ECONOMIC DEVELOPMENT AUTHORITY MEETING

MUNICIPAL CENTER COUNCIL CHAMBERS

1616 HUMBOLDT AVENUE, WEST ST. PAUL, MN 55118

MONDAY, AUGUST 31, 2020

IMMEDIATELY FOLLOWING REGULAR CITY COUNCIL MEETING

ECONOMIC DEVELOPMENT AUTHORITY MEETINGS

Economic Development Authority meetings are held in person in the Council Chambers and are open to the public with social distancing restrictions. Meetings will continue to be broadcast and streamed online for viewers to watch from the safety of their homes.

SEATING: A limited number of attendees will be allowed in the Council Chambers to view live meetings. Seats are first-come first-serve. Due to the limited seating, overflow space will be available in the City Hall lobby and the Lobby Conference Room with screens playing the meeting live.

PARTICIPATION: Due to the limited seating in the Council Chambers, those wishing to speak in person during public input items must sign up prior to the start of the meeting and will be called up to the podium one at a time. People wishing to speak in person may email the City Clerk at sbuecksler@wspmn.gov by 4:30 p.m. the day of the meeting (please include name, address and subject in email). In addition, sign-up sheets for each public input item will be available near the entrance of the Council Chambers at 4:30 p.m. the day of each meeting and collected by the City Clerk 5 minutes prior to the start of the meeting. Names will be called to approach the podium to address the Council. Those watching from overflow areas can enter the Chambers to speak when their name is called and then proceed back to the overflow area to continue viewing.

Viewers may also choose to call in via telephone to speak during public input items. A number will appear on screen during live broadcasts and streams when lines open for call-in speakers.

1. Call To Order

2. Roll Call

3. Adopt Agenda

4. Commissioner Comments

5. EDA Consent Agenda Items

5.A. Financial Statement Through July 31, 2020

Documents:

JULY BUDGET TO ACTUAL REPORT-EDA.PDF

5.B. Minutes Of April 27, 2020 - Regular EDA Meeting

Documents:

04-27-20 REGULAR EDA MINUTES.PDF

5.C. Minutes Of April 27, 2020 EDA Work Session

Documents:

04-27-20 EDA WS MINUTES.PDF

5.D. Minutes Of May 20, 2020 EDA Work Session

Documents:

05-26-20 EDA WS MINUTES.PDF

6. Public Hearing

6.A. Continue To Sept 14. Platting Application For A Property Line Adjustment Between 1019 Smith Ave. And 1010 Dodd Rd. – Michael Buttgereit

Documents:

EDA REPORT - 1019 SMITH AND 1010 DODD.PDF
ATTACHMENTS - 1019 SMITH AND 1010 DODD.PDF

6.B. Roers - TIF Agreement, Development Agreement, Business Subsidy Hearing, And Sale Of EDA Owned Land

Documents:

EDA REPORT - TOWN CENTER I (ROERS).PDF
EDA PACKET ROERS (08-28).PDF
RESOLUTION - EDA APPROVING SALE OF PROPERTY.PDF
RESOLUTION - EDA APPROVING TIF DISTRICT TC1.PDF

7. New Business

7.A. Dakota County CDA Deposit Agreement For TIF Decertification

Documents:

DEPOSIT AGMT. CDA AND RPS LEGACY.PDF

7.B. Wentworth Place HOA Easement Agreement

Documents:

EDA MEMO - WENTWORTH PLACE HOA EASEMENT 8-31-20.PDF
WENTWORTH PLACE EASEMENT (003).PDF

7.C. Dominium - Approval Of TIF District, Approval Of TIF Agreement And Approval Of Interfund Loan

Documents:

EDA MEMO DOMINIUM 8-31-20.PDF
MEMO ON TIF DISTRICT 8-31-20.PDF
TIF PLAN.WSP-KMART REDEVELOPMENT.PDF
RESOLUTION - EDA TIF DISTRICT (DOMINIUM).PDF

8. Old Business

9. Adjourn

If you need an accommodation to participate in the meeting, please contact the ADA Coordinator at 651-552-4108 or email ADA@wspmn.gov at least 5 business days prior to the meeting
www.wspmn.gov EOE/AA

City of West St Paul Economic Development Authority

Income Statement

Through 7/31/2020

Account	Account Description	2020 Budget Amount	MTD Actual Amount	2020 YTD Actual Amount	Budget Less YTD Actual	% of Budget	
REVENUE							
	Tax - Ad Valorem-Current	383,879.00	.00	191,940.00	(191,939.00)	50%	Partial settlement of first hal
	Investment - Interest	5,000.00	.00	4,573.41	(426.59)	91%	
	Other Interest Earnings	50,000.00	.00	.00	(50,000.00)	0%	
	Investment - Market Adjust	.00	.00	12,489.74	12,489.74		
	Insurance - Policy Dividend	.00	.00	.00	.00		
	Misc. Revenue - All Other	10,000.00	.00	.00	(10,000.00)	0%	
	Sale of Real Property	.00	.00	.00	.00		
	Transfers In	.00	.00	.00	.00		
		$448,879.00	$0.00	$209,003.15	239,875.85	47%	
	REVENUE TOTALS	$448,879.00	$0.00	$209,003.15	239,875.85	47%	
EXPENSE							
	Full Time Regular Wages	141,309.00	15,445.53	81,817.92	59,491.08	58%	
	PERA	10,598.00	1,200.48	6,288.74	4,309.26	59%	
	FICA	10,810.00	1,060.25	5,704.91	5,105.09	53%	
	Health Insurance	22,632.00	2,446.73	12,094.17	10,537.83	53%	
	Other Grp Insurance	441.00	24.86	162.97	278.03	37%	
	Office Supplies	200.00	.00	.00	200.00	0%	
	Motor Fuels & lubricants	.00	.00	.00	.00	0%	
	General Supplies	.00	.00	.00	.00	0%	
	Auditing Services	2,000.00	582.31	2,020.83	(20.83)	101%	Complete for this year
	Civil Legal Fees	12,500.00	1,752.00	18,179.20	(5,679.20)	145%	
	Travel,Conference,Schools	4,715.00	.00	3,185.53	1,529.47	68%	
	Advertising	2,000.00	.00	.00	2,000.00	0%	
	Postage	75.00	.00	10.85	64.15	14%	
	Printing & Publishing	500.00	.00	.00	500.00	0%	
	Insurance - Gen Liability	2,300.00	.00	2,642.19	(342.19)	115%	
	Water/Sewer Charges	554.00	.00	.00	554.00	0%	
	Contractual Services	86,470.00	33,425.50	59,568.31	26,901.69	69%	
	Subscriptions,Memberships	775.00	.00	1,750.00	(975.00)	226%	
	Loss on Sale of Asset	.00	.00	3,082.58	(3,082.58)		
	Misc. Expenses	1,000.00	.00	.00	1,000.00	0%	
	Business Subsidy	150,000.00	15,531.25	15,531.25	134,468.75	10%	Ulrich Robert- Commercial; Kmart redevelopment
	Land Held for Resale	.00	.00	253,335.31	(253,335.31)		Autozone
		$448,879.00	$71,468.91	$465,374.76	($16,495.76)	104%	
	EXPENSE TOTALS	$448,879.00	$71,468.91	$465,374.76	($16,495.76)	104%	
	REVENUE TOTALS	448,879.00	.00	209,003.15	239,875.85	47%	
	EXPENSE TOTALS	448,879.00	71,468.91	465,374.76	(16,495.76)	104%	
		$0.00	($71,468.91)	($256,371.61)	$256,371.61		

Cash Balance:	12/31/2019	344896.06
	1/31/2020	302,096
	2/29/2020	287,632
	3/31/2020	263,444
	4/30/2020	241,737
	5/31/2020	1,100,311
	6/30/2020	833,998
	7/31/2020	764,048

City of West St. Paul
Economic Development Authority Minutes
April 27, 2020

1. Call to Order

President Napier called the meeting to order at 7:43 p.m.

2. Roll Call

Present:	President Dave Napier Commissioners Wendy Berry, Lisa Eng-Sarne, Anthony Fernandez, John Justen, Bob Pace and Dick Vitelli
Absent:	None
Also Present:	City Manager Ryan Schroeder City Attorney Kori Land Community Development Director/Executive Director Jim Hartshorn Finance Director Char Stark Human Resources Director Debra Gieseke City Clerk/Secretary Shirley Buecksler

3. Adopt the Agenda

Motion was made by Commissioner Vitelli and seconded by Commissioner Justen to adopt the agenda, as presented.

Vote: 6 ayes / 0 nays. Motion carried.

4. Commissioner Comments

Commissioner Berry recommended supporting our local restaurants at this time by getting take-out food.

Commissioner Eng-Sarne suggested purchasing local and told everyone to be safe.

Commissioner Justen recommended reaching out to your friends who are small business owners and make sure they're okay.

President Napier thanked the community for supporting our local restaurants and businesses. He recommended purchasing gift cards from local businesses.

5. EDA Consent Agenda Items

Motion was made by Commissioner Pace and seconded by Commissioner Berry to approve the following items on the Consent Agenda, as presented:

A. Minutes of the April 13, 2020 Regular EDA Meeting

Vote: 6 ayes / 0 nays. Motion carried.

6. Public Hearings

There were no public hearings.

7. New Business

A. Thompson Oaks Redevelopment Project Phase II – Development Agreement

Executive Director Hartshorn presented the Development Agreement for Thompson Oaks Redevelopment Project Phase II.

As phase II of the Thompson Oaks Golf Course redevelopment project, the developer (KTJ 339,LLC) is proposing to purchase 10 acres, along the eastern area of the former golf course for $1,268,000. The developer proposes to construct 64 market-rate town homes. An abatement district will be created for nine years to cover the grant match. If we need additional funds to subsidize Oppidan or whomever, the district would need to be extended beyond the nine years or we reduce the land price. The developer will cover customary/normal development costs.

The developer will deposit $20,000 for earnest money upon execution of the Development Agreement. They also shall provide an easement for the River-to-River Trail. Staff is applying for DEED grant funding to assist with mitigation costs. The Development Agreement will be an attachment of the grant application.

Mayor Napier encouraged everyone to go online and look at the drawing.

Motion was made by Commissioner Vitelli and seconded by Commissioner Berry to approve the Development Agreement and move this item forward.

Vote: 6 ayes / 0 nays. Motion carried.

8. Old Business

There was no old business to discuss.

9. Adjourn

Motion was made by Commissioner Vitelli and seconded by Commissioner Justen to adjourn the meeting at 7:56 p.m.

All members present voted aye. Motion carried.

David J. Napier
President
City of West St. Paul

City of West St. Paul
Economic Development Authority Work Session Minutes
April 27, 2020

1. **Call to Order**

   President Napier called the meeting to order at 5:30 p.m.

2. **Roll Call**

Present:	President Dave Napier Commissioners Wendy Berry, Lisa Eng-Sarne, Anthony Fernandez, John Justen, Bob Pace and Dick Vitelli
Absent:	None
Also Present:	City Manager Ryan Schroeder City Attorney Kori Land EDA Executive Director Jim Hartshorn Marketing & Communications Manager Dan Nowicki City Clerk/EDA Secretary Shirley Buecksler

Motion was made by Commissioner Vitelli and seconded by Commissioner Justen to close the meeting at 5:32 p.m. pursuant to Minnesota Statute 13D.05 Subd. 3(C) to discuss the sale of the former Maaco site.

Vote: 6 ayes / 0 nays. Motion carried.

3. **Agenda Items**

   A. **Closed Session Pursuant to Minnesota Statute 13D.05 Subd. 3(C) to Discuss the Sale of the Former Maaco Site**

      The Commission asked questions and received answers.

Motion was made by Commissioner Vitelli and seconded by Commissioner Berry to reopen the meeting.

Vote: 6 ayes / 0 nays. Motion carried.

4. Adjourn

Motion was made by Commissioner Justen and seconded by Commissioner Vitelli to adjourn the meeting at 6:05 p.m.

All members present voted aye. Motion carried.

David J. Napier
President
City of West St. Paul

City of West St. Paul
Economic Development Authority Work Session Minutes
May 26, 2020

1. **Call to Order**

   President Napier called the meeting to order at 7:31 p.m.

2. **Roll Call**

   Present: President Dave Napier
   Commissioners Wendy Berry, Lisa Eng-Sarne,
   Anthony Fernandez, John Justen, Bob Pace and Dick Vitelli

   Absent: None

   Also Present: City Manager Ryan Schroeder
   City Attorney Kori Land
   EDA Executive Director Jim Hartshorn
   Marketing & Communications Manager Dan Nowicki
   City Clerk/EDA Secretary Shirley Buecksler

3. **Agenda Items**

   Motion was made by Commissioner Berry and seconded by Commissioner Justen to adopt the agenda, as presented.

   Vote: 6 ayes / 0 nays. Motion carried.

Motion was made by Commissioner Vitelli and seconded by Commissioner Justen to close the meeting at 7:33 p.m.

Vote: 6 ayes / 0 nays. Motion carried.

A. Closed Session Pursuant to Minnesota Statute 13D.05 Subd. 3(C) to Discuss the Sale of the Former Maaco Site

The Commission asked questions and received answers.

Motion was made by Commissioner Vitelli and seconded by Commissioner Justen to open the meeting at 7:56 p.m.

Vote: 6 ayes / 0 nays. Motion carried.

4. Adjourn

Motion was made by Commissioner Berry and seconded by Commissioner Eng-Sarne to adjourn the meeting at 7:57 p.m.

All members present voted aye. Motion carried.

David J. Napier
President
City of West St. Paul

CITY OF WEST ST. PAUL

EDA Report

To: **EDA President and Commission**

Through: **Jim Hartshorn, EDA Executive Director**

From: **Melissa Sonnek, City Planner**

Date: **August 31, 2020**

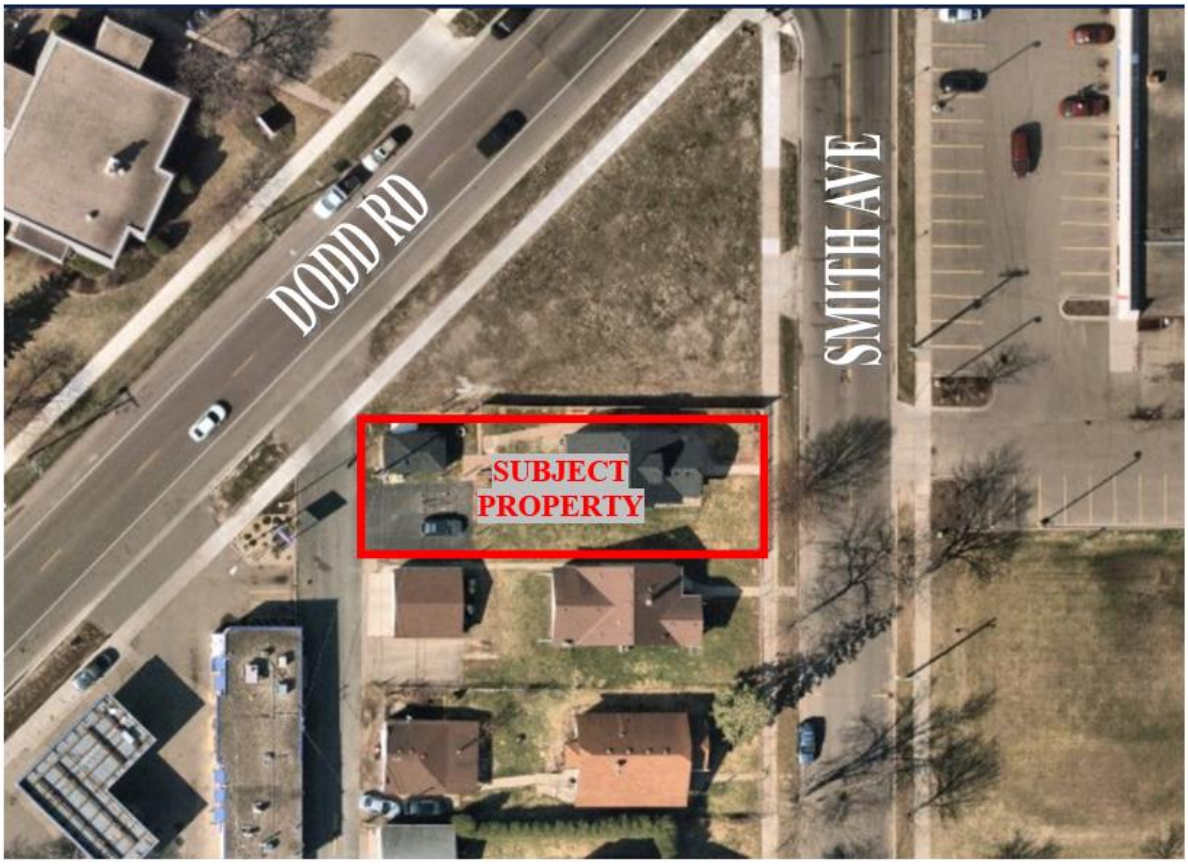
Plat Review for Property Line Adjustment between 1019 Smith and 1010 Dodd – Michael Buttgereit

BACKGROUND:

Mr. Buttgereit is requesting the review of a proposed property line adjustment to bring an existing fence onto his property rather than the adjacent property to the north 1010 Dodd Road, which is owned by the West St. Paul Economic Development Authority (EDA). The proposed adjustment is to move the existing property line 10ft north of where it is currently located.

