

TAX INCREMENT FINANCING PLAN

for the establishment of the

FORD SITE REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT
(a redevelopment district)

HOUSING AND REDEVELOPMENT AUTHORITY OF THE
CITY OF SAINT PAUL, MINNESOTA
RAMSEY COUNTY
STATE OF MINNESOTA

Approved by City Council: March 16, 2016
Adopted by HRA: March 23, 2016

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(for reference purposes only)

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TAX INCREMENT FINANCING PLAN FOR
THE FORD SITE REDEVELOPMENT
TAX INCREMENT FINANCING DISTRICT

Section 1. Foreword. The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “HRA”), and its staff and consultants have prepared the following information for the establishment of a redevelopment tax increment financing district to be known as the Ford Site Redevelopment Tax Increment Financing District (the “TIF District”). The TIF District is located within the Ford Site Redevelopment Project Area heretofore established by the HRA (the “Redevelopment Project Area”).

Section 2. Statutory Authority. There exist areas within the City of Saint Paul, Minnesota (the “City”) where public involvement is necessary to cause development to occur. To this end, the HRA has certain statutory powers pursuant to Minnesota Statutes, Section 469.001 to 469.047 (the “HRA Law”) and Minnesota Statutes, Section 469.174 through 469.1794 (the “TIF Act”), to assist in financing public costs related to a redevelopment project.

Section 3. Statement of Objectives. The TIF District currently consists of two parcels and adjacent roads and rights-of-way. The TIF District is being created to facilitate the redevelopment of the former Ford Motor Company plant properties into a mix of housing and commercial uses with related public infrastructure (collectively, the “Development”). This tax increment financing plan for the TIF District (the “TIF Plan”) is expected to achieve the objectives outlined in the Ford Site Redevelopment Project Area Plan (the “Redevelopment Plan”) for the Redevelopment Project Area through the construction of a medium-to-high density, mixed use urban neighborhood including a mix of light industrial, office, civic and residential uses. The following are some of the objectives being facilitated by the TIF Plan.

A. Create and Retain Jobs. The Development will redevelop the former Ford Motor Company plant properties which will be used by private businesses. The Development will help promote and secure additional employment opportunities within the City and prevent the loss of existing employment opportunities.

B. To Redevelop Underused Property. The HRA found by resolution that the TIF District originally contained seven buildings that are structurally substandard. In order to encourage new development in the area, remove and prevent the emergence of blight and blighting influences, tax increment financing must be used to encourage the redevelopment of the site.

C. Expand the Tax Base of the City of Saint Paul. It is expected that the taxable market value of the property in the TIF District will increase by approximately \$1,330,185,900 as a result of the new development.

D. Provide Housing for Saint Paul Residents. The available housing for residents in the Redevelopment Project Area will be expanded with the construction of a range of residential housing units, including ownership townhomes, attached ownership multifamily units, senior ownership units, market rate rental apartments and affordable rental apartments.

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 and within the Redevelopment Project Area.

Section 4. Redevelopment Plan Overview.

- A. Property to be Acquired – The HRA does not expect to acquire any property in the TIF District. The HRA may acquire other property in the Redevelopment Project Area.
- B. Relocation - if necessary, complete relocation services are available pursuant to Minnesota Statutes, Chapter 117 and other relevant state and federal laws and regulations.

Section 5. Parcels to be Included in TIF District. The following parcels located in the City of Saint Paul, Ramsey County, Minnesota is to be included in the TIF District:

<u>PID Number</u>	<u>Address</u>
17-28-23-31-0001	965 Mississippi River Blvd
17-28-23-13-0002	966 Mississippi River Blvd

Including all interior and adjacent public streets and rights of way.

A map of the TIF District is attached as **Exhibit E**.

FURTHER INFORMATION REGARDING THE IDENTIFICATION OF THE PARCELS TO BE INCLUDED IN THE TIF DISTRICT CAN BE OBTAINED FROM THE EXECUTIVE DIRECTOR OF THE HRA.

