

TAX INCREMENT FINANCING PLAN
for
FORD SITE HOUSING TAX INCREMENT FINANCING DISTRICT #2

HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA

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(for reference purposes only)

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SECTION 1. DEFINITIONS

The terms defined below shall, for purposes of this Tax Increment Financing Plan have the meaning herein specified, unless the context otherwise specifically requires:

“Captured Tax Capacity” means the amount by which the current net tax capacity of the tax increment financing district exceeds the original net tax capacity, including the value of property normally taxable as personal property by reason of its location on or over property owned by a tax-exempt entity.

“City” means the City of Saint Paul, Minnesota.

“Comprehensive Plan” means the City’s Comprehensive Plan which contains the objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and water within the City.

“County” means Ramsey County, Minnesota.

“Developers” means the Affordable Housing Developer and the Market Rate Housing Developer as defined in Section 2.3

“Development” means the development within the TIF District of the Affordable Housing Development and the Market Rate Housing Development as defined in Section 2.3.

“Governing Body” means the duly appointed City Council of the City.

“Housing Act” means Minnesota Statutes, Section 469.001 to 469.047, as amended.

“HRA” means the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a body corporate and politic;

“Redevelopment Plan” means the Redevelopment Plan for the Redevelopment Project Area, as amended.

“Redevelopment Project Area” means the Ford Site Redevelopment Project Area depicted on **Exhibit A** attached hereto and described in the Redevelopment Plan.

“State” means the State of Minnesota.

“TIF Act” means Minnesota Statutes, Section 469.174 through 469.1794, as amended.

“TIF District” means the Ford Site Housing Tax Increment Financing District #2 described in the TIF Plan and depicted on **Exhibit A**.

“TIF Plan” means this TIF Plan for the TIF District.

SECTION 2. TIF PLAN FOR THE FORD SITE HOUSING TAX INCREMENT FINANCING DISTRICT #2

Subsection 2.1 FORWARD

The HRA, and its staff and consultants have prepared the following information for the establishment of the TIF District, a housing tax increment financing district, located in the Redevelopment Project Area.

Subsection 2.2 STATUTORY AUTHORITY

Within the City, there exist areas where public involvement is necessary to cause development to occur. To this end, the HRA has certain statutory powers pursuant to the Housing Act and the TIF Act, to assist in financing public costs related to a project.

Subsection 2.3 STATEMENT OF OBJECTIVES

The TIF District is created to facilitate the construction of a proposed affordable housing development consisting of approximately 60 rental senior housing units and underground parking (the “Affordable Housing Development”) to be developed by CommonBond, or an affiliate (the “Affordable Housing Developer”). In addition, there will also be developed within the TIF District, a mixed-use development consisting of a building with approximately 118 market rate senior independent living housing units, related facilities, and approximately 4,000 square feet of retail space (the “Market Rate Housing Development” and, together with the Affordable Housing Development, the “Development”) to be developed by Presbyterian Homes, or an affiliate (the “Market Rate Housing Developer” and, together with the Affordable Housing Developer, the “Developers”). The TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Redevelopment Project Area; including without limitation a requirement for 20% of the total number of housing units in the Ford Site to be affordable and the TIF District is created, in part, to facilitate the construction of other affordable housing in the Ford Site (which is entirely within the Redevelopment Project Area).

The activities contemplated in the Redevelopment Plan and this 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 TIF District.

The TIF District includes 2 parcels as shown in **Exhibit A**, and does not include any adjacent roads or rights-of-way. One parcel will be owned by the Affordable Housing Developer for the Affordable Housing Development and one parcel will be owned by the Market Rate Housing Developer for the Market Rate Housing Development.

Subsection 2.4 REDEVELOPMENT PLAN OVERVIEW

1. The Developers have site control of their respective parcels of property and the HRA does not expect to acquire any property in the TIF District. Any additional property located within the Redevelopment Project may be acquired by the HRA as further described in Subsection 2.6.

2. Upon approval of a developer’s plan relating to a project and completion of the necessary legal requirements, the HRA may assist a developer with the acquisition cost of selected properties within the TIF District, or may lease land or facilities to a developer.
3. The HRA may perform or provide financing for some or all necessary environmental removal or remediation, acquisition, construction, landscaping, site work, demolition, and required streets and utilities within the TIF District.

