

EXHIBIT A

TAX INCREMENT FINANCING PLAN

for the establishment of the

**WABASHA AND SIXTH STREET
REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT**

**PORT AUTHORITY
of the
CITY OF SAINT PAUL
RAMSEY COUNTY
STATE OF MINNESOTA**

Adopted by the Port Authority: September 22, 2015

Approved by the City Council:

PORT AUTHORITY OF THE CITY OF SAINT PAUL
TAX INCREMENT FINANCING PLAN FOR THE
WABASHA AND SIXTH STREET REDEVELOPMENT
TAX INCREMENT FINANCING DISTRICT

I. Introduction

A. Background

In 1962-1963 Dayton’s Department Store built a five floor department store and six-level attached parking garage on a blighted site as part of an expansive campaign by the City of Saint Paul to redevelop core downtown areas. The block, bound by Wabasha Street North, East Sixth Street, Cedar Street North and the Wells Fargo Center complex, had been occupied by two and three-story buildings that dated from the late nineteenth and early twentieth centuries. In 2001 Dayton’s was rebranded with the Marshall Field’s name and the building underwent a significant renovation. In 2004, the company was sold to May Department Stores and took the Macy’s name in 2005. Macy’s closed the facility on March 15, 2013. Macy’s was unsuccessful in its marketing of the site to a private party. The property is currently zoned B4, general business. The property is skyway connected and is located along the new light rail line and one block from its Central Saint Paul station.

In January 2014, the Port Authority acquired the Property consisting of approximately 2.25 acres. The Site is located in the Downtown Industrial Development District (IDD), which includes this parcel, was created in 1977 by Port Authority Resolutions 1214. The IDD covers the area generally bound by Lafayette Road to the east, University Avenue and/or Interstate 94 to the north, Western Avenue/Marion Street/John Ireland Boulevard/Interstate 35-E to the west and Kellogg Boulevard/Shepard Road/Warner Road to the south. The goal in creating the IDD was identified as being to create an impetus for commercial development and to increase employment.

B. Creation of Redevelopment Tax Increment; Statutory Authority.

This tax increment plan relates to the creation, under Minnesota Statutes Section 469.174, Subd. 10 of the Wabasha and Sixth Street Redevelopment Tax Increment District (the “District”), consisting of the approximate 2.25 acre site.

C. Need and Public Purpose

The District is a 2.25 acre site located adjacent to Wabasha Street North, East Sixth Street, Cedar Street North and the Wells Fargo Center complex in Saint Paul. It is centrally located in downtown Saint Paul and was a major department store and an enclosed park garage. The department store is vacant resulting in the lack of use or under use of the Site, resulting in stagnant and unproductive property within the boundaries of the Site that could adversely affect the public health, safety and welfare of the City.

Residents have expressed concerns about the underutilization of the area. While the area is immediately adjacent to major transportation arteries, the area has remained under used and is a target for redevelopment.

Saint Paul has seen a reduction in living wage manufacturing jobs since the 1980's. Private sector development of this area has not been possible for a variety of reasons. These reasons include a large obsolete building and parking garage with numerous code deficiencies. The prior owner, as well as the Port Authority, undertook major marketing efforts to sell the property as is for reuse; however, it is prohibitly expensive to demolish the existing structure or redevelop the existing site for other uses and as such, these efforts were unsuccessful. These conditions have resulted in a lack of private investment in this area. As a result, the Site has not provided adequate employment opportunities and has not contributed to the tax base and general economy of the City, the school district, the County, and the State to its full potential. The City's tax base will be increased by the reconstruction of the site. Job creation potential is estimated at 100-150 jobs being provided on the site. These jobs will be available to Saint Paul residents. Further, customized job training services may be available to employers locating their businesses in the District.

It is necessary that the Port Authority exercise its port authority powers under state law to develop, implement, and finance a program designed to encourage, ensure and facilitate the redevelopment of the parcel to be included in the District. This redevelopment will further accomplish the public purposes specified in this paragraph.