Section 6. Parcels to be Acquired. The HRA has no immediate plans to acquire property in the TIF District but reserves the right to acquire any property in the Redevelopment Project Area. The following are conditions under which properties in the Redevelopment Project Area may be acquired at a future date:

- A. The HRA may acquire property by gift, dedication or direct purchase from willing sellers in order to achieve the objectives of the TIF Plan.

B. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Section 7. Development Activity in TIF District for which Contracts have been Signed. The HRA expects to enter into a development agreement (the “Development Agreement”) with a master developer (the “Master Developer”) to undertake the redevelopment of the 145 acres into the Development. The HRA anticipates that the Master Developer will enter into a purchase agreement for the land in 2017 followed by an Alternative Urban Area-wide Review which is expected to be completed in 2018. The Development is projected to include approximately 750,000 square feet of commercial and civic uses and 3,900 housing units with approximately 1,350 owner-occupied units (45%) and 2,550 rental units (65%), with a planned goal for 25% of the rental units to be income restricted. The residential uses are anticipated to include both ownership and rental products such as owner-occupied townhomes, attached owner-occupied multifamily units, senior owner-occupied units, market rate rental apartments and affordable rental apartments. The HRA anticipates providing tax increment financing assistance to the Master Developer to assist with the qualified costs of the Development in accordance with the Development Agreement and this TIF Plan. No contracts have yet been executed.

The HRA anticipates that construction of the Development will commence with the construction of infrastructure in 2019. First vertical construction of buildings comprising the Development is anticipated to begin in 2020. The development is expected to be completed by December 31, 2033 with an expected market value of approximately \$1,367,000,000.

Additional contracts are likely to be executed in connection with the Development and other development or redevelopment in the Redevelopment Project Area.

The City hired the services of Perry Rose consulting from Jonathan Rose Companies to provide real estate advisory services on the Ford site redevelopment work. The team was asked to analyze the market potential of the Ford site as a mixed-use redevelopment and the associated costs to reposition it. They hired a market study analyst to examine market options and value, hired an engineering firm to estimate infrastructure costs, and worked with other city staff and agencies to consider other anticipated costs. The consultant determined that the proposed mixed-use redevelopment of the District would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. This finding was consistent with the consultants’ experience on other large brownfield sites being converted to mixed use.

Section 8. Other Specific Development Expected to Occur within Redevelopment Area. The HRA anticipates that other future development or redevelopment will occur in the Redevelopment Project Area.

Section 9. Estimated Cost of Project; TIF Plan Budget. The HRA has determined that it will be necessary to utilize tax increment financing for certain public costs of the Development and the Redevelopment Project Area. To facilitate the Development within the TIF District, this TIF Plan authorizes the use of tax increment financing to pay for a portion of the cost of certain eligible expenses, primarily to include public infrastructure. The estimate of public costs and uses of funds associated with TIF District is outlined on **Exhibit A**.

The HRA may spend tax increments or other revenues identified in Section 11 hereof in other areas of the City. Any expenditure of tax increments outside the TIF District will comply with the pooling limitations described under Section 23, paragraphs B and D.

Estimated costs associated with the TIF District are subject to change and may be reallocated between line items by a resolution of the HRA. The cost of all activities to be financed by the tax increment will not exceed, without formal modification, the budget for the tax increments set forth on **Exhibit A**.

Section 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 tax increment revenue note and/or revenue bond to assist in financing a portion of the public costs of the Development. To the extent bonding is required to finance the costs set forth in Section 9 and **Exhibit A**, 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. The maximum principal amount of bonds (as defined in the TIF Act) secured in whole or part with tax increment from the TIF District is \$275,000,000, which is equal to the total estimated cost associated with the TIF District as shown in **Exhibit A**.

Section 11. Sources of Revenue. The costs outlined in Section 9 above and **Exhibit A** will be financed primarily on a pay as you go basis through the annual collection of tax increments and the proceeds of bonds payable from tax increments. The market value upon completion of the Development is estimated to be approximately \$1,367,000,000.

Section 12. Estimated Captured Tax Capacity and Estimate of Tax Increment. The original net tax capacity for taxes payable 2016 is estimated to be \$740,000 as commercial property. Upon completion, the original net tax capacity is anticipated to adjust to \$449,007 based on the mix of uses, and the captured tax capacity of the TIF District is estimated to be \$13,552,267 which is estimated to occur by December 31, 2033, for taxes payable in 2035.

