

Approved by the Port Authority: December 16, 2025
Adoption Date by the City Council: February 4, 2026

Saint Paul Port Authority

City of Saint Paul, Ramsey County, Minnesota

MODIFICATION TO THE REDEVELOPMENT PLAN

Downtown St. Paul Industrial Development District

&

Tax Increment Financing (TIF) Plan

Establishment of Fairview / St. Joe's

Tax Increment Financing District

(a redevelopment district)



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Modification to the Redevelopment Plan for Downtown St. Paul Industrial Development District

FOREWORD

The following text represents a Modification to the Redevelopment Plan for Downtown St. Paul Industrial Development District. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for Downtown St. Paul Industrial Development District. Generally, the substantive changes include the establishment of the Fairview / St. Joe's Tax Increment Financing District.

For further information, a review of the Redevelopment Plan for the Downtown St. Paul Industrial Development District, is recommended. It is available from the Chief Financial Officer at the Port Authority. Other relevant information is contained in the tax increment financing plans for the tax increment financing districts located within Downtown St. Paul Industrial Development District.

Tax Increment Financing Plan for the Fairview / St. Joe's Tax Increment Financing District

FOREWORD

The Saint Paul Port Authority (the "Port Authority"), the City of Saint Paul (the "City"), staff and consultants have prepared the following information to expedite the Establishment of the Fairview / St. Joe's Tax Increment Financing District (the "District"), a redevelopment tax increment financing district, located in the Downtown St. Paul Industrial Development District.

STATUTORY AUTHORITY

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the Port Authority and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.048 - 469.068*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Redevelopment Plan for the Downtown St. Paul Industrial Development District.

STATEMENT OF OBJECTIVES

The District currently consists of one (1) parcel of land and adjacent roads and internal rights-of-way. The District is being created to facilitate the demolition of a portion of the existing building and construction of up to 170-units of market rate apartments and approximately 100,000 sq. ft. of office/commercial space and rehabilitation or removal of an existing parking facility in the City. The Port Authority has not entered into an agreement or designated a developer at the time of preparation of this TIF Plan, but development is likely to occur within the next five years. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Downtown St. Paul Industrial Development District.

The activities contemplated in the Modification to the Redevelopment Plan and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of the Downtown St. Paul Industrial Development District and the District.

REDEVELOPMENT PLAN OVERVIEW

Pursuant to the Redevelopment Plan and authorizing state statutes, the Port Authority or City is authorized to undertake the following activities in the District:

1. Property to be Acquired – All or a portion of the property located within the District may be acquired by the Port Authority or City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer’s plan relating to the project and completion of the necessary legal requirements, the Port Authority or City may sell to a developer selected property that it may acquire within the District or may lease land or facilities to a developer.
4. The Port Authority or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED

The District encompasses all property and adjacent roads rights-of-way and abutting roadways identified by the parcel listed below. Fairview Hospital plans to subdivide the parcel to retain a portion of the site to accommodate their existing Wellness Center and needed parking, access and loading for the facility (approximately +/- 1.2 acres).

Parcel number	Address	Owner
* 06.28.22.21.0053	45 10th Street West	Fairview

** This parcel will be re-platted and the District will only contain a portion of the parcel (approximately +/- 4.53 acres).*

Please also see the map in Appendix A for further information on the location of the District.

The Port Authority intends to acquire all or a portion of the property from Fairview, including interior and adjacent street rights of way. Any property acquired by the Port Authority is to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The Port Authority or City may acquire property by gift, dedication, condemnation or direct purchase from willing seller(s) in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

DISTRICT CLASSIFICATION

The Port Authority and City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, find that the District, to be established, is a redevelopment district pursuant to *M.S., Section 469.174, Subd. 10(a)(1)*.

- The District is a redevelopment district consisting of one (1) parcel.
- An inventory shows that the parcel consists of more than 70% of the area in the District is occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures.
- An inspection of the building located within the District finds the building is structurally substandard as defined in the TIF Act. (See Appendix D).