ATTACHMENTS:

Property Survey
Planning Commission Memo



ANALYSIS:

Lot Summary

Gross Acres – 0.14 Acres (6,417 sq. ft.)
Proposed Addition: 1,364 sq. ft. (southern 10ft of 1010 Dodd Rd).

Existing Conditions

As detailed above, the existing lot contains a single family home and a detached garage. The proposed property line adjustment will bring an existing fence and retaining wall legally back to the 1019 Smith Ave. property.

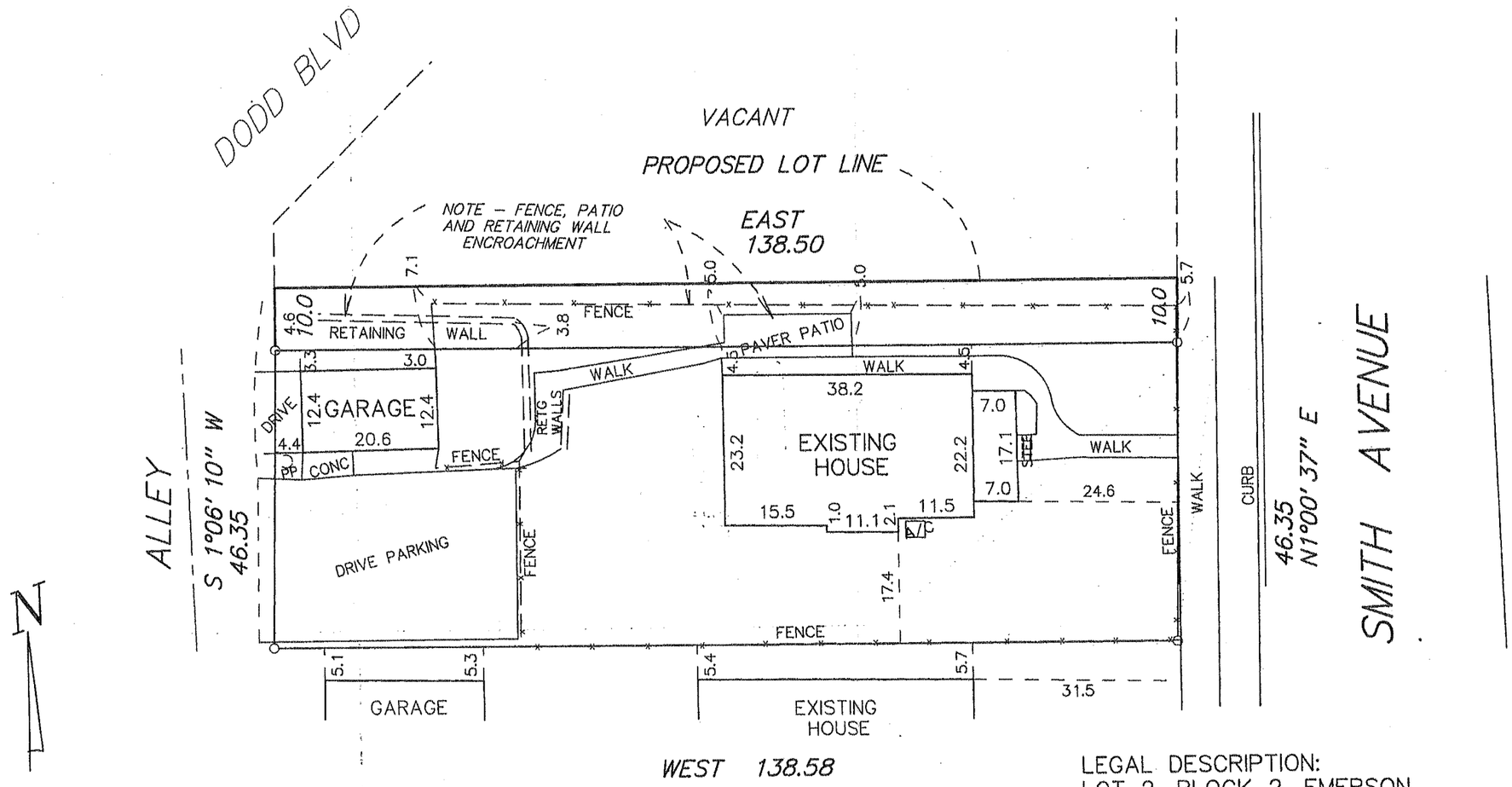
PLANNING COMMISSION:

The Planning Commission met in regular session on August 18th, 2020 to review the plans and held public hearing for the plat. No one from the public came forward or called to speak on the item. The Planning Commission voted 6-0 in favor of continuing the review of the proposal, to allow the EDA to review the case and consider both options:

1. The sale of the property,
2. The creation of an easement/encroachment agreement.

STAFF RECOMMENDATION:

Staff recommends the EDA continue the public hearing to the next meeting to allow for additional time for both Staff and the EDA to review the item.



0 20 40 60

SCALE IN FEET

X992.5 = EXISTING SPOT ELEVATION.

X(998.0) = PROPOSED SPOT ELEVATION

= DIRECTION SURFACE DRAINAGE

COH = CANTILEVERED OVERHANG

OHL = OVERHEAD UTILITY LINE

GFE = GARAGE FLOOR ELEVATION

TFE = TOP OF FOUNDATION ELEVATION

LFE = LOWEST FLOOR ELEVATION

LEGAL DESCRIPTION:
LOT 2, BLOCK 2, EMERSON ADDITION, DAKOTA COUNTY., MN.

PROPOSED
AND THE SOUTH 10.0 FEET OF
LOT 1, BLOCK 2, EMERSON ADDITION
AREA = 1364 SF

ADDRESS–
1019 SMITH AVENUE S
WEST ST. PAUL, MN
PID#42-23750-02-020

LOT AREA = 6417 SF/ 0.14 AC

Land
Frank R. Cardarelle Surveyor
6440 FLYING CLOUD DRIVE
EDEN PRAIRIE,MN 55344
952-941-3031

PROPOSED LOT LINE REALIGNMENT

BUTTGERIT/LEWANDOWSKI for RESIDENCE

7/8/2020 PROPOSED LOT LINE

PROJECT NO.	BOOK
DATE MAY12, 2020	PAGE
REVISIONS	

I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY REGISTERED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.

FRANK R. CARDARELLE REG. NO. 6508

CITY OF WEST ST. PAUL

Planning Commission Report

To: **Planning Commission**

From: **Melissa Sonnek, City Planner**

Date: **August 18, 2020**

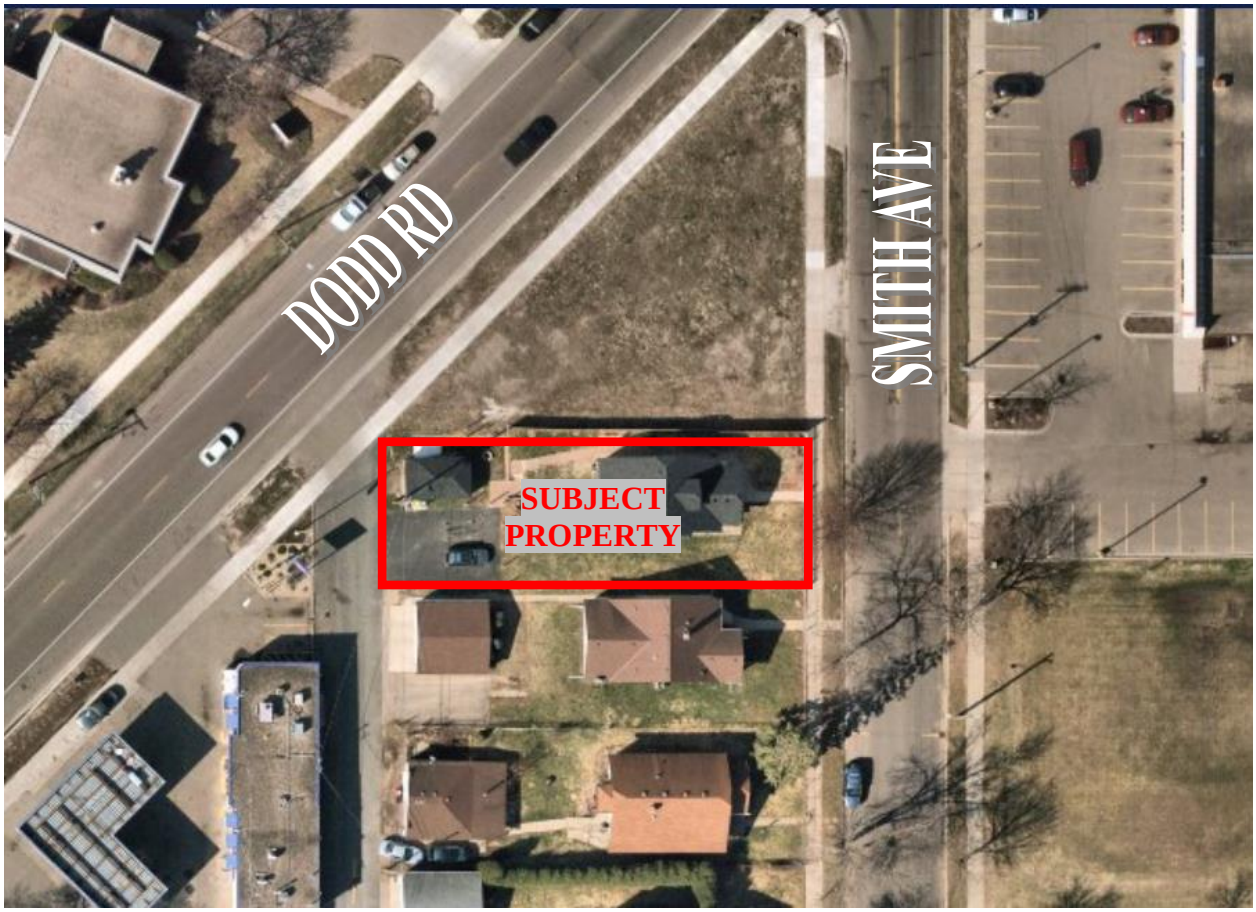
Plat Review for Property Line Adjustment between 1019 Smith and 1010 Dodd – Michael Buttgereit

REQUEST:

Mr. Buttgereit is requesting the review of a proposed property line adjustment to bring an existing fence onto his property rather than the adjacent property to the north 1010 Dodd Road, which is owned by the West St. Paul Economic Development Authority (EDA). The proposed adjustment is to move the existing property line 10ft north of where it is currently located.

ATTACHMENTS:

Application/Notice
Engineering Review
Property Survey
Staff Presentation



CURRENT USES AND ZONING:

	Use	Zoning
Subject Property	Residential - Single Family Home	R1A – Single Family
Properties to North	N/A – Vacant Lot	B2 – Neighborhood Business
Properties to East	Commercial – Dodd Way Shopping	B2 – Neighborhood Business
Properties to South	Residential - Single Family Home	R1A – Single Family
Properties to West	Commercial – Office Building	B2 – Neighborhood Business

ANALYSIS:

Lot Summary

Gross Acres – 0.14 Acres (6,417 sq. ft.)
Proposed Addition: 1,364 sq. ft. (southern 10ft of 1010 Dodd Rd).

Existing Conditions

As detailed above, the existing lot contains a single family home and a detached garage. The proposed property line adjustment will bring an existing fence and retaining wall legally back to the 1019 Smith Ave. property.

ENGINEERING REVIEW:

The City Civil Engineer reviewed the plat application and requested the property dedicate 10 foot utility/drainage easements along the eastern property line (Smith Ave.) and 5 foot easements along all other property lines.

STAFF RECOMMENDATION:

Staff recommends the APPROVAL of the PROPERTY LINE ADJUSTMENT between 1019 Smith Avenue and 1010 Dodd Road, subject to the following conditions:

1. Property line adjustment is contingent upon the EDA sale/purchase agreement for the 10ft of property detailed in the survey, and
2. Property owner shall provide drainage and utility easements around the perimeter of the property as noted in the Engineering memo dated August 6, 2020.

Timeline

August 18 – PC Public Hearing
August 31 – CC Public Hearing

CITY OF WEST ST. PAUL

EDA Report

To: **EDA President and Board**

Through: **Ryan Schroeder, City Manager**

From: **Executive Director Jim Hartshorn**

Date: **August 31, 2020**

Subject: ROERS (Town Center I) Development Project

BACKGROUND INFORMATION:

The following recommendations and attachments regarding the Town Center I project will be reviewed on Monday 31.

FISCAL IMPACT:

		Amount
Fund:		**N/A**
Department:		
Account:		

STAFF RECOMMENDATION:

- Hold a Public Hearing on the sale of EDA land and the Business Subsidy
- Approve Resolution authorizing execution of the Development Agreement and with ROERS and authorizing the sale of land
- Approve Resolution Approving Tax Increment Financing Plan and Agreement

ATTACHMENTS:

- Memos from Ehlers Associates
- Development Agreement
- EDA Resolution
- Tax Increment Financing Plan and Agreement

MEMORANDUM

TO: Jim Hartshorn – Community Development Director
FROM: Stacie Kvilvang & Keith Dahl - Ehlers
DATE: August 31, 2020
SUBJECT: Roers – TIF Agreement, Development Agreement, Business Subsidy Hearing and Sale of EDA Owned Land

---

Roers is proposing to construct a 192-unit market rate apartment with 1,700 sq/ft of ground floor retail. To complete this project, the EDA is required to have two public hearings on the project:

1. Sale of EDA owned land (#2 below); and
2. Business Subsidy hearing – Held with the TIF District hearing (#9 below)

Following are the terms of the TIF and Development Agreements and terms for the above referenced items:

1. General

a. TIF Assistance and Development Agreement with Roers West St. Paul Apartments Owner LLC.

2. Acquisition (Development Agreement) – Public Hearing on Sale of EDA Land

a. The Developer will acquire the following (8) existing parcels:

Parcel number	Owner
42-17800-01-070	Batteries Plus (parking)
42-17800-01-071	Batteries Plus
42-17800-01-063	Aamco
42-24200-01-070	Car-X (EDA)
42-17800-01-072	Maaco (EDA)
42-17800-01-076	Maaco (EDA)
42-17800-01-042	Blockbuster (EDA)
42-17800-01-032	Blockbuster (EDA)

b. The Developer will acquire the EDA owned parcels for $1.2 million. Since the EDA is selling land a public hearing is required for this action.

c. Closing will happen on or before November 30, 2020 and EDA will provide "clean" title to the property.

d. Closing is contingent upon closing on the non-EDA owned parcels and execution of a Stormwater Maintenance Agreement with the City.

3. **Development and Timing of Construction (TIF Assistance Agreement)**
    a. Construction of 192 market rate apartments and related amenities and underground and surface parking, along with 1,700 sq/ft of ground floor retail.

    b. Must commence construction December 31, 2020 and substantial completion by December 31, 2022.

4. **Prevailing Wage (Development Agreement)**
    a. Developer is required to follow the City's Prevailing Wage Ordinance.

5. **Rental Licensing (Development Agreement)**
    a. Required to obtain a rental license prior to occupancy of any unit and to comply with the City's rental licensing ordinance.

6. **Tax Increment (TIF Agreement)**
    a. The City is creating Town Center 1 TIF district.

    b. The Developer will receive a pay-as-you-go note in an amount up to $3,820,000
        i. Issued upon proof of expenditure on public redevelopment costs which include land acquisition, site grading and improvements, underground and above ground utilities, parking and any other eligible costs for reimbursement under the TIF Act.

        ii. Term of the TIF note will be for 18 years

        iii. Interest will be at the lesser of 4.25% or the Developer's actual financing rate

        iv. Interest will be simple, non-compounding interest

        v. Developer will receive 90% of the tax increment generated

7. **Payment of EDA Costs (TIF Agreement)**
    a. Acknowledges that Developer has deposited $10,000 with the EDA for administrative costs. Developer is required to reimburse EDA for costs of consultants in negotiating and drafting development agreement (fiscal and legal) and for creation of the TIF district. The EDA will notify Developer when additional dollars are needed.