The HRA elects to retain all of the captured tax capacity to finance the costs of TIF District. The HRA elects the method of tax increment computation set forth in Minnesota Statutes, Section 469.177, Subd. 3(b).

Section 13. Type of Tax Increment Financing District. The TIF District is a redevelopment district established pursuant to Minnesota Statutes, Section 469.174, Subd. 10, clauses (a)(1).

The TIF District currently contains two parcels. Both parcels are occupied since they meet the requirements of Section 469.174, Subd. 10(a)(1) in that at least 15% of the area of each of these parcels is, or was at the time the HRA made its findings by resolution, occupied by buildings, streets, utilities, paved or gravel parking lots or similar structures. The parcels consist of 100% of the area of the TIF District, which is greater than 70%. In addition, there were originally 10 buildings located in the TIF District. The HRA found by resolution that 7 of the 10 buildings were “structurally substandard” to a degree requiring substantial renovation or clearance, which is greater than 50%. The “structurally substandard” buildings were not in

compliance with the building code applicable to new buildings, and the costs of modifying the buildings to satisfy the building code would be more than 15% of the cost of constructing a new structure of the same square footage and type on the site. The reasons and supporting facts for these determinations are set forth in a report dated April 27, 2012, prepared by Compass Rose Consulting, Inc. and which report was reaffirmed by letter dated February 20, 2013 (collectively, the “Redevelopment Assessment Report”), copies of which are on file with the Executive Director of the HRA, which determinations were ratified by a resolution adopted by HRA on Feb. 27, 2013. Subsequently, the HRA entered into a contract with a developer to demolish the 7 structurally substandard buildings. The buildings were demolished after the HRA entered into the contract. There have been no building permits issued or improvements made to any remaining buildings since the date of the Redevelopment Assessment Report.

The HRA and the City have determined that the proposed development of the TIF District 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 is approximately \$0, which is less than \$1,212,642,614 which is the increase in the market value estimated to result from the proposed development (i.e., approximately \$1,330,185,900) after subtracting the present value of the projected tax increments for the maximum duration of the TIF District, (i.e. approximately \$117,543,286). **Exhibit B** details these assumptions and calculations.

Section 14. Duration of TIF District. The duration of TIF District will be 25 years after the first receipt of tax increment. Pursuant to Minnesota Statutes, Section 469.175, Subd. 1(b), the HRA elects to first receive increment in 2020, resulting in an estimated final year of 2045. Attached as **Exhibit C** is a projected cash flow showing the estimated receipt of tax increments from the TIF District. The HRA retains the option to close the TIF District earlier provided all projects costs have been paid.

Section 15. Alternate Estimates of the Impact of the TIF District on the Net Tax Capacities of All 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 14 above for the purposes of financing the public costs referenced in Section 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 2016 property taxes, the respective tax capacity rates and net tax capacities of these taxing jurisdictions are set out in **Exhibit D**.

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 on a percentage basis the marginal effect on tax capacity rates and by comparing the estimated \$13,552,267 of captured tax capacity, to the tax capacities of each of those jurisdictions, respectively.

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 District, there would be no effect on the other taxing jurisdictions, but upon the expiration or earlier termination of the 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 \$366,941,155. The estimated amount of tax increment attributable to the School District and County levies is estimated to be approximately \$103,220,579 and \$131,199,359 respectively assuming a total local tax rate of 149.899%, as currently proposed for tax payable year 2016. The School District's general education levy tax rate is not captured in tax increment and therefore is not included in the School District impact amount. The final rate for taxes payable 2016 is not available at the time of drafting of this document. Significant public infrastructure will be required within the TIF District which is intended to be paid for by tax increments or from other funds provided by the Master Developer. The HRA does not expect there to be a need for other new or improved infrastructure. The City's police and fire departments currently serve the area. However, with greater density expected due to the Development, additional police and fire services are expected to be necessary. The HRA anticipates that it will issue a pay as you go tax increment revenue note and/or revenue bonds to the Master Developer to finance a portion of the public costs but such note, bonds or other obligations will not affect the City's or the HRA's ability to issue other debt for general fund purposes.

