

THIRD AMENDMENT TO AMENDED AND RESTATED  
TAX INCREMENT FINANCING PLAN

FOR THE

SAINT PAUL NEIGHBORHOOD SCATTERED SITE  
TAX INCREMENT FINANCING DISTRICT NO. 100 AND NO. 148

ORIGINALLY ADOPTED: MAY, 1988  
AMENDED AND RESTATED: SEPTEMBER 22, 2004  
AMENDED: MARCH 10, 2010  
SECOND AMENDMENT: NOVEMBER 12, 2015  
THIRD AMENDMENT: HRA ADOPTION: 12/14/2016, CITY APPROVAL: 12/21/2016

This instrument was drafted by:  
Kennedy & Graven, Chartered (JSB)  
Lawson Commons  
380 Saint Peter Street, Suite 750  
Saint Paul, MN 55102

THIRD AMENDMENT TO  
AMENDED AND RESTATED  
TAX INCREMENT FINANCING PLAN  
SAINT PAUL NEIGHBORHOOD SCATTERED SITE  
TAX INCREMENT FINANCING DISTRICT NO. 100 AND NO. 148

1. INTRODUCTION - - IDENTIFICATION OF NEED

The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “Authority”), has heretofore created the Saint Paul Neighborhood Scattered Site Tax Increment Financing District No. 100 and No. 148 (the “Tax Increment District”) located within the Saint Paul Neighborhood Redevelopment Project Area and adopted the Saint Paul Neighborhood Business Development Program Supplemental Tax Increment Financing Plan in May 1988. On September 22, 2004, the Authority amended and restated the Tax Increment Financing Plan for the Tax Increment District to increase the amount of bonded indebtedness and the authorized expenditures. The Amended and Restated Tax Increment Financing Plan did not expand the geographical area of the Tax Increment District. On March 10, 2010, the Authority amended the Amended and Restated Tax Increment Financing Plan for the Tax Increment District. On November 12, 2015, the Authority further amended the Amended and Restated Tax Increment Financing Plan for the Tax Increment District.

The Authority has determined that it is necessary to further amend the Tax Increment Financing Plan to increase the budgeted revenues to reflect certain revenues which may be characterized as tax increments and to increase the authorized expenditures in connection with development and redevelopment anticipated to occur within the Saint Paul Neighborhood Redevelopment Project Area, including, but not limited to development and redevelopment along the Green Line, and in connection with the construction of affordable housing within the City. To accomplish these goals, it is necessary to further amend the Tax Increment Financing Plan to increase the authorized expenditures to align with the expected revenues. This amendment does not increase the total revenue derived from tax increments paid by properties in the Tax Increment District.

The area commonly known as the “Empire Builder” within the Tax Increment District has been reported separately by Ramsey County as the Empire Builder, No. 148 and has a distinct budget and term.

2. AMENDMENTS

The Tax Increment Financing Plan is hereby amended as follows:

- A. Section I entitled “Estimated Cost of Project; Tax Increment Financing Plan Budget; Fiscal Disparities Estimate” is amended as set forth on Exhibit A attached hereto. As shown in Exhibit A, attached hereto, the total estimate of costs is \$49,754,431.

- B. Section J entitled “Sources of Revenue to Finance Public Cost” is amended to include the following information:

As shown in Exhibit A, the total tax increment revenue for the duration of the Tax Increment District is estimated to total \$49,754,431.

- C. Section L entitled “Estimated Impact on Other Taxing Jurisdiction” is amended by being updated to include the following information with the fiscal impact for tax pay year 2016:

<b>TIF No. 100 - (0151)</b>	<b>Tax Pay Year 2016</b>		
<b>Taxing Jurisdiction</b>	<b>Frozen Tax Rate</b>	<b>Captured Tax Cap</b>	<b>Tax Increment</b>
City of Saint Paul	30.471%	\$1,594,638	\$485,902
Indep. School Dist #625	44.729%	\$1,594,638	\$713,266
Ramsey County	27.662%	\$1,594,638	\$441,109
Miscellaneous/Other	4.814%	\$1,594,638	\$76,766
	107.676%		<b>\$1,717,042</b>

<b>TIF No. 100 - (0156)</b>	<b>Tax Pay Year 2016</b>		
<b>Taxing Jurisdiction</b>	<b>Frozen Tax Rate</b>	<b>Captured Tax Cap</b>	<b>Tax Increment</b>
City of Saint Paul	30.471%	\$85,568	\$26,073
Indep. School Dist #625	44.729%	\$85,568	\$38,274
Ramsey County	28.023%	\$85,568	\$23,979
Miscellaneous/Other	5.003%	\$85,568	\$4,281
	108.226%		<b>\$92,607</b>

<b>TIF No. 100 - Combined</b>	<b>Tax Pay Year 2016</b>		
<b>Taxing Jurisdiction</b>	<b>Frozen Tax Rate</b>	<b>Captured Tax Cap</b>	<b>Tax Increment</b>
City of Saint Paul		\$1,680,206	\$511,976
Indep. School Dist #625		\$1,680,206	\$751,539
Ramsey County		\$1,680,206	\$465,087
Miscellaneous/Other		\$1,680,206	\$81,047
			<b>\$1,809,649</b>

<b>TIF No. 148</b>	<b>Tax Pay Year 2016</b>		
<b>Taxing Jurisdiction</b>	<b>Frozen Tax Rate</b>	<b>Captured Tax Cap</b>	<b>Tax Increment</b>
City of Saint Paul	30.471%	\$131,077	\$39,940
Indep. School Dist #625	44.729%	\$131,077	\$58,629
Ramsey County	27.662%	\$131,077	\$36,259
Miscellaneous/Other	4.814%	\$131,077	\$6,310
	107.676%		<b>\$141,138</b>

- D. Except as herein amended, all other provisions of the Tax Increment Plan, as previously amended, shall remain unchanged and in full force and effect.

