

TAX INCREMENT FINANCING PLAN

for the establishment of the

PIONEER ENDICOTT REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT
(a redevelopment district)

HOUSING AND REDEVELOPMENT AUTHORITY OF THE
CITY OF SAINT PAUL, MINNESOTA
RAMSEY COUNTY
STATE OF MINNESOTA

Approved by City Council: June 20, 2012
Adopted by Authority: June 27, 2012

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(for reference purposes only)

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TAX INCREMENT FINANCING PLAN FOR
THE PIONEER ENDICOTT REDEVELOPMENT
TAX INCREMENT FINANCING DISTRICT

Section 1. Foreword. The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “HRA”), and its staff and consultants have prepared the following information for the establishment of a redevelopment tax increment financing district (the “Tax Increment Financing District”). The Tax Increment Financing District is located within the Saint Paul Neighborhood Redevelopment Project Area heretofore established by the HRA (the “Redevelopment Project Area”).

Section 2. Statutory Authority. There exist areas within the City of Saint Paul, Minnesota (the “City”) where public involvement is necessary to cause development to occur. To this end, the HRA has certain statutory powers pursuant to Minnesota Statutes, Section 469.001 to 469.047 (the “HRA Law”) and Minnesota Statutes, Section 469.174 through 469.1799 (the “Tax Increment Financing Act” or “TIF Act”), to assist in financing public costs related to a redevelopment project.

Section 3. Statement of Objectives. The Tax Increment Financing District consists of one parcel and adjacent and internal rights-of-way. The Tax Increment Financing District is being created to facilitate the redevelopment of substandard buildings by the construction of new rental housing, including a small amount of commercial space (collectively, the “Project”). The tax increment financing plan is expected to achieve the objectives outlined in the Redevelopment Plan for the Redevelopment Project Area by the construction of high density housing. The following are some of the objectives being facilitated by the Tax Increment Financing Plan.

A. Provide Housing for Saint Paul Residents. The available housing for residents in the Project Area will be expanded when approximately 234 units of market rate rental housing are constructed.

B. To Redevelop Underused Property. The Tax Increment Financing District contains three buildings that are structurally substandard. In order to encourage new development in the area, remove and prevent the emergence of blight and blighting influences, tax increment financing must be used to encourage the redevelopment of the site.

C. Expand the Tax Base of the City of Saint Paul. It is expected that the taxable market value of the property in the Tax Increment Financing District will increase by approximately \$21,166,195 as a result of the new development.

The activities contemplated in the Redevelopment Plan and this Tax Increment Financing Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of the Tax Increment District and the Redevelopment Project.

Section 4. Redevelopment Plan Overview.

1. Property to be Acquired – The HRA will not acquire any property in the Tax Increment Financing District.
2. Relocation - if necessary, complete relocation services are available pursuant to Minnesota Statutes, Chapter 117 and other relevant state and federal laws and regulations.

Section 5. Parcel to be Included in Tax Increment Financing District. The following parcel located in the City of Saint Paul, Ramsey County, Minnesota is to be included in the Tax Increment Financing District:

<u>PID Number</u>	<u>Address</u>
06-28-22-11-0016	332 Robert Street North

Including all interior and adjacent public streets and rights of way.

A map of the Tax Increment Financing District is attached as Exhibit E.

FURTHER INFORMATION REGARDING THE IDENTIFICATION OF THE PARCEL TO BE INCLUDED IN THE TAX INCREMENT FINANCING DISTRICT CAN BE OBTAINED FROM THE EXECUTIVE DIRECTOR OF THE HRA.

Section 6. Parcels to be Acquired. The HRA does not plan to acquire any property in the Tax Increment Financing District.

