

TAX INCREMENT FINANCING PLAN

for

LANDMARK TOWERS TAX INCREMENT FINANCING DISTRICT
(a redevelopment district)

HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA

Approved by the City Council: August 9, 2023 (Scheduled)

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**TAX INCREMENT FINANCING PLAN
FOR THE LANDMARK TOWERS TAX INCREMENT FINANCING DISTRICT
(A REDEVELOPMENT 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 the Landmark Towers Tax Increment Financing District (a redevelopment district) (“TIF District”), a redevelopment tax increment financing district located in the Seventh Place Redevelopment Project area (the “Redevelopment Project Area”), which was heretofore established by the HRA.

Section 2. Statutory Authority. There exist areas within the City of Saint Paul, Minnesota (the “City”) where public involvement is necessary to cause redevelopment to occur. To this end, the HRA has certain statutory powers pursuant to Minnesota Statutes, Section 469.001 to 469.047 (the “HRA Act”) 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 consists of 84 tax parcels as detailed in **Exhibit A** with a map included in **Exhibit F** and adjacent roads and rights-of-way. The TIF District is being created to facilitate the redevelopment of a portion of the building commonly known as Landmark Towers, a substandard residential and commercial office building with parking, by converting the vacant commercial office floors into approximately 187 market rate rental housing units, and related parking improvements and exterior and streetscaping enhancements (the “Development”). This tax increment financing plan for the TIF District (the “TIF Plan”) is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Redevelopment Project Area (the “Redevelopment Plan”) through the construction of market-rate housing units, parking improvements and exterior and streetscaping enhancements. The following are some of the objectives being facilitated by the TIF Plan.

- (i) To Redevelop Blighted Property. The TIF District contains one building, including a connected parking structure, which was found to be structurally substandard (i.e. 100%) in the Redevelopment Assessment Report (as hereinafter defined). In order to encourage redevelopment of the building and its’ blighting influences, it is expected that the use of tax increment financing will be necessary to encourage the redevelopment of the historic building.
- (ii) Expand the Tax Base of the City. It is expected that the taxable market value of the property in the TIF District will increase by approximately \$48,245,000 as a result of the proposed Development.
- (iii) Provide Housing for City Residents. The available housing for residents in the Redevelopment Project Area will be expanded with the construction of market rate rental housing units.

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 the Redevelopment Project Area.

Section 4. Parcels to be Included in TIF District. The parcels to be included in the TIF District are detailed in **Exhibit A**, together with all adjacent public streets and rights of way.

A map of the TIF District is attached as **Exhibit F**. All of the parcels to be included in the TIF District are located in the boundaries of the City.

Section 5. 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 and the Redevelopment Plan; and

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

C. The City and the HRA will not exercise eminent domain powers in the TIF District with respect to acquiring property for the Development.

Section 6. Development Activity in the TIF District for which Contracts Have Been Signed. The HRA expects to enter into a development agreement (the “Development Agreement”) with the developer (the “Developer”) to undertake the renovation of the substandard building into the Development. The Development will include conversion of vacant commercial and office space into approximately 187 market rate rental housing units, parking improvements and exterior and streetscaping enhancements. The Development Agreement would be executed prior to providing any tax increment financing assistance to the Developer to assist with the qualified costs of the Development in accordance with this TIF Plan. At the time this TIF Plan was prepared there were no signed construction contracts with respect to the construction of the Development in the TIF District.

The HRA anticipates that construction of the Development will commence in September 2023. Based upon information provided by the Developer to the HRA, the Development is expected to be completed by March 2025, with an expected initial market value of approximately \$70,143,000.

Based on conversations with the Developer, the HRA has determined that the proposed redevelopment of the parcels in the TIF District, consistent with the Redevelopment Plan and the conversion of commercial and office space into residential rental housing, in an historic building, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. This finding is consistent with the HRA’s experience on other historic buildings being converted from commercial uses to residential rental housing.

