# SECOND AMENDMENT
# TO
# FUNDING AGREEMENT

**THIS SECOND AMENDMENT TO FUNDING AGREEMENT** ("Second Amendment") is executed on April ____, 2022 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, thereafter amended by that certain First Amendment (the "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 and surrounding public infrastructure (the "Project") (defined terms used in this Second Amendment are defined in either this Second or the Funding Agreement); and

WHEREAS, the City and Team entered into a Development Agreement dated April 1, 2016 for the Project and development of the Stadium (the "Development Agreement"); and

WHEREAS, as part of the Development Agreement the City agreed to contribute the sum of $16,100,000 to defray costs of the infrastructure, including the installation of stormwater facilities (the "Stadium Site Infrastructure"); and

WHEREAS, subsequent to entering into the Development Agreement, the City and Team jointly decided to expand the contemplated stormwater facilities to provide for an integrated storm water management system for the entire Midway Development Site and the City contributed an initial amount of $2,307,000 to defray the costs of said system; and

WHEREAS, on November 8, 2017 the HRA by RES 17-1815, and City by RES PH 17-323, approved the execution of a First Amendment to the Funding Agreement to allocate an additional $2,000,000 of HRA tax increment dollars and $500,000 of HRA Loan Enterprise dollars (the "First Amendment"); and

WHEREAS, there remains a total unspent balance of $340,532 from the funds previously approved and allocated pursuant to the First Amendment (the "Unspent Balances"); and

WHEREAS, the City and Team thereafter completed redesign of the stormwater facilities to provide stormwater management for stormwater generated by the roofs of future buildings constructed within the Midway Development Site (the "Expanded Stormwater Facilities"). The Expanded Stormwater Facilities provide a comprehensive storm and irrigation water management system for the entire Midway Development Site which includes (i) the Stadium Site (including the Stadium roof, plaza areas, loading dock, lower bowl and playing field), and (ii) the portions of the Midway Development Site outside of the Stadium Site (including such portions of the Stadium Site as may in the future be removed from the Stadium Site when and as so removed) that is expected to be developed in the future; and

WHEREAS, subsequent to entering the Development Agreement, the City and Team jointly desired to have improvements constructed north of Shields (the "Additional Public Improvements") that included: (a) the extension of Asbury Street from Shields Avenue to Spruce Tree Avenue,

including the street, sidewalks, lighting and landscaping on the west side of Asbury Street within the public right of way, (b) the extension of Spruce Tree Avenue from Asbury Street to Simpson Street, including the street, sidewalks, lighting and landscaping on the south side of Spruce Tree Avenue, within the public right of way, from the western edge of the pedestrian way to Simpson Street, (c) the extension of Simpson Street from Spruce Tree Avenue to Shields Avenue including the street, sidewalks, lighting and landscaping, within the public right of way, on the east and west sides of Simpson Street and (d) a 35 foot pedestrian walkway, located on the eastern 5 feet of the park and the adjacent western 30 feet of Lot 1, Block 4, MLS Soccer Redevelopment and extending from Spruce Tree to Shields; and

WHEREAS, the Expanded Stormwater Facilities and the Additional Public Improvements are public infrastructure improvement in addition to the Stadium Site Infrastructure originally contemplated in the Development Agreement. The Stadium Site Infrastructure, the Expanded Stormwater Facilities, and the Additional Public Improvements are herein collectively the "Public Infrastructure;" and

WHEREAS, costs necessary for the design and construction of the Public Infrastructure were $5,483,816 greater than amounts originally budgeted and the City is contributing $2,000,000 to defray said Public Improvement costs in accordance with a Public Infrastructure Funding Agreement with the Team and Minnesota United Soccer Club, LLC, the Team's wholly-owned subsidiary (the "Club"), with said contribution constituting a final draw under the Development Agreement; and

WHEREAS, the HRA Board of Commissioners at its April 13, 2022 meeting by RES ___ approved: (a) a HRA transfer of already budgeted funds (the "HRA Transfer") to provide the City with additional sources of funds in the total amount of $1,694,100 (the Unspent Balances together with an additional $1,353,568 to be transferred under this Second Amendment) to partially fund the Public Improvements (collectively the "Additional HRA Funding"), and (b) the execution of this Second Amendment with the City to transfer the Additional HRA Funding to the City; and

WHEREAS, the City Council at its April 13, 2022 meeting by RES PH ___ also approved this Second 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 Exhibit A attached hereto; and

WHEREAS, the sources of funds for the Additional HRA Funding also 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 Second 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 Second 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 Public Infrastructure costs. 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 Additional HRA 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. 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.

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 Second 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 Second Amendment by a resolution duly and properly adopted by its governing body.

c. This Second Amendment may be executed in one or more counterparts, each of which shall be deemed an original instrument.

d. This Second 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 Second Amendment or understanding with respect to the subject hereof. This Second 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 Second Amendment to be executed by its duly authorized officers, all as of the day and year first above written.

**CITY OF SAINT PAUL**

By: _____
Its: Mayor/Deputy 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**

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