The following are conditions under which properties not designated to be acquired may be acquired at a future date:

1. The HRA may acquire property by gift, dedication or direct purchase from willing sellers in order to achieve the objectives of the tax increment financing plan.
2. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Section 7. Development Activity in Tax Increment Financing District for which Contracts have been Signed. RCTG Development LLC (the “Developer”) proposes to undertake the renovation of three existing historic buildings located in the Tax Increment Financing District by the construction of approximately 234 units of rental housing, and 36,685 square feet of commercial space (the “Development”). The total development costs are estimated to be approximately \$46,651,733, and the development is expected to be substantially completed by December 31, 2014. The following contracts have been or will be entered into by the Developer:

Two grant agreements for asbestos removal between the City of Saint Paul (the “City”) and the Metropolitan Council dated March 30, 2011 and September 8, 2011.

Asbestos removal subgrant agreements between the City and the Developer dated May 16, 2011 and March 12, 2012.

Section 8. Other Specific Development Expected to Occur within Redevelopment Area. The HRA does not anticipate that other future development will occur in the Tax Increment Financing District.

Section 9. Estimated Cost of Project; Tax Increment Financing Plan Budget. The HRA has determined that it will be necessary to utilize tax increment financing for certain public costs of the Development. To facilitate the Development within the Tax Increment Financing District, this Tax Increment Financing Plan authorizes the use of tax increment financing to pay for a portion of the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with Tax Increment Financing District is outlined on Exhibit A.

The HRA may spend tax increments or other revenues identified in Section 11 hereof in other areas of the City. Any expenditure of tax increments outside the Tax Increment District will comply with the pooling limitations described under Section 23, paragraph 2.

Estimated costs associated with Tax Increment Financing District are subject to change and may be reallocated between line items by a resolution of the HRA. 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 Exhibit A.

Section 10. Estimated Amount of Bonded Indebtedness. The expenditures authorized by this Tax Increment Financing Plan may be paid for either on a pay-as-you-go basis or paid from the proceeds of tax increment revenue bonds or notes. If bonded indebtedness is issued by the HRA, the principal amount of permanent long term financing is estimated not to exceed \$6,300,000.

Section 11. Sources of Revenue. The costs outlined in Section 9 above and Exhibit A will be financed on a pay as you go basis through the annual collection of tax increments. The market value upon completion of the Project is estimated to be approximately \$22,316,195.

Section 12. Estimated Captured Tax Capacity and Estimate of Tax Increment. The current tax capacity of Tax Increment Financing District is \$22,250 based on its commercial/industrial classification. Upon reclassification which includes residential property, the original net tax capacity is estimated to be \$15,024. The captured tax capacity of Tax Increment Financing District, upon completion and initial occupancy of the building, is estimated to be \$276,110, which is estimated to occur by December 31, 2014, for taxes payable in 2016.

The HRA elects to retain all of the captured tax capacity to finance the costs of Tax Increment Financing District. The HRA elects the method of tax increment computation set forth in Minnesota Statutes, Section 469.177, Subd. 3(a).

Exhibit B shows the various information and assumptions used in preparing the projected tax increment generated over the life of the Tax Increment Financing District.

Section 13. Type of Tax Increment Financing District. Tax Increment Financing District is a redevelopment district established pursuant to Minnesota Statutes, Section 469.174, Subd. 10, clauses (a)(1).

The Tax Increment Financing District contains one parcel. The parcel is occupied since it meets the requirements of Section 469.174, Subd. 10(a)(1) in that at least 70% of the area of this parcel is occupied by buildings, streets, utilities, paved or gravel parking lots or similar structures. There are three buildings located in the Tax Increment Financing District. All three of the buildings are “structurally substandard” to a degree requiring substantial renovation or clearance. The “structurally substandard” buildings are not in compliance with the building code applicable to new buildings, and the costs of modifying each building to satisfy the building code is more than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The reasons and supporting facts for these determinations are set forth in a report dated July 29, 2011, prepared by LHB, Inc., a copy of which is on file with the Executive Director of the HRA, which determinations are ratified by the City Council. There have been no permits issued or improvements made to the building since the date of the report.

The HRA and the City have determined that the proposed development of the Tax Increment Financing District would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing is approximately \$4,350,000, (based in part on the \$5,500,000 prior market value of the property before it was sold to the Developer less the current value of \$1,150,000), which is less than the increase in the market value estimated to result from the proposed development (i.e., approximately \$21,166,195) after subtracting the present value of the projected tax increments for the maximum duration of the Tax Increment Financing District, which is approximately \$4,635,823.

