

FOURTH AMENDMENT TO
TAX INCREMENT FINANCING PLAN

FOR THE

TAX INCREMENT FINANCING DISTRICT (2009-2033)
DOWNTOWN AND SEVENTH PLACE
(FOR THE MINNESOTA EVENT DISTRICT)

ORIGINALLY APPROVED BY CITY COUNCIL: JULY 16, 2008
ORIGINALLY ADOPTED BY HRA: JULY 23, 2008
FIRST AMENDMENT ADOPTED: SEPTEMBER 10, 2014
SECOND AMENDMENT ADOPTED: DECEMBER 9, 2015
THIRD AMENDMENT ADOPTED: AUGUST 9, 2023
FOURTH AMENDMENT ADOPTED: NOVEMBER 8, 2023 (Scheduled)

This instrument was drafted by:
KENNEDY & GRAVEN, CHARTERED (JSB)
150 S 5th St Ste 700
Minneapolis, MN 55402-1299

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I. INTRODUCTION - - IDENTIFICATION OF NEED

The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “HRA”), on July 23, 2008, established the Downtown and Seventh Place (For the Minnesota Event District) Tax Increment Financing District (the “Tax Increment Financing District”) located within the Seventh Place Redevelopment Project Area and adopted a Tax Increment Financing Plan therefor (as previously amended, and as further amended hereby, the “Tax Increment Financing Plan”). On September 14, 2014, the HRA adopted an Amended Tax Increment Financing Plan, and on December 9, 2015, the HRA adopted a Second Amendment to Tax Increment Financing Plan, and on August 9, 2023, the HRA adopted a Third Amendment to Tax Increment Financing Plan.

The HRA has determined that it is necessary to further amend the Tax Increment Financing Plan (this “Fourth Amendment”) to extend the duration of the Tax Increment Financing District and update the authorized expenditures of tax increments generated by the Tax Increment Financing District during the extended duration.

II. AMENDMENTS

The Tax Increment Financing Plan is hereby amended as follows:

- A. Section 2, entitled “Statutory and Legislative Authority” is amended and restated to read as follows:

“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 469.1794 (the “Tax Increment Financing Act” or “TIF Act”), to assist in financing public costs related to a redevelopment project. Laws of Minnesota 2008, Chapter 366, Article 5, Section 36, Subdivision 3, as amended by Laws of Minnesota 2014, Chapter 150, Article 5, Section 5, and as further amended by Laws of Minnesota 2023, Chapter 64, Article 8, Sections 4 and 5 (collectively, the “Special Law”), authorized the City and HRA to establish a redevelopment tax increment district comprised of the same properties in the existing Downtown and Seventh Place Tax Increment Financing District (County #82), which district expired in 2008, under certain conditions, including the following conditions:

1. if the certification of the district is requested by July 31, 2008, the certification will be recognized by the County Auditor in determining local tax rates for taxes payable in 2009.

2. the district will terminate on December 31, 2033.

3. the City must enter into an agreement with the county to pay it annually out of increments from the district an amount equal to the tax that would have been payable to the County had the district not be created.

4. the provisions of Minnesota Statutes, Section 469.174, Subd. 10, and 469.176, Subd. 5; and 4d do not apply to the district.

5. the original tax capacity of the district is \$1,801,052.

6. the increment can be used only to pay the principal of and interest on the HRA's Sales Tax Revenue Refunding Bonds, Series 1996 (the "1996 Bonds") and the City's Taxable Variable Rate Demand Sales Tax Revenue Refunding Bonds (RiverCentre Arena Project), Series 2009A (the "2009 Bonds") issued to finance or refinance the RiverCentre Convention Center and the RiverCentre Arena or any bonds issued to refund such bonds (collectively, the "Bonds"), but only through taxes payable year 2023. Commencing with taxes payable year 2024, tax increments from the district may be expended to facilitate capital improvements within the city's RiverCentre complex, including but not limited to the St. Paul RiverCentre, the Xcel Energy Center, the Roy Wilkins Auditorium, and the St. Paul RiverCentre Parking Ramp and adjacent areas controlled by the city.

7. the captured tax capacity of the district must be included in the adjusted net tax capacity of the city, county, and school district for the purpose of determining local government aid, education aid, and county program aid. The county auditor shall report to the commissioner of revenue the amount of the captured tax capacity for the district at the time the assessment abstracts are filed."