Subsection 2.5 PARCELS TO BE INCLUDED IN THE TIF DISTRICT

The TIF District currently includes the following tax parcels:

| <u>Parcel ID</u> | <u>Address</u> | <u>Approximate Legal Description</u> |
|------------------|---------------------------|--------------------------------------|
| 17.28.23.11.0112 | 830 Cretin Avenue | Lot 2, Block 3 of FORD |
| 17.28.23.12.0085 | 820 Mount Curve Boulevard | Lot 1, Block 7 of FORD |

Subsection 2.6 PARCELS TO BE ACQUIRED

The HRA has no plans to acquire any property in the TIF District but reserves the right to acquire any property in the Redevelopment Project Area. The City and the HRA will not exercise eminent domain powers in the TIF District with respect to property for the Development.

The following are conditions under which properties in the Redevelopment Project Area may be acquired at a future date:

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

Subsection 2.7 DEVELOPMENT ACTIVITY IN THE TIF DISTRICT FOR WHICH CONTRACTS HAVE BEEN SIGNED

The Affordable Housing Developer, as the owner of the Affordable Housing Development, expects that construction of the Affordable Housing Development will commence on or before October 1, 2021, and be substantially completed by October 1, 2022. The HRA will enter into a Development Agreement with the Affordable Housing Developer with respect to the construction of the Affordable Housing Development.

No tax increments will be used in connection with the acquisition and construction of the Market Rate Housing Development which will be constructed by the Market Rate Housing

Developer pursuant to an Assignment and Assumption of Secondary Developer Obligations (Ford Site) between Project Paul, LLC, a Delaware limited liability company, and the Market Rate Housing Developer. Construction of the Market Rate Housing Development is expected to commence around June 1, 2021 and be substantially completed by November 1, 2022.

The Development in the TIF District is expected to have a market value of \$46,300,000 upon completion.

At the time this TIF Plan was prepared there were no signed construction contracts with respect to the construction of the Development in the TIF District.

Subsection 2.8 NO OTHER SPECIFIC DEVELOPMENT EXPECTED TO OCCUR WITHIN REDEVELOPMENT PROJECT AREA.

In addition to the Affordable Housing Development and the Market Rate Housing Development, certain unrelated housing development and redevelopment may occur within the Redevelopment Project.

Subsection 2.9 ESTIMATED COST OF DEVELOPMENT AND TIF PLAN BUDGET

The HRA has determined that it will be necessary to provide assistance for certain public costs of the Affordable Housing Development. To facilitate the development of the TIF District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses of the TIF District and Redevelopment Project Area. The estimate of public costs and uses of funds associated with the TIF District is outlined on the table attached hereto as **Exhibit B**. Estimated costs associated with the TIF District are subject to change. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget set forth in **Exhibit B**. The dollar amounts for specific line items in the budget may be adjusted between the line items by resolution of the HRA without a public hearing as long as the total expenditures are not increased.

Subsection 2.10 ESTIMATED AMOUNT OF BONDED INDEBTEDNESS

The expenditures 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. The HRA anticipates issuing a pay-as-you-go note to assist in financing a portion of the Developer's construction costs of the Affordable Housing Development. If bonding is required to finance the costs set forth in **Exhibit B**, 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. Bonding may include traditional general obligation or revenue bonding, including interest-bearing "pay-as-you-go" financing, an interfund loan or other internal, interest bearing HRA-financed borrowing in an amount not to exceed \$18,000,000.

Subsection 2.11 SOURCES OF REVENUE

The costs outlined in Section 2.9 above under the Estimated Cost of Development will be financed through the annual collection of tax increments as described below. In addition, the HRA

anticipates issuing housing revenue bonds pursuant to Minnesota Statutes, Chapter 462C for the Affordable Housing Development and the Affordable Housing Developer will obtain tax credit financing.

Subsection 2.12 ESTIMATED CAPTURED TAX CAPACITY AND ESTIMATE OF TAX INCREMENT

The current value of the TIF District as of January 2, 2020, as provided by Ramsey County, is \$1,395,500 and based on a mix of vacant residential land, the current tax capacity is \$17,444. When adjusted to a mix of market rate rental, affordable rental and commercial, the original net tax capacity for the TIF District is estimated to adjust to \$15,504.

The estimated Captured Tax Capacity of the TIF District upon completion of the Development is estimated to be \$488,696 as of January 2, 2024 (for taxes payable in 2025).

The HRA elects to retain all of the captured tax capacity to finance the costs of the Redevelopment Project Area. The HRA elects the method of tax increment computation set forth in Section 469.177, Subd. 3(a) of the TIF Act.

Exhibit C shows the various information and assumptions used in preparing the projected tax increment generated over the life of the TIF District.