Section 7. Other Specific Development Expected to Occur Within Redevelopment Project Area.

The HRA anticipates that other future development or redevelopment will occur in the Redevelopment Project Area.

Section 8. Estimated Cost of Development and 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 the construction of market rate rental housing. The estimate of public costs and uses of funds associated with TIF District is outlined on **Exhibit B**.

The HRA may spend tax increments or other revenues identified in Section 10 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 21, 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 B**.

Section 9. 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 interfund loan 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 8 and **Exhibit B**, 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 \$21,940,000, which is equal to the total estimated cost associated with the TIF District as shown in **Exhibit B**.

Section 10. Sources of Revenue.

The costs outlined in Section 8 above and **Exhibit B** 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 initial market value upon completion of the Project is estimated to be approximately \$70,143,000.

Section 11. Estimated Captured Tax Capacity and Estimate of Tax Increment.

The original net tax capacity for the TIF District for taxes payable in 2024 is estimated to be \$342,579 as a mix of commercial and residential property. Upon completion, the original net tax capacity is anticipated to adjust to \$254,828 based on the mix of uses, and the total net tax

capacity of the TIF District is estimated to be \$859,769, which is estimated to occur by December 31, 2025, for taxes payable in 2027.

The estimated Captured Tax Capacity of the TIF District upon completion of the Development is estimated to be \$604,941 as of January 2, 2026 (for taxes payable in 2027).

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

Section 12. Type of TIF District.

The TIF District is a redevelopment district established pursuant to Section 469.174, Subd. 10, clause (a)(1) of the TIF Act. The reasons and supporting facts for these determinations are set forth in that certain Report of Inspection Procedures and Results for Determining Qualifications of a Tax Increment Financing District – Landmark Towers Redevelopment TIF District, prepared for the City of Saint Paul, Minnesota by LHB, Inc., dated July 14, 2023, (the “Redevelopment Assessment Report”), copies of which are on file with the Executive Director of the HRA. Based on an on-site inspection of the properties, LHB, Inc. concluded in the Redevelopment Assessment Report that the TIF District qualifies as a redevelopment district because (i) the TIF District has a coverage calculation of 100 percent which is above the 70 percent requirement under Section 469.174, Subd. 10(a)(1) of the TIF Act; (ii) 100 percent of the buildings in the TIF District are structurally substandard which is above the 50 percent requirement under Section 469.174, Subd. 10(a)(1) of the TIF Act; (iii) the substandard buildings are reasonably distributed as required under Section 469.174, Subd. 10(a) of the TIF Act; and (iv) the code deficiency requirement under Section 469.76, Subd. 10(c) of the TIF Act is met because 100% of the buildings in the proposed TIF District exceed the 15% threshold. In addition, the parcels in the TIF District with substandard buildings are reasonably distributed compared to parcels that contain buildings. The “structurally substandard” analysis does not include energy coded deficiencies, but they are counted towards code deficiencies.

The boundaries of the TIF District currently contain 84 tax parcels. 100% of the parcels are occupied since they meet the requirements of Section 469.174, Subd. 10(e) of the TIF Act in that at least 15% of the area of each of these parcels is 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 is one building located in the TIF District. As set forth in the Redevelopment Assessment Report, the one building (i.e. %100) is “structurally substandard” to a degree requiring substantial renovation or clearance. The “structurally substandard” building was not in compliance with the building code applicable to new buildings, and the costs of modifying the building to satisfy the building code would be more than 15% of the cost of constructing a structure of the same square footage and type on the site.

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 \$0, which is less than \$38,365,832 which is the increase in the market value estimated to result from the proposed development (i.e.,

approximately \$48,245,100) after subtracting the present value of the projected tax increments for the maximum duration of the TIF District, (i.e. approximately \$9,879,268). **Exhibit C** details these assumptions and calculations.

Section 13. Duration of the TIF District.

