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# SAINT PAUL PORT AUTHORITY

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2024 City Council Budget Hearing  
November 8, 2023

## AGENDA

- Overview
- River Terminals
- Loan Programs
- Light Industrial
- Budget
- Development Projects and Staffing

## 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

**John Bennett**, 21<sup>st</sup> Century Bank

**Amy Brendmoen**, City Council Member, Ward 5

**Nneka Constantino**, Merrill Lynch

**John Marshall**, Xcel Energy

**Don Mullin**, Saint Paul Building & Trades

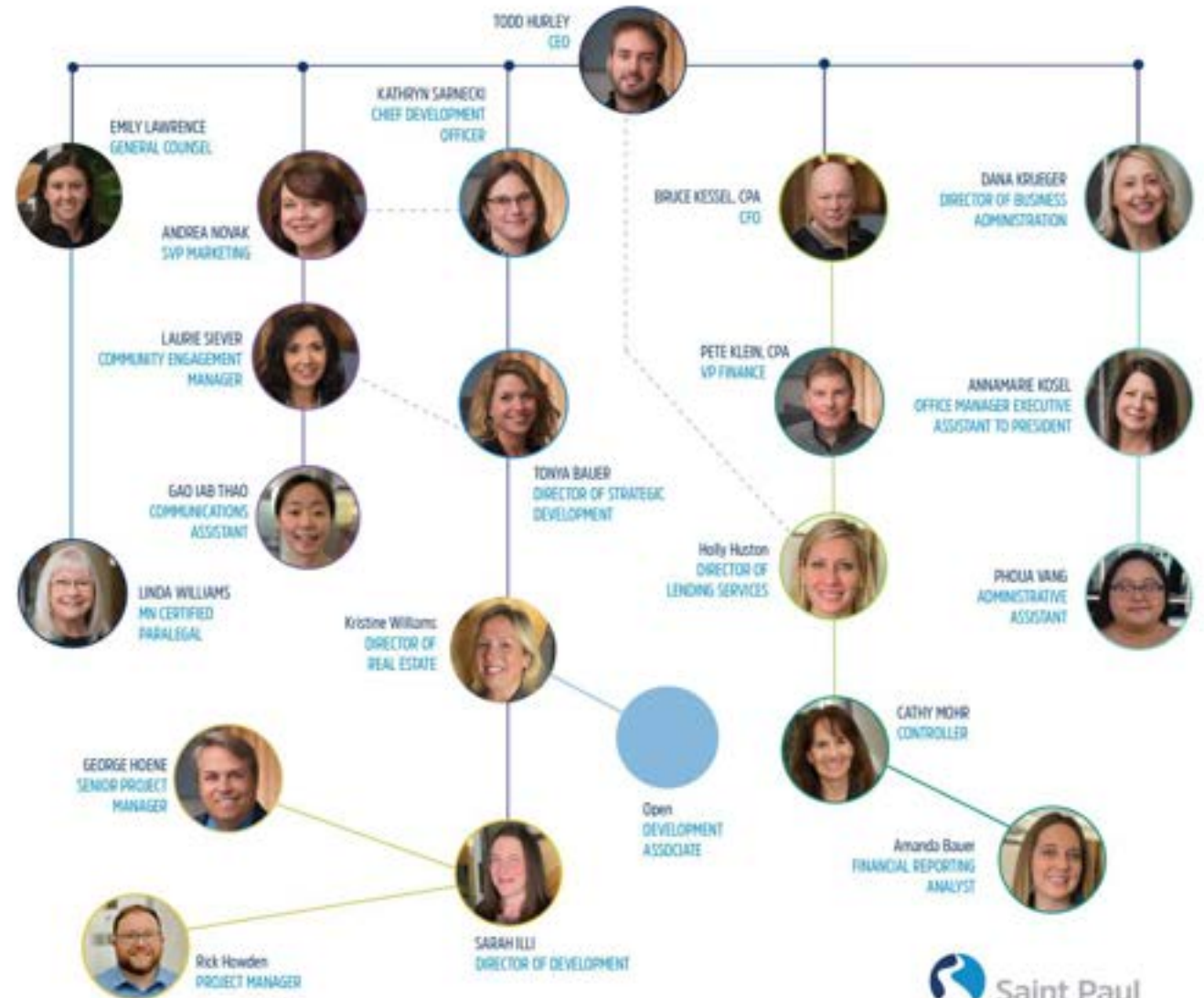
**Rebecca Noecker**, City Council Member, Ward 2