Section 16. Modification of TIF District and/or TIF Plan. No modifications to the TIF District or the TIF Plan, except as provided herein, have been made as of the date hereof.

Section 17. Modifications to TIF District.

In accordance with Minnesota Statutes, Section 469.175, Subd. 4, any:

- A. reduction or enlargement of the geographic area of the Redevelopment Project Area or the TIF District;
- B. 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;
- C. increase in the portion of the captured net tax capacity to be retained by the HRA;
- D. increase in total estimated tax increment expenditures; or
- E. 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 TIF District, and (2)(A) the current net tax capacity of the parcel(s) eliminated from the 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 Minnesota Statutes, Section 469.177, Subd. 1, 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 the 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 TIF Plan.

Section 18. Administrative Expenses.

In accordance with Minnesota Statutes, Section 469.174, Subd. 14, and Minnesota Statutes, Section 469.176, Subd. 3, administrative expenses means all expenditures of the HRA, other than:

- A. 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 district;
- B. relocation benefits paid to or services provided for persons residing or businesses located in the district; or
- C. amounts used to pay interest on, fund a reserve for, or sell at a discount bonds issued pursuant to Minnesota Statutes, Section 469.178.

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 TIF District up to but not to exceed 10% of the total tax increment expenditures authorized by this TIF Plan or the total tax increment expenditures, whichever is less.

Pursuant to Minnesota Statutes, Section 469.176, Subd. 4h, tax increments may be used to pay for the county's actual administrative expenses incurred in connection with the TIF District. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to Minnesota Statutes, Section 469.177, Subd. 11, the county treasurer shall deduct an amount equal to approximately 0.36% of any tax 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.

Section 19. Limitation of Increment.

Pursuant to Minnesota Statutes, Section 469.176, Subd. 6:

if after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to Minnesota Statutes, Section 469.177, 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.

The requirements of the 4 year rule under Minnesota Statutes, Section 469.176, Subd. 6 have been met. The HRA entered into a contract with a developer to demolish 7 structurally substandard buildings on parcel number 17-28-23-13-0002. The Developer has since demolished the buildings.

Section 20. 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:

- A. to pay the principal of and interest on bonds used to finance a project;
- B. to finance, or otherwise pay the capital and administration costs of the Redevelopment Project Area pursuant to the Minnesota Statutes, Sections 469.001 to 469.047;
- C. to pay for project costs as identified in the budget;
- D. to finance, or otherwise pay for other purposes as provided in Minnesota Statutes, Section 469.176, Subd. 4;

- E. 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;
- F. 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 TIF Plan or pursuant to Minnesota Statutes, Chapter 462C and Minnesota Statutes, Sections 469.152 to 469.1655, or both; and
- G. 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 469.1655, or both.

These revenues shall not be used to circumvent any levy limitations applicable to the HRA nor for other purposes prohibited by Minnesota Statutes, Section 469.176, Subd. 4.

Section 21. 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 Minnesota Statutes, Section 469.175, Subd. 3. The County Auditor shall increase the original value of the TIF District by the value of improvements for which a building permit was issued.

Section 22. Excess Tax Increments.

Pursuant to Minnesota Statutes, Section 469.176, Subd 2, 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:

- A. prepay any outstanding bonds;
- B. discharge the pledge of tax increment therefor;
- C. pay into an escrow account dedicated to the payment of such bond; or
- D. 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.

Section 23. Other Limitations on the Use of Tax Increment.

- A. 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 HRA Law;

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.

- B. Pooling Limitations. At least 75% 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. Not more than 25% 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 D below, the HRA elects to increase its pooling percentage by 10% on activities located outside the TIF District as permitted by Minnesota Statutes, Section 469.1763, Subd. 2(d).