8. **Minimum Assessment Agreement (TIF Agreement)**
    a. Developer must execute a Minimum Assessment Agreement that is recorded against the property for $25,257,500 as of January 2, 2022.

9. **Business Subsidy Act (TIF Agreement)**
    a. Since the EDA is providing more than $150,000 to a project that includes commercial space, they are required to hold a public hearing on the granting of the business subsidy and must set the job and wage goals accordingly.

    b. Since creation and retention of jobs is not the primary purpose of this project (redevelopment is), the EDA is setting the job and wage goals at zero.

10. **Taxes (TIF Agreement)**
    a. Developer shall pay all real property taxes.

    b. Developer cannot seek administrative or judicial review of constitutionality of the taxes or a deferral or abatement of the taxes.

    c. If the Developer choses to petition the valuation of the property for tax purposes, they must notify the EDA of such petition. The EDA will make payments due on the TIF note at the minimum assessed value until such time the tax petition is dismissed or stipulated in value.

11. **Lookback (TIF Agreement)**
    a. The developer will be required to submit audited financials to the EDA's Municipal Advisor upon the earlier of stabilization (95% occupancy), Transfer Date, or 2 years after issuance of a certificate of occupancy. The amount of the TIF note will be reduced as follows:

        i. If the Developer's cash-on-cash (COC) return on a cumulative annualized basis exceeds 11%, then the TIF Note will be reduced by 50% of the difference between the principal amount of the TIF Note and the principal amount of TIF needed to achieve an 11% COC.

        ii. If the Developer sells or refinances the project within 10 years, they must again provide audited financials for review. To the extent, the cumulative annualized COC exceeds 11%, then the TIF Note will be reduced by 50% of the difference between the principal amount of the TIF Note and the principal amount of TIF needed to achieve an 11% COC.

Please contact either of us at 651-697-8500 with any questions.

TIF ASSISTANCE AGREEMENT

BETWEEN

WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

AND

ROERS WEST ST. PAUL APARTMENTS OWNER LLC

This document drafted by:
KENNEDY & GRAVEN, CHARTERED (JSB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota 55402
(P) 612-337-9300

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TIF ASSISTANCE AGREEMENT

THIS TIF ASSISTANCE AGREEMENT (the "Agreement"), made as of the _____ day of September, 2020, by and between the West St. Paul Economic Development Authority (the "EDA"), a public body corporate and politic under the laws of the State of Minnesota, and Roers West St. Paul Apartments Owner LLC, a Delaware limited liability company (the "Developer").

WITNESSETH:

WHEREAS, the EDA was created pursuant to Minnesota Statutes, Sections 469.090 to 469.1081, as amended (the "EDA Act"), and was authorized to transact business and exercise its powers by a resolution (the "Enabling Resolution") of the City Council of the City of West St. Paul, Minnesota (the "City"); and

WHEREAS, under the EDA Act and the Enabling Resolution, the EDA has all the powers of a housing and redevelopment authority under Minnesota Statutes, Sections 469.001 to 469.047, as amended (the "HRA Act"); and

WHEREAS, pursuant to the EDA Act and the HRA Act, the EDA has undertaken a program to promote the development and redevelopment of land which is underutilized or characterized by blight within the City, and in connection therewith created the South Robert Street Redevelopment Project No. 1 (the "Project Area") and adopted a Redevelopment Plan therefor (the "Redevelopment Plan"); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended, (the "TIF Act"), the City and the EDA have created, within the Project Area, the Town Center 1 TIF District (a redevelopment district), a redevelopment tax increment financing district (the "TIF District"), the description of which is attached hereto as **Exhibit A**, and has adopted a tax increment financing plan therefor approved by the City Council of the City on August 31, 2020 (the "TIF Plan") which provides for the use of tax increment financing in connection with certain development within the Project Area and TIF District; and

WHEREAS, the Developer proposes to acquire certain property, demolish existing blighted buildings thereon, and construct approximately 192-units of market rate housing and approximately 1,700 square feet of retail space, and dependent upon market demand, up to an additional approximately 10,600 square feet of retail, with underground and surface parking, greenspace and related amenities in the City (the "Project"); and

WHEREAS, the Developer has requested that the EDA use tax increment financing to assist the Developer with certain costs thereof in order to fill the gap between the Total Development Costs (as hereinafter defined) and the funds available to pay such costs; and

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Administrative Costs has the meaning set forth in Section 3.3;

Affiliate means a corporation, partnership, joint venture, association, business trust or similar entity organized under the laws of the United States of America or a state thereof which is directly controlled by or under common control with the Developer or any other Affiliate. For purposes of this definition, control means the power to direct management and policies through the ownership of at least a majority of its voting securities, or the right to designate or elect at least a majority of the members of its governing body by contract or otherwise;

Agreement means this TIF Assistance Agreement, as the same may be from time to time modified, amended or supplemented;

Architect means [ESG Architecture], a _____, as the architect for the Project;

Assessment Agreement means the minimum assessment agreement, in substantially the form set forth in **Exhibit F** attached hereto and made a part of this Agreement, between the Developer and the EDA;

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

Certificate of Completion means a Certificate of Completion with respect to the Project executed by the EDA pursuant to Section 4.7 of the CPD, in substantially the form set forth in Exhibit D attached thereto;

City means the City of West St. Paul, Minnesota;

Completion Date means the date on which the Certificate of Completion with respect to the Project is executed by the EDA pursuant to Section 4.7 of the CPD;

Construction Costs means the capital costs of the construction of the Project, including the costs of labor and materials; construction management and supervision expenses; insurance and payment or performance bond premiums; architectural and engineering fees and expenses; property taxes; usual and customary fees or costs payable to the City or any other public body with regulatory authority over construction of the Project (e.g. building permits and inspection fees); the developer fee; and all other costs chargeable to the capital account of the Project under generally accepted accounting principles;

Construction Documents means the following documents, all of which shall be in form and substance reasonably acceptable to the EDA: (a) evidence satisfactory to the EDA showing that the Project conforms to applicable zoning, subdivision and building code laws and ordinances,

including a copy of the building permit for the Project; (b) a copy of the executed standard form of agreement between owner and architect for architectural services for the Project, if any, and (c) a copy of the executed General Contractor's contract for the Project, if any;

Construction Plans means the plans, specifications, drawings and related documents for the construction of the Project, which shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the building inspector of the City;

County means Dakota County, Minnesota;

County Assessor means the County Assessor of Dakota County, Minnesota;

CPD means the Contract for Private Redevelopment, dated as of _____, 2020, between the City, the EDA, and the Developer;

Design Drawings means the floor plans, renderings, elevations and material specifications for the Project prepared by the Architect;

Developer means Roers West St. Paul Apartments Owner LLC, a Delaware limited liability company, and its authorized successors and assigns;

Development Property means the real property legally described in **Exhibit B** attached to hereto;

EDA means the West St. Paul Economic Development Authority;

Event of Default means any of the events described in Section 4.1 hereof;

Final Payment Date means the earliest of (i) the date on which the entire principal and accrued interest on the TIF Note have been paid in full; or (ii) February 1, 2039; or (iii) any earlier date this Agreement or the TIF Note is terminated or cancelled in accordance with the terms hereof or deemed paid in full; or (iv) the February 1 following the date the TIF District is terminated in accordance with the TIF Act;

General Contractor means _____, a _____, as the general contractor for the Project;

Payment Date means August 1, 2022 and each February 1 and August 1 thereafter to and including the Final Payment Date; provided, that if any such Payment Date should not be a Business Day, the Payment Date shall be the next succeeding Business Day;

Pledged Tax Increments means for any 6-month period, 90% of the Tax Increments received by the EDA since the previous Payment Date;

Project means the acquisition of the Development Property, demolition of existing blighted buildings, and construction of approximately 192 units of market rate housing, approximately 1,700 square feet of retail/restaurant, and dependent upon market demand, up to an additional

approximately 10,600 square feet of retail, with underground and surface parking, greenspace and related amenities in the City;

Public Development Costs means the public redevelopment costs of the Project identified on **Exhibit C** attached hereto and any other cost incurred by the Developer, or its assigns, that the EDA determines is eligible for reimbursement with Pledged Tax Increments;

Reimbursement Amount means (a) the lesser of (i) $3,820,000 or (ii) the Public Development Costs actually incurred and paid by the Developer, less (b) the amount of any grant for the payment or reimbursement of Public Development Costs from an entity other than the City or EDA;

Site Plan means the site plan prepared for the Development Property approved by the EDA;

State means the State of Minnesota;

Tax Increments means the tax increments derived from the Development Property and the improvements thereon which have been received and are permitted to be retained by the EDA in accordance with the TIF Act including, without limitation, Minnesota Statutes, Section 469.177; Section 469.176, Subd. 4h; and Section 469.175, Subd. 1a, as the same may be amended from time to time; for purposes of this definition, "derived from the Development Property and the improvements thereon" means the portion of Tax Increment actually received by the EDA from the TIF District determined by the EDA, in its sole determination, to have been derived from the Development Property;

Termination Date means the Final Payment Date;

TIF Act means Minnesota Statutes, Sections 469.174 through 469.1794, as amended;

TIF District means Town Center 1 TIF District (a redevelopment district), a redevelopment tax increment financing district, within the South Robert Street Redevelopment Project No. 1 in the City, consisting of the property legally described in **Exhibit A** attached hereto, which was established as a redevelopment district under the TIF Act;

TIF Note means the Taxable Tax Increment Revenue Note (Town Center I Project) to be executed by the EDA and delivered to the Developer pursuant to Article III hereof, a form of which is set forth in **Exhibit D** attached hereto;

TIF Plan means the tax increment financing plan approved for the TIF District;

Total Development Costs means all Construction Costs and any other costs of the development of the Project to be incurred by the Developer as set forth in **Exhibit E** attached hereto; and

Unavoidable Delays means delays, outside the control of the party claiming their occurrence, which are the direct result of strikes, other labor troubles, unusually severe or prolonged bad weather, acts of God, pandemic, acts of war or terrorism, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial

action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state or local governmental unit (other than the City or the EDA) which directly result in delays, acts of the public enemy or acts of terrorism and discovery of unknown hazardous materials or other concealed site conditions or delays of contractors due to such discovery.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the EDA. The EDA makes the following representations and warranties:

(1) The EDA is a public body corporate and politic organized and existing under the Constitution and laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The EDA has taken the actions necessary to establish the TIF District as a "redevelopment district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10.

(3) The development contemplated by this Agreement is in conformance with the development objectives set forth in the Redevelopment Plan and the TIF Plan.

(4) The EDA makes no representation or warranty, either express or implied, as to the Development Property or its condition, or that the Development Property shall be suitable for the Developer's purposes or needs.

(5) No member of the Board of Commissioners or other officer of the EDA, has either a direct or indirect financial interest in this Agreement, nor will any member of the Board of Commissioners, or other officer of the EDA, benefit financially from this Agreement within the meaning of Minnesota Statutes, Sections 412.311 and 471.87.

Section 2.2. Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

(1) The Developer is a Delaware limited liability company duly and validly organized and existing in good standing under the laws of the State of Delaware, is qualified to do business in the State, and has power and authority to enter into this Agreement and to perform its obligations hereunder and is not in violation of any provision of the laws of the State.

(2) The construction of the Project would not be undertaken by the Developer, and in the opinion of the Developer would not be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.

(3) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(4) The Developer understands that the EDA and the City may subsidize or encourage the development of other developments in the City, including properties that compete with the

Development Property and the Project, and that such subsidies may be more favorable than the terms of this Agreement, and that the EDA and the City have informed the Developer that development of the Development Property will not be favored over the development of other properties.

ARTICLE III

UNDERTAKINGS BY DEVELOPER AND EDA

Section 3.1. Total Development Costs and Public Costs.

(1) Based on the Developer's representation that the Total Development Costs for the Project are approximately $38,846,089, that the sources of revenue available to pay such costs, excluding the tax increment assistance contemplated herein, do not exceed $35,026,089, and that the Developer is unable to obtain additional private financing or investment for the estimated Total Development Costs, the EDA has agreed to provide tax increment financing subject to the terms and conditions as hereinafter set forth. The Developer must provide the EDA copies of all executed financing documents related to financing the Total Development Costs of the Project.

(2) The parties agree that the Public Development Costs to be incurred by the Developer are essential to the successful completion of the Project. The Developer anticipates that the Public Development Costs for the Project which are identified in **Exhibit C** attached hereto will be at least $3,820,000.

(3) As of January 2, 2022, the estimated market value of the Development Property, as improved, is expected to be at least $25,257,500.

(4) The Developer shall acquire a portion of the Development Property in accordance with the CPD. In addition, the Developer has acquired or has entered into a purchase agreement pursuant to which it will acquire fee title to the Development Property.

(5) The Developer will cause the Project to be constructed in accordance with the terms of this Agreement, the Redevelopment Plan, and all local, state and federal laws and regulations including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations.

(6) The Developer shall, in a timely manner, comply with all requirements necessary to obtain, or cause to be obtained, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met for the construction and operation of the Project.

(7) The Total Development Costs shall be paid by the Developer, and the EDA shall reimburse the Developer for the Public Development Costs in the Reimbursement Amount solely through the issuance of the TIF Note as provided herein.

(8) City has applied for County Redevelopment Improvement Grant in connection with a portion of the Total Development Costs of the Project.

Section 3.2. TIF Note.

(1) The TIF Note will be originally issued to the Developer, as provided in Section 3.2(2), in a principal amount equal to the lesser of (i) the Reimbursement Amount or (ii) the amount determined pursuant to Section 3.2(11) and Section 3.12, and shall be dated as of its

date of issuance. The principal of the TIF Note and interest thereon shall be payable on a pay-as-you-go basis solely from the Pledged Tax Increments as provided below.

(2) The TIF Note shall be issued, in substantially the form attached hereto as **Exhibit D** and interest will commence to accrue on the TIF Note only when: (A) the Developer shall have submitted written proof and other documentation as may be reasonably satisfactory to the EDA of the exact nature and amount of the Public Development Costs incurred by the Developer, together with such other information or documentation as may be reasonably necessary and satisfactory to the EDA to enable the EDA to substantiate the Developer's tax increment expenditures for Public Development Costs in accordance with **Exhibit C** attached hereto and/or to comply with its tax increment reporting obligations to the Commissioner of Revenue, the Office of the State Auditor or other applicable official; (B) the Developer shall have obtained from the City a certificate of occupancy for all residential units in the Project and a certificate of occupancy for completion the shell of the commercial portion of the Project and a Certificate of Completion as provided in Section 4.7 of the CPD; (C) the Developer shall have paid all of the EDA's Administrative Costs required to have been paid as of such date in accordance with Section 3.3 hereof; (D) the Developer shall be in material compliance with each term or provision of this Agreement required to have been satisfied as of such date; and (F) the Developer shall have submitted the final sources and uses for the Project in accordance with Section 3.2(10) and the EDA shall have determined any adjustment to the Reimbursement Amount pursuant to Section 3.2(10). The documentation provided in accordance with Section 3.2(2)(A) shall include specific invoices for the particular work from the contractor or other provider and shall include paid invoices, copies of remittances and/or other suitable documentary proofs of the Developer's payment thereof.

(3) Subject to the provisions thereof, the TIF Note shall bear simple, non-compounding interest at the rate equal to the lesser of 4.25% per annum or the actual rate per annum on the Developer's initial financing for the acquisition and construction the Project. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Principal and interest on the TIF Note will be payable on each Payment Date; however, the sole source of funds required to be used for payment of the EDA's obligations under this Section and correspondingly under the TIF Note shall be the Pledged Tax Increments received in the 6-month period preceding each Payment Date.

(4) On each Payment Date the Pledged Tax Increment shall be credited against the accrued interest then due on the TIF Note and then applied to reduce the principal. In the event the Pledged Tax Increments are not sufficient to pay the accrued interest, the unpaid accrued interest shall be carried forward without interest. All Tax Increments in excess of the Pledged Tax Increments necessary to pay the principal and accrued interest on the TIF Note are not subject to this Agreement, and the EDA retains full discretion as to any authorized application thereof. To the extent that the Pledged Tax Increments are insufficient through the Final Payment Date, to pay all amounts otherwise due on the TIF Note, said unpaid amounts shall then cease to be any debt or obligation of the EDA whatsoever.

(5) No interest will accrue during any period in which payments have been suspended pursuant to Section 4.2.

(6) Any interest accruing on Pledged Tax Increments held by the EDA pending payment to the Developer on the TIF Note shall accrue to the account of the TIF District.