**Exhibit A**  
**Estimated Cost of Project, Tax Increment Financing Plan Budget;**  
**Fiscal Disparities Estimate**

The Authority has determined that it will be necessary to provide assistance for certain public costs occurring pursuant to the restated TIF plan, as amended, and this amendment to authorize expenditures in connection with development and redevelopment anticipated to occur within the Saint Paul Neighborhood Redevelopment Project Area, including, but not limited to development along the Green Line and the construction of affordable housing within the City. Therefore, to facilitate the development and redevelopment activities within the Tax Increment Financing District, this amendment authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the Tax Increment Financing District as amended is on the following page.

Estimated costs associated with the Tax Increment District are subject to change and may be reallocated between line items administratively in writing by the Executive Director on behalf of the Authority. The cost of all activities to be financed by the tax increment will not exceed, without formal modification, the budget for the tax increments set forth on the following page. The Authority may spend tax increments outside the Tax Increment District if within the Saint Paul Neighborhood Redevelopment Project Area to finance eligible activities or anywhere in the City to finance the construction of affordable housing.

The increment generated from the Tax Increment District will be used in the following categories:

- 1) To pay principal and interest on bonds to finance project costs;
- 2) To repay any loans including interest on these loans as authorized by the Authority to pay for any eligible public costs;
- 3) To fund and replenish a debt service reserve for the payment of principal and interest on bonds use to the finance project costs;
- 4) To finance or otherwise pay public redevelopment costs of the project pursuant to Minnesota Statutes, Chapter 469.
- 5) To pay administrative expenses of the Authority related to the project; and
- 6) To return to the County of Ramsey for distribution to impacted taxing jurisdictions.

Pursuant to Minnesota Statutes, Section 469.177, Subd. 3, the Authority has elected Subdivision (a) indicating that the fiscal disparities contribution is made from outside the Tax Increment District.

**Housing and Redevelopment Authority of the City of Saint Paul**  
**TIF District Budget Amendment**  
**Saint Paul Neighborhood Scattered Site #100 & #148 (Empire Builder)**

	TIF #100 (Final Year 2016)			TIF #148 (Final Year 2017)			Combined		
	Current Budget (Nov-2015)	Budget Change	Amended Budget (Nov-2016)	Current Budget (Nov-2015)	Budget Change	Amended Budget (Nov-2016)	Current Budget (Nov-2015)	Budget Change	Amended Budget (Nov-2016)
<b>Revenues</b>									
Tax Increment Revenue	32,150,000	-	32,150,000	3,210,000	-	3,210,000	35,360,000	-	35,360,000
Interest/Investment Earnings	2,820,000	-	2,820,000	32,000	50,000	82,000	2,852,000	50,000	2,902,000
Market Value Homestead Credit	-	-	-	-	-	-	-	-	-
Loan/Advance Repayments	161,249	98,751	260,000	-	-	-	161,249	98,751	260,000
Lease Proceeds	3,746	-	3,746	328,685	-	328,685	332,431	-	332,431
Sales Proceeds	3,060,000	7,840,000	10,900,000	-	-	-	3,060,000	7,840,000	10,900,000
<b>Total Tax Increment Revenue</b>	<b>38,194,995</b>	<b>7,938,751</b>	<b>46,133,746</b>	<b>3,570,685</b>	<b>50,000</b>	<b>3,620,685</b>	<b>41,765,680</b>	<b>7,988,751</b>	<b>49,754,431</b>
<b>Expenditures</b>									
Land/Building Acquisition	3,098,672	(2,856,875)	241,797	-	-	-	3,098,672	(2,856,875)	241,797
Site Improvement/prep Costs	11,257,760	(3,181,103)	8,076,657	1,119,820	-	1,119,820	12,377,580	(3,181,103)	9,196,477
Utilities	-	-	-	-	-	-	-	-	-
Other Qualifying public improvements	21,348,338	9,207,786	30,556,124	1,649,754	30,790	1,680,544	22,998,092	9,238,576	32,236,668
Construction of affordable housing	2,840,476	(1,172,228)	1,668,248	-	-	-	2,840,476	(1,172,228)	1,668,248
Temporary Economic Dev (jobs)	142,000	-	142,000	-	-	-	142,000	-	142,000
Administrative Costs - Authority	3,215,000	(600,000)	2,615,000	321,000	-	321,000	3,536,000	(600,000)	2,936,000
Administrative Costs - County	-	-	-	-	-	-	-	-	-
<b>Subtotal Project Costs</b>	<b>41,902,246</b>	<b>1,397,580</b>	<b>43,299,826</b>	<b>3,090,574</b>	<b>30,790</b>	<b>3,121,364</b>	<b>44,992,820</b>	<b>1,428,370</b>	<b>46,421,190</b>
<b>Estimated Financing Costs</b>									
Interest Expense	3,333,920	(500,000)	2,833,920	499,321	-	499,321	3,833,241	(500,000)	3,333,241
<b>Total Est. Project/Financing Costs to be paid from Tax Increment</b>	<b>45,236,166</b>	<b>897,580</b>	<b>46,133,746</b>	<b>3,589,895</b>	<b>30,790</b>	<b>3,620,685</b>	<b>48,826,061</b>	<b>928,370</b>	<b>49,754,431</b>
<b>Estimated Financing</b>									
Total amount of Bonds to be Issued	10,359,570	-	10,359,570	665,885	-	665,885	11,025,455	-	11,025,455