Section 14. Duration of Tax Increment Financing District. The duration of Tax Increment Financing District will be 25 years from the receipt of the first tax increment. The Authority elects 2015 as the date of receipt of the first tax increment. Attached as Exhibit C is a projected cash flow showing the estimated receipt of tax increments from the Tax Increment Financing District.

Section 15. Alternate Estimates of the Impact of the Tax Increment Financing on the Net Tax Capacities of All Taxing Jurisdictions. The impact of this Tax Increment Financing District on the affected taxing jurisdictions is reflected in the HRA’s anticipated need to utilize the tax increments generated from this Tax Increment Financing District during the period described in Section 14 above for the purposes of financing the public costs referenced in Section 9 above, as the same may be amended, following which period the increased assessed valuations will inure to the benefit of such taxing jurisdictions.

For the payable 2012 property taxes, the respective proposed tax capacity rates and net tax capacities of these taxing jurisdictions are set out in Exhibit D.

On the assumption that the estimated captured tax capacity of this Tax Increment Financing District would be available to the above taxing jurisdictions without creation of this

Tax Increment Financing District, the impact of this tax increment financing on the tax capacities of those taxing jurisdictions is relatively small, as shown by comparing on a percentage basis the marginal effect on tax capacity rates and by comparing the estimated \$276,110 of captured tax capacity, to the tax capacities of each of those jurisdictions, respectively.

On the alternate assumption, that none of the estimated captured tax capacity would be available to these taxing jurisdictions without the District, there would be no effect on the other taxing jurisdictions, but upon the expiration or earlier termination of this portion of the Tax Increment District, each taxing jurisdiction's tax capacity would be increased by the captured tax capacity, as it may be adjusted over that time period.

The estimated amount of tax increment that will be generated over the life of the Tax Increment District is approximately \$10,765,926. The estimated amount of tax increment attributable to the School District and County levies is estimated to be approximately \$2,820,835 and \$3,994,770 respectively assuming a total local tax rate of 153.079%, proposed for tax payable year 2012. It is not expected that the Tax Increment District will have any impact on the need for new or improved public infrastructure, other than the infrastructure paid for by tax increments or from other public and private funds currently appropriated. The impact on City provided services such as police and fire protection are anticipated to increase only slightly as a result of the Tax Increment District. The Authority will provide any additional infrastructure requested by the County or School District.

Section 16. Modification of Tax Increment Financing District and/or Tax Increment Financing Plan. No modifications to Tax Increment Financing District or the Tax Increment Financing Plan, except as provided herein, have been made as of the date hereof.

Section 17. Modifications to Tax Increment Financing District.

In accordance with Minnesota Statutes, Section 469.175, Subd. 4, any:

1. reduction or enlargement of the geographic area of the Tax Increment Financing District;
2. increase in amount of bonded indebtedness to be incurred, including a determination to capitalize interest on debt if that determination was not a part of the original plan, or to increase or decrease the amount of interest on the debt to be capitalized;
3. increase in the portion of the captured net tax capacity to be retained by the HRA;
4. increase in total estimated tax increment expenditures; or
5. designation of additional property to be acquired by the HRA,

shall be approved upon notice and after the discussion, public hearing and findings required for approval of the original Tax Increment Financing Plan.

The geographic area of the Tax Increment Financing District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the County Auditor. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the Tax Increment Financing District, and (2)(A) the current net tax capacity of the parcel(s) eliminated from the Tax Increment Financing District equals or exceeds the net tax capacity of those parcel(s) in the Tax Increment Financing District's original net tax capacity, or (B) the HRA agrees that, notwithstanding Minnesota Statutes, Section 469.177, Subd. 1, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the Tax Increment Financing District.

The HRA must notify the County Auditor of any modification that reduces or enlarges the geographic area of the Tax Increment Financing District or the Redevelopment Project Area. Modifications to Tax Increment Financing District in the form of a budget modification or an expansion of the boundaries will be recorded in the Tax Increment Financing Plan.