- C. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from the TIF District shall be deemed to have satisfied the 75% test set forth in paragraph B above only if the five year rule set forth in Minnesota Statutes, Section 469.1763, Subd. 3, has been satisfied; and beginning with the sixth year following certification of the TIF District, 75% of said tax increments that remain after expenditures permitted under said five year rule must be used only as more fully set forth in Minnesota Statutes, Section 469.1763, Subd. 5.

- D. 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 Minnesota Statutes, Section 469.1763, Subd. 2(d) provided that the expenditures meet the following requirements, as such requirements may be amended from time to time:

(1) 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");

(2) 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

(3) 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.

(4) to be used to develop housing:

- (i) if the market value of the housing does not exceed the lesser of
 - (a) 150 percent of the average market value of single-family homes in that municipality; or
 - (b) \$200,000 for municipalities located in the metropolitan area, as defined in Section 473.121, or \$125,000 for all other municipalities; and
- (ii) if the expenditures are used to pay the costs of site acquisition, relocation, demolition of existing structures, site preparation, and pollution abatement on one or more parcels, if the parcel contains a residence containing one to four family dwelling units that has been vacant for six or more months and is in foreclosure as defined in Section 325N.10, subdivision 7, but without regard to whether the residence is the owner's principal residence, and only after the redemption period stated in the notice provided under Section 580.06 has expired.

Section 24. County Road Costs.

Pursuant to Minnesota Statutes, Section 469.175, Subd. 1a, the county board may require the HRA to pay for all or part of the cost of county road improvements if, the proposed development to be assisted by tax increment 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 will result in an increase in traffic volume on existing roadways (including county roads), but we anticipate that the increase can be handled within the existing physical capacity of the existing roadways. If the county elects to use increments to improve county roads, it must notify the HRA within thirty days of receipt of this Plan.

Section 25. Assessment Agreements.

Pursuant to Minnesota Statutes, Section 469.177, Subd. 8, the HRA may enter into an agreement in recordable form with the developer of property within the TIF District which establishes a minimum market value of the land and completed improvements for the duration of the 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 reserves the right to enter into assessment agreements establishing a minimum market value upon completion as needed.

Section 26. Administration of the TIF District.

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

Section 27. Financial Reporting Requirements.

The HRA will comply with all reporting requirements of Minnesota Statutes, Section 469.175, Subd. 5 and 6.

EXHIBIT A

ESTIMATES OF TAX INCREMENTS AND USES

	Estimated Total
<u>Estimated Sources of Revenue</u>	
Tax increment Revenues	272,000,000
Interest and investment earnings	3,000,000
Sales/lease proceeds	
 Total Tax Increment Revenues	 275,000,000

	Estimated Total
<u>Estimated Public Costs</u>	
Land/building acquisition	
Site improvements/preparation costs	
Utilities	
Other public improvements	50,000,000
Pooling for affordable housing	27,200,000
Administrative expenses	13,600,000
Interest expense *	184,200,000
 Total Estimated Project Costs	 275,000,000

** includes capitalized interest*

EXHIBIT B

Market Value Analysis Report

Housing and Redevelopment Authority of the City of Saint Paul, Minnesota

Tax Increment Financing (Redevelopment) District

Ford Site Redevelopment

Draft TIF Plan Exhibits: Full Buildout Value of \$1,367,185,900

<u>Assumptions</u>			
Present Value Date		03/27/16	
P.V. Rate - Gross T.I.		6.00%	
Increase in EMV With TIF District		\$1,330,185,900	
Less: P.V of Gross Tax Increment		<u>117,543,286</u>	
Subtotal		\$1,212,642,614	
Less: Increase in EMV Without TIF		<u>0</u>	
Difference		\$1,212,642,614	
	Year	Annual Gross Tax Increment	Present Value @ 6.00%
1	2020	0	0
2	2021	315,350	228,733
3	2022	1,359,873	930,527
4	2023	2,752,550	1,776,888
5	2024	5,169,211	3,148,062
6	2025	6,355,864	3,651,638
7	2026	8,342,676	4,521,813
8	2027	10,718,216	5,480,547
9	2028	11,375,313	5,487,302
10	2029	12,895,036	5,868,299
11	2030	13,798,436	5,923,981
12	2031	15,602,968	6,319,535
13	2032	16,932,814	6,469,954
14	2033	18,427,145	6,642,388
15	2034	19,433,808	6,608,733
16	2035	20,314,718	6,517,263
17	2036	20,314,718	6,148,361
18	2037	20,314,718	5,800,341
19	2038	20,314,718	5,472,020
20	2039	20,314,718	5,162,283
21	2040	20,314,718	4,870,078
22	2041	20,314,718	4,594,413
23	2042	20,314,718	4,334,352
24	2043	20,314,718	4,089,011
25	2044	20,314,718	3,857,558
26	2045	<u>20,314,718</u>	<u>3,639,206</u>
		\$366,941,158	\$117,543,286

