

AMENDED AND RESTATED AGREEMENT RELATING TO GREAT NORTHERN
BUSINESS CENTER PROJECT AND JOINT POWERS AGREEMENT RELATING TO
BONDS ISSUED THEREFOR

THIS AGREEMENT is entered into as of the 1st day of [December, 2015], by and between the City of Saint Paul, Minnesota (the “**City**”) and the Port Authority of the City of Saint Paul (the “**Port Authority**”).

RECITALS

A. The Port Authority has created the Maxson Steel/Dale Street Shops Industrial Development District (the “**Industrial Development District**”) and has designated the northern portion as the Great Northern Business Center.

B. In order to encourage development and redevelopment of the Industrial Development District, the Port Authority has established the Great Northern Business Center – Phase I Tax Increment Financing District (the “**Tax Increment District**”). The Tax Increment District will encompass the Great Northern Business Center (the “**Project**”), which is an approximately 21 acre site located two miles northwest of downtown Saint Paul.

C. At the time of its creation, it was anticipated that the Project would provide approximately 19 net developable acres of land; enable light manufacturers to expand their businesses in the City or relocate to the City; increase the City’s tax base by the construction of approximately 281,000 square feet of new manufacturing facilities; create 281-420 jobs, available to Saint Paul residents; and remove blight and deterioration from the neighborhood and trigger significant spillover effects to motivate other property owners to improve their properties.

D. In light of the foregoing expectations the City adopted its Ordinance No. 00-657 authorizing the Port Authority to issue bonds and to pledge the full faith and credit and resources of the City to such bonds and to cause the pledge of tax increments to such bonds all pursuant to that certain Agreement Relating to the Great Northern Business Center Project and Joint Powers Agreement Relating to Bonds Issued therefore dated as of September 1, 2000 by and between the City and the Port Authority (the “**Original Agreement**”).

E. Pursuant to the Original Agreement, the City’s Ordinance and its own authorizing resolutions, the Port Authority issued its \$4,500,000 Tax Exempt Temporary Tax Increment Revenue Bonds, Series 2000-6 (the “**2000 Bonds**”) to provide initial funding for the Project, and its \$4,365,000 Tax Exempt Temporary Tax Increment Revenue bonds, Series 2003-9 (the “**2003 Bonds**”) to refund the 2000 Bonds. Both the 2000 and 2003 Bonds were secured by the City’s full faith and credit and resources.

F. The Project was completed in 2006, with parcels being sold to Warner’s Stellian, Benco, Crystal D, Twin City Glass and Custom Drywall (the “**Taxpayers**”), and each of the Taxpayers having completed their individual buildings.

G. On May 1, 2006, the Port Authority and the City entered into an Amended and Restated Agreement Relating to Great Northern Business Center Project and Joint Powers

Agreement Relating to Bonds Issued Therefor (the “**2006 Amended and Restated Agreement**”), which amended and restated the Original Agreement. On May 4, 2006, the Port Authority issued its \$4,555,000 Tax Exempt Tax Increment Revenue Refunding Bonds (Great Northern Business Center North Project) Series 2006-2 (the “**2006 Bonds**”), pursuant to the 2006 Amended and Restated Agreement and used the proceeds thereof to refund the 2003 Bonds. The full faith and credit of the City were **not** pledged to the 2006 Bonds. Upon the advice of the underwriter for the 2006 Bonds, the Port Authority, with the approval of the City, pledged \$105,000 per year of the Port Authority’s discretionary tax levy available under Minnesota Statutes, Section 475.61 to the payment of the 2006 Bonds.

H. The City and the Port Authority both desire (i) to provide for the issuance of the Port Authority’s tax exempt tax increment revenue refunding note or bonds in 2016 (the “**2016 Bonds**”), to optionally redeem the 2006 Bonds on March 1, 2016, and, based on information provided by Robert W. Baird & Co., the placement agent for the 2016 Bonds, to continue the Port Authority’s pledge of \$105,000 per year of its discretionary tax levy (the “**Discretionary Levy**”) to secure the payment of the 2016 Bonds, and (ii) to continue the respective roles and responsibilities set forth in the 2006 Amended and Restated Agreement, through the execution of this Agreement. Like the 2006 Bonds, the 2016 Bonds will **not** be general obligations of the City or secured by a pledge of its full faith and credit, but will be secured only by tax increment generated by the Tax Increment District and the Discretionary Levy. This Agreement amends and restates the 2006 Amended and Restated Agreement in its entirety.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the parties hereby agree as follows:

Section 1. Authority. This Agreement is entered into under the authority of Minnesota Statutes, Sections 469.064, subdivision 1, and such other applicable statutory and Charter provisions as are consistent herewith.

