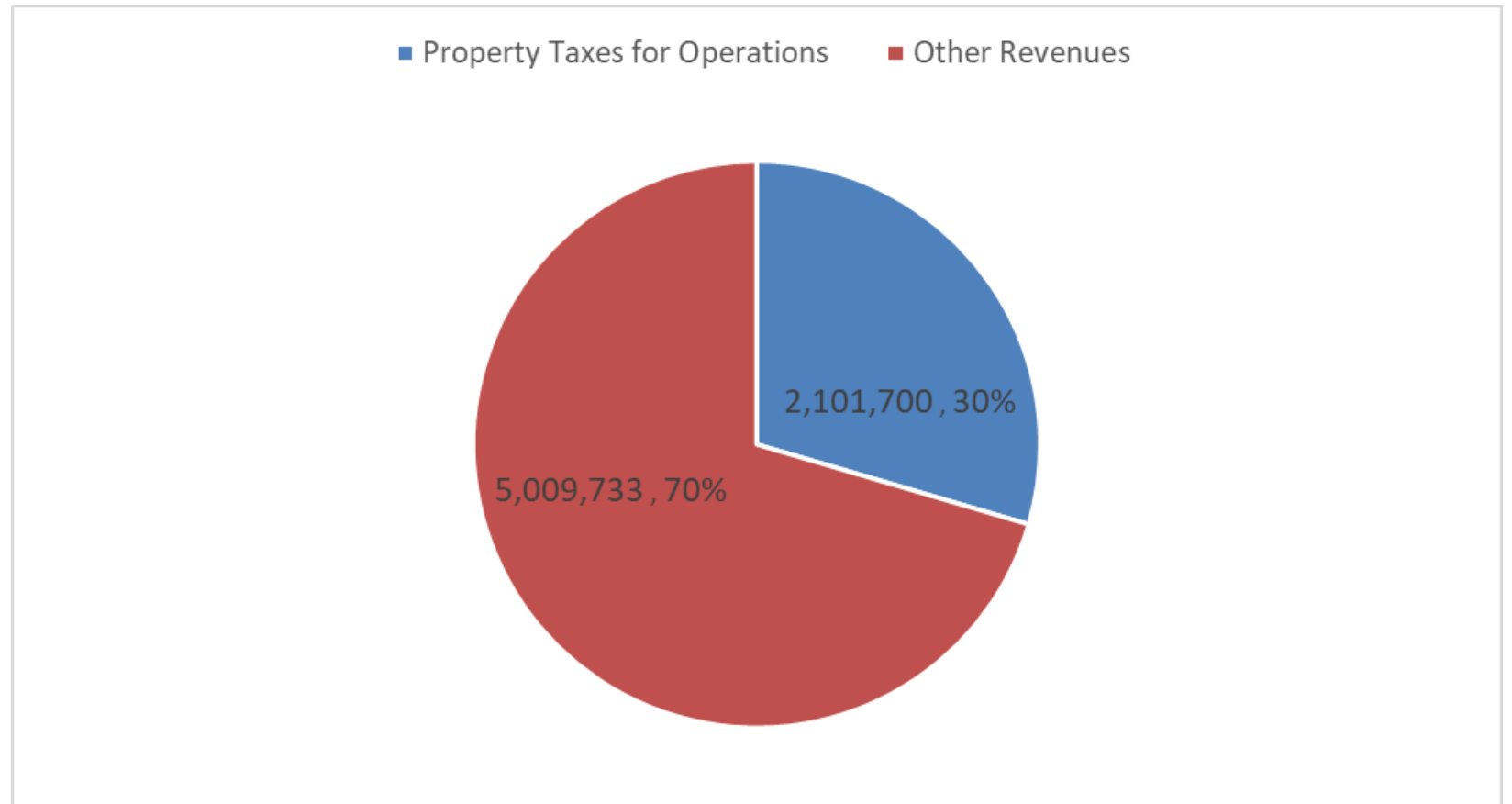
Revenues	2024	2025
Property taxes (operating budget)	800,000	800,000
General Obligation Debt Service	5,526,343	5,527,366
Total Revenues	6,326,343	6,327,366
Expenses (Debt Service)	2024	2025
Beacon Bluff (Series 2013 Bonds)	499,688	496,433
Riverbend (Series 2017 Bonds)	800,000	800,000
Beacon Bluff (Series 2016 Bonds)	1,076,158	1,067,727
Hillcrest (Series 2019 Bonds)	1,250,829	1,250,212
Emeral Ash Borer (City, Series 2022 Bonds)	1,644,668	1,647,188
Opportunity Sites (Series 2023 Bonds)	1,055,000	1,065,806
Total Expense Debt Service Budget	6,326,343	6,327,366

MANDATORY LEVY HISTORY



- Over the last 15 years, this levy has grown more slowly than the City's market values leading to an increasing difference between the levy and the maximum allowed by State law
- In 2011 the mandatory levy was 55% of the maximum while a \$125,000 increase included in the proposed budgeted would be 43% of the maximum available for 2025
- The Port has a strong track record of return on this public investment as measured by growth in the City's industrial tax base and project specific successes