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 273.112, or 273.114 or Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

DURATION & FIRST YEAR OF DISTRICT'S TAX INCREMENT

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the Port Authority or City (a total of 26 years of tax increment). The Port Authority or City elects to receive the first tax increment in 2030, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2055, or when the TIF Plan is satisfied. The Port Authority or City reserves the right to decertify the District prior to the legally required date.

ORIGINAL TAX CAPACITY, TAX RATE & ESTIMATED CAPTURED NET TAX CAPACITY VALUE/INCREMENT & NOTIFICATION OF PRIOR PLANNED IMPROVEMENTS

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor when the land is sold for private development and the land transitions from tax exempt to taxable.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2030) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the District;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the Port Authority or City.

The original local tax rate for the District will be the local tax rate for taxes payable 2026, assuming the request for certification is made before June 30, 2026. The rates for 2026 were not available at the time the District was established. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Downtown St. Paul Industrial Development District, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The Port Authority and City request 100% of the available increase in tax capacity be used for repayment of the obligations of the Port Authority or City and current expenditures, beginning in the tax year payable 2030. The Project Tax Capacity listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity		
Development estimated Tax Capacity upon completion	1,194,933	
Less: Original Net Tax Capacity (ONTC)	(81,789)	
Less: Fiscal Disparities	<u>(179,318)</u>	
Estimated Captured Tax Capacity (CTC)	933,826	
Original Local Tax Rate	<u>144.2344%</u>	Pay 2025
Estimated Annual Tax Increment	\$1,346,899	
Percent Retained by the City	100%	

Note: Tax capacity includes a 1% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 26. The tax capacity of the District in year three when fully valued for taxes payable in 2032 is estimated to be 950,500.

Pursuant to *M.S., Section 469.177, Subd. 4*, the Port Authority shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City has reviewed the area to be included in the District and found no building permits were issued for improvements that would add value to the property in the past 18 months prior to the public hearing.

SOURCES OF REVENUE/BONDS TO BE ISSUED

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES	
Tax Increment	\$ 29,443,173
Interest	<u>2,944,317</u>
TOTAL	\$ 32,387,490

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The Port Authority or City reserves the right to issue bonds (as defined in the TIF Act) or incur other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District

will be financed by bonds, pay-as-you-go notes and interfund loans. Any refunding amounts will be deemed a budgeted cost without a formal modification to this TIF Plan. This provision does not obligate the Port Authority to incur debt. The Port Authority will issue bonds or incur other debt only upon the determination that such action is in the best interest of the Port Authority.

The Port Authority may issue bonds secured in whole or in part with tax increments from the District in a maximum principal amount of \$25,811,586. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

USES OF FUNDS

Currently under consideration for the District is a proposal to facilitate the demolition of a portion of the existing building and construction of up to 170- units of market rate apartments and approximately 100,000 sq. ft. of office/commercial space and rehabilitation or removal of an existing parking structure. The Port Authority has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described herein.

The Port Authority has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES	
Land/Building Acquisition	\$ 6,000,000
Site Improvements/Preparation	6,500,000
Utilities	1,000,000
Other Qualifying Improvements	9,367,269
Administrative Costs (up to 10%)	2,944,317
PROJECT COSTS TOTAL	\$ 25,811,586
Interest	6,575,904
PROJECT AND INTEREST COSTS TOTAL	\$ 32,387,490

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

Estimated costs associated with the District are subject to change among categories without a modification to the TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25% of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of the Downtown St. Paul Industrial Development District, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in the TIF Plan.

FISCAL DISPARITIES ELECTION

Pursuant to *M.S., Section 469.177, Subd. 3*, the Port Authority or City may elect one of two methods to calculate fiscal disparities.

The Port Authority will choose to calculate fiscal disparities by clause b (inside).