Section 18. Administrative Expenses.

In accordance with Minnesota Statutes, Section 469.174, Subd. 14, and Minnesota Statutes, Section 469.176, Subd. 3, administrative expenses means all expenditures of the HRA, other than:

1. amounts paid for the purchase of land or amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the district;
2. relocation benefits paid to or services provided for persons residing or businesses located in the district; or
3. amounts used to pay interest on, fund a reserve for, or sell at a discount bonds issued pursuant to Minnesota Statutes, Section 469.178.

Administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Tax increment may be used to pay any authorized and documented administrative expenses for the Tax Increment Financing District up to but not to exceed 10 percent of the total tax increment expenditures authorized by this Tax Increment Financing Plan or the total tax increment expenditures, whichever is less.

Pursuant to Minnesota Statutes, Section 469.176, Subd. 4h, tax increments may be used to pay for the county's actual administrative expenses incurred in connection with the Tax Increment Financing District. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to Minnesota Statutes, Section 469.177, Subd. 11, the county treasurer shall deduct an amount equal to approximately thirty-six hundredths of one percent (.36%) of any tax increment distributed to the HRA and the county treasurer shall pay the amount deducted to the state treasurer for deposit in the state general fund to be appropriated to the State Auditor for the

cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing.

Section 19. Limitation of Increment.

Pursuant to Minnesota Statutes, Section 469.176, Subd. 6:

if after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to Minnesota Statutes, Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.

Section 20. Use of Tax Increment.

The HRA hereby determines that it will use 100 percent of the captured net tax capacity of taxable property located in the Tax Increment Financing District for the following purposes:

1. to pay the principal of and interest on bonds used to finance a project;
2. to finance, or otherwise pay the capital and administration costs of the Redevelopment Project Area pursuant to the Minnesota Statutes, Sections 469.001 to 469.047;
3. to pay for project costs as identified in the budget;
4. to finance, or otherwise pay for other purposes as provided in Minnesota Statutes, Section 469.176, Subd. 4;
5. to pay principal and interest on any loans, advances or other payments made to the HRA or for the benefit of Redevelopment Project Area by the developer;

6. to finance or otherwise pay premiums and other costs for insurance, credit enhancement, or other security guaranteeing the payment when due of principal and interest on tax increment bonds or bonds issued pursuant to the Tax Increment Financing Plan or pursuant to Minnesota Statutes, Chapter 462C and Minnesota Statutes, Sections 469.152 to 469.1651, or both; and
7. to accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to Minnesota Statutes, Chapter 462C and Minnesota Statutes, Sections 469.152 to 469.1651, or both.

These revenues shall not be used to circumvent any levy limitations applicable to the HRA nor for other purposes prohibited by Minnesota Statutes, Section 469.176, Subd. 4.

Section 21. Notification of Prior Planned Improvements.

The HRA shall, after due and diligent search, accompany its request for certification to the County Auditor or its notice of the Tax Increment Financing District enlargement with a listing of all properties within the Tax Increment Financing District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the Tax Increment Financing Plan by the municipality pursuant to Minnesota Statutes, Section 469.175, Subd. 3. The County Auditor shall increase the original value of the Tax Increment Financing District by the value of improvements for which a building permit was issued.

Section 22. Excess Tax Increments.

Pursuant to Minnesota Statutes, Section 469.176, Subd 2, in any year in which the tax increment exceeds the amount necessary to pay the costs authorized by the Plan, including the amount necessary to cancel any tax levy as provided in Minnesota Statutes, Section 475.61, Subd. 3, the HRA shall use the excess amount to do any of the following:

1. prepay any outstanding bonds;
2. discharge the pledge of tax increment therefor;
3. pay into an escrow account dedicated to the payment of such bond; or
4. return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

In addition, the HRA may, subject to the limitations set forth herein, choose to modify the Plan in order to finance additional public costs in the Tax Increment Financing District or Redevelopment Project Area.