**Matt Slaven**, MV Ventures **BOARD CHAIR**

# OUR TEAM

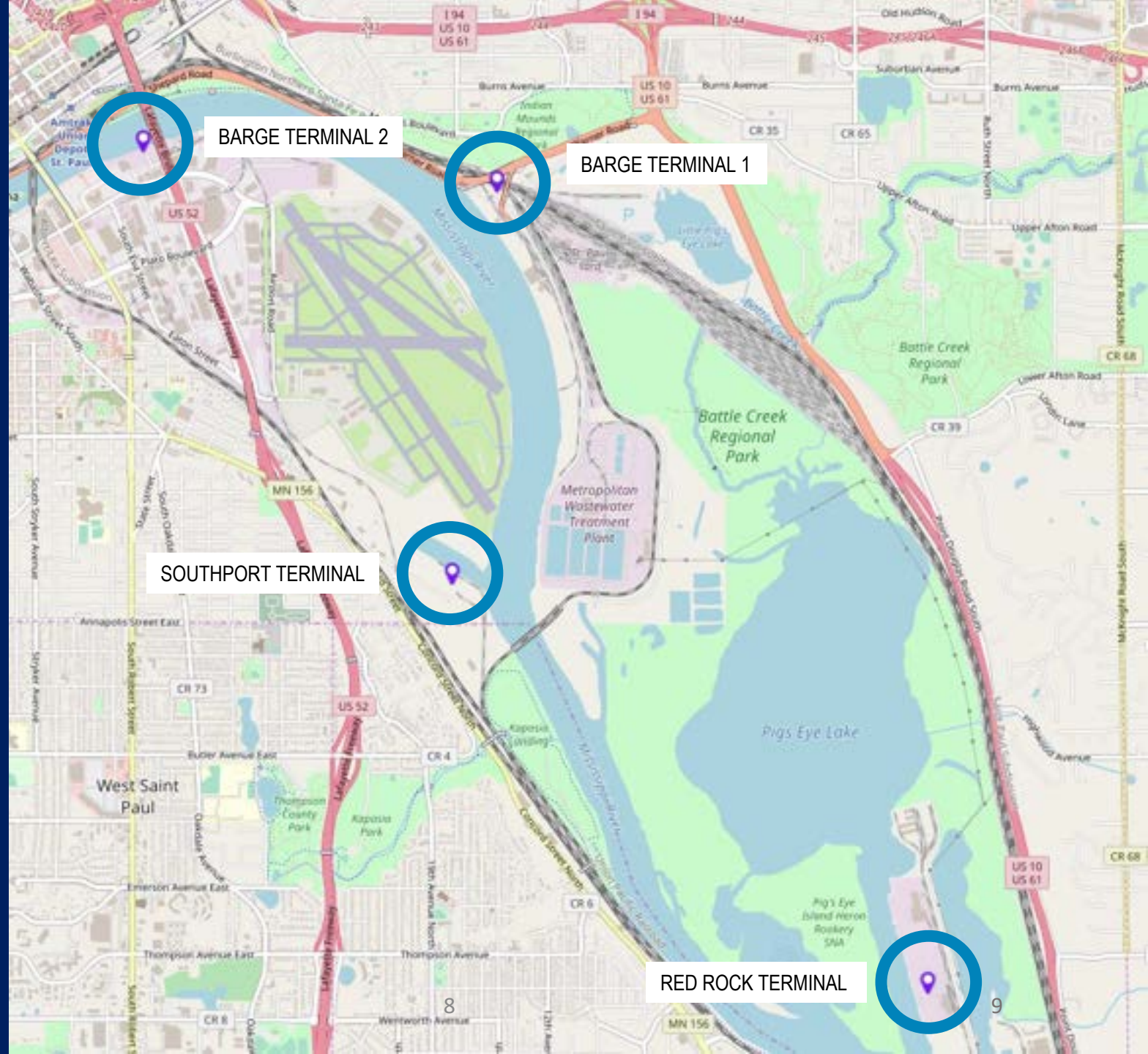
## Organizational Chart

AUGUST 2023





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# SAINT PAUL PORT AUTHORITY RIVER TERMINALS

Own **4 public port terminals** on the Mississippi in Saint Paul

Landlord to businesses that depend on **barge shipping** to remain competitive

## Top imports

- Fertilizer
- Petroleum products
- Aggregate
- Cement
- Salt

## Top exports

- Soybeans
- Corn
- Grains
- Wheat



## RIVER TERMINAL IMPACT



## LOAN PROGRAMS

### Trillion BTU Loan Program

- Revolving loan program for energy saving investments
- \$15M portfolio

### Property Assessed Clean Energy (MinnPACE)

- Primary administrator for the State of Minnesota
- Joint powers agreements w/cities & counties to place voluntary assessments
- Funding: TrillionBTU, local credit unions, national funders
- \$233M portfolio

### BDF/EBDF Loans

- Competitive interest rate
- Available to East Metro commercial/industrial businesses
- Support system for growing businesses that don't fall within a traditional bank's underwriting criteria
- \$8M portfolio