The duration of the TIF District will be 26 total years (25 years after the first receipt of tax increment). Pursuant to Section 469.175, Subd. 1(b) of the TIF Act, the HRA elects to first receive increment in 2026, resulting in an estimated final year of 2051. Attached as **Exhibit D** is a projected cash flow showing the estimated receipt of tax increments from the TIF District and the various information and assumptions used in preparing the projected tax increment generated over the life of the TIF District. The HRA retains the option to close the TIF District earlier provided all project costs have been paid.

Section 14. 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 13 above for the purposes of financing the public costs referenced in Section 8 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 2023 property taxes, the respective tax capacity rates and net tax capacities of these taxing jurisdictions are set out in **Exhibit E**.

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 \$604,941 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 TIF 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 \$21,366,600. The estimated amount of tax increment attributable to the School District and County levies is estimated to be approximately \$5,106,874 and \$6,410,530, respectively assuming a total local tax rate of 137.163%, as currently in effect for tax payable year 2023. It is not expected that the Tax Increment District will have any impact on the need for new or improved public infrastructure. The City's police and fire departments currently serve the area and the HRA expects that the Development's impact on police and fire services will be minimal. The HRA anticipates that it will issue a pay as you go tax increment revenue note and/or revenue bonds to the 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 15. Modifications to the 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. In accordance with Section 469.175, Subd. 4 of the TIF Act, any:

- (i) reduction or enlargement of the geographic area of the Redevelopment Project Area or the TIF District;
- (ii) 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;
- (iii) increase in the portion of the captured net tax capacity to be retained by the HRA;
- (iv) increase in total estimated tax increment expenditures; or
- (v) 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 Section 469.177, Subd. 1 of the TIF Act, 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 16. Administrative Expenses.

In accordance with Section 469.174, Subd. 14 of the TIF Act, and Section 469.176, Subd. 3 of the TIF Act, administrative expenses mean 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 Redevelopment Project Area;

- B. relocation benefits paid to or services provided for persons residing or businesses located in the Redevelopment Project Area; or
- C. amounts used to pay interest on, fund a reserve for, or sell at a discount, bonds issued pursuant to Section 469.178 of the TIF Act.

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 and the Redevelopment Project Area up to but not to exceed, 10% of the total estimated tax increment expenditures authorized by the TIF Plan or 10% of the total tax increments, as defined in Section 469.174, Subd. 25, clause (1) of the TIF Act, whichever is less.

Pursuant to Section 469.176, Subd. 4h of the TIF Act, 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 Section 469.177, Subd. 11 of the TIF Act, the county treasurer shall deduct an amount equal to approximately 0.360% 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. Increments used to pay the county's administrative expenses under subdivision 4h are not subject to the 10% limit.

Section 17. Limitation of Increment – 4-Year Rule.

Pursuant to Section 469.176, Subd. 6 of the TIF Act:

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

Section 18. 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 for project costs as identified in the budget;
- B. to pay the principal of and interest on bonds used to finance a project, if applicable;
- C. to finance, or otherwise pay the capital and administration costs of the Redevelopment Project Area pursuant to the HRA Act;
- D. to finance, or otherwise pay for other purposes as provided in Section 469.176, Subd. 4 of the TIF Act;
- 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 Section 469.176, Subd. 4 of the TIF Act. In accordance with Section 469.176, Subd. 4j of the TIF Act, at least 90% of the Tax Increments will be used to finance the cost of correcting the conditions that allow designation of a tax increment financing district as a redevelopment district. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary to development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the HRA, including the cost of preparation of the development action response plan, may be included in the qualifying costs.

Section 19. 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 Section 469.175, Subd. 3 of the TIF Act. The County Auditor shall increase the original value of the TIF District by the tax capacity of improvements for which a building permit was issued.

Section 20. Excess Tax Increments.