Subsection 2.13 TYPE OF TIF DISTRICT

The HRA, in determining the need to create a tax increment financing district in accordance with the TIF Act, finds that the TIF District is a housing district pursuant to Section 469.174, Subd. 11 of the TIF Act as defined below:

“Housing district” means a type of tax increment financing district which consists of a project or a portion of a project intended for occupancy, in part, by persons or families of low and moderate income as defined in Chapter 462A, Title II of the National Housing Act of 1934; the National Housing Act of 1959; the United States Housing Act of 1937, as amended; Title V of the Housing Act of 1949, as amended; and any other similar present or future federal, state or municipal legislation or the regulations promulgated under any of those acts. A project does not qualify under this subdivision if more than 20% of the square footage of the buildings that receive assistance consist of commercial, retail or other non-residential uses.

In meeting the statutory criteria described above, the HRA relies on the following facts and findings:

The Affordable Housing Development will consist of approximately 60 rental senior housing units and related facilities and at least 40% of the units (i.e., 24 units) will be rented to and occupied by individuals or families whose income is not greater than 60% of area median income. The Market Rate Housing Development will consist of approximately 118 market rate senior independent living housing units, related facilities, and 4,000 square feet of retail space. The building included in the Affordable Housing Development in the TIF District is not expected to be used for any commercial, retail, or

other non-residential use. The TIF District qualifies as a housing district, in that it meets all of the criteria listed above.

Tax increments derived from a housing district must be used solely to finance the cost of housing projects as defined above. The cost of public improvements directly related to the housing projects and the allocated administrative expenses of the HRA may be included in the cost of a housing project. The Market Rate Housing Development will not receive any tax increment financing assistance.

Subsection 2.14 DURATION OF THE TIF DISTRICT

The duration of the TIF District will be 25 years after the receipt of the first tax increment. Pursuant to Section 469.175, Subd. 1(b) of the TIF Act, the HRA elects to first receive increment in 2024, resulting in an estimated final year of 2049. Attached as **Exhibit D** is a projected cash flow showing the estimated receipt of tax increments from the TIF District.

Subsection 2.15 ESTIMATED IMPACT ON OTHER TAXING JURISDICTIONS

The impact of this TIF District on the affected taxing jurisdictions is reflected in the HRA's anticipated need to utilize the tax increments generated from this TIF District during the period described in Section 2.14 above for the purposes of financing the public costs referenced in Section 2.9 above, as the same may be amended, following which period the increased assessed valuations will inure to the benefit of such taxing jurisdictions.

For the payable 2021 property taxes, the respective tax capacity rates and net tax capacities of these taxing jurisdictions are set out in **Exhibit E**.

On the assumption that the estimated captured tax capacity of this TIF District would be available to the above taxing jurisdictions without creation of this TIF District, the impact of this tax increment financing on the tax capacities of those taxing jurisdictions is shown by comparing the estimated \$488,696 of captured tax capacity in assessment year 2024 which assumes no annual inflation, to the tax capacities of each of those jurisdictions, respectively as set forth in **Exhibit E**.

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 the creation of this TIF District, during the period of this District's existence, there would be no effect on the above tax capacities, but upon the expiration or earlier termination of this TIF 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 TIF District is approximately \$17,204,018 less the deduction by the Office of the State Auditor. The estimated amount of tax increment attributable to the School District and County levies is estimated to be approximately \$4,610,485 and \$5,524,831, respectively, based on the pay 2021 tax rates. It is not expected that the Development in the TIF District will have any impact on the need for new or improved public infrastructure beyond that which was provided as a part of the Tax Increment Financing Plan for the Ford Site Redevelopment Tax Increment Financing District in the Redevelopment Project Area. The City's police and fire departments currently serve the

area and the probable impact of the Development in the TIF District on such services is expected to be minimal, when considering the impacts addressed in the Tax Increment Financing Plan for the Ford Site Redevelopment Tax Increment Financing District in the Redevelopment Project Area. The HRA anticipates that it will issue a pay as you go tax increment revenue note to the Affordable Housing Developer for a portion of the Public Costs of the Affordable Housing Development, but such note or other obligations will not affect the City's or the HRA's ability to issue other debt for general fund purposes.

Subsection 2.16 MODIFICATIONS TO THE TIF DISTRICT

In accordance with Section 469.175, Subd. 4 of the TIF Act, any:

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

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

The geographic area of the TIF District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the Redevelopment Project Area or TIF District and (2)(a) the current net tax capacity of the parcel(s) eliminated from TIF District equals or exceeds the net tax capacity of those parcel(s) in the TIF District's original net tax capacity or (b) the HRA agrees that, notwithstanding Section 469.177, Subd. 1 of the TIF Act, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the TIF District.