(7) The TIF Note shall be a special and limited obligation of the EDA and not a general obligation of the City or the EDA, and only Pledged Tax Increments shall be used to pay the principal of and interest on the TIF Note.

(8) The EDA's obligation to make payments on the TIF Note on any Payment Date is subject to Section 3.11(2) and shall be conditioned upon the requirement that (A) there shall not at that time be an Event of Default that has occurred and is continuing under this Agreement that has not been cured during the applicable cure period, (B) this Agreement shall not have been terminated pursuant to Section 4.2, and (C) all conditions set forth in Section 3.2(2) have been satisfied as of such date.

(9) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as actually executed, in substantially the form set forth in **Exhibit D** attached hereto. In the event of any conflict between the terms of the TIF Note and the terms of this Section 3.2, the terms of the TIF Note shall govern. The issuance of the TIF Note is pursuant and subject to the terms of this Agreement.

(10) In accordance with Section 469.1763, Subdivision 3 of the TIF Act, conditions for delivery of the TIF Note must be met within 5 years after the date of certification of the TIF District by the County. If the conditions are not satisfied by such date, the EDA has no further obligations under this Section 3.2.

(11) The financial assistance to the Developer under this Agreement is based on certain assumptions regarding likely costs and expenses associated with constructing the Project. The EDA and the Developer agree that the Developer's representations of the Total Development Costs will be reviewed at the time of completion of construction of the Project. Upon submitting the request for the Certificate of Completion under Section 4.7 of the CPD, the Developer shall submit the final sources and uses for the Project in the form set forth in **Exhibit E** based on actual Total Development Costs as incurred and documented. If the actual Total Development Costs at completion decrease below the Total Development Cost amount shown in **Exhibit E**, the Reimbursement Amount will be reduced by the amount of the decrease in the Total Development Costs and the principal amount of the TIF Note will be adjusted accordingly.

Section 3.3. Developer to Pay EDA's Fees and Expenses. The Developer will pay all of the EDA's reasonable Administrative Costs (as defined below) and must pay such costs to the EDA within 30 days after receipt of a written invoice from the EDA describing the amount and nature of the costs to be reimbursed. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the EDA together with staff and consultant (including reasonable legal, financial advisor, etc.) costs of the EDA, all attributable to or incurred in connection with the establishment of the TIF District and the TIF Plan and review, negotiation and preparation of this Agreement (together with any other agreements entered into between the parties hereto contemporaneously therewith) and review and approvals of other documents and agreements in connection with the Project. In addition, certain engineering, environmental advisor, legal, land use, zoning, subdivision and other costs related to the development of the Development

Property are required to be paid, or additional funds deposited in escrow, as provided in accordance with the City's planning, zoning, and building fee schedules. The parties agree and understand that Developer deposited with the EDA $10,000 toward payment of the EDA's Administrative Costs. If such costs exceed such amount, then at any time, but not more often than monthly, the EDA will deliver written notice to Developer setting forth any additional fees and expenses, together with suitable billings, receipts or other evidence of the amount and nature of the fees and expenses, and Developer agrees to pay all fees and expenses within 30 days of EDA's written request. Any unused amount of such deposit shall be returned to the Developer.

Section 3.4. Execution of Assessment Agreement.

(1) The Developer and the EDA agree to execute an Assessment Agreement relating to the Project pursuant to the provisions of Minnesota Statutes, Section 469.177, subdivision 8, specifying the minimum market value for the Development Property for calculation of real property taxes. Specifically, the Developer shall agree to a market value for the Development Property of $25,257,500 commencing as of January 2, 2022 (collectively, the "Minimum Market Value").

(2) Nothing in the Assessment Agreement or this Agreement limits the discretion of the County Assessor to assign a market value to the property in excess of the Minimum Market Value nor prohibits the Developer from seeking, through the exercise of legal or administrative remedies, a reduction in such market value for property tax purposes; provided however, the Developer shall not seek a reduction of such market value below the Minimum Market Value for any year so long as the Assessment Agreement remains in effect for that year.

(3) The Assessment Agreement shall remain in effect until the earlier of (i) January 31, 2037, or (ii) the date on which the TIF District expires or is otherwise terminated.

(4) The Assessment Agreement shall be certified by the County Assessor as provided in Section 469.177, subdivision 8 of the TIF Act, upon a finding by the County Assessor that the Minimum Market Value represents a reasonable estimate based upon the plans and specifications for the Minimum Improvements to be constructed on the Development Property and the market value previously assigned to the Development Property.

(5) Pursuant to Section 469.177, subdivision 8 of the TIF Act, the Assessment Agreement shall be filed for record in the office of the county recorder or registrar of titles of the County, and such filing shall constitute notice to any subsequent encumbrancer or purchaser of the Development Property, whether voluntary or involuntary, and such Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, including the holder of any mortgage on the Development Property.

(6) The Assessment Agreement shall be filed, at the sole cost of the Developer, against the Development Property prior to any lien or encumbrance on the Development Property, including any mortgager.

Section 3.5. Construction Plans.

(1) Prior to the commencement of construction of the Project, the Developer shall deliver to the EDA the Construction Plans, Construction Documents and a sworn construction cost statement certified by the Developer and the General Contractor (the "Sworn Construction Cost Statement") all in form and substance reasonably acceptable to the EDA. The Construction Plans for the Project shall be consistent with the Redevelopment Plan, this Agreement, the CPD, and all applicable State and local laws and regulations, and the Site Plan and Design Drawings submitted to the EDA and shall provide for design, quality, materials and building finishes of the finished Project to be substantially similar to those which were presented to the EDA in connection with the Developer's request for tax increment financing assistance and identified on the preliminary building elevations which were shared publicly. The City's building official and the Executive Director of the EDA on behalf of the EDA shall promptly review any Construction Plans upon submission and deliver to the Developer a written statement approving the Construction Plans or a written statement rejecting the Construction Plans and specifying the deficiencies in the Construction Plans. The City's building official and the Executive Director of the EDA on behalf of the EDA shall approve the Construction Plans for purposes of this Agreement if: (i) the Construction Plans substantially conform to the terms and conditions of this Agreement; (ii) the Construction Plans are consistent with the goals and objectives of the Redevelopment Plan and the TIF Plan; (iii) the Construction Plans comply with the Site Plan and Design Drawings; and (iv) the Construction Plans do not violate any applicable federal, State or local laws, ordinances, rules or regulations. If the Construction Plans are not approved by the EDA, then the Developer shall make such changes as the EDA may reasonably require and resubmit the Construction Plans to the EDA for approval, which will not be unreasonably withheld, unreasonably conditioned or unreasonably delayed. If the EDA has not rejected the Construction Plans in writing within 60 calendar days of submission, such Construction Plans shall automatically be deemed approved by the EDA for purposes of this Agreement but only if the Construction Plans provided to the EDA are complete and final and meet all requirements necessary for the Developer to obtain a building permit from the City.

(2) The approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the EDA does not constitute a representation or warranty by the EDA that the Construction Plans or the Project comply with any applicable building code, health or safety regulation, zoning regulation, environmental law or other law or regulation, or that the Project will meet the qualifications for issuance of a certificate of occupancy, or that the Project will meet the requirements of the Developer or any other users of the Project. Approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the EDA will not constitute a waiver of an Event of Default or of any State or City building or other code requirements that may apply. Nothing in this Agreement shall be construed to relieve the Developer of its obligations to receive any required approval of the Construction Plans from any department of the City and does not relieve the Developer of the obligation to comply with the CPD or applicable federal, State and local laws, ordinances, rules and regulations, or to construct the Project in accordance therewith.

Section 3.6. Commencement and Completion of Construction. Subject to the terms and conditions of this Agreement and to Unavoidable Delays, the Developer will commence construction of the Project by December 31, 2020 and shall substantially complete the Project by

December 31, 2022. The Project will be constructed by the Developer on the Development Property in conformity with the Construction Plans approved by the EDA. Prior to completion, upon the request of the EDA, and subject to applicable safety rules, the Developer will provide the EDA reasonable access to the Development Property. "Reasonable access" means at least one site inspection per week during regular business hours. During construction, marketing and rentals of the Project, the Developer will deliver progress reports to the EDA from time to time as reasonably requested by the EDA.

Section 3.7. Insurance. The Developer will provide and maintain or cause to be maintained at all times and, from time to time at the request of the EDA, furnish the EDA with proof of payment of premiums on insurance of amounts and coverages normally obtained for properties similar to the Project.

Section 3.8. Encumbrance of the Development Property. Until the Final Payment Date, without the prior written consent of the EDA, neither the Developer nor any successor in interest to the Developer will engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Development Property, or portion thereof, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Development Property except for the purpose of obtaining funds only to the extent necessary for financing or refinancing the acquisition and construction of the Project (including, but not limited to, land and building acquisition, labor and materials, professional fees, development fees, real estate taxes, reasonably required reserves, construction interest, organization and other direct and indirect costs of development and financing, costs of constructing the Project, and an allowance for contingencies) including without limitation regulatory agreements and land use restriction agreements in connection with such financings; provided, however, this provision shall not be considered a waiver of the requirements of Section 5.3 with respect to any Transfer of the TIF Note in connection with any such financing or refinancing nor shall anything contained in this Section prohibit the Developer from making transfers in accordance with Section 5.3. The EDA hereby consents to any mortgages securing the Developer's construction financing for the Project and to the succession of the mortgagee thereunder (or any assignee of the mortgagee) or any purchasers at or after foreclosure thereof, by the successful bidder at the sale, to title to the Development Property; provided, however, this provision shall not be considered a waiver of the requirements of Section 5.3 with respect to any Transfer of the TIF Note in connection with any such mortgage.

Section 3.9. Business Subsidy Act.

(1) In order to satisfy the provisions of the Business Subsidy Act with respect to the Project, the Developer acknowledges and agrees that the amount of the "Business Subsidy" granted to the Developer under this Agreement is Reimbursement Amount, and that the Business Subsidy is needed because the construction of the Project is not sufficiently feasible for the Developer to undertake without the Business Subsidy. The public purpose of the Business Subsidy is to redevelop blighted or underutilized property, to provide market rate housing, increase the tax base in the City, and stimulate construction jobs. The housing portion of the Project is exempt from the requirements of the Business Subsidy Act pursuant to an exemption for housing. After holding a public hearing on August 31, 2020, the EDA has determined that creation and retention

of jobs is not a goal of the commercial portion of the Project and consequently have set the wage and job goals (the "Goals") hereunder at zero.

(2) Because the Goals are set at zero, the Developer is not subject to the prepayment provisions of the Business Subsidy Act.

(3) To the extent required by the Minnesota Department of Employment and Economic Development, within 30 days of a request from the EDA, the Developer agrees to (i) report its progress on achieving the Goals to the EDA until the later of the date the Goals are met or two years from the date of the certificate of occupancy for the residential units of the Project (the "Benefit Date"), (ii) include in the report the information required in Section 116J.994, Subdivision 7 of the Business Subsidies Act on forms developed by the Minnesota Department of Employment and Economic Development, and (iii) send completed reports to the EDA; provided, however, that such reporting obligations will not affect the terms of this Agreement which set the Goals at zero or create any obligation for the Developer to meet any greater Goals than those contemplated herein.

(4) The Developer or its permitted assignee agrees to continue operations of the Project for at least 5 years after the Benefit Date.

(5) Other than the assistance provided in this Agreement there are [**no other**] state or local government agencies providing financial assistance for the Project and the Developer has no parent corporation.

Section 3.10. Right to Collect Delinquent Taxes. The Developer acknowledges that the EDA is providing substantial aid and assistance in furtherance of the Project through reimbursement of Public Development Costs. To that end, the Developer agrees for itself, its successors and assigns, that in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement, to pay before delinquency all real estate taxes assessed against the Development Property and the Project. The Developer acknowledges that this obligation creates a contractual right on behalf of the EDA through the Termination Date to sue the Developer or its successors and assigns, to collect delinquent real estate taxes related to the Development Property and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor. In any such suit in which the EDA is the prevailing party, the EDA shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 3.11. Review of Taxes.

(1) The Developer agrees that prior to the Termination Date it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (i) willful destruction of the Development Property or any part thereof; or (ii) willful refusal to reconstruct damaged or destroyed property. The Developer also agrees that it will not, prior to the Termination Date, apply for an exemption from or a deferral of property tax on the Development Property pursuant to any law, or transfer or permit transfer of the Development Property to any entity whose ownership or operation of the property would result in the Development Property being exempt from real property taxes under State law.

(2) The Developer shall notify the EDA within 10 days of filing any petition to seek reduction in market value or property taxes on any portion of the Development Property under any State law (referred to as a "Tax Appeal"). If as of any Payment Date, any Tax Appeal is then pending, the EDA will continue to make payments on the TIF Note but only to the extent that the Pledged Tax Increment relates to property taxes paid with respect to the minimum market value of the Development Property established under the Assessment Agreement as determined by the EDA in its sole discretion and the EDA will withhold the Pledged Tax Increment related to property taxes paid with respect to the market value of the Development Property exceeding the minimum market value of the Development Property established under the Assessment Agreement as determined by the EDA in its sole discretion. The EDA will apply any withheld amount to the extent not reduced as a result of the Tax Appeal promptly after the Tax Appeal is fully resolved and the amount of Pledged Tax Increment, as applicable, attributable to the disputed tax payments is finalized.

(3) If Minnesota Statutes, Section 273.13 or any applicable successor statute is amended to reduce the applicable classification tax rate, the EDA will require the Developer to exchange the TIF Note for a replacement TIF Note issued in a principal amount determined based on revised projections of Pledged Tax Increments as calculated by the EDA or its tax increment financing consultant. Notwithstanding the date the EDA determines the adjusted principal amount of the TIF Note, such adjustment will date back to the date any such legislative change affects Pledged Tax Increments.

Section 3.12. Lookback

(1) *Generally*. The financial assistance to the under this Agreement is based on certain assumptions regarding likely performance of the Project including operating revenues, expenses and development costs of constructing the Project. The EDA and the Developer agree that the actual financial performance of the property will be reviewed at the times described in this Section, and that the amount of tax increment assistance provided under Section 3.2 will be adjusted accordingly. The EDA and the Developer further agree that the Developer has provided the EDA and its municipal advisor (the "Consultant") with the Pro Forma Financial Statement showing a target Cash on Cash Return of 11%.

(2) *Definitions*. For the purposes of this Section, the following terms have the following meanings:

"Calculation Date" means both (A) 90 days after the earlier of (i) the date of Stabilization of the Project; or (ii) two years after the date of completion of the Project, as evidenced by the EDA's issuance of a Certificate of Completion pursuant to Section 4.7 of the CPD and (B) 10 days prior to the scheduled closing of the first Transfer Date.

"Cash Flow" means NOI less debt service with respect to the Project Financing.

"Cash on Cash Return" means net Cash Flow divided by the sum of the Developer's actual equity, which excludes any grants or City, EDA, Federal or State funds received by the Developer, and the principal amount of the TIF Note, calculated as set forth in the sample lookback calculation attached as **Exhibit G**.

"Project Financing" means the first mortgage loan for financing the acquisition, construction and equipping of the Project.

"NOI" means total annual income and other project-derived annual revenue, including payments under the TIF Note (but excluding proceeds, or the financial effect of the proceeds, from a sale or refinancing), less Operating Expenses, which exclude debt service payments. For purposes of the Cash on Cash Return calculation on the Calculation Date, revenue shall be based upon 95% occupancy regardless of whether the average occupancy of the housing units during the preceding 12 calendar months is higher or lower than 95%.

"Operating Expenses" means reasonable and customary expenses actually incurred in operating the Project, consistent with the Pro Forma Financial Statement, including deposits to commercially reasonable capital replacement reserves and payment of real estate taxes, but excluding debt service payments.

"Pro Forma Financial Statement" the Developer's cash flow pro forma model financial statement projecting future returns, a summary of which is attached to this Agreement as **Exhibit G**.

"Stabilization" means the calendar month-end date on which the Project has first achieved an average occupancy of 95% of the housing units during the preceding 12 calendar months, or such earlier date as may be requested by the Developer.

"Transfer Date" means the first closing date (if any), that occurs on or before September ___, 2030, of (i) any refinancing of the Project Financing (provided, however, the conversion of construction debt to (or the replacement of construction debt with) permanent debt on the Project will not constitute a refinance giving rise to the review as described in this Section); or (ii) any Transfer (as defined in Section 5.3 other than leases with tenants in the ordinary course of business) of the Project to any person or entity which is not an Affiliate of the Developer.