Pursuant to Section 469.176, Subd 2 of the TIF Act, 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 21. 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 and the Redevelopment Plan 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 up to 10% on activities located outside the TIF District as permitted by Section 469.1763, Subd. 2(d) of the TIF Act. And in this case, as permitted by Section 469.1763, Subd. 2(c) of the TIF Act, if the only expenses for activities outside of the district are for these purposes, administrative expenses will be considered as expenditures for activities in the TIF District.

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 Section 469.1763, Subd. 3 of the TIF Act, has been satisfied; and beginning with the sixth year following certification of the TIF District, Section 469.1763, Subd. 5 of the TIF Act applies.

D. Expenditures for Housing. 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 Section 469.1763, Subd. 2(d) of the TIF Act 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 assist owner-occupied housing that meets the requirements of Section 469.1761, subdivision 2 of the TIF Act.

Section 22. County Road Costs.

Pursuant to Section 469.175, Subd. 1a of the TIF Act, the county board may require the HRA to pay for all or part of the cost of county road improvements if, the proposed Development 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 outlined in this TIF Plan will have little or no impact upon county roads. 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 23. Assessment Agreements.

Pursuant to Section 469.177, Subd. 8 of the TIF Act, 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 24. Administration of the TIF District.

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

Section 25. Financial Reporting Requirements.

The HRA will comply with all reporting requirements of Section 469.175, Subd. 5 and 6 of the TIF Act.

EXHIBIT A

PARCELS INCLUDED IN TIF DISTRICT

Landmark Towers Parcel ID's

Parcel ID	Parcel ID	Parcel ID
062822130088	062822130134	062822130248
062822130089	062822130135	062822130249
062822130097	062822130136	062822130250
062822130098	062822130137	062822130251
062822130099	062822130138	062822130252
062822130100	062822130139	062822130253
062822130104	062822130140	062822130254
062822130106	062822130141	062822130255
062822130107	062822130142	062822130256
062822130108	062822130143	062822130257
062822130109	062822130144	062822130258
062822130110	062822130145	062822130259
062822130113	062822130146	062822130260
062822130116	062822130147	062822130261
062822130118	062822130148	062822130262
062822130119	062822130149	062822130263
062822130120	062822130236	062822130264
062822130121	062822130237	062822130265
062822130122	062822130238	062822130266
062822130123	062822130239	062822130267
062822130124	062822130240	062822130268
062822130125	062822130241	062822130269
062822130126	062822130242	062822130270
062822130127	062822130243	062822130271
062822130128	062822130244	062822130272
062822130129	062822130245	062822130273
062822130130	062822130246	062822130274
062822130131	062822130247	062822130275

EXHIBIT B

ESTIMATES OF TAX INCREMENTS AND USES

Estimates of Tax Increments and Uses

Name of District: **Landmark Towers Project**
Type of District: Redevelopment District
Duration of District: 25 years following 1st collection (26 total years)

ESTIMATED TAX INCREMENT REVENUES	Estimated Amount
Tax Increment Revenue (1)	\$21,290,000
Interest and Investment Earnings	\$650,000
Estimated Tax Increment Revenues	\$21,940,000
ESTIMATED PROJECT/FINANCING COSTS	Estimated Amount
Land/Building Acquisition	\$0
Site Improvements/Preparation Costs	\$9,200,000
Utilities	\$0
Other Qualifying Public Improvements	\$0
Construction of Affordable Housing	\$650,000
Administrative Costs	\$2,128,000
Estimated Tax Increment Project Costs	\$11,978,000
Estimated Financing Costs	
Interest Expense	\$9,962,000
Total Est. Project/Financing Costs Paid From Tax Increment	\$21,940,000

(1) Net of State Auditor Deduction

EXHIBIT C

MARKET VALUE ANALYSIS REPORT

Housing & Redevelopment Authority of the City of St. Paul

Landmark Towers Project

Tax Increment Financing District (Redevelopment)