OPERATING BUDGET SOURCES

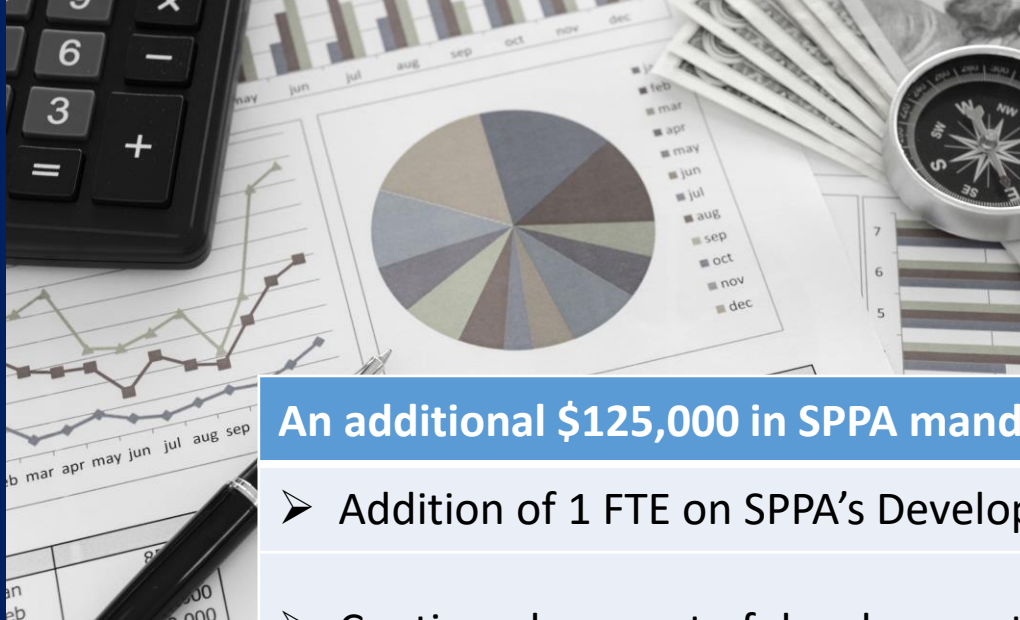


Property Taxes for Operations fund only 30% of the Port Authority's Annual Operating Budget in the Proposed 2025 Budget

**Saint Paul Port Authority
Operating Budget
for the years ending December 31, 2024 and 2025**

	<u>2024 Budget</u>	<u>2025 Budget</u>	<u>Variance 2025 to 2024</u>	<u>% Change</u>
Revenues				
Property taxes-Operations	1,976,700	2,101,700	125,000	
Property taxes-Debt Service	800,000	800,000	-	
Property taxes- uncollectible	(61,700)	(75,000)	(13,300)	
CCP Grant to Port Authority	1,000,000	850,000	(150,000)	
Development Fees	1,145,800	961,643	(184,157)	
Fiscal & Administrative fees	1,133,000	1,270,000	137,000	
Interest on Loans	345,000	633,600	288,600	
Interest Income	384,200	268,000	(116,200)	
Land Rentals	288,500	301,490	12,990	
Total Revenues	<u>7,011,500</u>	<u>7,111,433</u>	<u>99,933</u>	<u>1.43%</u>
Expenses				
Personnel Costs	3,875,980	3,948,750	72,770	
Professional Services:				
City Attorney	60,000	110,000	50,000	
Other	336,395	407,800	71,405	
General & Administrative	750,158	710,320	(39,838)	
Marketing	103,250	141,500	38,250	
Property Maintenance	44,190	151,900	107,710	
Development	1,013,000	837,668	(175,332)	
Property Tax supported debt	800,000	800,000	-	
Total Expenses	<u>6,982,973</u>	<u>7,107,938</u>	<u>124,965</u>	<u>1.79%</u>
Net Operating Income (Loss)	28,527	3,495		

MAYOR'S PROPOSED BUDGET



An additional \$125,000 in SPPA mandatory levy will support:

- Addition of 1 FTE on SPPA's Development Team
- Continued support of development projects throughout Saint Paul
- Accelerate opportunities to add to the Saint Paul's tax base
- Increased capacity to allow us to take on new projects
- Expedited ability to purchase and redevelop new business centers
- Additional coordination between SPPA and City staff on economic development goals and initiatives such as the downtown, the Heights and development of future opportunities

QUESTIONS



Todd Hurley, President

651-204-6215

tph@sppa.com



Kathryn Sarnecki, Chief Development Officer

651-204-6221

kls@sppa.com



Holly Huston, Vice President of Finance

651-204-6216

hkh@sppa.com



Mike Solomon, Chief Financial Officer

651-204-6210

mjs@sppa.com