Section 23. Other Limitations on the Use of Tax Increment.

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the Tax Increment Financing Plan. The revenues shall be used to finance, or otherwise pay the capital and administration costs of the Redevelopment Project Area pursuant to the HRA Law;

These revenues shall not be used to circumvent existing levy limit law. No revenues derived from tax increment shall be used for the acquisition, construction, renovation, operation or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government, or for a commons area used as a public park, or a facility used for social, recreation or conference purposes. This provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.

2. Pooling Limitations. At least 75% of tax increments from the Tax Increment Financing District must be expended on activities in the Tax Increment Financing District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25% of said tax increments may be expended, through a development fund or otherwise, on activities outside of the Tax Increment Financing District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the Tax Increment Financing District.
3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from the Tax Increment Financing District shall be deemed to have satisfied the 75% test set forth in paragraph (2) above only if the five year rule set forth in Minnesota Statutes, Section 469.1763, Subd. 3, has been satisfied; and beginning with the sixth year following certification of the Tax Increment Financing District, 75% of said tax increments that remain after expenditures permitted under said five year rule must be used only to pay previously commitment expenditures or credit enhanced bonds as more fully set forth in Minnesota Statutes, Section 469.1763, Subd. 5.
4. Expenditures Outside District. The Authority hereby elects to spend an additional ten percent of the tax increments on activities located outside the Tax Increment District as permitted by Minnesota Statutes, Section 469.1763, Subd. 2(d) provided that the expenditures meet the following requirements, as such requirements may be amended from time to time:

(1) they are used exclusively to assist housing that meets the requirements for a qualified low-income building as defined in Section 42 of the Internal Revenue Code of 1986, as amended (the "Code");

(2) they do not exceed the qualified basis of housing as defined under Section 42(c) of the Code less the amount of any credit allowed under Section 42 of the Code, and

(3) they are used to (i) acquire and prepare the site for housing, (ii) acquire, construct or rehabilitate the housing or (iii) make public improvements directly related to the housing.

(4) to be used to develop housing:

(i) if the market value of the housing does not exceed the lesser of

(a) 150 percent of the average market value of single-family homes in that municipality; or

(b) \$200,000 for municipalities located in the metropolitan area, as defined in Section 473.121, or \$125,000 for all other municipalities; and

(ii) if the expenditures are used to pay the costs of site acquisition, relocation, demolition of existing structures, site preparation, and pollution abatement on one or more parcels, if the parcel contains a residence containing one to four family dwelling units that has been vacant for six or more months and is in foreclosure as defined in Section 325N.10, subdivision 7, but without regard to whether the residence is the owner's principal residence, and only after the redemption period stated in the notice provided under Section 580.06 has expired.

Section 24. County Road Costs.

Pursuant to Minnesota Statutes, Section 469.175, Subd. 1a, the county board may require the HRA to pay for all or part of the cost of county road improvements if, the proposed development to be assisted by tax increment will, in the judgment of the county, substantially increase the use of county roads requiring construction of road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or other county plan.

In the opinion of the HRA and consultants, the proposed development outlined in this Plan will have little or no impact upon county roads. If the county elects to use increments to improve county roads, it must notify the HRA within thirty days of receipt of this Plan.

Section 25. Assessment Agreements.

Pursuant to Minnesota Statutes, Section 469.177, Subd. 8, the HRA may enter into an agreement in recordable form with the developer of property within the Tax Increment Financing District which establishes a minimum market value of the land and completed improvements for the duration of the Tax Increment Financing District. The assessment agreement shall be presented to the assessor who shall review the plans and specifications for the improvements constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appear, in the judgment of the assessor, to be a reasonable estimate, the assessor may certify the minimum market value agreement. The HRA does not anticipate entering into assessment agreements establishing a minimum market value upon completion.

Section 26. Administration of the Tax Increment Financing District.

Administration of the Tax Increment Financing District will be handled by the Executive Director of the HRA.

Section 27. Financial Reporting Requirements.

The HRA will comply with all reporting requirements of Minnesota Statutes, Section 469.175, Subd. 5, 6 and 6a.