Prepared by: Springsted Incorporated (2/12/2016)

EXHIBIT C

PROJECTED TAX INCREMENTS

Projected Tax Increment Report

Housing and Redevelopment Authority of the City of Saint Paul, Minnesota
 Tax Increment Financing (Redevelopment) District
 Ford Site Redevelopment
 Draft TIF Plan Exhibits: Full Buildout Value of \$1,367,185,900

Annual Period Ending (1)	Total Market Value ⁽¹⁾ (2)	Total Net Tax Capacity ⁽²⁾ (3)	Less: Original Net Tax Capacity ⁽³⁾ (4)	Less: Fiscal Disp. @ 29.0704% (5)	Retained Captured Net Tax Capacity ⁽⁴⁾ (6)	Times: Tax Capacity Rate ⁽⁵⁾ (7)	Annual Gross Tax Increment (8)	Less: State Aud. Deduction 0.360% (9)	Subtotal Gross Tax Increment (10)
12/31/20	37,000,000	740,000	740,000	0	0	149.899%	0	0	0
12/31/21	49,358,000	1,034,320	740,000	83,945	210,375	149.899%	315,350	1,135	314,215
12/31/22	122,676,110	1,770,025	705,358	157,475	907,192	149.899%	1,359,873	4,896	1,354,977
12/31/23	220,711,981	2,724,109	636,074	251,765	1,836,269	149.899%	2,752,550	9,909	2,742,641
12/31/24	370,406,060	4,278,864	566,790	263,613	3,448,462	149.899%	5,169,211	18,609	5,150,602
12/31/25	455,314,848	5,068,071	497,506	330,468	4,240,097	149.899%	6,355,864	22,881	6,332,983
12/31/26	588,247,196	6,411,861	449,007	397,323	5,565,530	149.899%	8,342,676	30,034	8,312,642
12/31/27	740,192,791	7,996,620	449,007	397,323	7,150,290	149.899%	10,718,216	38,586	10,679,630
12/31/28	786,853,916	8,453,176	449,007	415,519	7,588,650	149.899%	11,375,313	40,951	11,334,362
12/31/29	895,013,173	9,544,649	449,007	493,161	8,602,481	149.899%	12,895,036	46,422	12,848,614
12/31/30	953,979,873	10,224,963	449,007	570,803	9,205,153	149.899%	13,798,436	49,674	13,748,762
12/31/31	1,062,924,184	11,428,794	449,007	570,803	10,408,985	149.899%	15,602,968	56,171	15,546,797
12/31/32	1,154,183,504	12,376,079	449,007	630,926	11,296,146	149.899%	16,932,814	60,958	16,871,856
12/31/33	1,245,112,492	13,372,970	449,007	630,926	12,293,038	149.899%	18,427,145	66,338	18,360,807
12/31/34	1,320,381,794	14,187,645	449,007	774,040	12,964,598	149.899%	19,433,808	69,962	19,363,846
12/31/35	1,367,185,900	14,775,313	449,007	774,040	13,552,267	149.899%	20,314,718	73,133	20,241,585
12/31/36	1,367,185,900	14,775,313	449,007	774,040	13,552,267	149.899%	20,314,718	73,133	20,241,585
12/31/37	1,367,185,900	14,775,313	449,007	774,040	13,552,267	149.899%	20,314,718	73,133	20,241,585
12/31/38	1,367,185,900	14,775,313	449,007	774,040	13,552,267	149.899%	20,314,718	73,133	20,241,585
12/31/39	1,367,185,900	14,775,313	449,007	774,040	13,552,267	149.899%	20,314,718	73,133	20,241,585
12/31/40	1,367,185,900	14,775,313	449,007	774,040	13,552,267	149.899%	20,314,718	73,133	20,241,585
12/31/41	1,367,185,900	14,775,313	449,007	774,040	13,552,267	149.899%	20,314,718	73,133	20,241,585
12/31/42	1,367,185,900	14,775,313	449,007	774,040	13,552,267	149.899%	20,314,718	73,133	20,241,585
12/31/43	1,367,185,900	14,775,313	449,007	774,040	13,552,267	149.899%	20,314,718	73,133	20,241,585
12/31/44	1,367,185,900	14,775,313	449,007	774,040	13,552,267	149.899%	20,314,718	73,133	20,241,585
12/31/45	1,367,185,900	14,775,313	449,007	774,040	13,552,267	149.899%	20,314,718	73,133	20,241,585
							\$366,941,158	\$1,320,989	\$365,620,169