B. Section 3, entitled "Statement of Objectives" is amended to read as follows:

"The Tax Increment Financing District consists of the property described on Exhibit A, as previously amended, and adjacent and internal rights-of-way. The Tax Increment Financing District was created to help repay the Bonds through taxes payable year 2023. Commencing with taxes payable year 2024, tax increments from the district will facilitate improvements within the city's RiverCentre complex, including but not limited to the St. Paul RiverCentre, the Xcel Energy Center, the Roy Wilkins Auditorium, and the St. Paul RiverCentre Parking Ramp and adjacent areas controlled by the city (collectively, the "Improvements" and, together with financing or refinancing renovations of the RiverCentre Convention Center and the RiverCentre Arena, the "Project")."

- C. Section 8 entitled “Tax Increment Financing Plan Budget” is amended to read as follows:

“The HRA has determined that it will be necessary to use tax increments to (i) pay the debt service on the Bonds issued to finance or refinance the RiverCentre Convention Center and the RiverCentre Arena and (ii) pay for the Improvements. This Tax Increment Financing Plan authorizes the use of tax increment financing to pay the debt service on the Bonds and the Improvements, as permitted by the Special Law. The debt service on the Bonds and the estimated tax increments are outlined on Exhibit C, as previously amended and as further amended by the addition of **Exhibit C-3, attached to this Fourth Amendment.**”

- D. Section 9 entitled “Estimated Amount of Bonded Indebtedness” is amended to read as follows:

“The expenditures for the Project, including the Improvements, authorized by this TIF 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 or an interfund loan. In addition to the Bonds previously issued for the Project, the HRA anticipates issuing a pay-as-you-go go tax increment revenue note and/or interfund loan to assist in financing a portion of the Improvements. To the extent bonding is required to finance the costs set forth in Section 8, the reasonable and customary expenses for that bonding, such as capitalized interest, interest on the debt, bond discount, and fiscal and legal fees, would be included. The maximum principal amount of bonds (as defined in the TIF Act) secured in whole or part with tax increment from the TIF District for the Improvements, in addition to the previously authorized bonding in the amount of up to \$45,000,000, is \$65,285,946 for a total bonded indebtedness of up to \$110,285,946.”

- E. Section 11 entitled “Estimated Captured Tax Capacity and Estimate of Tax Increment” is amended to read as follows:

“Section 11. Estimated Captured Tax Capacity and Estimate of Tax Increment. The original net tax capacity of Tax Increment Financing District was \$1,801,052, as provided by the Special Law and as adjusted as provided under the TIF Act, is \$1,512,649 based on preliminary estimates for taxes payable in 2024. The captured tax capacity of Tax Increment Financing District, at the time of establishment of this District was \$6,920,971 in the first year of the Tax Increment Financing District and is now expected to be \$6,543,242 as of 2033 (the final year of the Tax Increment Financing District). Attached as Exhibit D, as supplemented by **Exhibit D-1, attached to this Fourth Amendment**, for years 2024 through 2033, is the projected receipt of tax increments from the Tax Increment Financing District.

The HRA elects to retain all of the captured tax capacity to finance the costs of Tax Increment Financing District; provided that the County's taxes will be paid to the County in accordance with the Special Law. The HRA elects to pay the fiscal

disparities contribution outside the district, which is the method of tax increment computation set forth in Minnesota Statutes, Section 469.177, Subd. 3(a).”

- F. Section 13 entitled “Duration of Tax Increment Financing District” is amended to read as follows:

“The Tax Increment Financing District will expire on December 31, 2033, as provided by the Special Law. The date of receipt of the first tax increment will be the first half of 2009.”

- G. Section 14 entitled “Alternate Estimates of the Impact of the Tax Increment Financing on the Net Tax Capacities of All Taxing Jurisdictions” is amended to read as follows:

“On the assumption that the estimated captured tax capacity of this Tax Increment Financing District would be available to the taxing jurisdictions without creation of this Tax Increment Financing District, the impact of the Tax Increment Financing District on the Taxing Jurisdiction is set forth on Exhibit E, as supplemented by **Exhibit E-1, attached to this Fourth Amendment**, for years 2024 through 2033. However, the Special Law requires that the City enter into an agreement with the County to pay the County the taxes it would have received had the District not been created. Consequently, there will be no impact on the County.