### Energy Saving Partnership

- Partnership with U.S. Bank for government agencies
- \$2M portfolio

## PACE 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



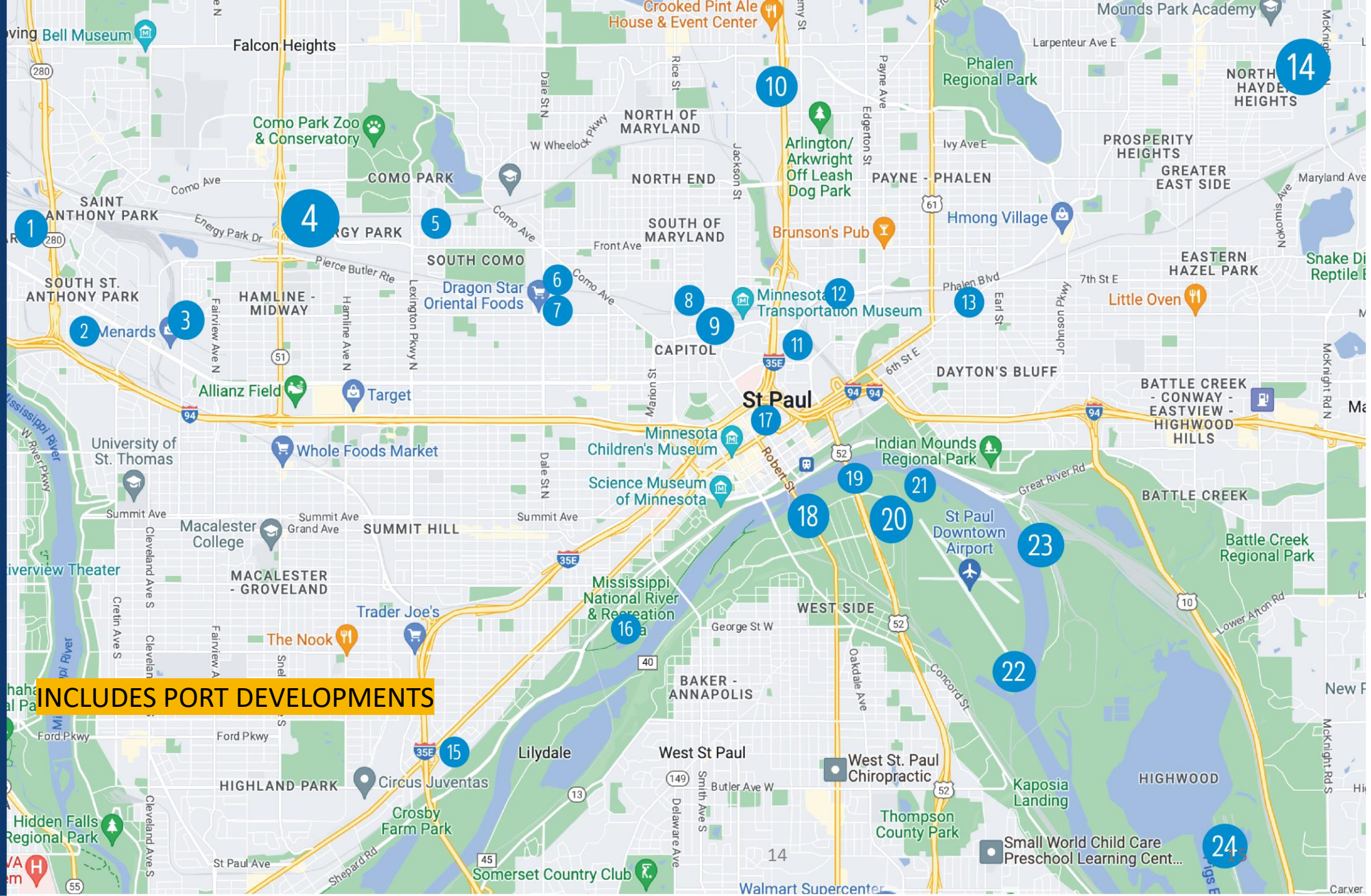
Transformed 17 brownfields into thriving business centers across Saint Paul



Working on our 18<sup>th</sup> brownfield-to-business center project at The Heights



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
12. Westminster Junction
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





## HEIGHTS CAPITAL BUDGET

### The Heights Infrastructure Budget

Uses		Sources	
Design & Engineering - Public	\$1,705,000	Port Authority	\$3,870,000
Design & Engineering - Private	\$3,795,000	Jobs Bill TIF	\$7,000,000
Environmental - Public	\$1,158,209	Remediation Grant	\$800,000
Environmental - Private	\$2,577,949	DEED Cleanup Funding	\$1,330,000
Grading/Site Prep - Public	\$9,997,760	Met Council TBRA Grant	\$750,000
Grading/Site Prep - Private	\$12,197,569	EPA Cleanup/Assessment Grants	\$1,750,000
Utilities & Roads	\$16,568,514	State on MN Bonding	\$11,000,000
Park	\$2,500,000	Land Sales	\$24,000,000
<b>Total Uses</b>	<b>\$50,500,00</b>	<b>Total Sources</b>	<b>\$50,500,000</b>

Public Land Costs (ROW, Green Space, Park, Roads, Utilities)	\$31,929,482
Private Land Costs	\$18,570,518
<b>Total</b>	<b>\$50,500,000</b>

## DEBT BUDGET

### PORT AUTHORITY DEBT BUDGET

Revenues	2023	2024
General Obligation Debt Service	5,527,399	5,527,399
Property taxes (operating budget)	800,000	800,000
<b>Total Revenues</b>	<b>6,327,399</b>	<b>6,327,399</b>
Expenses (Debt Service)	2023	2024
Beacon Bluff (Series 2013 Bonds)	499,688	499,688
Arlington Jackson Crosby (Series 2014 Bonds)	1,054,500	
Beacon Bluff (Series 2016 Bonds)	1,073,377	1,076,158
Redevelopment (Series 2017 Bonds)	800,000	800,000
Hillcrest (Series 2019 Bonds)	1,256,111	1,250,829
Emeral Ash Borer (City, Series 2022 Bonds)	1,643,723	1,644,668
Opportunity Sites (Series 2023 Bonds)		1,056,056
<b>Total Expense Debt Service Budget</b>	<b>6,327,399</b>	<b>6,327,399</b>