II. Objectives of the Port Authority for the Improvements in the District.

A. Provide job opportunities for Saint Paul residents.

The Port Authority's goal is to create or retain jobs; the site (other than the parking garage) has been vacant for several years and as such, there are currently no jobs at the site. It is anticipated that the overall development will be approximately 540,000 square feet, of which approximately 340,000 square feet will be parking related, approximately 175,000 square feet will be leasable square footage, and the balance being skyways and other non-leasable space. This should translate to 100 - 150 new jobs being created at the Site upon completion of construction and subsequent occupancy of the space.

B. To redevelop underused, inappropriately used, or infrequently used property.

The District is currently occupied by a vacant department store and six level parking garage. An engineering analysis was performed on the property which indicated that the building meets the classification of a substandard building. The existing use is an under-utilization of the area, and results in a stagnant and only marginally productive use of the property.

C. Develop the site as commercial space and a parking garage.

The development in the District will provide approximately 2.25 developable acres of land intended for commercial and parking uses. The property is zoned B4, general business, allowing for multiple use and design options. The District is located on a major bus lines and will be within two blocks of a Central Corridor Light Rail Station, which will enhance access to jobs for Saint Paul residents. Construction values are estimated based upon build-out projections provided by a construction manager.

D. Expand the commercial and industrial tax base of the City of Saint Paul.

It is expected that the taxable market value of parcels in the District will increase by approximately \$29,700,000 once the property is placed in service. This value will come from private development of approximately 175,000 square feet of commercial space as well as an enhanced parking garage. The taxable value of new facilities was based upon an average of the estimated construction cost and projected lease rates for the built out property.

III. Classification of the District.

The Port Authority and the City of Saint Paul, in determining the need to create a tax increment financing district in accordance with Section 469.174, find that the District is entitled to be qualified as a redevelopment district pursuant to Minnesota Statutes, Section 469.174, Subd. 10 because, among other things, parcels consisting of 70% of the area of the District are occupied by buildings and blacktop parking lots, and more than one-half of the buildings located in the District (in this case the building) are substandard. As discussed in Section V, subsection A below, CR-BPS undertook an analysis of the property and determined that the property met the statutory requirement as a substandard building (the report is on file and is available for public inspection). These findings are made as part of the resolutions adopting this District.

In addition, the District meets the requirements of a redevelopment district pursuant to Minnesota Statutes, Section 469.176, Subd. 4, because at least 90% of the revenues derived from tax increments from the District will be used to finance the cost of correcting conditions that allowed designation of the District as a redevelopment district under Section 469.174, Subd. 10 described above. These costs consist primarily of site acquisition, upgrading and expanding the parking facility, redeveloping the façade, environmental cleanup, upgrading the HVAC and electrical systems, and installation of utilities and skyway connections, and sidewalks for the site. The allocated administrative costs may also be included in the qualifying costs.

IV. Description of the Development Program for the Site.

The development program consists of providing a redeveloped building for a variety of end users as well as parking to support them. This will require managing pollution remediation, redevelopment of the existing structure, installing infrastructure, incurring financing related expenses, and funding administrative functions, all as described in more detail below:

A. Site acquisition and relocation.

The cost to acquire the site, including legal, title, surveying and other professional services, as well as the holding costs incurred prior to development are anticipated to exceed \$4,000,000. None of these costs are contemplated to be reimbursed under the Plan. In addition, since the building is unoccupied, no relocation costs will be incurred.

B. Correct substandard building conditions and other site improvements.

Remediation and engineering oversight costs are estimated in excess of \$22,000,000, which include line items for field testing, removal of existing façade, interior structure and roof and associated reconstruction, and professional engineering and related services. Grants and other sources of \$720,000 are estimated to be available to offset this cost, resulting in net remaining costs of \$21,280,000. \$7,537,000 of this amount is anticipated to be reimbursed by the District. In addition, \$5,400,000 in modifications to the parking facilities are anticipated to be reimbursed by the District.

C. Undertake abandonment of existing utilities and install other public utilities.

Existing public utilities including skyways, sanitary sewers, water mains, gas and electric utilities, street lighting, sidewalk construction will be abandoned, relocated and/or installed. Any of these improvements outside the site improvements noted in B above are not anticipated to be reimbursed by the District.

D. Contracts for professional services essential to the redevelopment activities.

Professional services including land surveys and title work, real estate, legal, civil engineering, geotechnical engineering, appraisals, traffic engineering and site design undertaken prior to the property being acquired by the Developer are not anticipated to be reimbursed by the District. Other professional services not related to B above are not anticipated to be reimbursed by the District.