EXHIBIT A

Estimates of Tax Increments and Uses

Name of District: Pioneer Endicott TIF
Type of District: Redevelopment District
Duration of District: 25 years following 1st collection

ESTIMATED REVENUES	Estimated Amount
Tax Increment Revenue (1)	\$10,728,000
ESTIMATED PROJECT/FINANCING COSTS	Estimated Amount
Land/Building Acquisition	\$1,100,000
Site Improvements/Preparation Costs	\$1,400,000
Utilities	
Other Qualifying Public Improvements	\$1,072,800
Construction of Affordable Housing	\$1,610,000
Administrative Costs	\$1,072,800
Estimated Tax Increment Project Costs	\$6,255,600
Estimated Financing Costs	
Interest Expense	\$4,472,400
Total Est. Project/Financing Costs Paid From Tax Increment	\$10,728,000

(1) Net of State Auditor Deduction

EXHIBIT B

TIF Assumptions

Housing & Redevelopment Authority of the City of St. Paul

Name of Project	Pioneer Endicott
Name of Developer	RCTG Development, LLC
Type of TIF District	Redevelopment
Maximum Duration	25 years after 1st collection

Est. Date of Certification Request	8/1/2012
Elect First Year	Yes
Est. First Year of Increment	2015
Final Year of Increment (Max)	2040

<u>Tax Rates</u>	<u>Final Pay 2012</u>
City of St. Paul	44.839%
Ramsey County	56.801%
ISD #625	40.109%
Miscellaneous	11.330%
Total Local Rate	153.079%

Watershed Name/No.

Capital Region/151

Fiscal Disparity (In or Out)	Outside TIF (Clause A)
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Assess year values for base	2012
Pay year values for base	2013

EXHIBIT B (Cont'd)

TIF Assumptions

**Housing & Redevelopment Authority of the City of St. Paul
Pioneer Endicott
Tax Increment Financing District (Redevelopment)**

Assess 2012-Pay 2013			
Proposed TIF Parcels	Est. Market Value	Current Class	Current TC
06.28.22.11.0016	1,150,000	C/I Preferred	22,250
	1,150,000		22,250

Proposed Redevelopment Units

Total Building SF	226,207
Commercial SF	36,685
Residential SF	189,522 (234 units)
% Commercial	16.22%
% Residential	83.78%

Adjust Current Classification of Parcels Based On Redevelopment Uses

	Est. Market Value	Classification	Adjusted TC
<i>Total Residential</i>	963,499	Rental	12,044
<i>Total C/I</i>	186,501	C/I Preferred	2,980
	1,150,000		15,024

Proposed Project

Market Value per Rental Unit*	\$88,000
Total No. of Apartments	234
Total Retail Space	36,685
Market Value per SF*	\$47

	Est. Market Value	Tax Capacity
Apartments	\$20,592,000	\$257,400
Commercial Units	\$1,724,195	\$33,734
Total Project	\$22,316,195	\$291,134
<i>Increased Market Value</i>	<i>\$21,166,195</i>	

Project Timing	<u>Apartments</u>	<u>Retail</u>
Construction Start	9/1/2012	9/1/2012
Project Opening	6/1/2013	6/1/2013
Stabilized Occupancy	3/1/2014	4/1/2015
Percent Value By Year		
Assess 2013/Pay 2014	15%	15%
Assess 2014/Pay 2015	50%	50%
Assess 2015/Pay 2016	100%	100%

* Estimated by Ramsey County Assessor's Office

Prepared by PED (5/18/2012)

EXHIBIT C Projected Tax Increments

Housing & Redevelopment Authority of the City of St. Paul Pioneer Endicott

Tax Increment Financing District (Redevelopment)

Rental Housing - 234 Apts @ \$88,000/unit (100% Market Rate) Plus 36,685 SF of Retail @ \$47/sf

Total Estimated Market Value of \$22.316M with 0% Inflation, Fiscal Disparity Outside (Clause A), Final Pay 2012 Tax Rate - Elect First Year 2015

