

RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL
[Southport Recycling Economic Development Tax Increment District]

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority") wishes to establish the Southport Recycling Economic Development Tax Increment Financing District in the City of Saint Paul (the "District") and authorize Port Authority staff to finalize the tax increment financing plan related thereto (the "Plan"); and

WHEREAS, Port Authority staff has provided a draft of the Plan, including a budget for construction of infrastructure improvements and other development necessary to enable Gerdau Ameristeel US Inc., a wholly owned subsidiary of Gerdau SA ("Gerdau") to construct the buildings and improvements necessary to support a recycling facility serving as a drop off, storage, and staging location for various types of steel that will subsequently be transferred to the Red Rock facility for heavy processing and shredding (the "Project"), and the sources of funds to be used to accomplish the same, all of which is set forth in the Plan; and

WHEREAS, the Plan designates a parcel of the District for inclusion in a Hazardous Substance Subdistrict ("HSS") in accordance with Minnesota Statutes, Section 469.176, Subd. 1.e. to allow for the collection of additional increments to pay for the costs of environmental remediation associated with the Project, and a development action response plan is being prepared for the HSS; and

WHEREAS, the Port Authority has performed all actions required by law to be performed prior to the establishment of the District, including, but not limited to, notification of Ramsey County and School District No. 625 (which have taxing jurisdiction over the property included in the District) and now wishes to submit the Plan to the Saint Paul City Council as required by Minnesota Statutes, Section 469.174 for consideration at a public hearing to be held on May 15, 2013; and

WHEREAS, it has been proposed that the Port Authority issue its "pay-as-you-go" tax increment note to Gerdau in the principal amount of approximately \$100,000; bearing interest at approximately 5% per annum and payable solely from tax increments generated by the District, including the HSS (the "Note"); and

WHEREAS, the amount will be deemed to be advanced under the Note for Project expenses paid by Gerdau that are eligible to be paid or reimbursed from tax increments.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Port Authority of the City of Saint Paul as follows:

Adoption of Findings and Other Actions Regarding Adoption of Plan.

1. The Port Authority hereby finds that:

(a) the proposed tax increment financing district is an economic development district meeting the criteria of Section 469.174, subdivision 12;

(b) the development proposed for the District and described in the Plan is not reasonably expected to occur solely through private investment within the reasonably foreseeable future and the increased market value of the site reasonably 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 project tax increments for the maximum duration of the District permitted by the Plan;

(c) the Plan conforms to the general plan for the development and redevelopment of the City of Saint Paul as a whole;

(d) the Plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development and redevelopment of the District by private enterprise;

(e) the parcels described in the Plan that are not designated hazardous substance sites are expected to be developed together with a designated hazardous substance site; and

(f) the Port Authority elects the method of tax increment computation set forth in Section 469.177, Subd. 3, paragraph (a) of Minnesota Statutes.

The reasons and supporting facts for each finding described herein are set forth on Exhibit A, attached hereto.

2. The Plan is hereby approved in substantially the form presented to the Board, with such changes as the President and Chief Financial Officer, with advice of counsel, might deem necessary or desirable to facilitate the Project described herein. Once finalized, the Plan shall be placed on file in the office of the Authority.

3. Once the Plan is approved by the City Council the Port Authority staff, along with the Port Authority's legal counsel, is hereby authorized and directed to proceed with the implementation of the Plan and for this purpose to negotiate and finalize all further plans, resolutions, documents and contracts necessary for this purpose.

4. Port Authority staff is hereby authorized to forward a copy of the Plan once it is finalized to the Ramsey County Auditor and the Minnesota Department of Revenue pursuant to Minnesota Statutes, Section 469.175, subd. 2.

Approval of TIF Note

5. For the purpose of financing the Project, the Port Authority hereby authorizes the issuance, sale and delivery of the Note in an approximate principal amount of \$150,000. The Note shall bear interest at approximately 5%.

6. The issuance of the Note, the execution and delivery by the Port Authority of all documents necessary to the issuance of the Note, and the performance of all covenants and agreements of the Port Authority contained in such documents, and of all other acts and things required under the Constitution and laws of the State of Minnesota to make the Note and such documents valid and binding obligations of the Port Authority in accordance with their terms, are authorized.

7. It is desirable that the Note be issued by the Port Authority upon the general terms set forth herein and in the memorandum presented to the Board. The Note shall be in such principal amount, bear interest at such rate, mature, and be subject to prepayment prior to maturity as shall be determined by the President and the Chief Financial Officer of the Port Authority and Bond Counsel.

8. The Note is not to be payable from or a charge upon any funds other than the revenues pledged to the payment thereof; no holder of the Note shall ever have the right to compel any exercise by the City or the Port Authority of its taxing powers to pay the Note or the interest or premium thereon, or to enforce payment thereof against any property of the City or the Port Authority except the interests of the Port Authority and the City which have been pledged to the Note; the Note shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City or the Port Authority except the interests of the Port Authority and the City which have been pledged to the Note; the Note shall recite that it is issued without moral obligation on the part of the State or its political subdivisions, and that the Note, including interest thereon, is payable solely from the revenues pledged to the payment thereof; and the Note shall not constitute a debt of the City or the Port Authority within the meaning of any constitutional or statutory limitation.

General

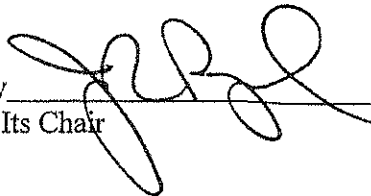
9. The President of the Port Authority is hereby authorized to take such other action as he may deem necessary or desirable to finalize and implement the Plan and issue the TIF Note.

10. The actions of Port Authority management in: (a) causing the publication of the notice of public hearing with respect to the issuance of the Note; (b) forwarding a copy of the Plan to Independent School District #625 and Ramsey County for review and comment, as required by Minnesota Statutes, Section 469.175, Subd. 2; and (c) forwarding a copy of the Plan to the City Council of the

City of Saint Paul and requesting approval of the Plan by the City Council, following a public hearing, as required by Minnesota Statutes, Section 469.175, Subd. 3, are hereby ratified and confirmed.

Adopted: April 23, 2013

PORT AUTHORITY OF THE CITY
OF SAINT PAUL

By 
Its Chair

ATTEST:


Its Secretary
Commissioner