ESTIMATED IMPACT ON OTHER TAXING JURISDICTIONS

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the Port Authority or City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Estimated Impact on Tax Base			
Entity	2024/Pay 2025 Total NTC	CTC upon completion	Percent of CTC to Entity Total
Ramsey County	741,551,260	933,826	0.1259%
City of Saint Paul	342,004,326	933,826	0.2730%
ISD No. 625 (Saint Paul Public Schools)	342,004,543	933,826	0.2730%

Estimated Impact on Taxes				
Entity	Pay 2025 Extension Rate	Percent of Total	CTC	Potential Taxes
Ramsey County	43.6102%	30.24%	933,826	\$ 407,244
City of Saint Paul	52.6967%	36.54%	933,826	492,096
ISD No. 625 (Saint Paul Public Schools)	34.4779%	23.90%	933,826	321,964
Other	13.4495%	9.32%	933,826	125,595
	144.2344%	100.00%		\$1,346,899

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2025 rate. The total net capacity for the entities listed above are based on Pay 2025 figures. The District will be certified under the Pay 2026 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S., Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$29,443,173;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction. The existing buildings, located at the site will be eliminated for the new development. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume, if any, generated from the proposed development. Based on the development plans, there are no

additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks.

The probable impact of the issuance of any general obligation tax increment bonds payable from tax increment revenues from the District on the City's ability to issue debt for general fund purposes is not expected.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$7,038,121;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$8,902,334;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S., Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

SUPPORTING DOCUMENTATION

Pursuant to *M.S., Section 469.175, Subd. 1 (a), clause 7* this TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S., Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

- (i) In making said determination, reliance has been placed upon (1) Port Authority staff awareness of the feasibility of developing the project site within the District, which is further outlined in the city council resolution approving the establishment of the District and Appendix C; and (ii) feedback obtained from the development community regarding the site and feasibility related to redevelopment.

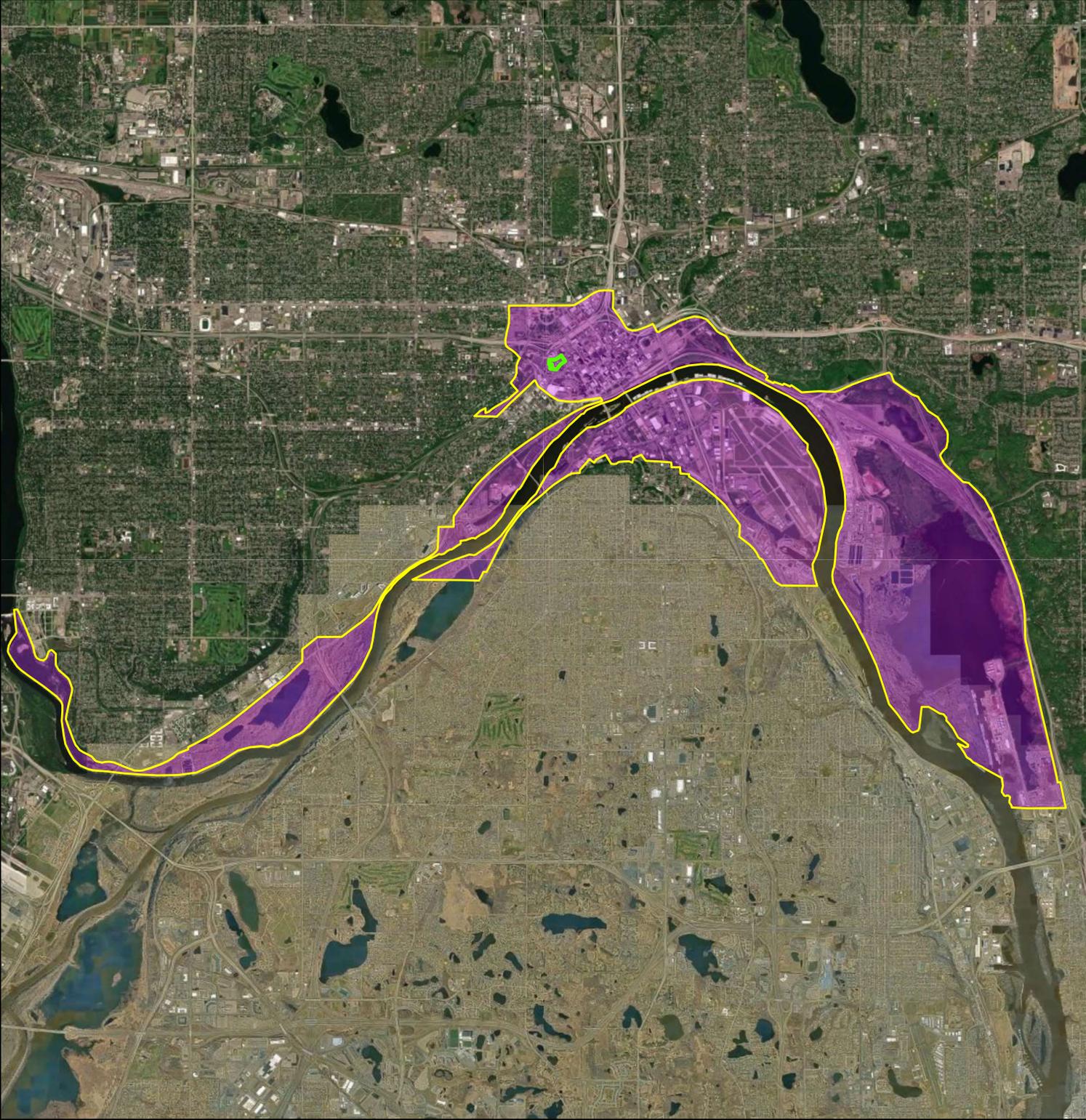
(ii) A comparative analysis of estimated market value both with and without establishment of the District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