Market Value Information

Projected Taxable Market Value	\$70,143,441
Less Taxable Base Market Value	<u>(\$21,898,341)</u>
Equals Increased Market Value	\$48,245,100
Less Present Value of tax increments (@ 6.2%)	<u>(\$9,879,268)</u>
Equals	\$38,365,832

EXHIBIT D

PROJECTED TAX INCREMENTS AND ASSUMPTIONS

Housing & Redevelopment Authority of the City of St. Paul

Name of Project	Landmark Towers
Name of Developer	Sherman Associates
Type of TIF District	Redevelopment
Maximum Duration	25 years after 1st collection

Est. Date of Certification Request	9/1/2023
Elect First Year	Yes
First Year of Increment	2026
Final Year of Increment (Max)	2051

<u>Tax Rates</u>	<u>Final Pay 2023*</u>
City of St. Paul	50.605%
Ramsey County	41.153%
ISD #625	32.784%
Miscellaneous	12.622%
Local Tax Rate Captured for TIF	137.163%

Watershed Name/No.

Capital Region/151

Fiscal Disparity (In or Out)	Outside TIF (Clause A)
Sharing Factor	33.9763%
FD Tax Rate	133.6670%
State General Tax Rate	** 33.0030%
Market Value Based Tax Rate (ISD #625)	** 0.16090%

Assess year values for base	2023
Pay year values for base	2024

* Final Pay 2023 Tax Rates are used to estimate Pay 2024 Tax Rates

** Taxes generated from these levy rates are not captured in TIF districts

PROJECTED TAX INCREMENTS AND ASSUMPTIONS (Cont'd)

Housing & Redevelopment Authority of the City of St. Paul Landmark Towers Sherman Associates Tax Increment Financing District (Redevelopment)

	Assess 2023-Pay 2024		
Proposed TIF Parcels	Est. Market Value	Current Class	Current TC
Residential Condos PID's (17)	9,928,941	Res Hst	105,041
Residential Condo Garage PIDs (16)	44,500	Res Hst	540
Parking Garage PID's (28)	4,344,700	C/I Preferred	86,144
Office Tower (23)	7,580,200	C/I Preferred	150,854
	21,898,341		342,579

Proposed Redevelopment Units

Market Rate Rental Units	180,000	187 rental units
Commercial SF	1,290	

Adjust to Taxable Classification of Redeveloped Parcels Based On Redevelopment Uses

	Est. Market Value	Classification	Adjusted TC
<i>Total Market Rate Residential</i>	11,850,580	Rental	148,132
<i>Total Commercial</i>	74,320	C/I Preferred	1,115
TOTAL REDEVELOPMENT	11,924,900		149,247
Plus Residential Condo	21,898,341		254,828

Proposed Project*

MR Rental Apartments

Market Value per Unit	\$319,759	\$59,795,000
Total No. of Apartments	187	

Commercial/Office Space

\$375,000

	Est. Market Value	Tax Capacity
MR Rental Apartments	\$59,795,000	\$747,438
Commercial	\$375,000	\$6,750
Existing Residential Condos	9,973,441	\$105,581
Total Project	\$70,143,441	\$859,769
<i>Increased Market Value</i>	\$48,245,100	

* Estimated Market Value for Office Conversion provided by Ramsey County

PROJECTED TAX INCREMENTS AND ASSUMPTIONS (Cont'd)

Landmark Towers Redevelopment Tax Increment Financing District

187 Market Rate Rental Apts with Parking (Converted Office Tower) Plus Existing Residential Condo Units/Parking

Total Estimated Market Value of \$70.1 million with 0% Inflation, FD Outside (Clause A), Final Pay 2023 Tax Rate as Estimate - Elect First Year 2026

