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Title: Consenting to the issuance of Conduit Revenue Bonds by the Port Authority for the benefit of District Energy Saint Paul, Inc. and approving a public hearing.

Sponsors: Mitra Jalali

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Date	Ver.	Action By	Action	Result
9/26/2024	1	Mayor's Office	Signed	
9/25/2024	1	City Council	Adopted	Pass

Consenting to the issuance of Conduit Revenue Bonds by the Port Authority for the benefit of District Energy Saint Paul, Inc. and approving a public hearing.

WHEREAS, under the Minnesota Municipal Industrial Development Act, Minnesota Statutes, Sections 469.152-469.1655, as amended (the "Act"), the Port Authority of the City of Saint Paul (the "Port Authority"), is authorized to issue revenue bonds to finance or refinance, in whole or in part, the costs of the acquisition, construction, improvement, or extension of revenue producing enterprises, whether or not operated for profit; and

WHEREAS, District Energy Saint Paul, Inc., a Minnesota nonprofit corporation ("District Energy"), has proposed that the Port Authority issue its conduit revenue bonds designated as the following: (i) District Energy Revenue Bonds, Series 2024-1 (501(c)(3) Non-AMT) (the "Series 2024-1 Bonds"); and (ii) District Energy Revenue Bonds, Series 2024-2 (Taxable) (the "Taxable Series 2024-2 Bonds" and, collectively with the Series 2024-1 Bonds, the "Series 2024 District Energy Bonds"); and

WHEREAS, proceeds of the Series 2024 District Energy Bonds will be used by District Energy in order to (i) finance certain capital improvements, extensions, and enhancements to the local hot water district heating system and the local chilled water district cooling system (the "System") of the Corporation; (ii) finance certain capital improvements to the Corporation's cooling plant located at 229 10th Street East, Saint Paul, Minnesota 55101 (the "Cooling Plant") and the Corporation's heating plant located at 76 West Kellogg Boulevard, Saint Paul, Minnesota 55102 (the "Heating Plant"); (iii) finance the construction, installation and equipping of a new cooling/heating plant to be located at 334 University Avenue, Saint Paul, Minnesota 55130 (the "University Avenue Plant"); (iv) the acquisition of an existing cooling distribution system on the grounds of the Minnesota State Capitol Complex bounded by Sherburne Avenue, Marion Street, Interstate Highway 94 and Jackson Street (the facilities described in items (i) through (iv) are hereinafter collectively referred to as the "Series 2024 Project"); (v) finance capitalized interest on the Series 2024 District Energy Bonds for a period of time and any necessary reserves to secure the Series 2024 District Energy Bonds; (vi) refinance certain capital indebtedness of the Corporation previously incurred to improve the Heating Plant, the Cooling Plant and the System; (vii) fund a deposit to one or more reserve accounts for the Series 2024 District Energy Bonds; and (viii) pay costs of issuance for the Series 2024 District Energy Bonds; and

WHEREAS, the Series 2024 District Energy Bonds are proposed to be issued under the terms of the Bond Indenture of Trust, to be dated on or after November 1, 2024 (the “Bond Indenture”), between the Port Authority and U.S. Bank Trust Company, National Association, as bond trustee (the “Bond Trustee”); and

WHEREAS, the loan of the proceeds of the Series 2024 District Energy Bonds is proposed to be made by the Port Authority to District Energy pursuant to the terms of a Loan Agreement, to be dated on or after November 1, 2024 (the “Loan Agreement”), between the Port Authority and District Energy; and

WHEREAS, the payment obligations of District Energy under the Loan Agreement and the Bond Indenture will be secured by one or more obligations of District Energy issued under the terms of one or more supplements to an Amended and Restated Master Trust Indenture, dated as of October 1, 2015 (as amended and supplemented from time to time, the “Master Indenture”), between District Energy, as obligated group representative, and U.S. Bank Trust Company, National Association (successor-in-interest to U.S. Bank National Association), as master trustee (the “Master Trustee”); and

WHEREAS, under the terms of the Master Indenture, District Energy has pledged its gross revenues to secure any obligations issued under the Master Indenture and District Energy has also granted a mortgage on its Heating Plant and Cooling Plant to the Master Trustee as security for all obligations issued under the Master Indenture; and

WHEREAS, the revenue bonds proposed to be issued by the Port Authority to finance the Series 2024 Project and the related costs will constitute revenue obligations secured solely by: (i) the revenues derived from the Loan Agreement (which includes the revenues pledged under the obligation(s) issued by the District Energy under the Master Indenture); (ii) other revenues pledged to or otherwise received by District Energy, except for those revenues necessary for ordinary operational expenses and required under Minnesota law; and (iii) other security provided or arranged by District Energy; and

WHEREAS, Minnesota Statutes, Section 469.084(11), provides that any issue of revenue bonds authorized by the Port Authority shall be issued only with the consent of the City Council of the City of Saint Paul, by resolution adopted in accordance with law; and

WHEREAS, to meet the requirements of state law, the Port Authority has requested that the City Council give its requisite approval to the issuance of the proposed Series 2024 District Energy Bonds by the Port Authority, subject to final approval of the details of said bonds by the Port Authority; and

WHEREAS, a public hearing (the “Public Hearing”) on the Series 2024 Project and the issuance of the Series 2024 District Energy Bonds was held by the Board of Commissioners of the Port Authority on September 24, 2024 after notice of such Public Hearing was published, and materials made available for public inspection at the offices of the Port Authority, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and the Act, at which public hearing all those appearing who so desired to speak were heard; and

WHEREAS, following said public hearing, on September 24, 2024, the Board of Commissioners of the Port Authority adopted a resolution providing for the final approval of issuance of the Series 2024 District Energy Bonds by the Port Authority subject to the approval of the City Council;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Saint Paul, Minnesota, as follows:

Section 1. Consent. In accordance with the requirements of Minnesota Statutes, Section 469.084 (11), the City Council hereby approves the issuance of the aforesaid Series 2024 District Energy Bonds by the Port Authority for the purposes described in the Port Authority resolution adopted September 24, 2024, the exact details of which, including but not limited to, provisions relating to maturities, principal amount, interest rates, discount and redemption are to be determined by the Port Authority. As required by Section 147(f) of

the Code, the City Council also hereby approves the Public Hearing previously held by the Board of Commissioners of the Port Authority.

Section 2. 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 3. 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.