On the alternate assumption, which has been found to be the case, that none of the estimated captured tax capacity would be available to these taxing jurisdictions without this Tax Increment Financing District, there would be no effect on the other taxing jurisdictions, but upon the expiration or earlier termination of this Tax Increment Financing 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 \$182,187,241. The estimated amount of tax increment attributable to the School District and County levies is estimated to be approximately \$41,694,034 and \$73,089,662, respectively. The City and HRA will enter into an agreement to pay to the County the amount of taxes that the County would have received if the District was not created.

It is not expected that the Tax Increment District will have any impact on the need for new or improved public infrastructure. The impact on City provided services such as police and fire protection are not anticipated to increase as a result of the Tax Increment District. The HRA will provide any additional information requested by the County or School District.”

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

EXHIBIT C-3

REVISED TIF BUDGET

Estimates of Tax Increments and Uses

Name of District: Minnesota Event TIF District Amendment
 Type of District: Special Law
 Duration of District: Ten additional years (2024-2033)

ESTIMATED TAX INCREMENT REVENUES	Original TIF Plan Budget	2023 Amendment	Amended TIF Plan Budget
Tax Increment Revenue (1)	\$116,645,421	\$64,885,946	\$181,531,367
Interest and Investment Earnings	\$0	\$400,000	\$400,000
Estimated Tax Increment Revenues	\$116,645,421	\$65,285,946	\$181,931,367
ESTIMATED PROJECT/FINANCING COSTS	Original TIF Plan Budget	2023 Amendment	Amended TIF Plan Budget
Land/Building Acquisition	\$0	\$0	\$0
Site Improvements/Preparation Costs	\$0	\$0	\$0
Utilities	\$0	\$0	\$0
Bond Principal and Interest Payments (Pay 2009-2023)	\$69,680,676	\$0	\$69,680,676
Other Qualifying Public Improvements (Pay 2024-2033) (2)	\$0	\$39,091,296	\$39,091,296
Construction of Affordable Housing	\$0	\$0	\$0
Administrative Costs	\$0	\$0	\$0
Tax Increment Project Costs	\$69,680,676	\$39,091,296	\$108,771,972
Tax Increment Returned to the County	\$46,964,745	\$26,194,650	\$73,159,395
Total Est. Project Costs Paid From Tax Increment	\$116,645,421	\$65,285,946	\$181,931,367

(1) Net of State Auditor Deduction

(2) MN Laws 2023, Chapter 64, Article 8, Subd. 3 allows tax increments to be expended to facilitate capital improvements within the city's RiverCentre complex, including but not limited to the St. Paul RiverCentre, Xcel Energy Center, Roy Wilkins Auditorium, and St. Paul RiverCentre Parking Ramp and adjacent areas controlled by the city.

EXHIBIT D-1

PROJECTED TAX INCREMENTS AND ASSUMPTIONS

Housing & Redevelopment Authority of the City of St. Paul

Name of Project	Minnesota Event TIF Amendment
Name of Developer	N/A
Type of TIF District	Special
Maximum Duration	10 additional years
Est. Date of Certification Request	12/20/2023
Elect First Year	N/A
First Additional Year of Increment	2024
Final Additional Year of Increment	2033
<u>Tax Rates</u>	<u>Frozen Tax Rate</u>
City of St. Paul	30.396%
Ramsey County	41.043%
ISD #625	23.413%
Miscellaneous	7.454%
Local Tax Rate Captured for TIF	102.306%
Watershed Name/No.	Capital Region/151

**Housing & Redevelopment Authority of the City of St. Paul
Minnesota Event TIF Amendment
Tax Increment Financing District (Special)**

Base Value	From Special Law		
	Taxable Market Value	Current Class	Current TC
Existing Parcels	88,233,180	Varies	1,512,649
	88,233,180		1,512,649
Assess 2032-Pay 2033 (Final Year)			
Improved Value	Taxable Market Value	Current Class	Current TC
Existing Parcels	489,963,565	Varies	8,055,888
	489,963,565		8,055,888

**Housing & Redevelopment Authority of the City of St. Paul
Minnesota Event TIF Amendment
Specially Legislated TIF District (Extended Ten Years to 2033)**

