

EXHIBIT A
RESOLUTION # _____

The reasons and facts supporting the findings for the adoption of the Southport Recycling Economic Development Tax Increment Financing District (the "District") therein, are as follows:

a. *Finding that the District is an "economic development district."*

The District will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality. Gerdau has other facilities in North America which could support this proposed investment, including one with operating costs significantly lower than those of the Red Rock facility. However, the District is the result of a partnership formed in 2011 between the State of Minnesota, the City of Saint Paul, the Port Authority, and various Chambers of Commerce that resulted in a joint assistance package to support the Saint Paul Mill at Red Rock and this District and Project at Southport. This has resulted in the retention of manufacturing in Saint Paul.

The District will also result in increased employment in the state. It will create jobs at the facility and retain jobs at the existing Saint Paul Mill, including creating 12 new jobs at the Southport facility and assisting in the retention of 377 jobs at the Saint Paul Mill, which may be at risk without the tax increment financing assistance.

Finally, it will expand the industrial tax base of the City of Saint Paul by increasing the taxable market value of the parcels in the District by approximately \$500,000.

b. *Finding that the proposed development, in the opinion of the Port Authority, 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 the district permitted by the Plan.*

The Project is feasible only through assistance, in part, from tax increment financing.

c. *Finding that the Southport Recycling Economic Development Tax Increment District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Southport Recycling Economic Development Tax Increment District Plan has been reviewed by the Port Authority and has been found to conform to the general development and redevelopment plan of the City.

- d. *Finding that the establishment of the Southport Recycling Economic Development Tax Increment District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the project by private enterprise.*

The Southport Economic Development Tax Increment District Plan will assist in ensuring the ongoing visibility of the Saint Paul Mill and create additional jobs. The District will also encourage new development and expansion of existing business in the area and prevent the emergence of blight and blighting influences.

- e. *Finding that 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.*

All parcels contained in the District will be developed together as part of one project. In addition, the District is part of an integrated development plan for the purpose of supporting investment in the Saint Paul Mill and developing a recycling drop off site for obtaining steel for the Saint Paul Mill.