Assess Year	Collect Year	Total Est. Market Value	Total Net Tax Capacity	Less Original Net Tax Capacity	Sharing Factor	Increment Tax Capacity	Est. Local Captured Tax Rate*	Projected Tax Increment	Est. TI Attributable to City Levy*	Est. TI Attributable to County Levy*	Est. TI Attributable to School Dist Levy*	Less State Auditor Deduction 0.360%	Annual TI to HRA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
2025	2026	\$58,109,441	708,781	(254,828)	0.640470	453,953	137.163%	\$622,657	\$229,725	\$186,813	\$148,823	(\$2,242)	\$620,416
2026	2027	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2027	2028	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2028	2029	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2029	2030	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2030	2031	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2031	2032	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2032	2033	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2033	2034	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2034	2035	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2035	2036	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2036	2037	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2037	2038	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2038	2039	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2039	2040	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2040	2041	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2041	2042	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2042	2043	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2043	2044	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2044	2045	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2045	2046	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2046	2047	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2047	2048	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2048	2049	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2049	2050	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
2050	2051	\$70,143,441	859,769	(254,828)	0.703609	604,941	137.163%	\$829,758	\$306,133	\$248,949	\$198,322	(\$2,987)	\$826,771
								\$21,366,600	\$7,883,039	\$6,410,530	\$5,106,874	(\$76,920)	\$21,289,691

* Final Pay 2023 Tax Rates from Ramsey County Used As Estimate for Pay 2024

EXHIBIT E

FISCAL AND ECONOMIC IMPACT ON OTHER TAXING JURISDICTIONS

Landmark Towers Tax Increment Financing District (Redevelopment)

Taxing Jurisdiction	No Captured Net Tax Capacity Without Creation of District		Captured Net Tax Capacity Available Without Creation of District					Hypothetical Tax Generated by Captured Net Tax Capacity
	Final Pay 2023 Taxable Net Tax Capacity (a)	Final Pay 2023 Local Tax Rate	Final Pay 2023 Taxable Net Tax Capacity (a)	Projected Captured Net Tax Capacity	New Taxable Net Tax Capacity (b)	Hypothetical Local Tax Rate	Hypothetical Decline in Local Tax Rate	
City of St. Paul	329,982,815	50.605%	329,982,815	604,941	330,587,756	50.513%	0.093%	\$306,133
Ramsey County	701,727,439	41.153%	701,727,439	604,941	702,332,380	41.117%	0.035%	\$248,949
ISD #625	329,983,032	32.784%	329,983,032	604,941	330,587,973	32.724%	0.060%	\$198,322
Miscellaneous *	-	12.622%	-	-	-	12.622%	0.000%	\$0
		137.163%				136.975%	0.188%	\$753,403

Statement #1: If assume the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district, the taxing jurisdictions would have increased taxable net tax capacity to tax upon thereby resulting in a hypothetical decline in the local tax rate, while producing the same level of taxes. The above hypothetical analysis indicates a total tax rate decline of 0.188%; alternatively an increase in taxable net tax capacity without a reduction in the tax rate would produce an additional \$753,403 of taxes from the three taxing jurisdictions listed above.

Statement #2: If assume the estimated captured net tax capacity would not be available to the taxing jurisdictions without creation of the district, the projected captured net tax capacity shown above would not be available and the taxing jurisdictions would have no change to their taxable net tax capacity or tax rates.

* The miscellaneous taxing jurisdictions have been excluded as they represent just 9.2% of the total local tax rate.