E. Incur costs and expenses connected with financing activities.

No interest or other financing costs (other than interest associated with a Pay-As-You-Go Note discussed below) are anticipated to be reimbursed by the District.

V. Description of Contracts Entered Into at the Time of Preparation of the Plan

The following, as required by Section 469.175, Subd. 1(3), is a list of development activities that are proposed to take place within the District for which contracts have been entered into at the time of the preparation of this plan, including the names of the parties to the contract, the activity governed by the contract, the cost stated in the contract, and the expected date of completion of that activity.

A. Preliminary Site Reports

Prior to purchasing the Macy's property, a Due Diligence report was undertaken by a team of consultants including SRF Consulting Group (civil engineers), Liesch Associates (Environmental Engineers), American Engineering and Testing (Geotechnical Engineers), Stoel Rives (Environmental Analysis), BWBR Architects (Architects), Dunham Associates (Mechanical Engineers), and Summit Envirosolutions (Historical Evaluation). After the property was purchased by the Port Authority, CR-BPS, Inc. undertook an analysis of the site to determine the condition of the facility as well as the estimated cost to bring the facility up to current building code and standards.

VI. Description of Other Types of Development Activities Which Can Reasonably be Expected to Take Place Within the Site.

It is expected that the end-user of the District will consist of parking as well as office and other commercial businesses. This District will generate new construction of approximately \$52,000,000, which should translate to an increase of \$29,700,000 in taxable market value for the property. At least 100 jobs will be created at the site.

Construction of the new building is expected to commence during the fourth quarter of calendar year 2015 and will continue into 2017.

VII. Cost of the Project and Description of the District.

The following, as required by Section 469.175, Subd. 1(5), are estimates of the (i) cost of the project, including administration expenses; (ii) amount of bonded indebtedness to be incurred; (iii) sources of revenue to finance or otherwise pay public costs; (iv) the most recent net tax capacity of taxable real property within the tax increment financing district; (v) the estimated captured net tax capacity of the tax increment financing district at completion; (vi) the original tax capacity and captured tax capacity of the HSS and (vii) the duration of the District's existence. A complete budget for the District is included in Appendix C.

A. Cost of the project, including administrative expenses.

The total cost of the project including land acquisition and soft costs is estimated to exceed \$60,000,000, of which \$13,707,000 is included as project costs. Grant will reduce this amount by \$720,000, resulting in net eligible costs of \$12,987,000.

B. Amount of bonded indebtedness to be incurred.

The Port Authority anticipates issuing a Pay-As-You-Go Note to the Developer for \$11,077,000 at 5% interest, resulting in total interest costs of \$10,500,000.

C. Sources of revenue to finance or otherwise pay public costs.

The following are the likely sources for funding the total project, including the tax increments, which will be pledged initially to the bonded indebtedness:

i. Tax Increments

Tax increments are anticipated to equal \$904,959 annually. All retained tax increments will be first used for debt service on the Pay-As-You-Go note, currently estimated at approximately \$828,500 per year. It is anticipated that any remaining available increment will be used to reimburse any other the eligible costs incurred in the redevelopment of the District, or returned as excess increment to the local taxing jurisdictions.

ii. Investment income

It is expected that all funds will be expended shortly after being received, therefore interest earnings will be minimal. In aggregate over the life of the District, they are estimated at \$10,066.

D. The Most Recent Net Tax Capacity of Taxable Real Property Within the Tax Increment Financing District.

At January 31, 2015, Ramsey County's estimated market value of the parcels to be included in the District was \$4,000,000. Since all the property was owned by the Port Authority, it will not be subject to property taxes in 2016. It is anticipated that in the Fall of 2015 the property will be sold and placed back on the property tax roles. The market value attributable to the land and building is assumed to remain constant at \$4,000,000. The original tax capacity and Tax Rate are calculated in accordance with Minnesota Statutes, Section 469.174, Subd. 7 and Section 469.177, Subd. 1.

E. The Estimated Captured Net Tax Capacity of the Tax Increment Financing District at Completion.

The District is comprised of approximately 2.25 acres land with three above grade and two below grade floors. Estimated existing total square footage is 540,000, of which

approximately 340,000 square feet will relate to parking and the balance of approximately 200,000 square feet will be leasable commercial and common area spaces.

