

**Port Authority of the City of St. Paul**  
**and the**  
**City of St. Paul**  
**2023 Sustainability Bond Report**



**\$10,020,000 Tax-Exempt General Obligation Bonds, Series 2022-1 (Sustainability Bonds)**

**\$6,020,000 Taxable General Obligation Bonds, Series 2022-2 (Sustainability Bonds)**



## About the Bonds

The Port Authority of the City of Saint Paul (the “Port Authority”) issued the Tax-Exempt General Obligation Bonds Series 2022-1 (Sustainability Bonds) (the “Series 2022-1 Bonds”) and the Taxable General Obligation Bonds Series 2022-2 (Sustainability Bonds) (the “Series 2022-2 Bonds”) (collectively, the “Bonds”) to finance the Emerald Ash Borer Project (“EAB Project”)—an ongoing project to remove and replace approximately 13,000 ash trees on land owned by the City of Saint Paul (“City”) that have been infested with the Emerald Ash Borer (“EAB”), an invasive species.

The City has determined that the EAB Project funded by the Bonds meet four Sustainability Standards:

### The Green Bond Principles

- Environmentally Sustainable Management of Natural Resources
- Response to Human Impact on Ecosystems

### The Social Bond Principles

- Equitable Access to Ecosystem Services
- Equitable Access to Jobs & Employment

Kestrel Verifiers, an Approved Verifier accredited by the Climate Bonds Initiative, conducted an independent external review of the Bonds and determined that the Bonds conformed with the Sustainability Standards noted above.

The City’s implementation of the EAB Project centers on equitable distribution by prioritizing neighborhoods with low tree canopy, which are predominantly low-income or Black, Indigenous, and persons of color (“BIPOC”) communities. A portion of the proceeds supports a living wage jobs program for tree replanting that will prioritize hiring low-income and BIPOC residents.

## Use of Proceeds

### *Series 2022-1*

All bond proceeds are being used for capital expenditures and bond costs related to the removal of thousands of ash trees that have been infested with the Emerald Ash Borer and the planting of approximately 13,000 diverse variety of trees on City boulevards, public right of way, and other City land. The Port Authority and the City have tracked bond proceeds as required. The table below lists the projects and Series 2022-1 proceeds allocated to each as of 10/30/2023. Series 2022-1 had net proceeds of \$12,000,000 to be spent on the EAB Project and, as of this date, the unspent balance of the proceeds was \$3,590,230 which excludes cost of issuance and related costs.

Spending Category	Series 2022-1 Bond Proceeds Utilized
EAB Tree Removals	\$5,898,546
EAB Stump Removals	\$417,734
EAB Planting	\$1,441,686
Equipment Purchases	\$651,804

Spending Category	Series 2022-1 Bond Proceeds Utilized
Total Spent	\$8,409,770
Remaining Balance	\$3,590,230

*Series 2022-2*

All bond proceeds are being used for capital expenditures and bond costs related to the removal of thousands of ash trees that have been infested with the Emerald Ash Borer (EAB) and the planting of approximately 13,000 diverse variety of trees on City boulevards, public right of way, and other City land. The Port Authority and the City have tracked bond proceeds as required. The table below lists the projects and Series 2022-2 proceeds allocated to each as of 10/30/2023. Series 2022-2 had net proceeds of \$6,000,000 and, as of this date, the unspent balance of the proceeds was \$6,000,000, which excludes cost of issuance and related costs.

Spending Category	Series 2022-2 Bond Proceeds Utilized <sup>1</sup>
EAB Tree Removals	\$0
EAB Stump Removals	\$0
EAB Planting	\$0
Equipment Purchases	\$0
Total Spent	\$0
Balance Remaining	\$6,000,000

<sup>1</sup> The project plans to spend tax-exempt proceeds first and then will prioritize spending taxable proceeds.

**Impact**

Below are statistics related to the EAB Project.

	2022 (Actual)	2023 (Projected)	2024 (Forecast)	2025 (Forecast)
Ash trees removed	4,610	3,215	4,500	4,500
Trees planted	4,367	5,084	6,140	6,000
Number of contract workers hired for EAB Project	6	28	54	n/a

The City has also worked with the Government Alliance for Racial Equity (GARE) and RomoGIS to develop a Social Equity Tool that will use geographic analysis to better understand how to evaluate resource allocation and funding as it pertains to the EAB Project. The priority is for the City to plant more climate resilient infrastructure throughout the city, especially in areas that have been historically underserved and/or are vulnerable to tree canopy loss due to the EAB invasion. The Social Equity Tool uses various geographic tools to combine, weight, and calculate indices and rankings around community characteristics, including race, income, and education, among others. The ultimate goal is for the City to advance their tree replacement efforts to be more than a one-to-one ratio of tree replacement to tree planting in historically underserved neighborhoods. A full description of the tool and the status of the accompanying metrics can be found on the City's investor website here: <https://www.stpaulbonds.com/>.

## **Jobs Program**

One of the primary goals of the Port Authority was to create jobs for low-income, BIPOC, or other residents who have historically faced barriers to living wage jobs and benefits. The City and the Port Authority have partnered with Tree Trust, a nonprofit organization dedicated to providing jobs and addressing the loss of tree canopy in the City, in a multi-year contract from 2022-2024 for planting and maintenance.

The jobs program is fully funded through 2024. The City has requested additional funding to help ensure the program can continue for an additional 2 years, from 2025 to 2026. The funding will be used to cover program costs including wages, training, and the materials/supplies needed to provide more than 50 youth participants with on-the-job training that helps prepare them for future green industry jobs, while simultaneously helping the city replant and maintain more than 1,000 trees annually.

## **2023 Sustainability Project Bond of the Year**

In April of 2023, Environmental Finance awarded the Saint Paul Port Authority their distinguished 2023 Sustainability project bond of the year for the \$15.9 million Emerald Ash Borer (EAB) Project issuance. Environmental Finance Bond Awards judges said that this project stood out for its "interesting" work on invasive species. Emerald ash borer is an invasive insect that has killed millions of ash trees throughout the eastern half of the United States, devastating familiar landscapes and demanding an expensive clear-up. This award recognizes the work of the City of Saint Paul and the Saint Paul Port Authority who partnered to issue sustainability bonds that would finance the replacement of dead, dying, or at-risk ash trees. This will enable the Port and the City of Saint Paul to implement their replanting program, which integrates critical aspects of environmental and social sustainability in urban forest management to address the ongoing impact of humans on local ecosystems, as well as building greater climate resilience and reducing public health risks for disadvantaged neighborhoods.

The full report can be found here: <https://www.environmental-finance.com/content/awards/environmental-finances-bond-awards-2023/winners/sustainability-project-of-the-year-saint-paul-port-authority.html>.

## **Additional Resources**

- City of Saint Paul Investor Relations website: <https://www.stpaulbonds.com/>
- City of Saint Paul Climate Action and Resilience Plan:  
<https://www.stpaul.gov/departments/mayors-office/climate-actionplanning/climate-action-resilience-plan>
- The City of Saint Paul was recognized as one of 95 cities worldwide on the 2021 CDP Cities A List. Additional information can be found on the CDP website at <https://www.cdp.net/en/cities/cities-scores>

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*The material provided in this report is intended to be informational reporting of project spending of the City of Saint Paul's Sustainability Bonds and is not intended to provide investment advice or professional assessment of project impacts.*