# OPERATING BUDGET

## Saint Paul Port Authority Operating Budget For the Years ending December 31, 2023 and 2024

	2023	2024	Variance - 2024 to 2023
<b>REVENUES:</b>			
Property taxes - operations	\$ 1,811,700	\$ 2,061,700	\$ 250,000
Property taxes - debt service	800,000	800,000	-
CCP contribution to reduce property taxes	1,000,000	1,000,000	-
Development fees	1,278,300	1,145,800	(132,500)
Loan servicing fees	980,000	1,000,000	20,000
Interest on loans	335,000	345,000	10,000
Conduit Bond fees	220,000	133,000	(87,000)
Interest on investments	76,500	410,000	333,500
Other operating revenue	100,754	114,000	13,246
<b>Total Revenues</b>	<b>6,602,254</b>	<b>7,009,500</b>	<b>407,246</b>
<b>EXPENSES:</b>			
<b>Personnel costs</b>	<b>3,441,832</b>	<b>3,875,980</b>	<b>434,148</b>
<b>Professional services:</b>			
City Attorney	225,000	60,000	(165,000)
Other professional fees	274,500	336,395	61,896
<b>Total professional services</b>	<b>499,500</b>	<b>396,395</b>	<b>(103,105)</b>
<b>Other general costs:</b>			
Office rent	323,000	329,253	6,253
Insurance	137,500	107,500	(30,000)
General & administrative expenses	317,796	313,405	(4,391)
Marketing	109,618	103,250	(6,368)
Development	957,221	1,057,190	99,970
<b>Total other general costs</b>	<b>1,845,134</b>	<b>1,910,598</b>	<b>65,464</b>
<b>Tax Supported Debt</b>	<b>800,000</b>	<b>800,000</b>	<b>-</b>
<b>Total Expenses</b>	<b>6,586,466</b>	<b>6,982,973</b>	<b>396,508</b>
<b>Net Operating Income (Loss)</b>	<b>15,788</b>	<b>26,527</b>	<b>10,738</b>

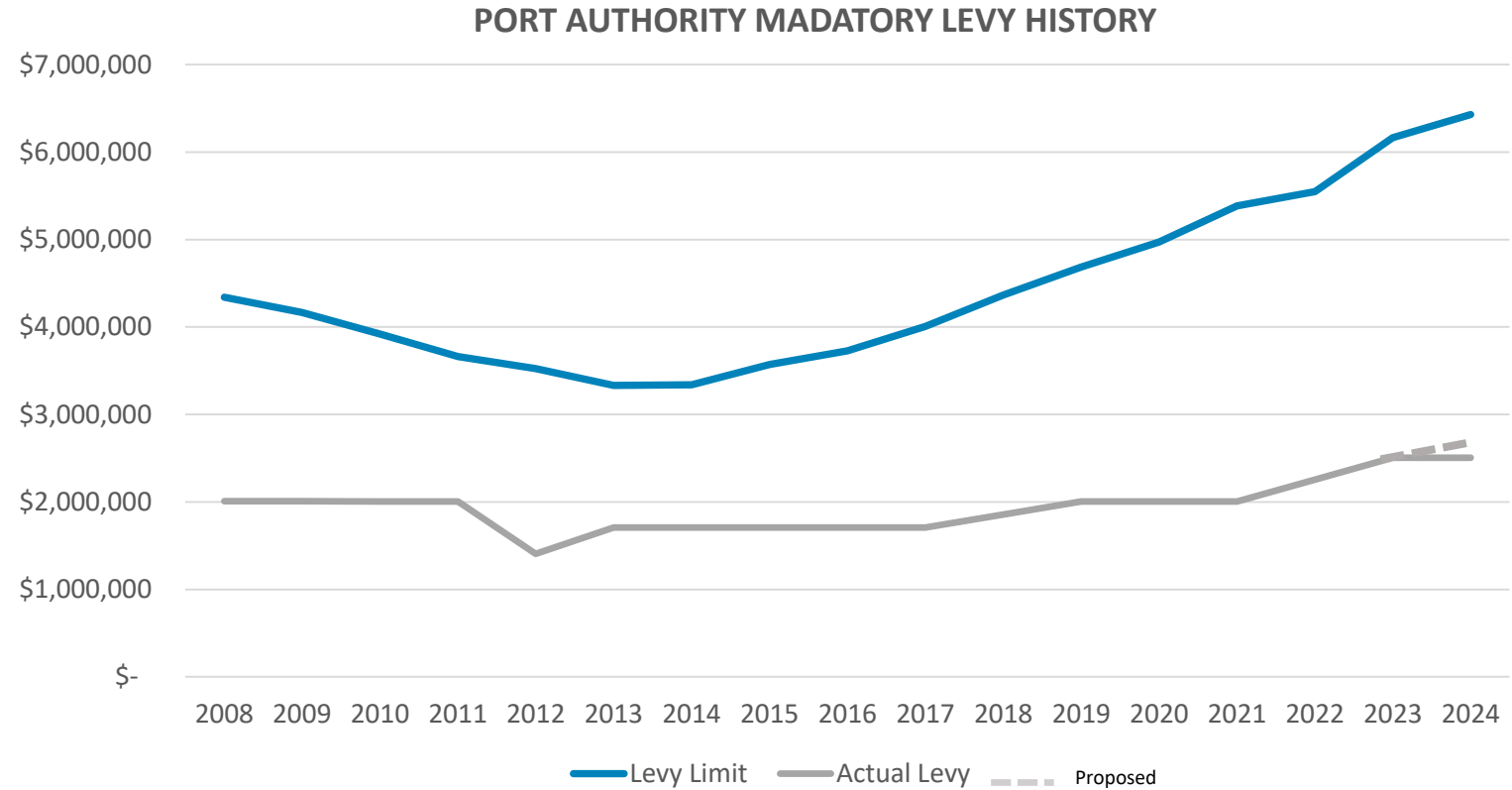
I:\Budget\Budget2024\2024 Port Budget (Operating Development)- Hard coded - working copy City Council