Based upon the estimated gross and net revenues for the project, the aggregate assumed market value is anticipated to be \$33,700,000 upon completion. With a \$4,000,000 base tax capacity for the parcel, and applying a 2.00% tax capacity rate, the estimated captured tax capacity will be \$594,000 at January 2, 2018, the beginning of the year following expected completion of reconstruction of the building. This captured tax capacity is calculated in accordance with Minnesota Statutes, Section 469.174, Subd. 4 and 469.177, Subd. 2.

The District elects in accordance with Minnesota Statutes, Section 469.177, Subd. 2 (a) (2) to capture net tax capacity up to a maximum of \$594,000. Any increment generated from net tax capacity in excess of this amount shall be distributed among the affected taxing districts by the county auditor in accordance with State Statutes.

F. The original tax capacity.

At January 31, 2015, Ramsey County's estimated market value of the parcels to be included in the District was \$4,000,000. All the property is now owned by the Port Authority, which is not subject to property taxes, however, it is anticipated that the County will establish the base estimated market value of the parcel at \$4,000,000 once it is sold to a taxable party.

G. The duration of the tax increment financing district's existence.

The request for certification of the District will be filed in 2015. The Port Authority is requesting that the starting date for collection of the first increment for the District be delayed until taxes payable 2018. As such, the first tax increments are anticipated to be generated for taxes payable in the year 2018. The duration of the District will run 25 years from the first receipt by the Port Authority of tax increments, which is anticipated to be the calendar years 2018 through 2043. The District would have a Statutory decertification date of December 31, 2043.

VIII. Alternate Estimates of the Impact of the Tax Increment Financing on the Net Tax Capacities of All Taxing Jurisdictions.

The taxing jurisdictions in which the District is located in whole or in part are as follows:

- a. Independent School District #625, whose boundaries are coterminous with those of the City of Saint Paul.
- b. The County of Ramsey, the total market value of which the City of Saint Paul contributes approximately 47%.
- c. The Housing and Redevelopment Authority of the City of Saint Paul, whose boundaries are coterminous with those of the City of Saint Paul and whose powers to levy and use property taxes are limited.

d. The Port Authority of the City of Saint Paul, the requesting authority, whose boundaries are coterminous with those of the City of Saint Paul and whose powers to levy and use property taxes are limited.

e. Metropolitan authorities, such as the Metropolitan Council, Metropolitan Airports Commission, Metropolitan Waste Control Commission, and the Metropolitan Mosquito Control District. Of these, only the Metropolitan Council and the Metropolitan Mosquito Control District currently levy taxes on real estate.

The estimates used in this plan were made assuming a total local tax rate of 152.350% for tax payable year 2014. The School District's general education levy tax rate is not captured in tax increment and therefore is not included in the School District impact amount. 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. 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 Port Authority is required by Minnesota Statutes Section 469.175, Subd. 1(a)(6) to make statements relative to the alternate estimates of the impact of the tax increment financing on the net tax capacities of all taxing jurisdictions in which the tax increment financing district is located in whole or in part. For purposes of one statement, which is made in **Statement A** below, the Port Authority shall assume that the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the District. For purposes of the second statement, made in **Statement B** below, the Port Authority shall assume that none of the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the District.

Statement A.

Under the assumption that the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the District, creation of the District will serve to deny these taxing jurisdictions the taxes from the captured net tax capacity in the amount estimated under Section VII.E. above. Since 2014 when the property was transferred to the Port Authority it has been exempt from taxation prior to being sold to private parties, therefore there will be no taxes paid from property in the District.

Statement B.

The Port Authority believes that none of the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the District due to the expense of getting the property to a state in which it would be conducive to the generation of such increased value. Assuming this to be true, the taxing jurisdictions would continue to receive the same amount of taxes as they have currently been receiving based on the current net tax capacity of the District as set forth in Section VII.D. above. Once the tax increment district terminates in 2043, the taxing jurisdictions will receive taxes for parcels estimated value after redevelopment at \$33,700,000 (including its base value of \$4,000,000). See Appendix D for additional details.

IX. Studies and Analysis Used to Determine Need for Tax Increment Financing.

The Port Authority has determined that the proposed development or redevelopment of the 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 District that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the plan.

