

**FIRST AMENDMENT
TO
FUNDING AGREEMENT**

[Version November 8, 2017]

This First Amendment to Funding Agreement is executed on November____, 2017 (“First Amendment”) by and between the City of Saint Paul, a home rule charter city (the “City”) and the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body organized under Minn Stat Chapter 469 (the “HRA”).

WHEREAS, the City and HRA have executed a funding agreement dated April 1, 2016 (“Funding Agreement”) for funding of the payment of certain Remediation, Infrastructure and Soft Costs the City agreed to pay in connection with the construction of the Stadium (defined terms used in this First Amendment are defined in either this First Amendment or the Funding Agreement); and

WHEREAS, as part of the Development Agreement the City has agreed to contribute the sum of \$16,100,000 to defray the costs of public infrastructure, of which \$3,068,382 has been budgeted for stormwater facilities (“Facilities”); and

WHEREAS, as a further part of the Development Agreement the City and Team agreed to design, construct and maintain Midway Green Spaces (as that term is defined in the Development Agreement) and in furtherance thereof, the parties have negotiated a Parkland Agreement (“Parkland Agreement”) for this area now designated as the Park in the Parkland Agreement; and the Parkland Agreement was approved by the City Council at its November 15, 2017 meeting by RES 17-1554; and

WHEREAS, the City’s obligations under the Parkland Agreement include the contribution of the sum of \$250,000 to defray the costs of park and site improvements as described in the Parkland Agreement; and

WHEREAS, the City and Team desire to have the Facilities expanded (“Expanded Facilities”) so that it provides a comprehensive district stormwater and reuse system for the entire Midway Development Site, and to construct roads and a 35’ pedestrian walkway to provide access north of Shields Avenue for the Park and Midway Development Site (“Improvements”), and

WHEREAS, City staff negotiated the terms of a Memorandum of Agreement with the Team (“MOA”) with respect to the design, construction and funding of the Expanded Facilities and Improvements and the terms of the MOA were approved by the City Council at its November 15, 2017 meeting by RES PH 17-323 ; and

WHEREAS, under the terms of the MOA the City will contribute \$2,307,000 to the costs of the Expanded Facilities and \$250,000 for the Improvements; and

WHEREAS, the City has been awarded a grant in the amount of \$416,000 from the Capitol Region Watershed District to finance a portion of the Expanded Facilities (“CRWD Grant”); and by RES PH 17-323 the City Council agreed to accept this CRWD Grant; and

WHEREAS, the HRA and City have determined the need to fund additional soft costs for professional services related to the Improvements in the amount of \$400,000 (“Soft Costs”); and

WHEREAS, the HRA and City have determined the need to fund \$100,000 of the remediation costs addressed in the Funding Agreement (“Remediation”); and

WHEREAS, per the Alternative Urban Areawide Review (“AUAR”), the traffic signal at Snelling and Spruce Tree must be relocated and the Snelling median extended and the City will fund the estimated costs of \$750,000 and construct the improvements (“Snelling Improvements”); and

WHEREAS, the HRA Board of Commissioners at its November 15, 2017 meeting by RES 17-1815 approved: (a) a HRA budget amendment (“HRA Budget Amendment”) to provide the City with additional sources of funds, in addition to City sources consisting of the CRWD Grant and City financing, to satisfy the City’s commitment to provide funds for the Expanded Facilities (\$2,307,000) and Improvements (\$250,000) per the terms of the MOA, the City’s commitment under the Parkland Agreement (\$250,000), and to fund the Soft Costs (\$400,000), Remediation (\$100,000) and Snelling Improvements (\$750,000) (collectively the “Additional HRA Funding”), and (b) the execution of this First Amendment with the City to transfer the Additional HRA Funding to the City; and

WHEREAS, the City Council at its November 15, 2017 meeting by RES PH 17-323 also approved this First Amendment; and

WHEREAS, the sources of funds for the Additional HRA Funding include tax increment which has certain restrictions as to eligibility and those restrictions are set forth in the attached Exhibit A and this Exhibit A replaces the Exhibit A included in the Funding Agreement; and

WHEREAS, an additional source of funds for the Additional HRA Funding includes the HRA Loan Enterprise Funds which can be used for any economic development purpose, and the HRA determines that the City’s requested funding meets this purpose; and

WHEREAS, the purpose of this First Amendment is to memorialize the agreement between the City and HRA for the Additional HRA Funding.

NOW, THEREFORE, in consideration of the mutual promises and conditions contained in this First Amendment, the City and HRA agree to amend the Funding Agreement as follows:

1. A new section 1A is added to read:

1A.Grant of Additional HRA Funding. Subject to full compliance of all the terms and conditions contained in this Agreement, the HRA hereby agrees to provide the Additional HRA Funding to the City for payment of eligible costs as described in the

HRA Budget Amendment. The City agrees that all costs to be paid under this First Amendment from the tax increment funds must satisfy the tax increment funds requirements.