## ANNUAL LEVY

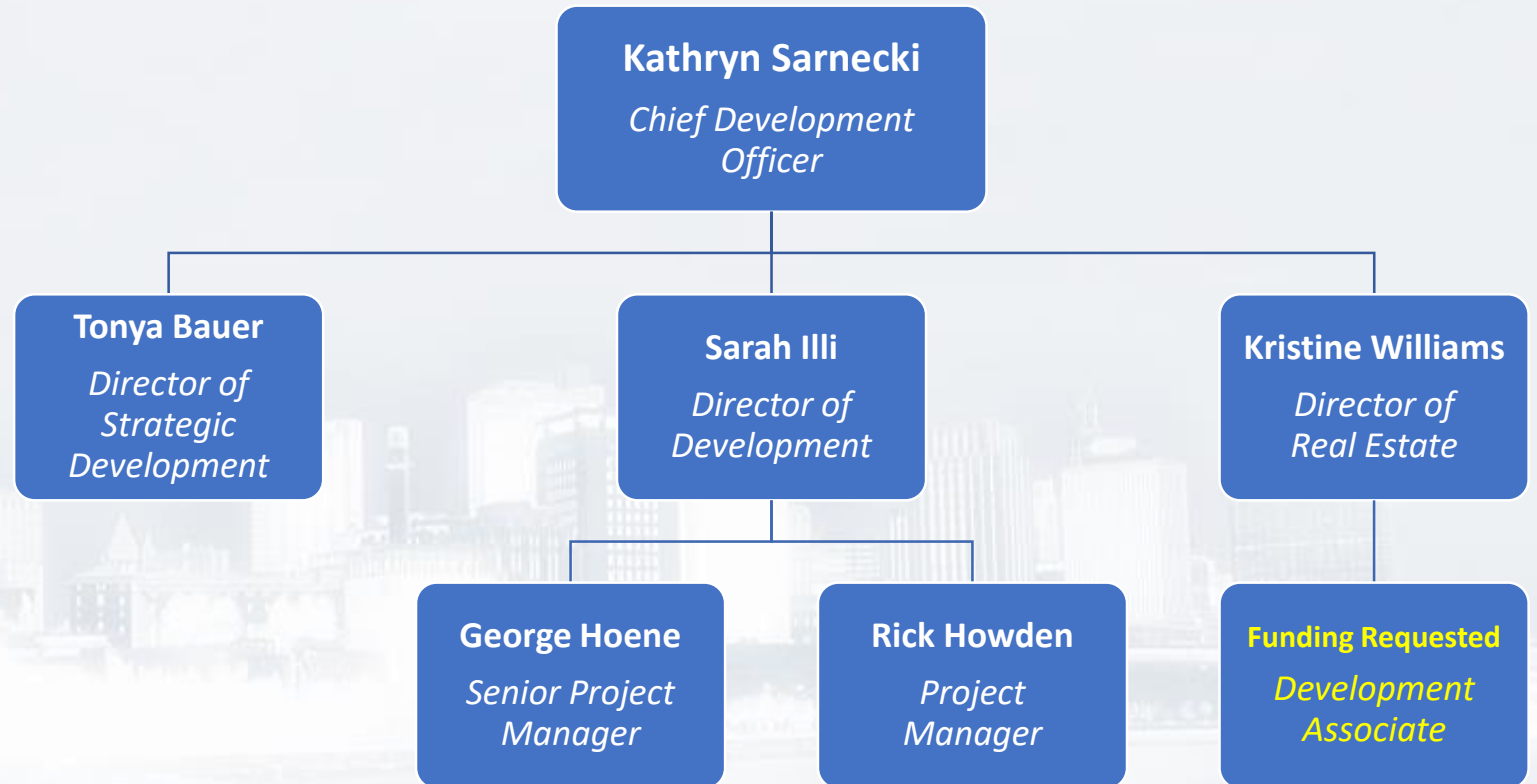
TAX LEVY PAYABLE	2023	2024	Change
<b>General Obligation Bond Debt Service</b> <i>City delegated powers allow to levy for ad valorem taxes to pay debt service on GO bonds.</i>	\$5,527,399	\$5,527,399	\$0
<b>Mandatory Levy</b> <i>Pursuant to Minnesota Statutes Section 469.053, subdivision 4, at a rate not to exceed .01813% of market value to generate.</i>	\$2,550,000	\$2,800,000	\$250,000
<b>Discretionary Levy</b> <i>Pursuant to Minnesota Statutes Section 469.053, Subdivision 6. Pledged to industrial redevelopment.</i>	\$105,000	\$105,000	\$0
<b>TOTAL</b>	<b>\$8,182,399</b>	<b>\$8,432,399</b>	<b>\$250,000</b>