X. Identification of All Parcels to be Included in the District.

Attached hereto in Appendix A is the Property Identification Number for the property to be included in the District as well as the legal description and map identifying the boundaries of the District. Appendix B is a map showing the Project area for the Downtown Industrial Development District as well as the proposed TIF District.

XI. District Administration and Annual Disclosure.

Administration of the District will be the responsibility of the Port Authority. The resolutions of the City and the Port Authority approving and creating the District will direct the County to forward all tax increment from the District to the Port Authority. Tax increments will be deposited into interest bearing accounts separate and distinct from other funds of the Port Authority. Tax increments will be used only for activities described in this tax increment plan.

The Port Authority will report annually to the State Auditor regarding activities in the District as required by Section 469.175, subdivision 5 and subdivision 6 and will include information with regard to the District in the data necessary to comply with subdivision 6a.

XII. Modifications to District

In accordance with Minnesota Statutes, Section 469.175, Subd. 4, any reduction or enlargement of the geographic area of the District; 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; increase in the portion of the captured tax capacity to be retained by the Port Authority; increase in total estimated tax increment expenditures; or designation of additional property to be acquired by the Port Authority shall be approved only upon the notice and after the discussion, public hearing and findings required for approval of the original plan. The geographic area of a tax increment financing district may be reduced, but shall not be enlarged after five years following the date of certification of the original tax capacity by the county auditor.

XIII. 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 an authority other than 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, relocation benefits paid to or services provided for persons residing or businesses located in the District or amounts used to pay interest on, fund a reserve for, or sell at a discount bonds issued pursuant to Section 469.178. Administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Administrative expenses of the District can not exceed ten percent of the total tax increment expenditures authorized by the tax increment financing plan or the total tax increment expenditures for the project, whichever is less. The District does not intend to recover any Administrative costs related to the purchase and subsequent evaluation of the property, its marketing or any ongoing administrative costs incurred by the Port Authority.

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 District. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred. The District may elect to pay for some of these costs as part of the Plan.

XIV. Necessary Improvements in the District

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

if, after four years from the date of certification of the original 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 tax capacity of that parcel shall be excluded from the original 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 improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor in the annual disclosure report that the activity has commenced. The county auditor shall certify the tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original 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 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.

The Port Authority or a property owner must begin making improvements to parcels within the District by approximately October 2019.

Pursuant to Minnesota Statutes, Section 469.1763, Subd. 3, revenues derived from tax increments are considered to have been spent on an activity within the District only if one of the following occurs:

1. *Before or within five years after certification of the District, the revenues are actually paid to a third party with respect to the activity;*
2. *Bonds, the proceeds of which must be used to finance the activity, are issued and sold to a third party before or within five years after certification of the District, the revenues are spent to repay the Bonds, and the proceeds of the Bonds either are, on the date of issuance, reasonably expected to be spent before the end of the latter of (i) the five year period, or (ii) a reasonable temporary period within the meaning of the use of that term under Section 148(c)(1) of the Internal Revenue Code, or deposited in a reasonably required reserve or replacement fund;*
3. *Binding contracts with a third party are entered into for performance of the activity before or within five years after certification of the District and the revenues are spent under the contractual obligation; or*
4. *Costs with respect to the activity are paid before or within five years after certification of the District and the revenues are spent to reimburse a party for payment of the costs, including interest on unreimbursed costs.*

Therefore, one of the above four events must occur by approximately October 2020.

XV. Use of Tax Increment

All revenues derived from tax increment shall be used in accordance with this tax increment financing plan, and pursuant to Minnesota Statutes, Section 469.176, Subdivisions 4, 4e and 4j.

XVI. Notification of Prior Planned Improvements

Pursuant to Minnesota Statutes, Section 469.177, Subd. 4, the Port Authority has reviewed the area to be included in the District and has not found properties for which building permits have been issued during the 18 months immediately preceding approval of the Plan by the Port Authority.

XVII. 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 tax increment plan, including the amount necessary to cancel any tax levy as provided in Minnesota Statutes, Section 475.61, Subd. 3, the Port Authority shall use the excess amount to do any of the following:

1. prepay the outstanding bonds;
2. discharge the pledge of tax increment therefor;
3. pay into an escrow account dedicated to the payment of such bonds; or

4. return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion of their tax capacity rate.