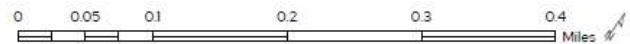
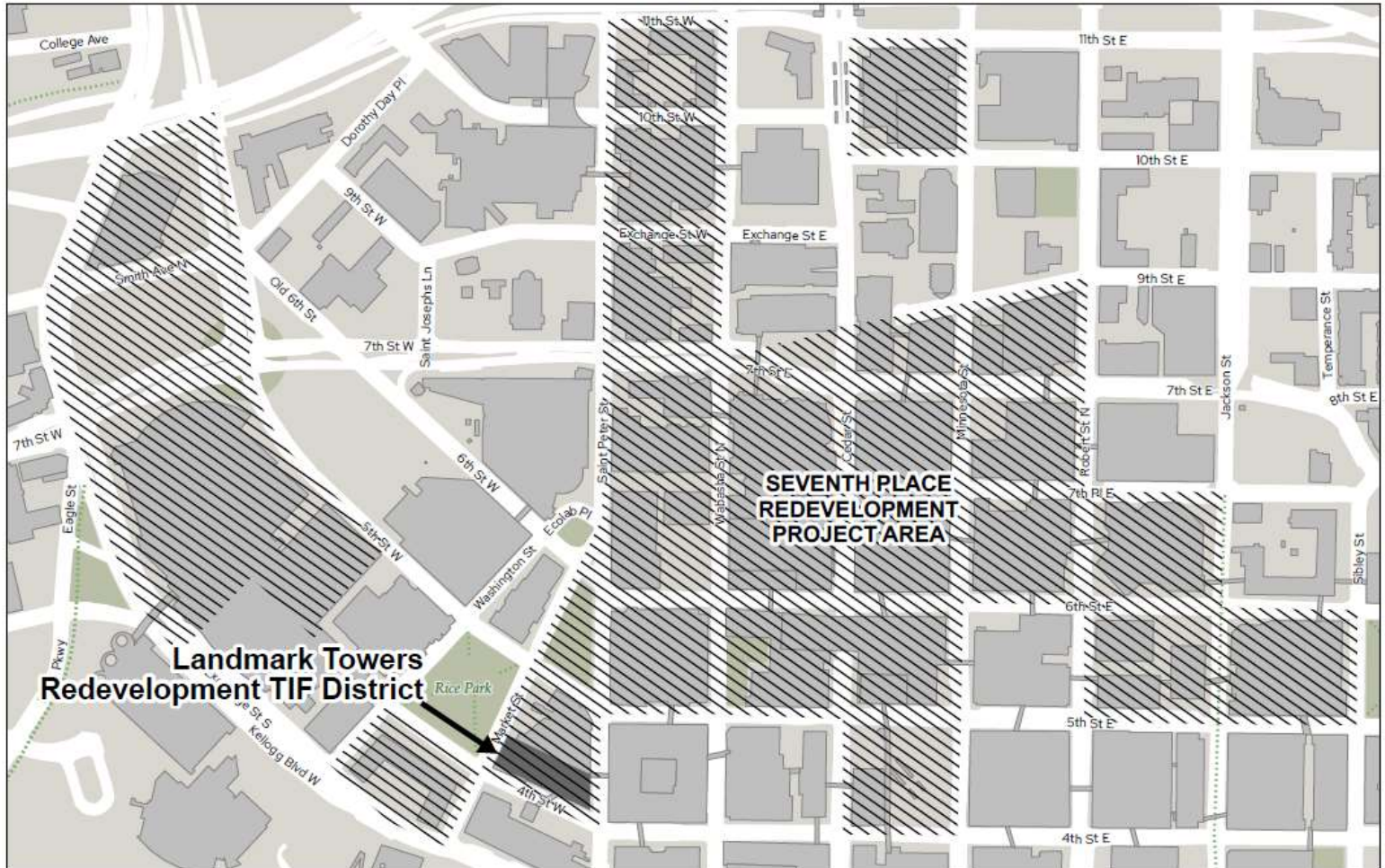
(a) Taxable Net Tax Capacity equals the total tax capacity minus tax increment tax capacity minus fiscal disparity contribution ("Value for Local Rate")

(b) New Taxable Net Tax Capacity adds Projected Captured Net Tax Capacity to Taxable Net Tax Capacity

EXHIBIT F

Map of Landmark Towers Redevelopment TIF District

Located within the Seventh Place Redevelopment Project Area • Thursday, July 6, 2023



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