Assess Year	Collect Year	Total Est. Market Value	Total Net Tax Capacity	Less Original Net Tax Capacity	Captured Net Tax Capacity	Est. Local Tax Rate*	Projected Tax Increment	Est. TI Attributable to City Levy*	Est. TI Attributable to County Levy*	Est. TI Attributable to School Dist Levy*	Less State Auditor Deduction 0.360%	Annual TI to HRA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
2013	2014	\$3,347,429	15,024	(15,024)	0	153.079%	\$0	\$0	\$0	\$0	\$0	\$0
2014	2015	\$11,158,098	145,192	(15,024)	130,168	153.079%	\$199,260	\$58,366	\$73,937	\$52,209	(\$717)	\$198,543
2015	2016	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2016	2017	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2017	2018	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2018	2019	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2019	2020	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2020	2021	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2021	2022	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2022	2023	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2023	2024	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2024	2025	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2025	2026	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2026	2027	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2027	2028	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2028	2029	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2029	2030	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2030	2031	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2031	2032	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2032	2033	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2033	2034	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2034	2035	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2035	2036	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2036	2037	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2037	2038	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2038	2039	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
2039	2040	\$22,316,195	291,134	(15,024)	276,110	153.079%	\$422,667	\$123,805	\$156,833	\$110,745	(\$1,522)	\$421,145
							\$10,765,926	\$3,153,492	\$3,994,770	\$2,820,835	(\$38,757)	\$10,727,169

* Final Pay 2012 tax rate received from Ramsey County, Pay 2013 rate unknown

Prepared by PED (5/18/2012)

EXHIBIT D

Fiscal and Economic Impact on Other Taxing Jurisdictions

**Housing & Redevelopment Authority of the City of St. Paul
Pioneer Endicott
Tax Increment Financing District (Redevelopment)
Statement of Alternate Estimates of the Impact of Tax Increment Financing**

Taxing Jurisdiction	No Captured Net Tax Capacity Without Creation of District		Captured Net Tax Capacity Available Without Creation of District					
	Final Pay 2012 Taxable Net Tax Capacity (a)	Final Pay 2012 Local Tax Rate	Final Pay 2012 Taxable Net Tax Capacity (a)	Projected Captured Net Tax Capacity	New Taxable Net Tax Capacity (b)	Hypothetical Local Tax Rate	Hypothetical Decline in Local Tax Rate	Hypothetical Tax Generated by Captured Net Tax Capacity
City of St. Paul	178,097,225	44.839%	178,097,225	276,110	178,373,335	44.770%	0.069%	\$123,805
Ramsey County	387,812,729	56.801%	387,812,729	276,110	388,088,839	56.761%	0.040%	\$156,833
ISD #625	178,099,637	40.109%	178,099,637	276,110	178,375,747	40.047%	0.062%	\$110,745
Miscellaneous *	-	11.330%	-	-	-	11.330%	0.000%	\$0
		153.079%				152.907%	0.172%	\$391,383

Statement #1: If assume the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district, the taxing jurisdictions would have increased taxable net tax capacity to tax upon thereby resulting in a hypothetical decline in the local tax rate, while producing the same level of taxes. The above hypothetical analysis indicates a total tax rate decline of 0.172%; alternatively an increase in taxable net tax capacity without a reduction in the tax rate would produce an additional \$391,383 of taxes.

Statement #2: If assume the estimated captured net tax capacity would not be available to the taxing jurisdictions without creation of the district, the projected captured net tax capacity shown above would not be available and the taxing jurisdictions would have no change to their taxable net tax capacity or tax rates.

* The miscellaneous taxing jurisdictions have been excluded as they represent just 7.4% of the total local tax rate.

(a) Taxable Net Tax Capacity equals the total tax capacity minus tax increment tax capacity minus fiscal disparity contribution ("Value for Local Rate")

(b) New Taxable Net Tax Capacity adds Projected Captured Net Tax Capacity to Taxable Net Tax Capacity

EXHIBIT E
Map of Tax Increment District