Section 2. Definitions. Capitalized terms used in this Agreement shall have the meanings set forth in the Prior Agreement, the preceding paragraphs or below, unless a different meaning clearly appears from the context:

Agreement: this Amended and Restated Agreement Relating to Great Northern Business Center Project and Joint Powers Agreement Relating to Bonds Issued Therefore, as the same may from time to time be amended or supplemented.

Bond Resolution: the Resolution adopted by the Port Authority on [December 15, 2015], and the documents described therein, pursuant to which the 2016 Bonds will be issued and secured.

District Revenues: any and all net revenues received by the Port Authority from the operation of public improvements provided for in the Plan.

Ordinance: Ordinance No. 00-657 adopted by the City authorizing the issuance by the Port Authority of the 2000 and 2003 Bonds.

Plan: the Tax Increment Financing Plan for the Tax Increment District which has been adopted by the Port Authority and approved by the City, as amended from time to time.

Project: has the meaning given in clause B of the Recitals.

Subdistrict Tax Increments: any tax increment derived from the hazardous substance subdistrict created within the Tax Increment District as a result of a reduction in the original net tax capacity pursuant to Minnesota Statutes, Section 469.174, subdivision 7, paragraph (b), or as a result of the extension of the period for collection of tax increment from the hazardous substance subdistrict provided for in Minnesota Statutes, Section 469.176, Subdivision 1, paragraph (g).

Tax Increment District: has the meaning given in clause B of the Recitals.

Tax Increments: the tax increments derived from the Tax Increment District pursuant to Minnesota Statutes, Section 469.177, and specifically including the Subdistrict Tax Increments.

2003 Bonds: has the meaning given in clause E of the Recitals.

2006 Bonds: has the meaning given in clause G of the Recitals.

2016 Bonds: has the meaning given in clause H of the Recitals

Section 3. Port Authority Obligations. The Port Authority has created, and shall continue to administer and operate, the Tax Increment District in accordance with Minnesota Statutes, Sections 469.174 to 469.179. In connection with the creation, administration and operation of the Tax Increment District the Port Authority has completed the Project, and through the issuance of the 2006 Bonds and the 2016 Bonds, intends to provide for the long term financing thereof. In addition, the Port Authority shall have the sole duty and responsibility to do the following with respect to the Tax Increment District and Project:

(a) receive and use District Revenues, Tax Increments and Subdistrict Tax Increments pursuant to the Plan and this Agreement;

(b) prepare and submit all reports with regard to the Tax Increment District as required by Minnesota Statutes, Sections 469.174 through 469.179, with a copy to the City, as required by law; and

(c) exercise any and all of its powers which are deemed necessary or convenient by the Port Authority to administer or operate the Tax Increment District and to carry out the Project, subject to the terms and conditions of this Agreement.

Section 4. City Obligations. The parties hereto agree that the City shall have the sole duty and responsibility to provide to the Port Authority upon request any information necessary to the administration of the Tax Increment District and the filing of reports required by Minnesota Statutes, Sections 469.174 through 469.179.

Section 5. Sources of Funds. The sources of funds for the implementation of the Project, the payment of Project Costs and the administration and operation of the Tax Increment District include proceeds of the 2000 Bonds, Tax Increments, District Revenues, the Port Authority Contribution described in the Original Agreement, federal and state grants, and such other funds and revenues as may be made available for such purpose, and neither the Port Authority nor the City shall be obligated to provide any additional funds for such purposes, except for the pledge of \$105,000 annually of the Port Authority's discretionary levy described in clause H of the Recitals and except as might be otherwise be jointly agreed.

Section 6. Use of Tax Increments, Subdistrict Tax Increments, District Revenues, and Grant Proceeds. (a) The Tax Increments, Subdistrict Tax Increments, and District Revenues shall be applied for the following purposes and in the following order of priority:

(i) to the payment of the administrative expenses of the Port Authority to the extent allowed by law and as provided in the Indenture entered into in connection with the Bonds;

(ii) to the payment of any amount payable as rebate with respect to any of the bonds, to the extent amounts available in the respective debt service accounts for the respective bonds are insufficient therefor;

(iii) to the payment of debt service on the 2000 Bonds, 2003 Bonds, 2006 Bonds prior to issuance of the 2016 Bonds and thereafter to the payment of the 2016 Bonds and any refunding bonds; and

(iv) to the payment of other eligible costs to the extent permitted by law, and to the extent that the Tax Increment District would remain exempt from the LGA/HACA penalty.