It is anticipated any excess increment will be returned to the County Auditor for redistribution as noted in 4. above.

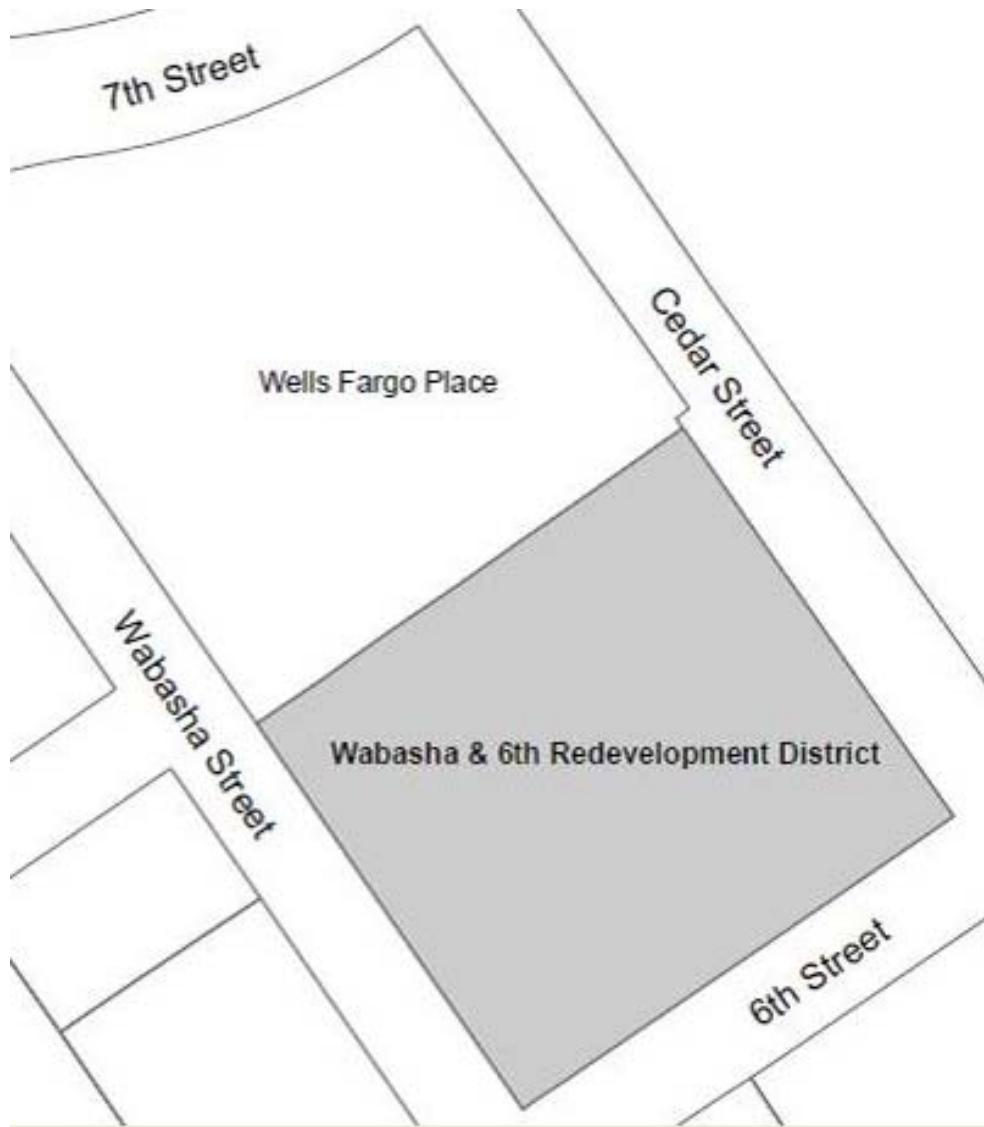
XVIII. Fiscal Disparities

The Port Authority and the City have elected to compute Fiscal Disparities contribution for the District in accordance with Section 469.177, subdivision 3, paragraph a.