DISTRICT ADMINISTRATION

Administration of the District will be handled by the Chief Financial Officer of the Port Authority.

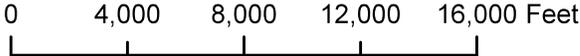
Appendix A: Map of Downtown St. Paul Industrial Development District and the TIF District

Downtown Saint Paul Industrial Development District



Legend

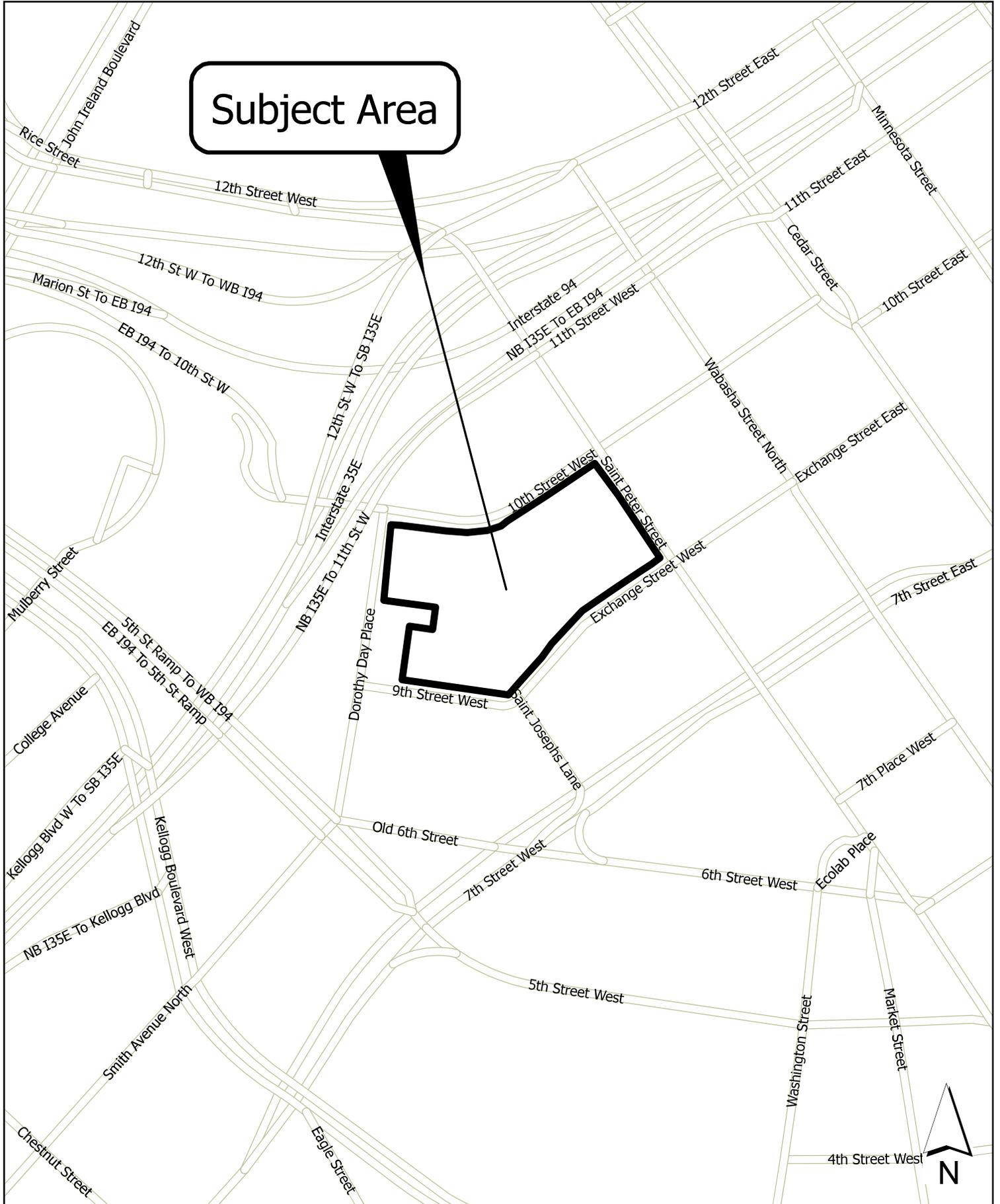
-  Redevelopment Area
-  Proposed TIF District