⁽¹⁾ Includes estimated market values for various development types with approximate 14 year buildout phasing schedule

⁽²⁾ Total net tax capacity based on current classification rates for each classification of property

⁽³⁾ Original net tax capacity adjusted based on assumptions of reclassification of property as development occurs to reflect current classifications

⁽⁴⁾ Retained captured tax capacity equals total net tax capacity less original net tax capacity less fiscal disparities contribution

⁽⁵⁾ Includes proposed payable 2016 local tax capacity rate

EXHIBIT D

Fiscal and Economic Impact on Other Taxing Jurisdictions

Estimated Impact on Other Taxing Jurisdictions Report

Housing and Redevelopment Authority of the City of Saint Paul, Minnesota
Tax Increment Financing (Redevelopment) District
Ford Site Redevelopment
Draft TIF Plan Exhibits: Full Buildout Value of \$1,367,185,900

Taxing Jurisdiction	Without Project or TIF District		With Project and TIF District					
	Proposed 2015/2016 Taxable Net Tax Capacity (1)	2015/2016 Local Tax Rate	2015/2016 Taxable Net Tax Capacity (1)	Projected Retained Captured Net Tax + Capacity	New Taxable Net Tax = Capacity	Hypothetical Adjusted Local Tax Rate (*)	Hypothetical Decrease In Local Tax Rate (*)	Hypothetical Tax Generated by Retained Captured N.T.C. (*)
City of St Paul	194,450,523	42.477%	194,450,523	\$13,552,267	208,002,790	39.710%	2.768%	5,381,556
Ramsey County	424,108,875	53.596%	424,108,875	13,552,267	437,661,142	51.937%	1.660%	7,038,586
ISD #625	194,451,927	42.167%	194,451,927	13,552,267	208,004,194	39.419%	2.747%	5,342,208
Other (2)	---	11.659%	---	13,552,267	---	11.659%	---	---
Totals		149.899%				142.725%	7.175%	

* **Statement 1:** If the projected Retained Captured Net Tax Capacity of the TIF District was hypothetically available to each of the taxing jurisdictions above, the result would be a lower local tax rate (see Hypothetical Adjusted Tax Rate above) which would produce the same amount of taxes for each taxing jurisdiction. In such a case, the total local tax rate would decrease by 7.175% (see Hypothetical Decrease in Local Tax Rate above). The hypothetical tax that the Retained Captured Net Tax Capacity of the TIF District would generate is also shown above.

Statement 2: Since the projected Retained Captured Net Tax Capacity of the TIF District is not available to the taxing jurisdictions, then there is no impact on taxes levied or local tax rates.