Appendix A

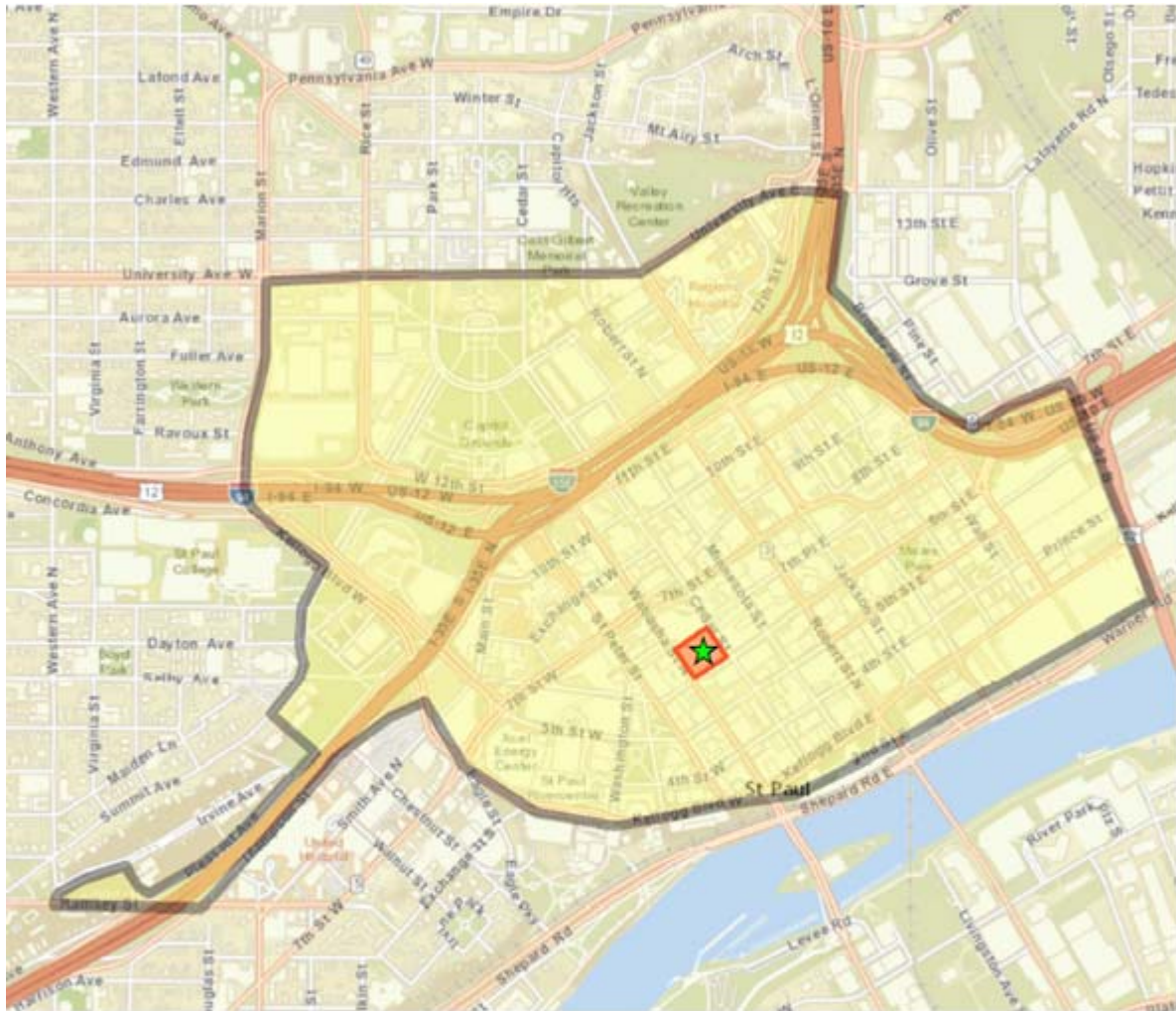
Wabasha and Sixth Street Tax Increment Financing District Property Identification Number and related map within the District

County Parcel #	Legal Description
06-28-22-12-0098	Real estate located at 396 Wabasha Street which is bounded by Cedar Street, Sixth Street East, Wabasha Street, and vacated East Seventh Place—now at the property line of the Wells Fargo Building, also frequently referenced as 411 Cedar Street, Saint Paul, MN 55107-1705.