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

Subsection 2.17 ADMINISTRATIVE EXPENSES

In accordance with Sections 469.174, Subd. 14, and 469.176, Subd. 3 of the TIF Act, administrative expenses means all expenditures of the HRA, other than:

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

Administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Tax increment may be used to pay any authorized and documented administrative expenses for the Redevelopment Project Area up to, but not to exceed, 10% of the total estimated tax increment expenditures authorized by the TIF Plan or 10% of the total tax increments, as defined in Section 469.174, subdivision 25, clause (1) of the TIF Act, from the TIF District, whichever is less.

Pursuant to Section 469.176, Subd. 4h of the TIF Act, tax increments may be used to pay for the county's actual administrative expenses incurred in connection with said District. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred. Increment used to pay the county's administrative expenses under Subdivision 4h are not subject to the 10% limit.

Pursuant to Section 469.177, Subd. 11 of the TIF Act, the county treasurer shall deduct an amount equal to approximately 0.36% of any increment distributed to the HRA and the county treasurer shall pay the amount deducted to the state treasurer for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing.

Subsection 2.18 LIMITATION OF INCREMENT – 4 YEAR RULE

Pursuant to Section 469.176, Subd. 6 of the TIF Act:

if after 4 years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to Section 469.177 of the TIF Act, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including

qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.

Subsection 2.19 USE OF TAX INCREMENT

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

1. to pay the principal of and interest on bonds used to finance a project;
2. to finance, or otherwise pay the capital and administration costs of the Redevelopment Project pursuant to the Housing Act;
3. to pay for project costs as identified in the budget;
4. to finance, or otherwise pay for other purposes as provided in Sections 469.174, Subd. 11 and 469.176, Subd. 4 of the TIF Act;
5. to pay principal and interest on any loans, advances or other payments made to the HRA or for the benefit of the Redevelopment Project Area by the developer;
6. to finance or otherwise pay premiums and other costs for insurance, credit enhancement, or other security guaranteeing the payment when due of principal and interest on tax increment bonds or bonds issued pursuant to the Plan or pursuant to Minnesota Statutes, Chapter 462C and Minnesota Statutes, Sections 469.152 to 469.165, or both; and
7. to accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to Minnesota Statutes, Chapter 462C and Minnesota Statutes, Sections 469.152 to 469.165, or both.

These revenues shall not be used to circumvent any levy limitations applicable to the City nor for other purposes prohibited by Section 469.176, subd. 4 of the TIF Act.

Revenues derived from tax increment from a housing district must be used solely to finance the cost of housing projects as defined in Section 469.174, subd. 11 of the TIF Act. The cost of public improvements directly related to the housing projects and the allocated administrative expenses of the HRA may be included in the cost of a housing project.

Subsection 2.20 NOTIFICATION OF PRIOR PLANNED IMPROVEMENTS

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

Subsection 2.21 EXCESS TAX INCREMENTS

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

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

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

Subsection 2.22 REQUIREMENTS FOR AGREEMENTS WITH THE DEVELOPERS

The HRA will review any proposal for private development to determine its conformance with the Redevelopment Plan and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by the HRA to demonstrate the conformance of the development with city plans and ordinances. The HRA may also use the Agreements to address other issues related to the Affordable Housing Development.

Pursuant to Section 469.176, Subd. 5 of the TIF Act, no more than 10%, by acreage, of the property to be acquired within the TIF District as set forth in the Plan shall at any time be owned by the HRA as a result of acquisition with the proceeds of bonds issued pursuant to Section 469.178 of the TIF Act without the HRA having, prior to acquisition in excess of 10% of the acreage, concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the HRA should the development or redevelopment not be completed. The property in the TIF District was previously acquired and is currently owned by the Developers.

Subsection 2.23 ASSESSMENT AGREEMENTS

Pursuant to Section 469.177, Subd. 8 of the TIF Act, the HRA may enter into an agreement in recordable form with developers of property within the TIF District which establishes a minimum market value of the land and completed improvements for the duration of TIF District. The assessment agreement shall be presented to the assessor who shall review the plans and specifications for the improvements constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appear, in the judgment of the assessor, to be a reasonable estimate, the assessor may certify the minimum market value agreement. The HRA will enter into assessment agreements establishing a minimum market value upon completion with each of the Developers.

Subsection 2.24 ADMINISTRATION OF TIF DISTRICT

Administration of the TIF District will be handled by the Executive Director of the HRA.