(b) Debt service payments shall include all out of pocket costs, including without limitation, trustee, rebate agent, paying agent, bond registrar and rebate analyst fees, and any rebate payments required with respect to any of the bonds, incurred by the Port Authority in carrying the any of the bonds and reimbursement of the Port Authority for any such payments made from Port Authority funds.

(c) All Tax Increments and Subdistrict Tax Increments shall vest in and be remitted directly to the Port Authority as provided by law and as required by the Bond Resolution, or to a trustee identified for the Bonds, to be used only in accordance with the Plan, the Budget and the Bond Resolution in accordance with the priorities established in this Section 6.

(d) Notwithstanding anything in this Agreement to the contrary, the Port Authority reserves the right to issue such other bonds and provide other financing for purposes of the Plan and to undertake such other improvements and projects in the Tax Increment District, in addition to those contained in or authorized by the Plan, as the Port Authority deems appropriate.

Section 7. Application of Subdistrict Tax Increments. Subdistrict Tax Increments shall be applied as set forth in Section 6, and for costs of the Project as allowed by Minnesota Statutes, Section 469.176, Subdivision 4e.

Section 8. Discretionary Levy. The City understands that the Port Authority intends to continue to make a discretionary levy pursuant to Minn. Stat. § 469.053, Subd. 6, in an amount equal to \$105,000 per year, and to pledge such amount to the payment of the 2016 Bonds. To facilitate the issuance of the 2016 Bonds, the City hereby agrees that it shall continue to make the discretionary levy of \$105,000 per year at the request of the Port Authority, and provide such funds to the Port Authority (or to a bond trustee designated by the Port Authority), to be used as needed to pay principal and interest due on the Bonds.

Section 9. Term of Agreement; Termination. This Agreement shall continue in effect until terminated in accordance with this Section. This Agreement may be terminated at any time by agreement of the City and the Port Authority, and shall be terminated upon payment of the 2016 Bonds. The provisions of Sections 3, 5, 6, 7 and 8 of this Agreement, may not be terminated while the 2016 Bonds remain outstanding unless sufficient funds have been irrevocably deposited to pay debt service on the Bonds to maturity or the date of redemption.

Section 10. Distribution of Funds and Property on Termination. Upon termination of this Agreement, any Tax Increments or Subdistrict Tax Increments received by the Port Authority in excess of the amount necessary to pay debt service on the 2016 Bonds and any refunding bonds, shall be used, to the extent permitted by law and to the extent that the Tax Increment District would remain exempt from the LGA/HACA penalty, to reimburse the Port Authority for its contribution to the Project, and, to the extent any amounts remain after reimbursement of the Port Authority's Contribution, the remainder shall be transferred to and become the property of the Port Authority without payment of any further consideration to the City.

Section 11. Amendments. This Agreement may be amended by agreement of the City and Port Authority in writing at any time. No amendment may impair the rights of the holders of any of the Bonds unless consent is given in accordance with the Bond Resolution.

Section 12. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13. No Joint Venture. The City has limited involvement, as provided in this Agreement, with the Project, and nothing in this Agreement shall be construed to create any partnership or joint venture between the Port Authority and the City. Neither party hereto shall have the right to bind or obligate the other in any way or manner unless otherwise provided for herein.

Section 14. Effect. This Agreement amends and restates the 2006 Amended and Restated Agreement in its entirety.

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IN WITNESS WHEREOF, the City of Saint Paul, Minnesota has caused this Agreement to be executed on its behalf by its Mayor, its City Clerk and its Director, Office of Financial Services; and the Port Authority of the City of Saint Paul has caused this Agreement to be executed on its behalf by its President and Chief Financial Officer, all as of the day and year first above written.

APPROVED AS TO FORM:

CITY OF SAINT PAUL, MINNESOTA

Assistant City Attorney

Mayor

City Clerk

Director, Office of Financial Services

PORT AUTHORITY OF THE CITY
OF SAINT PAUL

By _____
President

By _____
Chief Financial Officer