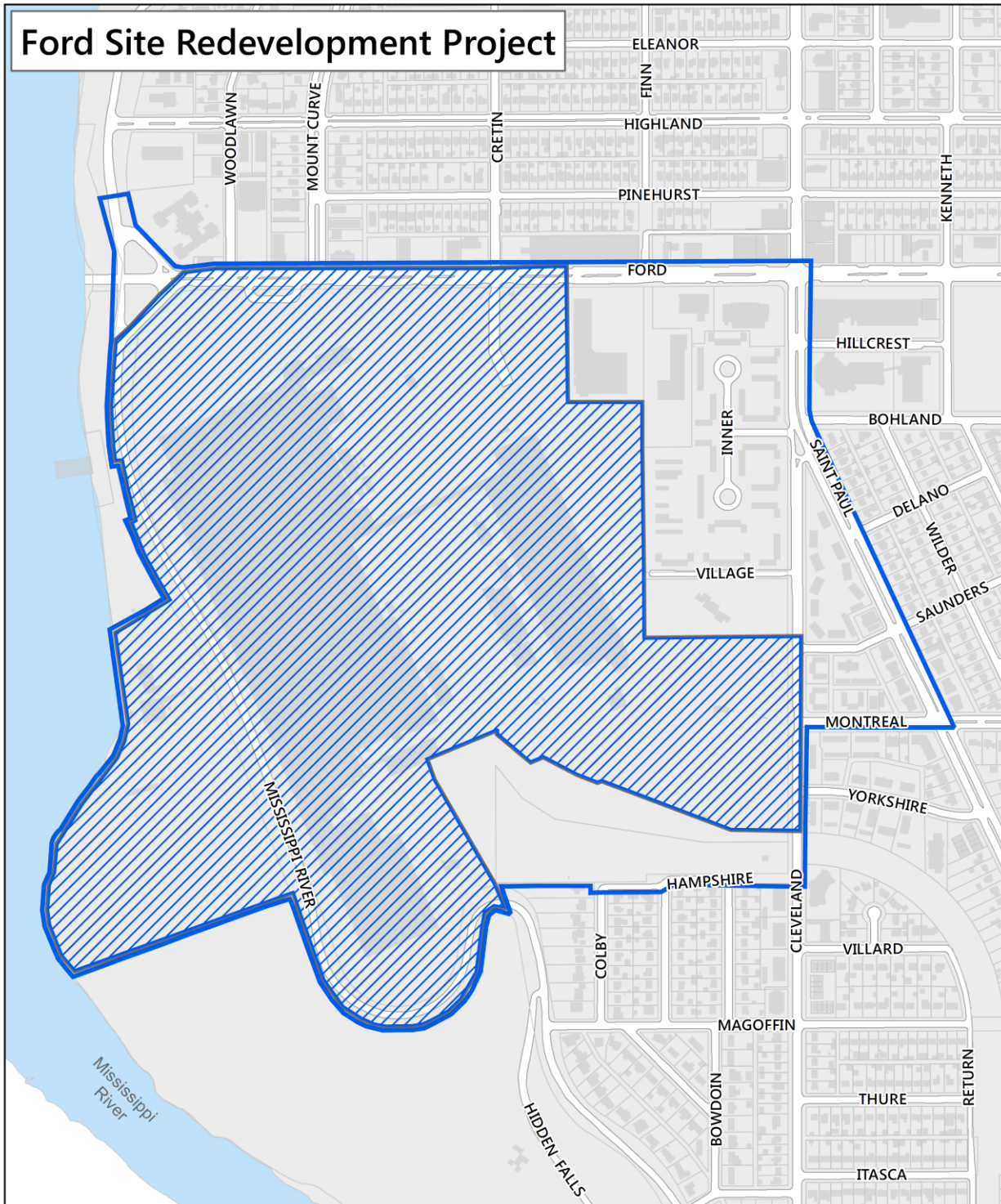
(1) Taxable net tax capacity = total net tax capacity - captured TIF - fiscal disparity contribution, if applicable.

(2) The impact on these taxing jurisdictions is negligible since they represent only 7.78% of the total tax rate.

Prepared by: Springsted Incorporated (2/12/2016)

EXHIBIT E

MAP OF TIF DISTRICT



-  Ford Site Redevelopment TIF District
-  Ford Site Redevelopment Project Area

Document Path: K:\GIS\Projects\Ford\BuildingLocations2014\Ford_TIF_District_20160202.mxd

Sources: Ramsey County, City of Saint Paul's Department of Planning and Economic Development

2/2/2016