## MANDATORY LEVY HISTORY



- Over the last ten years, the levy was held flat, while market values increased
- 2013 the mandatory levy was 51% of the maximum. Increasing the levy \$250,000 would be 43% of the maximum.
- Industrial estimated market value in St. Paul increased 22% this year.

## DEVELOPMENT TEAM



## DEVELOPMENT PROJECTS/ CATEGORIES

### Development Projects/Categories

- The Heights
- Real Estate
- River Management
- Property Management
- Capital City Properties
- Treasure Island Center
- Outreach & External Engagement
- Internal Processes & Improvements

*\*\*Port projects led by other teams (Finance, Legal, Marketing, Operations) are not included in this update*

## 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



## THE HEIGHTS



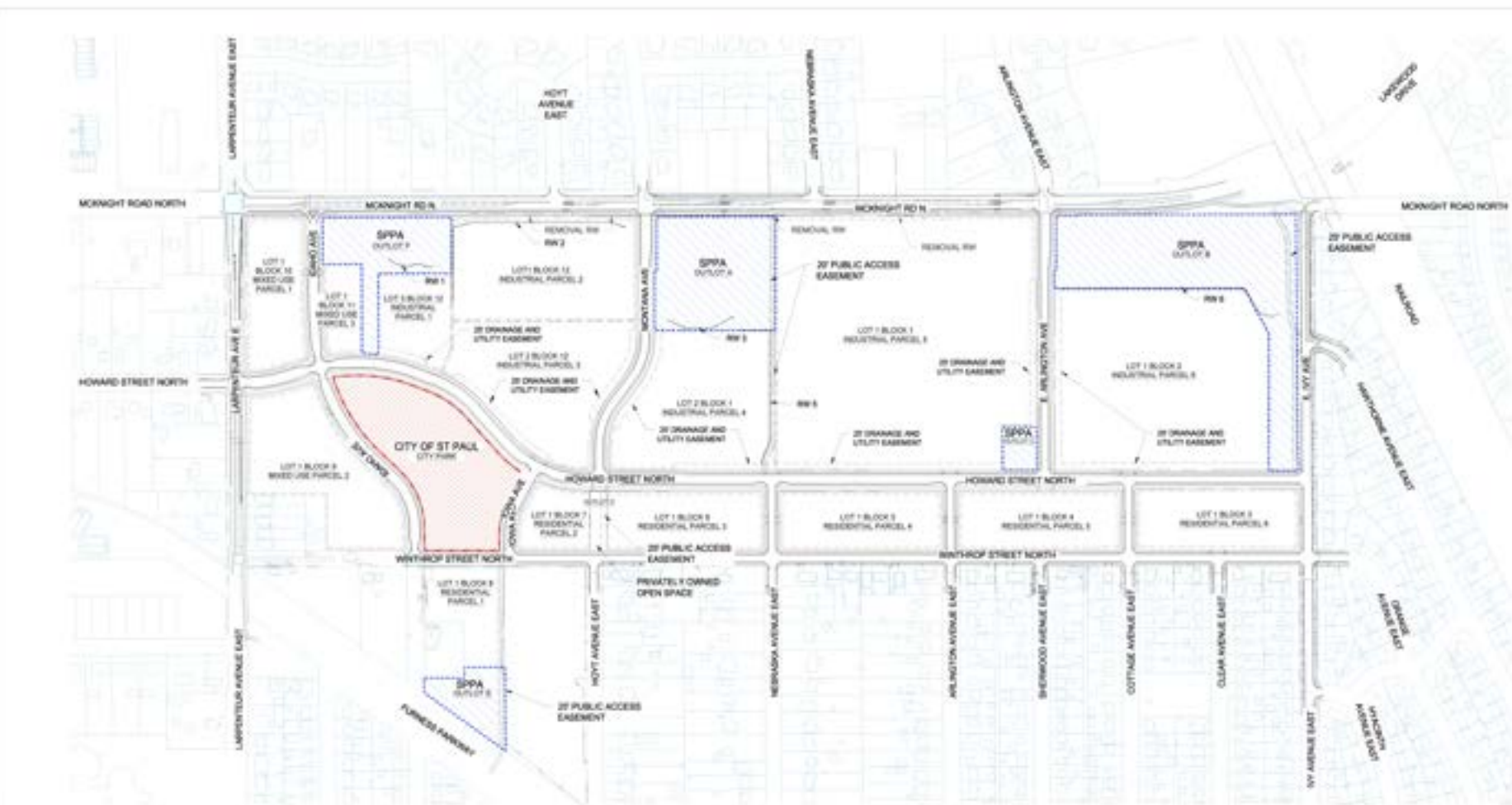
### PROJECTS/TASKS – THE HEIGHTS

- Real Estate
- Community Benefits Agreement
- Design
- Construction
- Grants
- Community Engagement
- Financial Management