Subsection 2.25 FINANCIAL REPORTING REQUIREMENTS

The HRA will comply with all reporting requirements of Section 469.175, Subd. 5 and 6 of the TIF Act.

Subsection 2.26 OTHER LIMITATIONS ON THE USE OF TAX INCREMENT

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

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

2. Pooling Limitations. At least 80% of tax increments from the TIF District must be expended on activities in the TIF District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. As provided in Section 469.1763, subd. 2(b) of the TIF Act, a housing project, as defined in Section 469.174, subdivision 11 of the TIF Act, is an activity in the TIF District. Not more than 20% of said tax increments may be expended, through a development fund or otherwise, on activities outside of the TIF District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction,

all administrative expenses must be treated as if they were solely for activities outside of the TIF District. As set forth in paragraph 4 below, the HRA elects to increase its pooling percentage by up to 10% on activities located outside the TIF District as permitted by Section 469.1763, Subd. 2(d) of the TIF Act.

3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from the TIF District shall be deemed to have satisfied the 80% test set forth in paragraph 2 above only if the 5-year rule set forth in Section 469.1763, Subd. 3 of the TIF Act, has been satisfied; and beginning with the 6th year following certification of the TIF District, Section 469.1763, Subd. 4 of the TIF Act applies.
4. Expenditures Outside District. The HRA hereby elects to authorize spending up to an additional 10% of the tax increments on activities located outside the TIF District as permitted by Section 469.1763, Subd. 2(d) of the TIF Act provided that the expenditures meet the following requirements, as such requirements may be amended from time to time:
 - (A) they are used exclusively to assist housing that meets the requirements for a qualified low-income building as defined in Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”);
 - (B) they do not exceed the qualified basis of housing as defined under Section 42(c) of the Code less the amount of any credit allowed under Section 42 of the Code, and
 - (C) they are used to (i) acquire and prepare the site for housing, (ii) acquire, construct or rehabilitate the housing or (iii) make public improvements directly related to the housing.

The HRA reserves the right to allow for tax increment pooling from the TIF District in the future.

Subsection 2.27 COUNTY ROAD COSTS

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

In the opinion of the HRA and consultants, the proposed development outlined in this TIF Plan, combined with development within the overall Ford Site, will result in an increase in traffic volume on existing roadways (including county roads), but the HRA anticipates that the increase can be handled within the existing physical capacity of the existing roads. If the county elects to use increments to improve county roads, it must notify the HRA within thirty days of receipt of this Plan.

Subsection 2.28 NO BUSINESS SUBSIDY

The HRA is providing tax increment financing only for the Affordable Housing Development and therefore, the provisions of Minnesota Statutes, Sections 116J.993 and 116J.994, as amended (which states that a recipient of a business subsidy must create a net increase in jobs and meet wage level goals within two years of receiving assistance), are not applicable.