Appendix B

Wabasha and Sixth Street Tax Increment Financing District Downtown Industrial Development Map (Project Area)



Legend

-  Downtown Industrial Development Dist.
-  Site

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Appendix C

Wabasha and Sixth Street Tax Increment Financing District Budget

	<i>Notes</i>	Total	Non- Increment Activity	Net TIF Activity
SOURCES OF FUNDS				
Tax Increments		23,528,934	0	23,528,934
Interest earnings		10,066		10,066
Debt (Pay-Go funds):				
Pay-As-You-Go Note		11,077,000	0	11,077,000
Grants				
Metropolitan Council		720,000	(720,000)	0
		<u>35,336,000</u>	<u>(720,000)</u>	<u>34,616,000</u>
USES OF FUNDS				
Site acquisition	(1)	0	0	0
Site improvements	(2)	8,257,000	(720,000)	7,537,000
Parking facilities	(3)	5,400,000	0	5,400,000
Public utilities	(4)	0	0	0
Contingency	(5)	50,000	0	50,000
Pay-As-You-Go Note principal		11,077,000	0	11,077,000
Pay-As-You-Go Note interest		10,500,000	0	10,500,000
County fees		52,000	0	52,000
Administration		0	0	0
		<u>35,336,000</u>	<u>(720,000)</u>	<u>34,616,000</u>
NET SOURCES OF FUNDS OVER USES		<u>0</u>	<u>0</u>	<u>0</u>

Notes

- (1) Includes portion of direct cost of site acquisition by the developer.
- (2) Includes direct costs of removing façade, upgrading elevators, HVAC, electrical and other related items identified in the substandard building report.
- (3) Parking ramp and related site improvements.
- (4) Sidewalk and skyway costs included in site improvements.
- (5) Contingency - unanticipated costs to be reallocated as needed to other categories.

Appendix D

Wabasha and Sixth Street Tax Increment Financing District Alternative Estimates of the Impact on TIF on Taxing Jurisdictions

No Captured Net Tax Capacity Without Creation of District		
	Final	Final
	Pay 2015	Pay 2015
Taxing Jurisdiction	Taxable Net Tax Capacity (a)	Local Tax Rate
City of St. Paul	183,359,515	43.827%
Ramsey County	402,266,475	54.322%
ISD #625 w/o Gen Ed Levy*	183,361,126	42.677%
Miscellaneous	-	11.524%
		152.350%

Captured Net Tax Capacity Available Without Creation of District						
	Final					Hypothetical
	Pay 2015		New Taxable	Hypothetical	Hypothetical	
Taxing Jurisdiction	Taxable Net Tax Capacity (a)	Projected Captured Net Tax Capacity	Net Tax Capacity (b)	Local Tax Rate	Decline in Local Tax Rate	Tax Generated by Captured Net Tax Capacity
City of St. Paul	183,359,515	594,000	183,953,515	43.686%	0.142%	\$260,334
Ramsey County	402,266,475	594,000	402,860,475	54.242%	0.080%	\$322,674
ISD #625 w/o Gen Ed Levy*	183,361,126	594,000	183,955,126	42.539%	0.138%	\$253,502
Miscellaneous	-	594,000		11.524%	0.000%	\$68,451
				151.991%	0.359%	\$904,961

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 0.359%; alternatively an increase in taxable net tax capacity without a reduction in the tax rate would produce an additional \$904,961 of taxes.

#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 rate for ISD #625 excludes the General Education Levy which is not captured in TIF

** The miscellaneous taxing jurisdictions have been excluded in the tax rate change calculation as they represent just 7.56% 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

Appendix E
Wabasha and Sixth Street Tax Increment Financing District
Cross Reference to Other Related Documents

Document Number

Port Authority Board of Commissioners:

Resolution 3027 & 3062 Creating IDD

Resolution 4351 Finding area substandard, adopt plan,
Authorize advancing funds

Saint Paul City Council:

Resolution Finding area substandard

Resolution Adopting Plan

Response Action Plan (RAP):

Preliminary Phase II,
Initial Plan,

Minnesota Pollution Control Agency:

Preliminary approval of RAP:

Preliminary Approval,

TIF Eligibility Assessment:

CR-BPS, Inc., October 3, 2014

Notices:

Advance notice to County Commissioner

Certification:

Ramsey County Letter (TIF & HSS)