Fairview/St Joe's TIF District



Fairview/St Joe's TIF District



Subject Area



Appendix B: Estimated Cash Flow for the District

St. Joes Redevelopment

City of St. Paul, MN

170 Market Rate Apartments and 100,000 Sq. Ft. Office / Commercial



ASSUMPTIONS AND RATES

Redevelopment

District Type: Redevelopment
 District Name/Number: 2028
 County District #: 2028
 First Year Construction or Inflation on Value: 2028
 Existing District - Specify No. Years Remaining: 2.00%
 Inflation Rate - Every Year: 1.00%
 Interest Rate: 1-Aug-29
 Present Value Date: 1-Feb-30
 First Period Ending: Pay 2026
 Cashflow Assumes First Tax Increment For Development: 2030
 Years of Tax Increment: 26
 Assumes Last Year of Tax Increment: 2055
 Fiscal Disparities Election (Outside (A), Inside (B), or NA): Inside(B)
 Incremental or Total Fiscal Disparities: Incremental
 Fiscal Disparities Contribution Ratio: 34.0220% Pay 2025
 Fiscal Disparities Metro-Wide Tax Rate: 123.8880% Pay 2025
 Maximum/Frozen Local Tax Rate: 144.234% Pay 2025
 Current Local Tax Rate: 144.234% Pay 2025
 State-wide Tax Rate (Comm./Ind. only used for total taxes): 28.8570% Pay 2025
 Market Value Tax Rate (Used for total taxes): 0.18222% Pay 2025

Tax Rates	
Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	
First	\$150,000
Over	\$150,000
Commercial Industrial Class Rate (C/I)	
Rental Housing Class Rate (Rental)	2.00%
Affordable Rental Housing Class Rate (Aff. Rental)	1.25%
First	\$100,000
Over	\$100,000
Non-Homestead Residential (Non-H Res. 1 Unit)	
First	\$500,000
Over	\$500,000
Homestead Residential Class Rate (Hmstd. Res.)	
First	\$500,000
Over	\$500,000
Agricultural Non-Homestead	
First	\$500,000
Over	\$500,000

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage of Value Used for District	Original Tax Capacity		Current Tax Capacity		Class After Conversion		Areal/Phase	
								Market Value	Pay 2026	Market Value	Pay 2026	Class	Conversion		Class
1	06.28.22.21.0053	Fairview	45 10th Street West	3,793,100	2,750,000	6,543,100	100%	6,543,100	6,543,100	-	0	Rental	Rental	81,789	81,789

Note:

1. Base values are for pay 2026 based on discussion with County Assessor on 9-10-25 and for a net acreage amount of 4.35 (net of what Fairview may retain).
2. Located in SD #625 & Capital Region WS

St. Joes Redevelopment

City of St. Paul, MN

170 Market Rate Apartments and 100,000 Sq. Ft. Office / Commercial



PROJECT INFORMATION (Project Tax Capacity)

Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed	Percentage Completed	Percentage Completed	First Year Full Taxes Payable
									2029	2028	2030	2032
Apartment	Apartment	250,000	250,000	170	42,500,000	Rental	531,250	3,125	75%	25%	100%	2032
	Office	125	125	40,000	5,000,000	C/I Pref.	99,250	2	80%	25%	100%	2032
	Medical Office	300	300	40,000	12,000,000	C/I	240,000	6	80%	25%	100%	2032
	Retail	200	200	20,000	4,000,000	C/I	80,000	4	80%	25%	100%	2032
TOTAL					63,500,000		950,500					
Subtotal Residential				170	42,500,000		531,250					
Subtotal Commercial/Ind.				100,000	21,000,000		419,250					

Note:

1. Market values are based upon estimates from discussions with County Assessor.

TAX CALCULATIONS

New Use	Total Tax Capacity	Fiscal		Local		State-wide		Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
		Disparities	Tax Capacity	Property Taxes	Disparities Taxes	Property Taxes	Market Taxes			
Apartment	531,250	0	531,250	766,245	0	0	77,444	843,689	4,962.88	
Office	99,250	33,767	65,483	94,449	41,833	27,991	9,111	173,385	4.33	
Medical Office	240,000	81,653	158,347	228,391	101,158	68,391	21,867	419,807	10.50	
Retail	80,000	27,218	52,782	76,130	33,719	22,220	7,289	139,358	6.97	
TOTAL	950,500	142,637	807,863	1,165,216	176,710	116,602	115,710	1,376,239		

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?

Total Property Taxes	1,376,239
less State-wide Taxes	(118,602)
less Fiscal Disp. Adj.	(176,710)
less Market Value Taxes	(115,710)
less Base Value Taxes	(117,968)
Annual Gross TIF	1,047,248

MARKET VALUE BUT / FOR ANALYSIS

Current Market Value - Est.	6,543,100
New Market Value - Est.	63,500,000
Difference	56,956,900
Present Value of Tax Increment	22,216,592
Difference	34,740,308
Value likely to occur without Tax Increment is less than:	34,740,308

Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for Fairview / St. Joe's Tax Increment Financing District (the "District"), as required pursuant to *Minnesota Statutes (M.S.), Section 469.175, Subdivision 3* are as follows:

1. *Finding that Fairview / St. Joe's Tax Increment Financing District is a redevelopment district as defined in M.S., Section 469.174, Subd. 10.*

The District consists of one (1) parcel and vacant right-of-way, with plans to subdivide the parcel for Fairview Hospital to retain a portion of the site to accommodate their existing Wellness Center and needed parking, access and loading for the facility (approximately +/- 1.2 acres). The remaining portion of the site will be redeveloped for possible construction of up to 170-units of market rate apartment and approximately 100,000 sq. ft. office/commercial building and rehabilitation or removal of an existing parking facility. Parcels consisting of 70% of the area of the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50% of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix D of the TIF Plan.)

2. *Finding that the proposed development, in the opinion of the City Council, 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 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 Fairview / St. Joe's Tax Increment Financing District permitted by the TIF Plan.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels currently occupied by a substandard building, the challenging location of the property, some incompatible land uses at close proximity, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in 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 TIF Plan: This finding is justified on the grounds that the cost of remediation and demolition of the existing, site and public improvements add to the total redevelopment cost. Historically, these costs in this area have made redevelopment infeasible without tax increment assistance. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
 - b. If the proposed development occurs, the total increase in market value will be \$56,956,900.
 - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$22,216,592.
 - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$34,740,308 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The City Council reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for Fairview / St. Joe's Tax Increment Financing District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Downtown St. Industrial Development District by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, the redevelopment of a substandard property, increased tax base of the State, availability of safe and decent life-cycle housing in the City and add a high-quality development to the City.