(3) On the Calculation Date, the Developer shall deliver to the EDA and Consultant (i) the Developer's actual financial statement, in the same form as the Pro Forma Financial Statement submitted to the EDA pursuant to clause (1) above and showing NOI, and such other financial information as the Consultant shall reasonably require, for the trailing 12-month period preceding the Calculation Date calculated as of the Calculation Date as provided herein and as set forth in the Pro Forma Financial Statement and (ii) evidence, satisfactory to the EDA, of the debt service with respect to the Project Financing as refinanced or the proceeds of the Transfer, as applicable.

(4) The Cash on Cash Return shall be calculated by the Consultant based on the Developer's financial statement submitted to the EDA pursuant to clause (3) above in a manner comparable to the sample attached as **Exhibit G** based on the Developer's financial statements submitted to the City pursuant to clause (3) above, with all elements of NOI determined in accordance with generally accepted accounting principles.

(5) If the Cash on Cash Return does not exceed 11%, the TIF Note will remain set at the principal amount established in Section 3.2(1).

(6) If the Consultant determines, based on such review, that the Cash on Cash Return exceeds 11% during that period (to be calculated in a manner comparable to the sample attached as **Exhibit G**), then the principal balance of the TIF Note will be reduced by an amount equal to 50% of the difference between the stated principal amount of the TIF Note and the principal amount of Pledged Tax Increments needed to achieve an 11% Cash on Cash Return (the "Participation Amount"). Such reduction will be effective upon delivery to the Developer of a written notice stating the Participation Amount as determined by the Consultant in accordance with this Section, accompanied by the Consultant's report and the Developer shall deliver the TIF Note in exchange for a new TIF Note in the principal amount reduced by the Participation Amount.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean whenever it is used in this Agreement any one or more of the following events:

(1) Failure by the Developer to timely pay any ad valorem real property taxes assessed with respect to the Development Property.

(2) Subject to Unavoidable Delays, failure by the Developer to commence construction of the Project by December 31, 2020, and to proceed with due diligence to substantially complete the construction of the Project pursuant to the terms, conditions and limitations of this Agreement and the CPD, and obtain a certificate of occupancy from the City by December 31, 2022.

(3) Failure of the Developer to observe or perform any other material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement or the CPD, or if any certification, representation, or warranty by the Developer to the EDA is untrue or misrepresented.

(4) If, prior to the Completion Date, the Developer shall

(a) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(b) be adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer, as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within 90 days after the filing thereof; or a receiver, trustee or liquidator of the Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within 90 days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Notwithstanding anything to the contrary set forth in this Agreement the lenders providing construction or permanent financing for the Project shall have the right, but not the obligation, to cure an Event of Default during the cure period provided for the Developer.

Section 4.2. Remedies on Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the EDA, as specified below, may take any one or more of the following actions after the giving of 30 days' written notice to the Developer, but only if the Event of Default has not been cured within said 30 days; provided that if such Event of Default cannot be reasonably cured within the 30 day period, and the Developer has provided assurances reasonably satisfactory to the EDA that it is proceeding with due diligence to cure such default, such 30 day cure period shall be extended for a period deemed reasonably necessary by the EDA to effect the cure, but in any event not to exceed 180 days:

(1) The EDA may suspend its performance under this Agreement and the TIF Note until such default is cured or the EDA determines that it has received adequate assurances from the Developer, that the Developer will cure its default and continue its performance under this Agreement. Interest on the TIF Note shall not accrue during the period of any suspension of payment.

(2) The EDA may terminate this Agreement and/or cancel the TIF Note.

(3) The EDA may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Notwithstanding anything to the contrary set forth in this Agreement the lenders providing construction or permanent financing for the Project shall have the right, but not the obligation, to cure an Event of Default during the cure period provided for the Developer.

Section 4.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the EDA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 4.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 4.5. Indemnification of City and EDA.

(1) The Developer releases from and covenants and agrees that the City and the EDA, and their governing bodies' members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (for purposes of this Section, collectively the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold

harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project, or any other loss, cost expense, or penalty, except to the extent caused by any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the Indemnified Parties harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; including, without limitation, any pecuniary loss or penalty (including interest thereon at the rate of 5.00% per annum from the date such loss is incurred or penalty is paid by the EDA or the City) as a result of the Project failing to cause the TIF District to qualify as a "redevelopment district" under Section 469.174, subdivision 10, of the TIF Act, or to violate limitations as to the use of Tax Increments as set forth in Section 469.176, subdivision 4d of the TIF Act.

(3) All covenants, stipulations, promises, agreements and obligations of the EDA contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the EDA or the City and not of any governing body member, officer, agent, servant or employee of the EDA or the City, as the case may be.

Section 4.6. Reimbursement of Attorneys' Fees. If an Event of Default under Section 4.1 hereof occurs, and the EDA employs attorneys or incurs other reasonable expenses for the collection of payments due hereunder, or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer contained in this Agreement, the Developer will within 30 days reimburse the EDA for the reasonable fees of such attorneys and such other reasonable expenses so incurred.

ARTICLE V

ADDITIONAL PROVISIONS

Section 5.1. Restrictions on Use. The Developer agrees for itself, its successors and assigns and every successor in interest to the Development Property, or any part thereof, that the Developer and such successors and assigns shall operate, or cause to be operated, the Project as a rental housing development in accordance with this Agreement until the Termination Date.

Section 5.2. Reports. The Developer shall provide the EDA reports in a timely manner with such information about the Project as the EDA may reasonably request for purposes of satisfying any reporting requirements imposed by law on the EDA.

Section 5.3. Limitations on Transfer and Assignment.

(1) Except as provided in Sections 3.8 and 5.3(4), the Developer will not sell, assign, convey, lease or transfer in any other mode or manner (collectively, "Transfer") this Agreement, the TIF Note, or the Development Property or the Project, or any interest therein, without the express written approval of the EDA, which consent will not be unreasonably withheld, conditioned or delayed. The EDA shall deliver a written statement to the Developer indicating whether the Transfer is approved or specifying the additional conditions to be satisfied in accordance with Section 5.3(2). The provisions of this Section 5.3 apply to all subsequent Transfers by authorized transferees;

(2) The EDA shall be entitled to require, as conditions to any approval of any Transfer of this Agreement, the Development Property, the Project, or the housing or commercial portion thereof, or the TIF Note in connection therewith, which approval will not be unreasonably withheld, conditioned or delayed, that:

(a) Any proposed transferee shall have the qualifications and financial responsibility, as determined by the EDA, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer;

(b) Any proposed transferee, by instrument in writing satisfactory to the EDA shall, for itself and its successors and assigns, and expressly for the benefit of the EDA have expressly assumed any of the remaining obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Developer is subject;

(c) There shall be submitted to the EDA for review all instruments and other legal documents involved in effecting transfer, and if approved by EDA, its approval shall be indicated to the Developer in writing;

(d) Any proposed transferee of the TIF Note shall (i) execute and deliver to the EDA the Acknowledgment Regarding TIF Note in the form included in Exhibit 2 to the TIF Note and (ii) surrender the TIF Note to the EDA either in exchange for a new fully registered note or for transfer of the TIF Note on the registration records for the TIF Note maintained by the EDA;

(e) The Developer and its transferees shall comply with such other conditions as are necessary in order to achieve and safeguard the purposes of the Act, the TIF Act and this Agreement; and

(f) In the absence of a specific written agreement by the EDA to the contrary, no such transfer or approval by the EDA thereof shall be deemed to relieve the Developer or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Project, from any of its obligations with respect thereto.

(3) The Developer agrees to pay all reasonable legal fees and expenses of the EDA, including fees of the City Attorney's office and outside counsel retained by the EDA to review the documents submitted to the EDA in connection with any Transfer.

(4) Nothing contained in this Section shall prohibit the Developer from (i) entering into leases with tenants in the ordinary course of business, or (ii) entering into easements or other agreements necessary for the construction or operation of the Project.

Section 5.4. Conflicts of Interest. No member of the governing body or other official of the EDA shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the EDA shall be personally liable to the EDA in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Agreement.

Section 5.5. Titles of Articles and Sections. Any titles of the several parts, articles and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 5.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

(a) in the case of the Developer is addressed to or delivered personally to:

Roers West St. Paul Apartments Owner LLC
110 Cheshire Lane, Suite 120
Minnetonka, Minnesota 55305
Attn: Brian Roers and Shane LaFave

and with a copy to: Winthrop & Weinstine, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, Minnesota 55402
Attn: Kevin McLain

(b) in the case of the EDA is addressed to or delivered personally to the EDA at:

West St. Paul Economic Development Authority
1616 Humboldt Avenue
West St. Paul, Minnesota 55118
Attn: Executive Director

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 5.7. No Additional Waiver Implied by One Waiver. If any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 5.8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 5.9. Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 5.10. Term; Termination. Unless this Agreement is terminated earlier in accordance with its terms this Agreement shall terminate on the Termination Date. After the Termination Date, if requested by the Developer, the EDA will provide a termination certificate as to the Developer's obligations hereunder.

Section 5.11. Provisions Surviving Rescission, Expiration or Termination. Sections 4.5 and 4.6 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

Section 5.12. Superseding Effect. This Agreement reflects the entire agreement of the parties with respect to the development of the Development Property, and supersedes in all respects all prior agreements of the parties, whether written or otherwise, with respect to the development of the Development Property.

Section 5.13. Relationship of Parties. Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture among or between the parties hereto, and the rights and remedies of the parties hereto shall be strictly as set forth in this Agreement. All covenants, stipulations, promises, agreements and obligations of the EDA contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the EDA and not of any governing body member, officer, agent, servant or employee of the City or the EDA.

Section 5.14. Venue. All matters, whether sounding in tort or in contract, relating to the validity, construction, performance, or enforcement of this Agreement shall be controlled by and determined in accordance with the laws of the State, and the Developer agrees that all legal actions initiated by the Developer or EDA with respect to or arising from any provision contained in this Agreement shall be initiated, filed and venued exclusively in the State of Minnesota, Dakota County, District Court and shall not be removed therefrom to any other federal or state court.

IN WITNESS WHEREOF, the EDA has caused this Agreement to be duly executed in its name and on its behalf, and the Developer has caused this Agreement to be duly executed in its name and on its behalf, on or as of the date first above written.

WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

By _____
David J. Napier
Its President

By _____
James Hartshorn
Its Executive Director

This is a signature page to the TIF Assistance Agreement.

ROERS WEST ST. PAUL APARTMENTS OWNER LLC, a Delaware limited liability company

By: Roers West St. Paul Apartments Manager LLC, a Minnesota limited liability company
Its: Manager

By: Roers Companies LLC, a Minnesota limited liability company
Its: Manager

By: _____
Brian J. Roers, Manager

This is a signature page to the TIF Assistance Agreement.

EXHIBIT A

DESCRIPTION OF TIF DISTRICT

The area encompassed by the TIF District shall also include all streets and utility right-of-ways located upon or adjacent to the property described below.

Parcel Number	Address
41-17800-01-070	N/A
41-17800-01-071	1565 Robert St
41-17800-01-063	1571 Robert St
41-24200-01-070	1589 Robert St
41-17800-01-072	81 Wentworth Ave
41-17800-01-076	N/A
41-17800-01-042	N/A
41-17800-01-032	N/A
41-17800-01-052	1555 Robert St

To be replatted as: 41-17800-01-052 1555 Robert St and Lot 1 Block 1, Robert & Wentworth Redevelopment

EXHIBIT B

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

The Development Property includes all street or utility right-of-ways located upon or adjacent to the property described below.

Parcel Number	Address
41-17800-01-070	N/A
41-17800-01-071	1565 Robert St
41-17800-01-063	1571 Robert St
41-24200-01-070	1589 Robert St
41-17800-01-072	81 Wentworth Ave
41-17800-01-076	N/A
41-17800-01-042	N/A
41-17800-01-032	N/A

To be replatted as: Lot 1 Block 1, Robert & Wentworth Redevelopment

EXHIBIT C

PUBLIC DEVELOPMENT COSTS

Land acquisition

Site grading and improvements

Underground and above ground utilities

Parking

All costs eligible for reimbursement under the TIF Act

EXHIBIT D

FORM OF TAXABLE TIF NOTE

No. R-1 [$3,820,000]

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF DAKOTA
WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY
TAXABLE TAX INCREMENT REVENUE NOTE
(TOWN CENTER I PROJECT)

_____, 20___

The West St. Paul Economic Development Authority (the "EDA"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "Payment Amounts") to Roers West St. Paul Apartments Owner LLC, a Delaware limited liability company or its registered assigns (the "Registered Owner"), the principal amount of [**THREE MILLION EIGHT HUNDRED TWENTY THOUSAND and 00/100 Dollars ($3,820,000)**], but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

This Note is issued pursuant to that certain TIF Assistance Agreement, dated as of September __, 2020, as the same may be amended from time to time (the "TIF Assistance Agreement"), by and between the EDA and Roers West St. Paul Apartments Owner LLC (the "Developer"). Unless otherwise defined herein or unless context requires otherwise, undefined terms used herein shall have the meanings set forth in the TIF Assistance Agreement.

The outstanding and unpaid principal amount of this Note shall bear simple, non-compounding interest at the rate equal to ___% [**the lesser of 4.25% per annum or the actual rate per annum on the Developer's initial construction financing for the Project]**; provided that no interest shall accrue on this Note during any period that an Event of Default has occurred, and such Event of Default is continuing, under the TIF Assistance Agreement and EDA has exercised its remedy under the TIF Assistance Agreement to suspend payment on the Note. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The amounts due under this Note shall be payable on August 1, 2022 and on each February 1 and August 1 thereafter to and including the earliest of (i) the date on which the entire principal and accrued interest on the TIF Note has been paid in full; or (ii) February 1, 2039; or (iii) any earlier date the TIF Assistance Agreement or this Note is cancelled in accordance with the terms of the TIF Assistance Agreement or deemed paid in full; or (iv) the February 1 following the date the TIF District is terminated in accordance with the TIF Act (the "Final Payment Date") or, if the first should not be a Business Day (as defined in the TIF Assistance Agreement) the next succeeding Business Day (collectively, the "Payment Dates"). On each Payment Date, the EDA shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the

close of the last business day preceding such Payment Date an amount equal to 90% of the Tax Increments (as hereinafter defined) received by the EDA during the 6-month period preceding such Payment Date ("Pledged Tax Increments").

"Tax Increments" are the tax increments derived from the Development Property (as defined in the TIF Assistance Agreement) and the improvements thereon which have been received and are permitted to be retained by the EDA in accordance with the Minnesota Statutes, Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the "TIF Act") including, without limitation, Minnesota Statutes, Section 469.177; 469.176, Subd. 4h; and 469.175, Subd. 1a, as the same may be amended from time to time; for purposes of this definition, "derived from the Development Property and the improvements thereon" means the portion of Tax Increment actually received by the EDA from the TIF District determined by the EDA, in its sole determination, to have been derived from the Development Property.

Payments on this Note shall be payable solely from the Pledged Tax Increments. All payments made by the EDA under this Note shall first be applied to accrued interest and then to principal. If Pledged Tax Increments are insufficient to pay any accrued interest due, such unpaid interest shall be carried forward without interest.

This Note shall terminate and be of no further force and effect following the Final Payment Date defined above, or any date upon which the EDA shall have terminated the TIF Assistance Agreement under Section 4.2 thereof or on the date that all principal and interest payable hereunder shall have been or deemed paid in full, whichever occurs earliest. This Note may be prepaid in whole or in part at any time without penalty.

The EDA makes no representation or covenant, express or implied, that the Pledged Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder. There are risk factors in the amount of Tax Increments that may actually be received by the EDA and some of those factors are listed on the attached Exhibit 1. The Registered Owner acknowledges these risk factors and understands and agrees that payments by the EDA under this Note are subject to these and other factors.

The EDA's payment obligations hereunder shall be subject to Sections 3.11(2) and 3.12 of the TIF Assistance Agreement and are further subject to the conditions that (i) no Event of Default under Section 4.1 of the TIF Assistance Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, and (ii) the TIF Assistance Agreement shall not have been terminated pursuant to Section 4.2, and (iii) all conditions set forth in Section 3.2(2) of the TIF Assistance Agreement have been satisfied as of such date. Any such suspended and unpaid amounts shall become payable, without interest accruing thereon in the meantime, if this Note has not been terminated in accordance with Section 4.2 of the TIF Assistance Agreement and said Event of Default shall thereafter have been cured in accordance with Section 4.2. If pursuant to the occurrence of an Event of Default under the TIF Assistance Agreement the EDA elects, in accordance with the TIF Assistance Agreement to cancel and rescind the TIF Assistance Agreement and/or this Note, the EDA shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the TIF Assistance Agreement, for a fuller statement of the rights and obligations of the EDA to pay the principal of this Note and

the interest thereon, and said provisions are hereby incorporated into this Note as though set out in full herein.