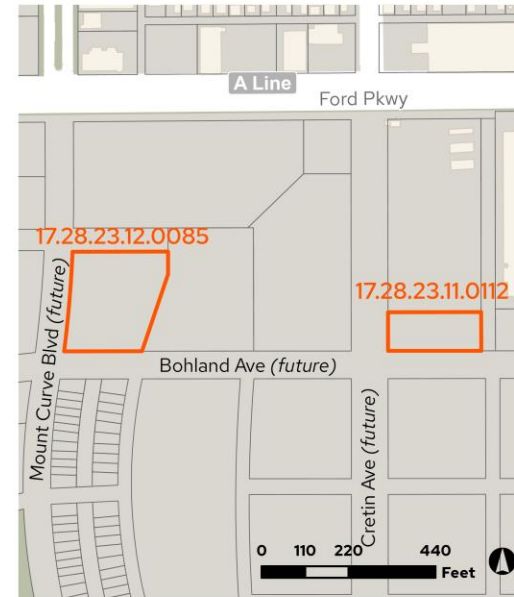
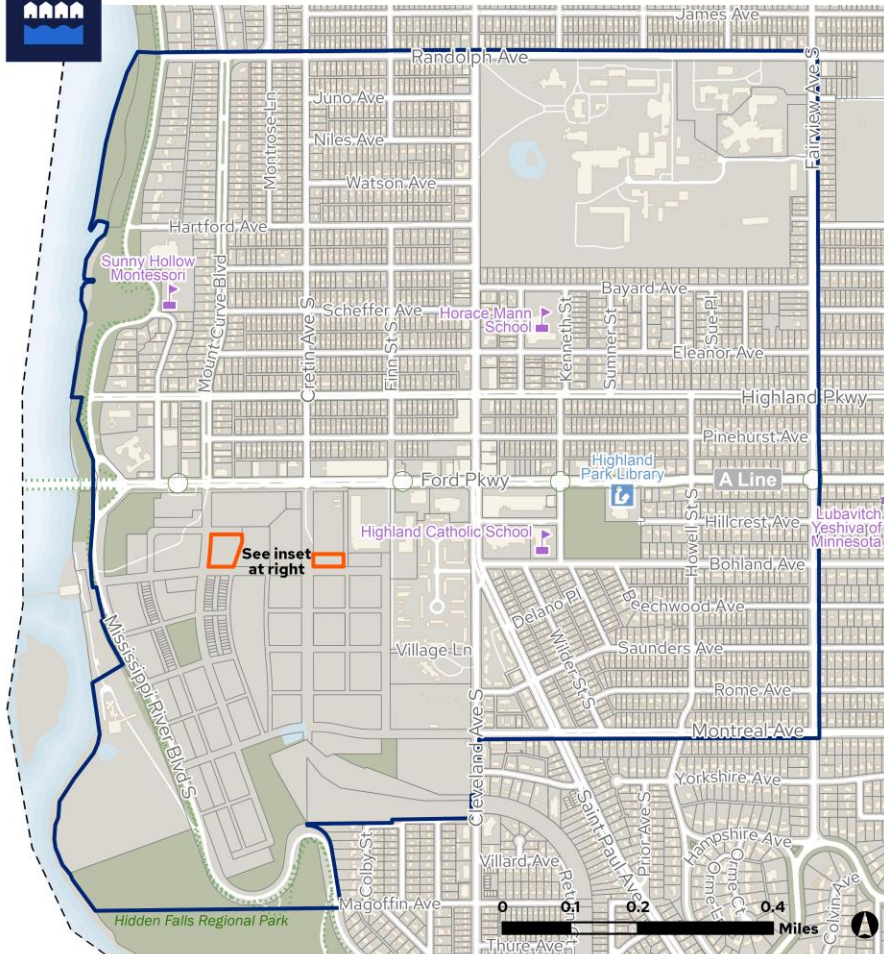
EXHIBIT A

Map of Redevelopment Project Area and TIF District



Ford Site Housing TIF District #2

February 28th, 2021



- Ford Site Housing TIF District #2
- Ford Site Redevelopment Project Area
- Parcel Boundaries
- Roadways Polygon

Date: 2/28/2021 8:41 PM Document Path: C:\Users\jstevens\OneDrive\Documents\Ford Site Housing TIF District #2\Map\Ford Site Housing TIF District #2 Map.aprx

This document was prepared by the Saint Paul Planning and Economic Development Department and is intended to be used for reference and illustrative purposes only. This drawing is not a legally recorded plan, survey, official tax map or engineering schematic and is not intended to be used as such. Data sources: St. Paul Enterprise GIS, and Ramsey County Parcels and Building Footprints, 2021.

EXHIBIT B
TIF Plan Budget

Estimates of Tax Increments and Uses

Name of District: Ford Site Housing TIF District #2
 Type of District: Housing District
 Duration of District: 25 years following 1st collection

| ESTIMATED TAX INCREMENT REVENUES | Estimated Amount |
|---|-------------------------|
| Tax Increment Revenue (1) | \$17,150,000 |
| Interest and Investment Earnings | \$850,000 |
| Estimated Tax Increment Revenues | \$18,000,000 |
| | |
| | |
| ESTIMATED PROJECT/FINANCING COSTS | Estimated Amount |
| Land/Building Acquisition | \$0 |
| Site Improvements/Preparation Costs | \$0 |
| Utilities | \$0 |
| Other Qualifying Public Improvements | \$0 |
| Construction of Affordable Housing | \$10,090,000 |
| Administrative Costs | \$1,715,000 |
| Estimated Tax Increment Project Costs | \$11,805,000 |
| | |
| Estimated Financing Costs | |
| Interest Expense | \$6,195,000 |
| | |
| Total Est. Project/Financing Costs Paid From Tax Increment | \$18,000,000 |