2. Section 2 is amended to read as follows:

2. Draws. Whenever the City desires a draw of the Funding Amount or the Additional Funding, the City shall submit to the HRA a draw request that includes the payee(s) of such draw, the nature of the cost, documentation for the cost, and identity of the fund the cost is being paid from. The draws shall be submitted no more frequently than on a monthly basis. Within five (5) business days of receiving the request and upon satisfaction of all the conditions for the draw, the HRA shall approve the transfer of funds to the City and the City will make payments directly to the payee(s) as set forth in the draw request. The City is responsible to assure that all other City and State contract compliance requirements are complied with in connection with the disbursements under this Agreement.

3. Section 4 is amended to read as follows:

4. No Repayment by City. Subject to the City's obligations under Section 3 above, the City is not obligated to repay the HRA for the Funding Amount or Additional HRA Funding since these constitute grants from the HRA.

4. General Provisions.

- a. This First Amendment shall be construed in accordance with the laws of Minnesota.
 - b. Each of the parties has duly authorized the execution and delivery of this First Amendment by a resolution duly and properly adopted by its governing body.
 - c. This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original instrument.
 - d. This First Amendment constitutes the entire agreement of the parties and shall supersede and replace any prior agreement, or parts of any other agreement and/or resolutions of the City Council that are germane to this First Amendment or understanding with respect to the subject hereof. This First Amendment may be amended by a writing signed by the City and HRA.
 - e. An electronic signature is deemed as effective as an original signature on this Agreement.
5. Remaining Terms. The remaining terms and conditions of the Funding Agreement remain in full force and effect.

IN WITNESS WHEREOF, the City and HRA have each caused this First Amendment to be executed by its duly authorized officers, all as of the day and year first above written.

City of Saint Paul, a home rule charter city

By: _____
Its: Mayor

By: _____
Its: Director, Office of Financial Services

By: _____
Its: Director, Planning and Economic Development

Approved as to form:

Assistant City Attorney

**Housing and Redevelopment Authority of the City of
Saint Paul, Minnesota, a public body**

By: _____
Its: Chair/Commissioner

By: _____
Its: Executive Director

By: _____
Its: Director, Office of Financial Services of the City

Approved as to form:

Assistant City Attorney

EXHIBIT A

Eligible and Non Eligible Costs to be paid for with Tax Increment funds

Eligible Uses of Tax Increment Funds are the following:

- Public stadium site streets, standard sized sidewalks and lighting, including landscaping, which infrastructure also provides access to adjacent development areas
- Water and sanitary sewer lines installed under ROW
- Parking improvements – grading, blacktopping, striping, curbing, landscaping
- Concrete plazas adjacent to development areas, including landscaping, benches, lighting, etc.
- 80.26% of the cost of the storm water system that serves the entire 34.5 acre Snelling Midway site (this percentage is calculated by dividing the non-stadium portion of the entire Snelling Midway site by the total area of the Snelling Midway site)
- 40% of the environmental remediation related soft costs for the Bus Barn site (this percentage is calculated by dividing the non-stadium portion of the Bus Barn site by the total area of the Bus Barn site).
- Actual environmental remediation costs of the area under the non-stadium portion of the Bus Barn site.
- 80.26% of professional services related to the entire Snelling Midway site including Parking/Transportation Study and Stormwater Plan (this percentage is calculated by dividing the non-stadium portion of the entire Snelling Midway site by the total area of the Snelling Midway site)
- Owner's representative services for non-stadium construction, including public infrastructure, and pro-rated costs that include both stadium and public infrastructure
- Additional professional services that relate to portions of the entire Snelling Midway site and are not exclusive to the stadium itself, based on a pro-ration

Non-Eligible Uses of Tax Increment Funds are the following:

- Portion of sidewalk in excess of standard size
- Water and sanitary sewer lines installed from the ROW to the stadium
- Concrete plazas accessing stadium entrance (North plaza)
- 19.74% of the cost of the storm water system that serves the entire 34.5 acre Snelling Midway site (this percentage is calculated by dividing the stadium portion of the Snelling Midway site by the total area of the Snelling Midway site)
- 60% of environmental remediation related soft costs for the Bus Barn site (this percentage is calculated by dividing the stadium portion of the Bus Barn site by the total area of the Bus Barn site).
- Actual environmental remediation costs of the area under the stadium footprint
- 19.74% of professional services related to the entire Snelling Midway site including Parking/Transportation Study and Stormwater Plan (this percentage is calculated by

dividing the stadium portion of the entire Snelling Midway site by the total area of the Snelling Midway site)

- Owner's representative services for stadium construction oversight and pro-rated costs that include both stadium and public infrastructure
- Additional professional services that entirely serve the stadium, such as the stadium traffic study and legal costs related to the stadium construction