THIS NOTE IS A SPECIAL, LIMITED REVENUE OBLIGATION OF THE EDA AND NOT A GENERAL OBLIGATION OF THE CITY OF WEST ST. PAUL, MINNESOTA (THE "CITY") OR THE EDA AND IS PAYABLE BY THE EDA ONLY FROM THE SOURCES AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS NOTE IS NOT A GENERAL OBLIGATION OF THE CITY OR THE EDA, AND THE FULL FAITH AND CREDIT AND TAXING POWERS OF THE CITY AND THE EDA ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE AND NO PROPERTY OR OTHER ASSET OF THE CITY OR THE EDA, SAVE AND EXCEPT THE ABOVE-REFERENCED PLEDGED TAX INCREMENTS, IS OR SHALL BE A SOURCE OF PAYMENT OF THE EDA'S OBLIGATIONS HEREUNDER.

The Registered Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the EDA or the City or of any other public body, and neither the EDA nor any person executing or registering this Note shall be liable personally hereon by reason of the issuance or registration thereof or otherwise.

This Note is issued by the EDA in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the TIF Act.

This Note may be assigned only as provided in Section 5.3 of the TIF Assistance Agreement and subject to the assignee executing and delivering to the EDA the Acknowledgment Regarding TIF Note in the form included in Exhibit 2 attached hereto. Additionally, in order to assign the Note, the assignee shall surrender the same to the EDA either in exchange for a new fully registered note or for transfer of this Note on the registration records maintained by the EDA for the Note. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the EDA outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the EDA to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the West St. Paul Economic Development Authority, by its Board of Commissioners, has caused this Note to be executed by the manual signatures of its President and Executive Director and has caused this Note to be issued on and dated as of the date first written above.

WEST ST. PAUL ECONOMIC
DEVELOPMENT AUTHORITY

By_____
Its President

By_____
Its Executive Director

Signature Page for Tax Increment Revenue Note (Town Center I Project)

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note, as originally issued on the date first written above, was on said date registered in the name of Roers West St. Paul Apartments Owner LLC, a Delaware limited liability company, and that, at the request of the Registered Owner of this Note, the undersigned has this day registered the Note in the name of such Registered Owner, as indicated in the registration blank below, on the books kept by the undersigned for such purposes.

NAME AND ADDRESS OF REGISTERED OWNER	DATE OF REGISTRATION	SIGNATURE OF EXECUTIVE DIRECTOR
Roers West St. Paul Apartments Owner LLC 110 Cheshire Lane, Suite 120 Minnetonka, Minnesota 55305 Attn: Brian Roers and Shane LaFave	_____, 20__	_____
_____ _____ _____ _____ _____ _____ _____ _____	_____, 20__	_____
	_____, 20__	_____

Exhibit 1
to Taxable TIF Note

RISK FACTORS

Risk factors on the amount of Tax Increments that may actually be received by the EDA include but are not limited to the following:

1. Value of Project. If the contemplated Project (as defined in the TIF Assistance Agreement) constructed in the tax increment financing district is completed at a lesser level of value than originally contemplated, it will generate fewer taxes and fewer tax increments than originally contemplated.

2. Damage or Destruction. If the Project is damaged or destroyed after completion, its value will be reduced, and taxes and tax increments will be reduced. Repair, restoration or replacement of the Project may not occur, may occur after only a substantial time delay, or may involve property with a lower value than the Project, all of which would reduce taxes and tax increments.

3. Change in Use to Tax-Exempt. The Project could be acquired by a party that devotes it to a use which causes the property to be exempt from real property taxation. Taxes and tax increments would then cease.

4. Depreciation. The Project could decline in value due to changes in the market for such property or due to the decline in the physical condition of the property. Lower market valuation will lead to lower taxes and lower tax increments.

5. Non-payment of Taxes. If the property owner does not pay property taxes, either in whole or in part, the lack of taxes received will cause a lack of tax increments. The Minnesota system of collecting delinquent property taxes is a lengthy one that could result in substantial delays in the receipt of taxes and tax increments, and there is no assurance that the full amount of delinquent taxes would be collected. Amounts distributed to taxing jurisdictions upon a sale following a tax forfeiture of the property are not tax increments.

6. Reductions in Taxes Levied. If property taxes are reduced due to decreased municipal levies, taxes and tax increments will be reduced. Reasons for such reduction could include lower local expenditures or changes in state aids to municipalities. For instance, in 2001 the Minnesota Legislature enacted an education funding reform that involved the state increasing school aid in lieu of the local general education levy (a component of school district tax levies).

7. Reductions in Tax Capacity Rates. The taxable value of real property is determined by multiplying the market value of the property by a tax capacity rate. Tax capacity rates vary by certain categories of property; for example, the tax capacity rates for residential homesteads are currently less than the tax capacity rates for commercial and industrial property. In 2001 the Minnesota Legislature enacted property tax reform that lowered various tax capacity rates to

"compress" the difference between the tax capacity rates applicable to residential homestead properties and commercial and industrial properties.

8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the "excess" or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered "excess" tax increment and is distributed by Dakota County to the other taxing jurisdictions and such amount is not available to the EDA as tax increment.

9. Legislation. The Minnesota Legislature has frequently modified laws affecting real property taxes, particularly as they relate to tax capacity rates and the overall level of taxes as affected by state aid to municipalities.

10. Multi-Owner District. In determining the amount of tax increment generated by the development property, Dakota County may allocate a sharing factor when there are multiple parcels of land in the tax increment financing district. This may result in a lower amount of tax increment attributable to the development property than if the development property was the only parcel in the district. In addition, the sharing factor calculation is not consistent with the method that the EDA will use to determine Pledged Tax Increments.

Exhibit 2
to Taxable TIF Note

ACKNOWLEDGMENT REGARDING TIF NOTE

The undersigned, _____ a _____ ("Note Holder"), hereby certifies and acknowledges that:

A. On the date hereof the Note Holder has [acquired from]/[made a loan (the "Loan") [to/for the benefit] of] Roers West St. Paul Apartments Owner LLC (the "Developer") [secured in part by] the Taxable Tax Increment Revenue Note (Town Center I Project), a pay-as-you-go tax increment revenue note (the "Note") in the original principal amount of $3,820,000 dated _____, 20___ [to be] issued by the West St. Paul Economic Development Authority (the "EDA"), [a copy of which is attached hereto].

B. The Note Holder has had the opportunity to ask questions of and receive from the Developer all information and documents concerning the Note as it requested, and has had access to any additional information the Note Holder thought necessary to verify the accuracy of the information received. In determining to [acquire the Note]/[make the Loan], the Note Holder has made its own determinations and has not relied on the EDA or information provided by the EDA.

C. The Note Holder represents and warrants that:

1. The Note Holder is acquiring [the Note]/[an interest in the Note as collateral for the Loan] for investment and for its own account, and without any view to resale or other distribution.

2. The Note Holder has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of acquiring [the Note]/[an interest in the Note as collateral for the Loan].

3. The Note Holder understands that the Note is a security which has not been registered under the Securities Act of 1933, as amended, or any state securities law, and must be held until its sale is registered or an exemption from registration becomes available.

4. The Note Holder is aware of the limited payment source for the Note and interest thereon and risks associated with the sufficiency of that limited payment source.

5. The Note Holder is [a bank or other financial institution] / [the owner of the property from which the tax increments which are pledged to the Note are generated].

D. The Note Holder understands that the Note is payable solely from certain tax increments derived from certain properties located in a tax increment financing district, if and as received by the EDA. The Note Holder acknowledges that the EDA has made no representation or covenant, express or implied, that the revenues pledged to pay the Note will be sufficient to pay, in whole or in part, the principal and interest due on the Note. Any amounts which have not been paid on the Note on or before the final maturity date of the Note shall no longer be payable, as if

the Note had ceased to be an obligation of the EDA. The Note Holder understands that the Note will never represent or constitute a general obligation, debt or bonded indebtedness of the City of West St. Paul, Minnesota (the "City"), the EDA, the State of Minnesota, or any political subdivision thereof and that no right will exist to have taxes levied by the City, the EDA, the State of Minnesota or any political subdivision thereof for the payment of principal and interest on the Note.

E. The Note Holder understands that the Note is payable solely from certain tax increments, which are taxes received on improvements made to certain property (the "Project") in a tax increment financing district from the increased taxable value of the property over its base value at the time that the tax increment financing district was created, which base value is called "original net tax capacity". There are risk factors in relying on tax increments to be received, which include, but are not limited to, the following:

1. Value of Project. If the contemplated Project (as defined in the TIF Assistance Agreement) constructed in the tax increment financing district is completed at a lesser level of value than originally contemplated, it will generate fewer taxes and fewer tax increments than originally contemplated.

2. Damage or Destruction. If the Project is damaged or destroyed after completion, its value will be reduced, and taxes and tax increments will be reduced. Repair, restoration or replacement of the Project may not occur, may occur after only a substantial time delay, or may involve property with a lower value than the Project, all of which would reduce taxes and tax increments.

3. Change in Use to Tax-Exempt. The Project could be acquired by a party that devotes it to a use which causes the property to be exempt from real property taxation. Taxes and tax increments would then cease.

4. Depreciation. The Project could decline in value due to changes in the market for such property or due to the decline in the physical condition of the property. Lower market valuation will lead to lower taxes and lower tax increments.

5. Non-payment of Taxes. If the property owner does not pay property taxes, either in whole or in part, the lack of taxes received will cause a lack of tax increments. The Minnesota system of collecting delinquent property taxes is a lengthy one that could result in substantial delays in the receipt of taxes and tax increments, and there is no assurance that the full amount of delinquent taxes would be collected. Amounts distributed to taxing jurisdictions upon a sale following a tax forfeiture of the property are not tax increments.

6. Reductions in Taxes Levied. If property taxes are reduced due to decreased municipal levies, taxes and tax increments will be reduced. Reasons for such reduction could include lower local expenditures or changes in state aids to municipalities. For instance, in 2001 the Minnesota Legislature enacted an education funding reform that involved the state increasing school aid in lieu of the local general education levy (a component of school district tax levies).

7. Reductions in Tax Capacity Rates. The taxable value of real property is determined by multiplying the market value of the property by a tax capacity rate. Tax capacity rates vary by certain categories of property; for example, the tax capacity rates for residential homesteads are currently less than the tax capacity rates for commercial and industrial property. In 2001 the Minnesota Legislature enacted property tax reform that lowered various tax capacity rates to "compress" the difference between the tax capacity rates applicable to residential homestead properties and commercial and industrial properties.

8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the "excess" or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered "excess" tax increment and is distributed by Dakota County to the other taxing jurisdictions and such amount is not available to the EDA as tax increment.

9. Legislation. The Minnesota Legislature has frequently modified laws affecting real property taxes, particularly as they relate to tax capacity rates and the overall level of taxes as affected by state aid to municipalities.

10. Multi-Owner District. In determining the amount of tax increment generated by the development property, Dakota County may allocate a sharing factor when there are multiple parcels of land in the tax increment financing district. This may result in a lower amount of tax increment attributable to the development property than if the development property was the only parcel in the district. In addition, the sharing factor calculation is not consistent with the method that the EDA will use to determine Pledged Tax Increments.

F. The Note Holder acknowledges that the Note was issued as part of a TIF Assistance Agreement between the EDA and the Developer dated September __, 2020 ("TIF Assistance Agreement"), and that the EDA has the right to suspend payments under this Note and/or terminate the Note upon an Event of Default under the TIF Assistance Agreement.

G. The Note Holder acknowledges that the EDA makes no representation about the tax treatment of, or tax consequences from, the Note Holder's acquisition of [the Note]/[an interest in the Note as collateral for the Loan].

WITNESS our hand this ___ day of _____, 20__.

Note Holder:

_____

By _____

Name: _____

Its _____

EXHIBIT E
PROJECT SOURCES AND USES

[Insert Total Project Costs and source of funds/financing for Project]

EXHIBIT F

FORM OF MINIMUM ASSESSMENT AGREEMENT

THIS MINIMUM ASSESSMENT AGREEMENT (the "Agreement"), dated as of this ___ day of September, 2020, is between the West St. Paul Economic Development Authority (the "EDA") and Roers West St. Paul Apartments Owner LLC, a Delaware limited liability company (the "Developer").

WITNESSETH

WHEREAS, on or before the date hereof the EDA and Developer have entered into a TIF Assistance Agreement dated as of September __, 2020 (the "TIF Assistance Agreement") regarding certain real property located in the City of West St. Paul, Minnesota (the "City") the description of which is attached hereto as **Exhibit A** (the "Development Property"); and

WHEREAS, it is contemplated that pursuant to the TIF Assistance Agreement, the Developer will undertake the construction of approximately 192 units of market rate housing, approximately 1,700 square feet of retail/restaurant, and dependent upon market demand, up to an additional approximately 10,600 square feet of retail, with underground and surface parking, greenspace and related amenities in the City (the "Project"), in accordance with plans and specifications approved by the EDA; and

WHEREAS, the EDA and Developer desire to establish a minimum market value for the Development Property and the improvements constructed or to be constructed thereon, pursuant to Minnesota Statutes, Section 469.177; and

WHEREAS, the Developer has acquired the Development Property; and

WHEREAS, the EDA and the County Assessor of Dakota County have reviewed plans and specifications for the Project; and

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. As of January 2, 2022, the minimum market value, which shall be assessed for the Development Property for taxes payable 2023 and in each year thereafter, shall not be less than $25,257,500.

2. The minimum market values herein established shall be of no further force and effect after assessment on or before January 31, 2037, for taxes payable in 2038 provided, however, this Agreement shall terminate on such date as the TIF District (as defined in the TIF Assistance Agreement) is decertified (the "Termination Date"). If the Termination Date is earlier than January 31, 2037 for taxes payable in 2038, the EDA shall duly execute and record a release of this Agreement upon the written request and sole expense of the then holder of fee title to the Development Property.

3. This Agreement shall be recorded by the EDA with the County Recorder of Dakota County, Minnesota and in the Office of the Dakota County Registrar of Titles. The Developer shall pay all costs of recording.

4. Neither the preambles nor provisions of this Agreement are intended to, or shall they be construed as, modifying the terms of the TIF Assistance Agreement between the EDA and the Developer.

5. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties, shall be governed by and interpreted pursuant to Minnesota law, and may be executed in counterparts, each of which shall constitute an original hereof and all of which shall constitute one and the same instrument.

This Instrument Drafted By:
Kennedy & Graven, Chartered (JSB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402-1403

IN WITNESS WHEREOF, the EDA and the Developer have caused this Minimum Assessment Agreement to be executed in their names and on their behalf all as of the date set forth above.

WEST ST. PAUL ECONOMIC
DEVELOPMENT AUTHORITY

By _____
President

By _____
Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020 by _____, the President of the West St. Paul Economic Development Authority, a body corporate and politic organized and existing under the Constitution and laws of the State of Minnesota, on behalf of said Authority.

_____
Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020 by _____, the Executive Director of the West St. Paul Economic Development Authority, a body corporate and politic organized and existing under the Constitution and laws of the State of Minnesota, on behalf of said Authority.

_____
Notary Public

ROERS WEST ST. PAUL APARTMENTS OWNER LLC, a Delaware limited liability company

By: Roers West St. Paul Apartments Manager LLC, a Minnesota limited liability company
Its: Manager

By: Roers Companies LLC, a Minnesota limited liability company
Its: Manager

By: _____
Brian J. Roers, Manager

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____, 2020, by Brian J. Roers, the Manager of Roers Companies LLC, a Minnesota limited liability company, the Manager of Roers West St. Paul Apartments Manager LLC, a Minnesota limited liability company, the Manager of Roers West St. Paul Apartments Owner LLC, a Delaware limited liability company, on behalf of the company.

_____
Notary Public

CERTIFICATION BY COUNTY ASSESSOR

The undersigned, having reviewed the Assessment Agreement dated as of September ___, 2020 by and West St. Paul Economic Development Authority and Roers West St. Paul Apartments Owner LLC, the plans and specifications for the Project, as defined in the foregoing Minimum Assessment Agreement, and the market value currently assigned to land upon which the improvements are to be constructed and being of the opinion that the minimum market value contained in the Minimum Assessment Agreement appears reasonable, hereby certifies as follows:

The undersigned Assessor, being legally responsible for the assessment of the above described property, hereby certifies that the minimum market value of $25,257,500 commencing as of January 2, 2022, assigned to such land and improvements is reasonable.

_____
County Assessor for Dakota County

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

This instrument was acknowledged before me on _____, 20__, by _____, the County Assessor of Dakota County.