(1) Net of State Auditor Deduction

EXHIBIT C
Assumption Report

Housing & Redevelopment Authority of the City of Saint Paul

| | |
|--|--------------------------------------|
| Name of Project | Ford Site Housing TIF District #2 |
| Name of Developer | CommonBond Communities |
| Type of TIF District | Housing |
| Maximum Duration | 25 years after 1st collection |
| Est. Date of Certification Request | 6/30/2021 |
| Elect First Year | Yes |
| Est. First Year of Increment | 2024 |
| Final Year of Increment (Max) | 2049 |
| <u>Tax Rates</u> | <u>Final Pay 2021</u> |
| City of St. Paul | 45.104% |
| Ramsey County | 43.770% |
| ISD #625 | 36.527% |
| Miscellaneous | 10.897% |
| Local Rate Captured for TIF | 136.299% |
| Watershed Name/No. | Capitol Region / 0151 |
| Fiscal Disparity (In or Out) | Outside TIF (Clause A) |
| Sharing Factor | 30.0260% |
| FD Tax Rate | 139.504% |
| State General Tax Rate | 35.978% |
| Market Value Based Tax Rate (ISD #625) | 0.17635% |
| Assess year values for base | 2020 |
| Pay year for base | 2021 |

EXHIBIT C
Assumptions Report (Continued)

Housing & Redevelopment Authority of the City of Saint Paul
Ford Site Housing TIF District #2

| Proposed TIF Parcels | Assess 2020-Pay 2021 | | |
|-----------------------------------|----------------------|-----------------------|------------|
| | Est. Market Value | Current Class | Current TC |
| 17.28.23.11.0112 (Lot 2, Block 3) | 400,100 | Rental | 5,001 |
| 17.28.23.12.0085 (Lot 1, Block 7) | 995,400 | Res Non-Hstd (Vacant) | 12,443 |
| | 1,395,500 | | 17,444 |

Proposed Redevelopment Units

CommonBond Senior Rental Project

| | |
|----------------------------|-------------------|
| Total Square Feet | 58,998 |
| Residential Common Area | 20,094 |
| Affordable Unit SF | 38,904 (60 units) |
| <i>Average SF per Unit</i> | <i>648</i> |

Senior Living Market Rate Project, Lot 1, Block 7

| | |
|----------------------------|-----------|
| Total Units | 118 units |
| Total Commercial SF | 4,000 SF |
| <i>Average SF per Unit</i> | |

Adjust Current Classification of Parcels Based On Completed Appraised Value

| | Est. Market Value | Classification | Adjusted TC |
|--|-------------------|---------------------|-------------|
| <i>Affordable Rental Project</i> | 400,100 | Rental - Affordable | 3,001 |
| <i>Senior Rental Project</i> | 971,342 | Rental | 12,142 |
| <i>Commercial/Retail with Sr. Rental</i> | 24,058 | C/I Preferred | 361 |
| | 1,395,500 | | 15,504 |

Proposed Project

Component Value

CommonBond Senior Rental Project

Affordable Apartments

| | | |
|------------------------------|-----------|--------------|
| Market Value per Rental Unit | \$220,000 | \$13,200,000 |
| Total No. of Apartments | 60 | |

MR Project - 118 Senior Rental Units, Lot 1, Block 7

Market Rate Apartments

| | | |
|------------------------------|-----------|--------------|
| Market Value per Rental Unit | \$273,729 | \$32,300,000 |
| Total No. of Apartments | 118 | |

Commercial SF

| | | |
|---------------------|-------|-----------|
| Market Value per SF | \$200 | \$800,000 |
| Total SF | 4,000 | |

EXHIBIT C
Assumptions Report (Continued)

Housing & Redevelopment Authority of the City of Saint Paul
Ford Site Housing TIF District #2

| | <u>Est. Market Value*</u> | <u>Tax Capacity</u> |
|---|---------------------------|---------------------|
| <u>CommonBond Project</u> | | |
| Affordable Apartments ** | \$13,200,000 | \$85,200 |
| <u>MR Project - 118 Senior Rental Units, Lot 1, Block 7</u> | | |
| Market Rate Apartments | \$32,300,000 | \$403,750 |
| Commercial SF | \$800,000 | \$15,250 |
| Total Paired MR Project | \$33,100,000 | \$419,000 |
| Total Projects in TIF District | \$46,300,000 | \$504,200 |
| <i>Increased Market Value</i> | <i>\$44,904,500</i> | |
| <u>Project Timing</u> | <u>Affordable</u> | <u>MR Project</u> |
| Construction Start | 10/1/2021 | 6/1/2021 |
| Project Opening | 10/1/2022 | 11/1/2022 |
| Stabilized Occupancy | 2/1/2023 | 5/1/2023 |

* MARKET VALUES ESTIMATED BY RAMSEY COUNTY BASED ON DEVELOPER PLANS (FEBRUARY 2021)