Assess Year	Collect Year	Total Taxable Market Value	Total Net Tax Capacity	Less Original Net Tax Capacity	Sharing Factor	Increment Tax Capacity	Frozen 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)	(14)
2023	2024	468,456,458	7,702,272	(1,512,649)	0.803610	6,189,623	102.306%	\$6,332,356	\$1,881,398	\$2,540,407	\$1,449,176	(\$22,796)	\$6,309,559
2024	2025	470,798,740	7,740,783	(1,512,649)	0.804587	6,228,134	102.306%	\$6,371,755	\$1,893,104	\$2,556,213	\$1,458,193	(\$22,938)	\$6,348,816
2025	2026	473,152,734	7,779,487	(1,512,649)	0.805559	6,266,836	102.306%	\$6,411,349	\$1,904,867	\$2,572,097	\$1,467,254	(\$23,081)	\$6,388,268
2026	2027	475,518,498	7,818,385	(1,512,649)	0.806527	6,305,738	102.306%	\$6,451,148	\$1,916,692	\$2,588,064	\$1,476,362	(\$23,224)	\$6,427,924
2027	2028	477,896,090	7,857,477	(1,512,649)	0.807489	6,344,826	102.306%	\$6,491,138	\$1,928,573	\$2,604,107	\$1,485,514	(\$23,368)	\$6,467,770
2028	2029	480,285,571	7,896,764	(1,512,649)	0.808447	6,384,115	102.306%	\$6,531,333	\$1,940,516	\$2,620,232	\$1,494,713	(\$23,513)	\$6,507,820
2029	2030	482,686,998	7,936,248	(1,512,649)	0.809400	6,423,599	102.306%	\$6,571,727	\$1,952,517	\$2,636,438	\$1,503,957	(\$23,658)	\$6,548,069
2030	2031	485,100,433	7,975,929	(1,512,649)	0.810348	6,463,278	102.306%	\$6,612,321	\$1,964,578	\$2,652,723	\$1,513,247	(\$23,804)	\$6,588,517
2031	2032	487,525,936	8,015,809	(1,512,649)	0.811292	6,503,161	102.306%	\$6,653,124	\$1,976,701	\$2,669,092	\$1,522,585	(\$23,951)	\$6,629,173
2032	2033	489,963,565	8,055,888	(1,512,649)	0.812231	6,543,242	102.306%	\$6,694,129	\$1,988,884	\$2,685,543	\$1,531,969	(\$24,099)	\$6,670,030
Projections - 2024-2033								\$65,120,380	\$19,347,830	\$26,124,917	\$14,902,972	(\$234,433)	\$64,885,946
Projections - 2009-2023								\$117,066,861	\$34,781,580	\$46,964,745	\$26,791,062	(\$421,440)	\$116,645,421
Projected Totals 2009-2033								\$182,187,241	\$54,129,410	\$73,089,662	\$41,694,034	(\$655,873)	\$181,531,367

EXHIBIT E-1

ESTIMATED IMPACT ON OTHER TAXING JURISDICTIONS

Minnesota Event TIF Amendment
Tax Increment Financing District (Special)

Taxing Jurisdiction	No Captured Net Tax Capacity Without Creation of District		Captured Net Tax Capacity Available Without Creation of District					Hypothetical Tax Generated by Captured Net Tax
	Final Pay 2023 Taxable Net Tax Capacity (a)	Frozen Local Tax Rate	Final Pay 2023 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	
City of St. Paul	329,982,815	30.396%	329,982,815	6,543,242	336,526,057	29.805%	0.591%	\$1,988,884
Ramsey County	701,727,439	41.043%	701,727,439	6,543,242	708,270,681	40.664%	0.379%	\$2,685,543
ISD #625	329,983,032	23.413%	329,983,032	6,543,242	336,526,274	22.958%	0.455%	\$1,531,969
Miscellaneous *	-	7.454%	-	-	-	7.454%	0.000%	\$0
		102.306%				100.881%	1.046%	\$6,206,396
								\$3,520,853

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 1.046%, excluding the County; alternatively an increase in taxable net tax capacity without a reduction in the tax rate would produce an additional \$3,520,853 of taxes from the two taxing jurisdictions listed above (excluding the County).

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 7.29% 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