_____
_____
_____
_____
_____
_____
Notary Public

Exhibit A to Minimum Assessment Agreement

Legal Description of Development Property

The property located in the City of West St. Paul, Dakota County, Minnesota described as:

Parcel Number	Address
41-17800-01-070	N/A
41-17800-01-071	1565 Robert St
41-17800-01-063	1571 Robert St
41-24200-01-070	1589 Robert St
41-17800-01-072	81 Wentworth Ave
41-17800-01-076	N/A
41-17800-01-042	N/A
41-17800-01-032	N/A

To be replatted as: Lot 1 Block 1, Robert & Wentworth Redevelopment

EXHIBIT G

FORM OF LOOKBACK PROFORMA

CONTRACT FOR PRIVATE REDEVELOPMENT

THIS AGREEMENT, made on or as of the _____ day of _____, 2020, by and among the West St. Paul Economic Development Authority, a Minnesota public body corporate and politic, having its principal office at 1616 Humboldt Ave., West St. Paul, Minnesota 55118, the City of West St. Paul, a Minnesota municipal corporation, having its principal office at 1616 Humboldt Ave., West St. Paul, Minnesota 55118 and Roers West St. Paul Apartments Owner LLC, a Delaware limited liability company, having its principal office at 110 Cheshire Lane, Suite 120, Minnetonka, MN 55305.

WITNESSETH:

WHEREAS, the Developer has entered into Purchase Agreements for the purchase of a portion of Development Property within the City that is necessary for Developer's Minimum Improvements, subject to any the approval by the City of all rezoning, conditional use permits and variances necessary for Developer's redevelopment of the Development Property for the Minimum Improvements; and

WHEREAS, the EDA proposes to sell a portion of the Development Property it owns to the Developer for the construction of the Minimum Improvements and held a public hearing on the sale on August 31, 2020, at which the public had an opportunity to be heard; and

WHEREAS, in order to make redevelopment of the Development Property financially feasible, the EDA has determined to provide certain financial assistance to the Developer; and

WHEREAS, the EDA and the City believe that the development of the Development Property pursuant to and in general fulfillment of this Agreement is in the vital and best interests of the City, will promote the health, safety, morals, and welfare of its residents, and will be in accord with the public purposes and provisions of the applicable State and local laws and requirements.

NOW, THEREFORE, in consideration of the promises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I
Definitions

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

"Agreement" means this Agreement, as the same may be modified, amended, or supplemented, in writing, by mutual agreement of both parties.

"Certificate of Completion" means the certificate, in the form contained in Exhibit D attached hereto, which will be provided to the Developer pursuant to Article IV of this Agreement.

"City" means the City of West St. Paul, Minnesota.

"City Development Districts Act" means Minnesota Statutes sections 469.124 through 469.134 as amended.

"Closing" or "Closing Date" means on or before November 30, 2020, unless otherwise agreed to by the parties.

"Condemnation Award" means the amount remaining from an award to the Developer for the acquisition of title to and possession of the Minimum Improvements or any material part thereof, after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such award.

"Construction Plans" means the final plans for construction of the Minimum Improvements to be submitted by the Developer and approved by the EDA.

"Contingency Date" means October 31, 2020.

"County" means Dakota County.

"Developer" means Roers West St. Paul Apartments Owner LLC, a Delaware limited liability company, or its successors and assigns.

"Development District" means South Robert Street Redevelopment Project No. 1 established pursuant to Minnesota Statutes, sections 469.124 to 469.134 and now operated by the EDA.

"Development Property" or "Property" means the real property described in Exhibit B of this Agreement.

"Earnest Money" means the earnest money deposit of Twenty Thousand Dollars and 00/100s ($20,000.00) to be deposited with the EDA upon execution of this Agreement by Developer.

"EDA" means the West St. Paul Economic Development Authority, a public body corporate and politic organized under the laws of the State of Minnesota, or its successor or assign.

"EDA Act" or "Economic Development Authority Act" means Minnesota Statutes sections 469.090 through 469.1082 as amended.

"EDA Property" means approximately 2.15 acres of real property legally described and identified on Exhibit A as EDA Property.

"EDA Property Deed" means the warranty deed in the form attached hereto as Exhibit E, by which the EDA will convey the EDA Property to the Developer.

"Effective Date" means August 31, 2020.

"Event of Default" means an action by the Developer or the EDA listed in Article VIII of this Agreement.

"HRA Act" means Minnesota Statutes sections 469.001 through 469.047 as amended.

"Maturity Date" means the date when the Developer has satisfied its obligations under the Agreement and the EDA has issued the Certificate of Completion, which shall be no later than December 31, 2022, unless otherwise agreed to by the parties in writing.

"Minimum Improvements" means the acquisition of land and construction of approximately 192 units of market rate housing, approximately 1,700 square feet of retail/restaurant, and dependent upon market demand, up to an additional approximately 10,600 square feet of retail. The Minimum Improvements are more fully described in Exhibit C, which is attached hereto and incorporated herein.

"Net Proceeds" means any proceeds paid by an insurer to the Developer or the EDA under a policy or policies of insurance required to be provided and maintained by the Developer pursuant to Article VI of this Agreement and remaining after deducting all expenses incurred in the collection of such proceeds.

"Permitted Encumbrance" means any matter shown on such Title Commitment and not objected to by the Developer (other than such consensual liens).

"Preliminary Plans" means, collectively, the plans, drawings and specifications for the construction of the Minimum Improvements which are listed on Exhibit C and attached hereto.

"Program" means the Program for Development District No. 1 which lists the goals and objectives of development and redevelopment within the Development District.

"Project" or "Redevelopment Project" means the Minimum Improvements.

"Purchase Price" means One Million Two Hundred Thousand Dollars ($1,200,000), all of which is allocated to the purchase of Parcel 1 on Exhibit A.

"Sale" means any sale, conveyance, lease, exchange, forfeiture other transfer of the Developer's interest in the Minimum Improvements or the Development Property, whether voluntary or involuntary.

"State" means the state of Minnesota.

"Title Company" means Commercial Partners Title LLC.

"Unavoidable Delays" means delays beyond the reasonable control of the party seeking to be excused, including, but not limited to, delays which are the direct result of strikes, other labor troubles, weather, fire, or other casualty to the Minimum Improvements or Site Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, results in delays, or acts of any federal, state or local governmental unit (other than the EDA in exercising its rights under this Agreement) that result in delays.

Section 1.2. Exhibits. The following exhibits are attached to and by reference made a part of this Agreement:

Exhibit A.	Legal Description of EDA Property
Exhibit B.	Legal Description of Development Property
Exhibit C.	Preliminary Plans
Exhibit D.	Form of Certificate of Completion
Exhibit E.	Form of EDA Property Deed
Exhibit F.	Developer Fees

Section 1.3. Rules of Interpretation.

(a) This Agreement shall be interpreted in accordance with and governed by the laws of Minnesota.

(b) The words "herein" and "hereof" and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than any particular section or subdivision hereof.

(c) References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

(d) Any titles of the several parts, articles and sections of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provisions.

ARTICLE II
Representations and Warranties

Section 2.1. Representations by the EDA. The EDA makes the following representations:

(a) The EDA is a public body corporate and politic under the laws of Minnesota. Under the provisions of the EDA Act, the EDA has the power to enter into this Agreement and carry out its obligations hereunder. The persons executing this Agreement and related agreements and documents on behalf of the EDA have the authority to do so and to bind the EDA by their actions.

(b) The execution, delivery and performance by EDA of this Agreement will not violate any provision of any law, statute, rule or regulation or any order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to EDA, or result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which EDA is a party or by which it or any of its properties may be bound.

(c) To EDA's knowledge, there are no actions, suits or proceedings pending or threatened against or affecting EDA or any of its properties, before any court or arbitrator, or any governmental department, board, agency or other instrumentality which in any of the foregoing challenges the legality, validity or enforceability of this Agreement, or if determined adversely to EDA, would have a material adverse effect on the ability of EDA to perform its obligations under this Agreement.

(d) EDA has not received written notice, and has no knowledge, of (i) any pending or contemplated annexation or condemnation proceedings, or purchase in lieu of the same, affecting or which may affect all or any part of the Property, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Property, (iii) any proposed changes in any road patterns or grades which would adversely and materially affect access to the roads providing a means of ingress or egress to or from all or any part of the Property, or (iv) any uncured violation of any legal requirement, restriction, condition, covenant or agreement affecting all or any part of the Property or the use, operation, maintenance or management of all or any part of the Property.

(e) To EDA's knowledge, there are no wells or sewage treatment systems located on any portion of the Property. To EDA's knowledge, there has been no methamphetamine production on or about any portion of the Property. To EDA's knowledge, the sewage generated by the Property, if any, goes to a facility permitted by the Minnesota Pollution Control Agency and there is no "individual sewage treatment system" (as defined in Minnesota Statutes § 115.55, subd. 1(g)) located on the Property.

(f) The EDA is not a "foreign person," "foreign corporation," "foreign trust," "foreign estate" or "disregarded entity" as those terms are defined in Section 1445 of the Internal Revenue Code and the regulations promulgated thereunder.

(g) The EDA has received no notice or communication from any local, State or federal official that the activities of the Developer or the EDA in the EDA Property may be or will be in violation of any environmental law or regulation. The EDA is aware of no facts the existence of which would cause it to be in violation of any local, State or federal environmental law, regulation or review procedure.

(h) There are no leases or tenancies with respect to the Property. There are no unrecorded agreements or other contracts of any nature or type relating to, affecting or serving the Property.

(i) There will be no indebtedness attributable to the Property which will remain unpaid after the Closing Date.

(j) The activities of the EDA are undertaken for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight, and for the purposes of increasing the tax base and housing opportunities within the City.

The representations, warranties and other provisions of this Section 2.1 shall survive Closing; provided, however, EDA shall have no liability with respect to any breach of a particular representation or warranty if Developer shall fail to notify EDA in writing of such breach within two (2) years after the Closing Date, and provided further that EDA shall have no liability with respect to a breach of the representations and warranties set forth in this Agreement if Developer has actual knowledge of EDA's breach thereof prior to Closing and Developer consummates the acquisition of the Property as provided herein.

Developer acknowledges and agrees that, except as expressly specified in this Article II of this Agreement, EDA has not made, and EDA hereby specifically disclaims, any representation, warranty or covenant of any kind, oral or written, expressed or implied, or rising by operation of law, with respect to the Property, including but not limited to, any warranties or representations as to the habitability, merchantability, fitness for a particular purpose, title, zoning, tax consequences, physical or environmental condition, utilities, valuation, governmental approvals, the compliance of the Property with governmental laws, the truth, accuracy or completeness of any information provided by or on behalf of EDA to Developer, or any other matter or item regarding the Property. Developer agrees to accept the Property and acknowledges that the sale of the Property as provided for herein is made by EDA on an "AS IS," "WHERE IS," and "WITH ALL FAULTS" basis. Developer is an experienced purchaser of property such as the Property and Developer has made or will make its own independent investigation of the Property. The limitations set forth in this paragraph shall survive the Closing and shall not merge in the EDA Property Deed.

Section 2.2. Representations and Warranties by the City. The City hereby warrants and represents as follows:

(a) Organization. The City is a municipal corporation duly incorporated and validly existing in good standing the laws of the State of Minnesota.

(b) Authority. The City has the right, power, legal capacity and authority to enter into and perform its obligations under this Agreement.

The representations and warranties of this Section 2.2 shall survive Closing.

Section 2.3. Representations and Warranties by the Developer. The Developer represents and warrants that:

(a) The Developer is a Delaware limited liability company, duly organized and in good standing under the laws of Delaware and is not in violation of any provisions of its company documents or its operating agreement. The Developer has the power to enter into this Agreement and carry out its obligations hereunder. The persons executing this Agreement and related agreements and documents on behalf of the Developer have the authority to do so and to bind the Developer by their actions.

(b) The execution, delivery and performance by Developer of this Agreement will not (i) violate any provision of any law, statute, rule or regulation or any order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to Developer, (ii) violate or contravene any provision of the articles of incorporation or bylaws of Developer, or (iii) result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which Developer is a party or by which it or any of its properties may be bound.

(c) Developer will deposit the Earnest Money with the Title Company upon execution of this Agreement by Developer.

(d) The Developer has received no notice or communication from any local, state or federal official that the activities of the Developer or the EDA on the EDA Property may be or will be in violation of any environmental law or regulation. The Developer is aware of no facts, the existence of which would cause it to be in violation of any local, state, or federal environmental law, regulation or review procedure or which give any person a valid claim under any of the foregoing.

(e) The Developer will complete the Minimum Improvements in accordance with all local, state, federal laws or regulations.

(f) The Developer will obtain, in a timely manner, all required permits, licenses, insurance, and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed or acquired.

(g) Upon Closing, the Developer shall have closed on all financing and will have the financial capacity needed to meet the obligations specified in this Agreement and is prepared to commence construction of the Minimum Improvements by the date specified in Section 4.6 of this Agreement.

(h) The Developer will have satisfied the terms and conditions contained in this Agreement prior to the Maturity Date or posted surety bonds for future fulfillment of all requirements contained in the Agreement.

(i) The Developer agrees to take all necessary action to remove or remediate any Hazardous Substances located on the Development Property to the extent required by and in accordance with all applicable local, state and federal environmental laws and regulations.

The representations, warranties and other provisions of this Section 2.3 shall survive Closing.

Section 2.4. Environmental Conditions

(a) As Is. Except as otherwise provided pursuant to Section 2.1, as of the Closing Date, Developer shall take the Property in an "as is" condition and shall assume the risk of any and all adverse environmental conditions. The EDA represents and warrants that during its ownership, to its knowledge, it has taken no actions that would negatively impact the environmental condition of the EDA Property. The EDA makes no warranties or representations regarding, nor does it indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Development Property of any toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. §§ 961-9657, as amended) (collectively, the "Hazardous Substances").

(b) Copies of Information. Upon the execution of this Agreement, the EDA shall provide Developer with true and correct copies of all studies, correspondence and other data in the EDA's possession with respect to the environmental condition of the EDA Property.

(c) Right of Entry and Hold Harmless. Developer may enter and inspect the EDA Property and agrees to indemnify and hold the EDA harmless from any costs, expenses and/or claims associated with, occasioned by or arising out of Developer's entry and testing of the EDA Property.

ARTICLE III
Conveyance of Property

Section 3.1. Sale of EDA Property. Subject to compliance with the terms of this Agreement, the EDA agrees to sell to Developer, and Developer agrees to buy from the EDA, the EDA Property, subject only to Permitted Encumbrances.

Section 3.2. Purchase Price. The Purchase Price for the EDA Property is less than fair market value. But for the purchase price reduction, Developer represents that they do not have the funds to undertake the Project. The Earnest Money shall be applied at Closing against the Purchase Price.

Section 3.3. Available Surveys, Tests, and Reports. Within ten (10) days of the Effective Date, EDA shall cause to be delivered to Developer, (a) copies of any surveys, soil tests and environmental reports previously conducted on the Property and (b) copies of existing title work for the Property ("Due Diligence Materials") which may be in the possession of the EDA.

Section 3.4. Developer's Investigations. From the Effective Date through the Closing Date, EDA shall allow Developer and Developer's agents access to the Property without charge and at all times for the purpose of Developer's investigation and testing of the Property, including, without limitation, surveying, testing of soil and groundwater, and obtaining a current Phase I Environmental Site Assessment ("Phase I") of the EDA Property ("Developer's Investigations"); provided, however, Developer shall not perform any invasive testing unless (a) EDA gives its prior approval of Developer's consultant that will perform the testing, which approval shall not be unreasonably withheld, conditioned or delayed, and (b) Developer gives EDA reasonable prior notice of such testing. EDA shall have the right to accompany Developer during any of Developer's Investigations of the Property. Developer shall provide to EDA, following EDA's request, copies of all third-party, non-confidential written test results and reports conducted as part of Developer's Investigations. Developer agrees to pay all of the costs and expenses associated with Developer's Investigations, to cause to be released any lien on the Property arising as a result of Developer's Investigations and to repair and restore, at Developer's expense, any damage to the Property caused by Developer's Investigations. Developer shall indemnify and hold EDA harmless from all costs and liabilities, including, but not limited to, reasonable attorneys' fees, arising from Developer's Investigations. The indemnification obligations provided herein shall survive the termination or cancellation of this Agreement.

Section 3.5. Developer's Contingencies. Developer's obligation to proceed to Closing shall be subject to the satisfaction, on or prior to the Closing Date (or such earlier date as is noted in any individual contingency below), of each of the following conditions:

(a) Inspection. On or before the Contingency Date, Developer shall have determined, in its sole discretion, that it is satisfied with (a) the results of and matters disclosed by Developer's Investigations, surveys, soil tests, engineering inspections, hazardous substance and environmental reviews of the Property and all other inspections and due diligence regarding the Property, including any Due Diligence

Materials.