** Affordable tax capacity includes two tiers, the first tier is \$174,000 for Assess 2021 (as determined by MN Dept. of Revenue)

EXHIBIT D Projected Tax Increment

**Housing & Redevelopment Authority of the City of Saint Paul
Ford Site Housing TIF District #2**

**Affordable Senior Building with 60 Units - valued at \$220K/unit Plus 118 Senior Rental Apartments valued ~ \$274K/unit - w/ 4K SF Commercial
Total Estimated Market Value of \$46.3M with 0% Inflation, Fiscal Disparity Outside (Clause A), Final Pay 2021 - Elect First Year 2024**

| Assess Year (1) | Collect Year (2) | Total Est. Market Value (3) | Total Net Tax Capacity (4) | Less Original Net Tax Capacity (5) | Sharing Factor (6) | Increment Tax Capacity (7) | Local Captured Tax Rate* (8) | Projected Tax Increment (9) | Est. TI Attributable to City Levy* (10) | Est. TI Attributable to County Levy* (11) | Est. TI Attributable to School Dist Levy* (12) | Less State Auditor Deduction 0.360% (10) | Annual TI to HRA (11) |
|--------------------|---------------------|--------------------------------|-------------------------------|---------------------------------------|-----------------------|-------------------------------|---------------------------------|--------------------------------|--|--|---|---|--------------------------|
| 2023 | 2024 | \$39,680,000 | 420,400 | (15,504) | 0.963121 | 404,896 | 136.299% | \$551,868 | \$182,626 | \$177,225 | \$147,894 | (\$1,987) | \$549,881 |
| 2024 | 2025 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2025 | 2026 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2026 | 2027 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2027 | 2028 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2028 | 2029 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2029 | 2030 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2030 | 2031 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2031 | 2032 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2032 | 2033 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2033 | 2034 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2034 | 2035 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2035 | 2036 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2036 | 2037 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2037 | 2038 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2038 | 2039 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2039 | 2040 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2040 | 2041 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2041 | 2042 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2042 | 2043 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2043 | 2044 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2044 | 2045 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2045 | 2046 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2046 | 2047 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2047 | 2048 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| 2048 | 2049 | \$46,300,000 | 504,200 | (15,504) | 0.969251 | 488,696 | 136.299% | \$666,086 | \$220,424 | \$213,904 | \$178,504 | (\$2,398) | \$663,688 |
| | | | | | | | | \$17,204,018 | \$5,693,214 | \$5,524,831 | \$4,610,485 | (\$61,934) | \$17,142,083 |

* Final Pay 2021 Tax Rate will become Original Local Tax Rate

EXHIBIT E
Estimated Impact on Other Taxing Jurisdictions Report

Housing & Redevelopment Authority of the City of Saint Paul
Ford Site Housing TIF District #2
Statement of Alternate Estimates of the Impact of Tax Increment Financing

| Taxing Jurisdiction | No Captured Net Tax Capacity Without Creation of District | | Captured Net Tax Capacity Available Without Creation of District | | | | | Hypothetical Tax Generated by Captured Net Tax Capacity |
|---------------------|--|---|--|---|--|-----------------------------------|--|--|
| | Final* Pay 2021 Taxable Net Tax Capacity (a) | Final* Pay 2021 Local Tax Rate | Final* Pay 2021 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 | 289,861,122 | 45.104% | 289,861,122 | 488,696 | 290,349,818 | 45.029% | 0.076% | \$220,424 |
| Ramsey County | 609,931,784 | 43.770% | 609,931,784 | 488,696 | 610,420,480 | 43.735% | 0.035% | \$213,904 |
| ISD #625 | 289,861,122 | 36.527% | 289,861,122 | 488,696 | 290,349,818 | 36.465% | 0.061% | \$178,504 |
| Miscellaneous | ** - | 10.897% | - | - | - | 10.897% | 0.000% | \$0 |
| | | 136.299% | | | | 136.126% | 0.172% | \$612,831 |

Statement #1: If assume the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district, the taxing jurisdictions would have increased taxable net tax capacity to tax upon thereby resulting in a hypothetical decline in the local tax rate, while producing the same level of taxes. The above hypothetical analysis indicates a total tax rate decline of 0.172%; alternatively an increase in taxable net tax capacity without a reduction in the tax rate would produce an additional \$612,831 of taxes from the three taxing jurisdictions listed above.

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 Final Pay 2021 tax capacities and tax rates were provided by Ramsey County

** The miscellaneous taxing jurisdictions have been excluded (they represent just 8% 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