**DEVELOPMENT TEAM EFFORT (FTE)**

**2.1**

# THE HEIGHTS



THE HEIGHTS REDEVELOPMENT - NET LOT AREA EXHIBIT

SCALE: 1" = 100'

## LEGEND

CITY OF ST. PAUL  
 ST. PAUL PORT AUTHORITY

Parcel Description	Plot Description	Parcel Plot Area (sf)	Easement Area (sf)	Parcel Area (ac)	Plot Area minus Easement Area (ac)
Mixed Use Parcel 1	Lot 1, Block 10	119,079.97	1,933.00	2.73	2.69
Mixed Use Parcel 2	Lot 1, Block 9	205,095.34	0.00	4.71	4.71
Mixed Use Parcel 3	Lot 1, Block 11	46,708.29	0.00	1.07	1.07
Industrial Parcel 1	Lot 1, Block 12	86,122.47	4,812.00	2.03	1.93
Industrial Parcel 2	Lot 1, Block 12	260,142.80	0.00	5.98	5.98
Industrial Parcel 3	Lot 2, Block 12	203,112.85	20,910.00	6.04	5.56
Industrial Parcel 4	Lot 2, Block 1	277,894.12	29,267.40	6.36	5.71
Industrial Parcel 5	Lot 1, Block 1	881,783.60	34,607.36	20.24	19.45
Industrial Parcel 6	Lot 1, Block 2	512,652.39	86,500.45	12.80	11.39
Residential Parcel 1	Lot 1, Block 8	86,239.01	9,248.01	1.98	1.77
Residential Parcel 2	Lot 1, Block 7	57,765.06	0.00	1.33	1.33
Residential Parcel 3	Lot 1, Block 6	121,867.30	0.00	2.89	2.89
Residential Parcel 4	Lot 1, Block 5	129,995.13	0.00	2.98	2.98
Residential Parcel 5	Lot 1, Block 4	129,653.06	0.00	2.98	2.98
Residential Parcel 6	Lot 1, Block 3	135,292.12	0.00	3.11	3.11

Parcel Description	Plot Description	Parcel Area (sf)	Easement Area (sf)	Parcel Area (ac)	Plot Area minus Easement Area (ac)
Outlot A		184,642.42	8,365.05	4.24	4.05
Outlot B		119,807.22	18,121.78	2.74	6.90
Outlot C		20,027.60	0.00	0.46	0.46
Outlot D		11,020.08	4,340.01	0.30	0.20
Outlot E		54,666.54	7,535.97	1.25	1.08
Outlot F		110,692.89	0.00	2.54	2.54
City Park Parcel		232,787.42	0.00	5.34	5.34

## REVISIONS

NO.	DATE	DESCRIPTION
1		

## NET LOT AREA EXHIBIT

## THE HEIGHTS SITE REDEVELOPMENT (JMA HILLCREST GOLF COURSE) BUILDING DEMOLITION, CONTAMINATED SOIL REMEDIATION, SITEWORK & GRADING SAINT PAUL, MINNESOTA (803 PACKAGE 1)

Saint Paul  
 Port Authority  
 400 Wabasha Street North  
 Suite 240  
 St Paul, Minnesota 55102  
 Phone 612-224-6688

WSB PROJECT NO.  
 013967-000

# TIMELINE FOR THE HEIGHTS





# REAL ESTATE

PROJECTS/TASKS – REAL ESTATE	
➤ Beacon Bluff Parcels	
➤ Disposition Plan	
➤ Empire Building Lot	
➤ Fairview/St. Joes	
➤ Florida Street Lot	
➤ Gerdau Catalyst	
➤ Pioneer Press	
➤ Opportunity Sites	
DEVELOPMENT TEAM EFFORT (FTE)	0.9

# RIVER MANAGEMENT



## CURRENT PROJECTS/TASKS – RIVER MANAGEMENT

- All Terminals
  - Infrastructure Inspections/Repairs, Seasonal Issues (Flooding, Dredging)
  - Lease Renewals and Tonnage Reporting
  - State and Federal Grant Administration
- Barge Terminal 1 Projects
  - Cemstone Barge Receiving System (Construction, Grants)
- Barge Terminal 2 Projects
  - URS Dockwall Rehabilitation (Construction, Grants)
- Red Rock Terminal Projects (Need additional staff)
  - Vittera Barge Loading Cells/Tower
  - Access/Safety Improvements
- Southport Terminal Projects (Need additional staff)
  - Access/Safety Improvements
  - POM/STIIP Planning
  - Dredge Material Management

**DEVELOPMENT TEAM EFFORT (FTE)**

**2.1**



## PROPERTY MANAGEMENT



### CURRENT PROJECTS/TASKS – PROPERTY MANAGEMENT

- All Business Centers
  - Site Visits
  - Contract Management
  - Covenant Enforcement
  - Common Area Maintenance
  - Energy Benchmarking
  - Workforce Reporting

**DEVELOPMENT TEAM EFFORT (FTE)**

**0.4**

CURRENT PROJECTS/TASKS – Development Advisory Services	
➤ University of St. Thomas (Environmental Project Management)	
➤ Minnesota Chemical (Environmental Project Management)	
➤ City of St. Paul PED/HRA (City Partnership/Enhanced Brokerage)	
➤ MLS Stadium (Environmental Project Management)	
➤ United Village (Environmental Project Management)	
➤ Ruam Mit (City Partnership/Enhanced Brokerage)	
DEVELOPMENT TEAM EFFORT (FTE)	1.1



TREASURE ISLAND  
CENTER

PROJECTS/TASKS – TREASURE ISLAND CENTER	
➤ Building Management	
➤ Leasing: Slice Pizza	
➤ Leasing: Women’s Professional Hockey League	
➤ Tenant Relations	
DEVELOPMENT TEAM EFFORT (FTE)	0.9

# OUTREACH & EXTERNAL ENGAGEMENT



PROJECTS/TASKS – OUTREACH & EXTERNAL ENGAGEMENT	
➤ Board Role Commitments	
➤ Business Retention, Expansion, and Attraction	
➤ Continuing Education Courses & Roundtables	
➤ East Side Xchange	
➤ Events/Presentations	
➤ Initiative for a Competitive Inner City	
➤ Outreach to City of St. Paul Staff/Departments	
➤ Outreach to Commissioners/Legislators	
DEVELOPMENT TEAM EFFORT (FTE)	1.1



## INTERNAL PROCESSES & IMPROVEMENTS



### PROJECTS/TASKS – INTERNAL PROCESSES & IMPROVEMENTS

- Access Database
- Consultant Contract Administration
- Filing Systems
- Grant Administration, Research, Strategy
- Industrial Development Plan
- Invoice Coding and Approval Processes
- Strategic Plan

**DEVELOPMENT TEAM EFFORT (FTE)**

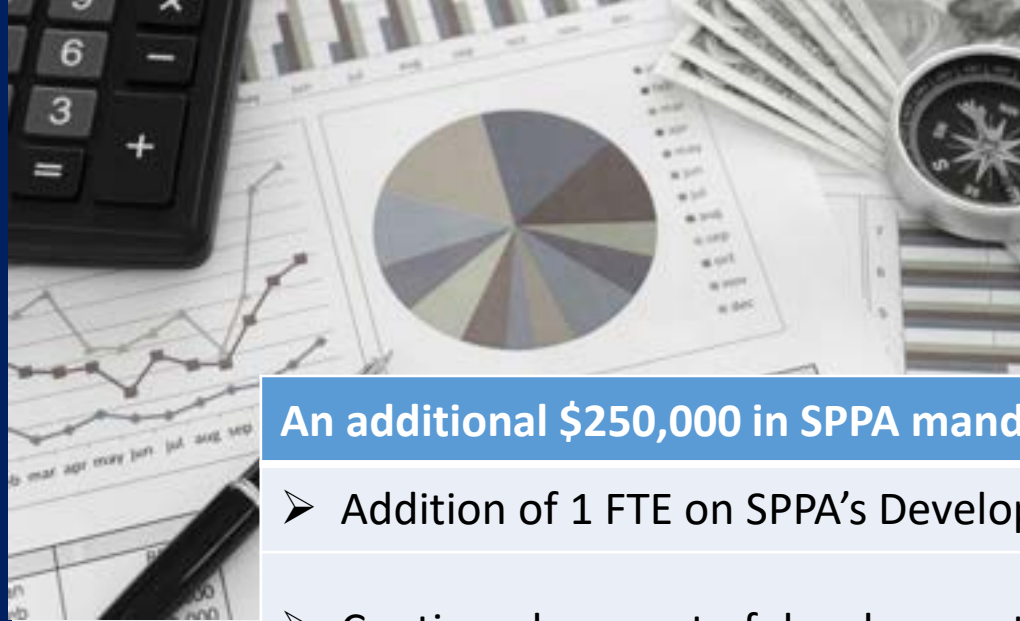
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## SUMMARY – DEVELOPMENT PROJECTS/ CATEGORIES

CATEGORY	PROJECT/TASK	EFFORT (FTE)
River Management	All	2.1
The Heights	All	2.1
Internal Processes & Improvements	All	1.5
Project Advisory Services (CCP)	All	1.1
Outreach & External Engagement	All	1.1
Treasure Island Center	All	0.9
Real Estate	All	0.9
Property Management	All	0.4
<b>DEVELOPMENT TEAM EFFORT (FTE)</b>		<b>10</b>
<b>DEVELOPMENT TEAM STAFF (OCT 2023)</b>		<b>6</b>

## COST BENEFIT ANALYSIS



### An additional \$250,000 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

## QUESTIONS



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651-204-6215

[tph@sppa.com](mailto:tph@sppa.com)



**Kathryn Sarnecki, Chief Development Officer**

651-204-6221

[kls@sppa.com](mailto:kls@sppa.com)