(b) Intended Use. On or before the Contingency Date, Developer shall have determined the acceptability of the Property for its intended use and incidental uses thereto (collectively, the "Proposed Use"). All costs and expenses related to applying for and obtaining any governmental permits and approvals for the Property for the Proposed Use shall be the responsibility of the Developer.

(c) Govenmental Approvals. On or before the Closing Date, Developer shall have obtained all appropriate approvals and permits necessary for the Proposed Use on the Property, which approvals may include, without limitation, platting or replatting, zoning approvals and/or rezoning of the Property, conditional use permits, access permits, signage permits, building permits, required licenses, site plan approvals and architectural approvals. All costs and expenses related to the preparation of any documentation necessary to create any plans, specifications or the like shall be the responsibility of the Developer. In the event that, despite Developer's exercise of good faith and commercially reasonable efforts to obtain all appropriate government approvals for the Proposed Use by the Closing Date, the City is not prepared to issue a building permit for the Project on or before the Closing Date, then the Developer shall have the option, exercisable upon written notice to the EDA, to extend the Closing Date to the day that is 5 business days after the City is prepared to issue its building permit.

(d) Access. On or before the Contingency Date, Developer shall have satisfied itself, in Developer's sole discretion, that access to and from roads and the Property is adequate for Developer's Proposed Use of the property.

(e) Utilities. On or before the Contingency Date, Developer shall have satisfied itself, in Developer's sole discretion, that water and gas mains, electric power lines, sanitary and storm sewers, and other utilities are available to the Property.

(f) Title Insurance. On or before the Closing Date, Developer shall have received from Title an irrevocable commitment to issue a title insurance policy for the Property in a form and substance satisfactory to Developer in Developer's sole discretion, not disclosing any encumbrance not acceptable to Developer in Developer's sole discretion.

(g) Financing. On or before the Closing Date, Developer shall have secured such commitments for financing construction of the Minimum Improvements as are deemed necessary by Developer.

(h) Acquisition of Property. Developer's acquisition of all of the Development Property not owned by the EDA.

(i) TIF. Developer's receipt of Tax Increment Financing from the City.

The foregoing contingencies are for Developer's sole and exclusive benefit and one or more may be waived in writing by Developer in its sole discretion. EDA shall reasonably cooperate with Developer's efforts to satisfy such contingencies, at no out of pocket cost to EDA or assumption of any obligation or liability by Developer. Developer shall bear all cost and expense of satisfying Developer's contingencies. If any of the foregoing contingencies have not been satisfied on or before the applicable date, then this Agreement may be terminated, at Developer's option, by written notice from Developer to EDA. Such written notice must be given on or before the applicable date, or Developer's right to terminate this Agreement pursuant to this Section shall be waived. If Developer terminates this Agreement pursuant to this Section, then any amount previously paid by Developer to EDA, including the Earnest Money, shall immediately be refunded to Developer. Upon termination, neither party shall have any further rights nor obligations against the other regarding this Agreement or the Property, except for such obligations as survive termination of this Agreement.

If Developer elects not to exercise any of the contingencies set out herein, such election may not be construed as limiting any representations or obligations of EDA set out in this Agreement, including without limitation any indemnity or representations with respect to environmental matters.

Section 3.6. EDA's Contingencies. EDA's obligation to proceed to Closing shall be subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions:

(a) Approval of Sale. The EDA approving the sale of the EDA Property for the Purchase Price at a public hearing.

(b) Closed on Remaining Development Property. Developer having closed on the purchase of all Development Property not owned by the EDA.

(c) Developer Performance. Developer shall have performed and satisfied all agreements, covenants and conditions required pursuant to this Agreement to be performed and satisfied by or prior to the Closing Date.

(d) Developer's Representations. All representations and warranties of Developer contained in this Agreement shall be accurate as of the Closing Date.

(e) No Default. There shall be no uncured default by Developer of any of its obligations under this Agreement as of the Closing Date, unless waived by EDA.

(f) Fees. Developer pays the fees identified in Exhibit F prior to the issuance of a Building Permit.

(g) Stormwater Maintenance Agreement. Developer agrees to execute a Stormwater Maintenance Agreement with the City.

If any contingency contained in this Section 3.6 has not been satisficed on or before the date described therein, and if no date is specified, then the Closing Date, then this Agreement may be

terminated by written notice from EDA to Developer and neither party shall have any further rights or obligations with respect to this Agreement or the Property. If termination occurs, EDA shall return the Earnest Money to Developer. All the contingencies in this Section 3.6 are for the benefit of EDA, and EDA shall have the right to waive any contingency in this Section 3.6 by written notice to Developer.

Section 3.7. Closing. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on or before the Closing Date. The EDA agrees to deliver legal and actual possession of the EDA Property to Developer on the Closing Date. Closing shall occur at Title Company.

(a) EDA's Closing Documents and Deliveries. On the Closing Date, EDA shall execute and/or deliver, as applicable, to Developer the following:

1. Deed. A warranty deed conveying title to the EDA Property to Developer, free and clear of all encumbrances, except the Permitted Encumbrances. Such EDA Property Deed shall include as a covenant running with the land the conditions of Minnesota Statutes, Sections 469.090 to 469.108 relating to the use of the land. If the covenant is violated the authority may declare a breach of the covenant and seek a judicial decree from the district court declaring a forfeiture and a cancellation of the deed.

2. Title Policy. A Proforma Title Policy or a suitably marked up Commitment for Title Insurance initialed by Title Company, in the form required by this Agreement, including usual and customary endorsements required by Developer.

3. FIRPTA Affidavit. A non-foreign affidavit as required by applicable law.

4. EDA's Affidavit. A standard owner's affidavit (ALTA form) from EDA which may be reasonably required by Title to issue an owner's policy of title insurance with respect to the Property with the so called "standard exceptions" deleted.

5. Settlement Statement. A settlement statement with respect to this transaction.

6. Bring Down Certificate. A certificate dated as of the Closing Date, signed by an authorized officer of EDA, certifying that the representations and warranties of EDA contained in this Agreement are true as of the Closing Date.

7. General Deliveries. All other documents reasonably determined by Title Company to be necessary to evidence that Developer has duly authorized the transactions contemplated hereby and evidence the authority of Developer to enter into and perform this Agreement and the documents and

instruments required to be executed and delivered by Developer pursuant to this Agreement, or may be required of Developer under applicable law.

(b) Developer Closing Documents and Deliveries. On the Closing Date, Developer shall execute and/or deliver, as applicable, to EDA the following:

1. Payment of Purchase Price. The Purchase Price, less Earnest Money, shall be payable on the Closing Date, subject to those adjustments, pro-rations and credits described in this Agreement, in certified funds or by wire transfer pursuant to instructions from EDA.

2. Settlement Statement. A settlement statement with respect to this transaction.

3. FIRPTA Affidavit. An affidavit of Developer certifying that Developer is not a "foreign person," "foreign partnership," "foreign trust," "foreign estate" or "disregarded entity" as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended.

4. Developer's Affidavit. A standard owner's affidavit (ALTA form) from Developer which may be reasonable required by Title to issue an owner's policy of title insurance with respect to the Property with the so-called "standard exceptions" deleted.

5. Bring Down Certificate. A certificate dated as of the Closing Date, signed by an authorized officer of Developer, certifying that the representations and warranties of Developer contained in this Agreement are true as of the Closing Date.

6. General Deliveries. All other documents reasonably determined by Title to be necessary to evidence that Developer has duly authorized the transactions contemplated hereby and evidence the authority of Developer to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Developer pursuant to this Agreement, or may be required of Developer under applicable law, including any Developer's affidavits or revenue or tax certificates or statements.

(c) Costs and Prorations. EDA and Developer agree to the following prorations and allocation of costs regarding this Agreement:

1. General real estate taxes applicable to any of the Property due and payable in the year of Closing shall be prorated between Developer and EDA on a daily basis as of 12:00 a.m. CT on the Closing Date based upon a calendar fiscal year, with EDA paying those allocable to the period prior to the Closing Date and Developer being responsible for those allocable to the

Closing Date and subsequent thereto. EDA shall pay in full all special assessments (and charges in the nature of or in lieu of such assessments) levied, pending, postponed or deferred with respect to any of the Property as of the Closing Date. Developer shall be responsible for any special assessments that are levied or become pending against the Property after the Closing Date, including, without limitation, those related to Developer's development of the Property.

2. The Developer may obtain and pay for an ALTA Survey ("ALTA Survey").

3. The EDA shall pay all title charges for the issuance of the Title Commitment.

4. Developer shall pay all premiums for any title insurance policy it desires with respect to the EDA Property.

5. Developer shall pay all costs of recording the EDA Property Deed and this Agreement.

6. The EDA shall pay for the cost of recording any other documents necessary to convey the EDA Property as required by this Agreement.

7. EDA shall pay all state deed tax regarding the EDA Property Deed.

8. Developer and EDA shall each pay one half (1/2) of any reasonable closing fee or charge imposed by Title Company.

9. There are no brokerage or real estate fees or commissions due and payable by the EDA as part of this transaction.

10. EDA and Developer shall each pay their own attorneys' fees incurred in connection with this transaction.

11. The obligations set forth in this Section 3.7(c) shall survive the Closing.

Section 3.8. Title Examination. Developer shall obtain a commitment for an owner's title insurance policy (ALTA Form 2006) issued by Title for the EDA Property (together with the ALTA Survey, the "Title Evidence").

(a) Developer Objections. Prior to the Contingency Date, Developer may make written objections ("Objections") to the form or content of the Title Evidence. The Objections may include without limitation, any easements, restrictions or other matters which may interfere with the proposed use of the Property or matters which may be revealed by any survey. Any matters reflected on the Title Evidence which are not objected to by Developer within such time period or waived by Developer in accordance with Section 3.8(b)(2) shall be deemed to be permitted encumbrances ("Permitted Encumbrances"), except that monetary encumbrances such as

mortgages or mechanic's liens shall be deemed an Objection by Developer and shall be satisfied by EDA by Closing. Notwithstanding the foregoing, the following items shall be deemed Permitted Encumbrances:

1. Covenants, conditions, restrictions (without effective forfeiture provisions) and declarations of record, if any;

2. Reservation of minerals or mineral rights by the State of Minnesota, if any;

3. Utility and drainage easements which do not interfere with the Proposed Use; and

4. Applicable laws, ordinances, and regulations.

Developer shall have the renewed right to object to the Title Evidence as the same may be revised or endorsed from time to time.

(b) EDA's Cure. EDA shall be allowed twenty (20) days after the receipt of Developer's Objections to cure the same but shall have no obligation to do so, except for any monetary encumbrances such as mortgages or mechanic's liens. If such cure is not completed within said period, or if EDA elects not to cure such Objections, Developer shall have the options to do any of the following:

1. Terminate this Agreement with respect to all of the Property.

2. Waive one or more of its objections and proceed to Closing.

Section 3.9. If Developer so terminates this Agreement, neither EDA nor Developer shall be liable to the other for any further obligations under this Agreement, except for such obligations as survive termination of this Agreement, and any amount previously paid by Developer to EDA, including the Earnest Money, shall be refunded to Developer.

ARTICLE IV
Construction of Minimum Improvements

Section 4.1. Construction of Developer and Minimum Improvements.

(a) Within 120 days after execution of this Agreement, the Developer shall submit Construction Plans to the City. The Construction Plans shall provide for the construction of Minimum Improvements and shall be in substantial conformity with the Preliminary Plans listed on Exhibit C, attached hereto. All Minimum Improvements constructed on the Development Property shall be constructed, operated and maintained in accordance with the terms of the Construction Plans, this Agreement, the Comprehensive Plan, and all local, Minnesota and federal laws and regulations (including, but not limited to, Environmental Controls and Land

Use Regulations). Developer will use commercially reasonable efforts to obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will use commercially reasonable efforts to meet, in a timely manner, the requirements of applicable Environmental Controls and Land Use Regulations which must be met before Developer's Minimum Improvements may be lawfully constructed.

(b) No changes shall be made to the Construction Plans for the Project without the EDA's prior written approval, unless the aggregate of such changes does not increase or decrease the total development costs by more than 10%. No changes which materially alter (a) the Project's Site Plan, (b) exterior appearance, (c) construction quality, or (d) exterior materials included in the final design drawings and Construction Plans shall be made without the EDA's prior written consent. The approval of the EDA will not be unreasonably withheld, conditioned or delayed. If an amendment or prior written approval from the EDA is necessary with respect to a change in the Construction Plans, if the EDA has not rejected such amendment in writing within 60 calendar days of submission of such amendment, the amendment to Construction Plans shall automatically be deemed approved by the EDA for purposes of this Agreement but only if such amendment provided to the EDA is complete and final and meets all requirements necessary for the Developer to obtain a building permit from the City.

Section 4.2. Grading/Drainage Plan and Easements. Developer shall construct drainage facilities adequate to serve the Minimum Improvements in accordance with the Construction Plans. Developer agrees to grant to the City all necessary easements for the preservation of the drainage system, for drainage basins, and for utility service as required by the City pursuant to terms mutually agreeable to Developer and the City. The grading and drainage plan shall include any measures necessary to conform to the overall City storm sewer plan, including but not limited to such considerations as lot and building elevations, drainage swales, storm sewer, catch basins, erosion control structures and ponding areas. The grading of the site shall be completed in conformance with the Construction Plans. All storm sewer facilities, sanitary sewer and water lines shall be private unless located within the City's right of way, in which case, that portion of the facilities shall be public.

Section 4.3. Street Maintenance, Access, and Repair. The Developer shall clear, on a daily basis, any soil, earth or debris from the existing streets within or adjacent to this Minimum Improvements resulting from the grading or building on the land within the Minimum Improvements by the Developer or its agents, and shall restore to the City's specifications any gravel base contaminated by mixing construction or excavation debris or earth in it, and repair to the City's specifications any damage to bituminous surfacing resulting from the use of construction equipment.

Section 4.4. Erosion Control. The Developer shall provide and follow a plan for erosion control and pond maintenance in accord with the Best Management Practices (BMP) as delineated by the Minnesota Pollution Control Agency. Such plan shall be detailed on the Construction Plans and shall be subject to approval of the City. The Developer shall install and maintain such erosion control structures as appear necessary under the Construction Plans or become necessary

subsequent thereto. The Developer shall be responsible for all damage caused as the result of grading and excavation within the Minimum Improvements including, but not limited to, restoration of existing control structures and clean-up of public right-of-way. As a portion of the erosion control plan, the Developer shall re-seed or sod any disturbed areas in accordance with the Construction Plans. The City reserves the right to perform any necessary erosion control or restoration as required, if these requirements are not complied with after Formal Notice by the City. The Developer shall be financially responsible for payment for this extra work.

Section 4.5. Zoning; Other Approvals. The EDA agrees to exercise its reasonable efforts to grant or obtain such land use planning review and approvals as may be required in connection with the development of the Minimum Improvements by applicable Land Use Regulations. The parties agree that the development of the Minimum Improvements is in the public interest, will provide significant and important benefits to the City and its residents, and is a desirable and appropriate use of the EDA Property. Developer acknowledges and agrees that the EDA cannot and does not undertake in this Development Agreement to bind itself to grant or obtain any approvals, permits, variances, zoning or rezoning applications or other matters within the legislative or quasi-judicial discretion of the EDA or the governing body of any other political subdivision or public agency. The EDA nevertheless agrees that upon request of Developer, it will cooperate with Developer to seek and secure approvals, permits, variances, and other matters as may be required prior to the acquisition by Developer of all portions of the EDA Property affected thereby, to cause such matters to be timely considered by the EDA, City and Planning Commission or the governing body of other political subdivisions or public agencies with jurisdiction, and to otherwise cooperate with Developer to facilitate implementation of the Minimum Improvements.

Section 4.6. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements no later than thirty (30) days after the Closing Date. Subject to Unavoidable Delays, the Developer shall have substantially completed the construction of the Minimum Improvements no later than twenty-four (24) months after the required construction commencement date. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in substantial conformity with the Construction Plans and Developer will not modify the size or exterior appearance of the Minimum Improvements without the consent of the EDA and the City, which consent shall not be unreasonably withheld. The Developer shall make such reports to the EDA regarding construction of the Minimum Improvements as the EDA deems necessary or helpful in order to monitor progress on construction of the Minimum Improvements.

Section 4.7. Certificate of Completion.

(a) After substantial completion of the Minimum Improvements in accordance with the Construction Plans and all terms of this Agreement, the EDA will furnish the Developer with a Certificate of Completion in the form of Exhibit D hereto. Such certification by the EDA shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement and in the EDA Property Deed with respect to the obligations of the Developer to construct the Minimum Improvements and the dates for the beginning and completion thereof. The Certificate of Completion shall only be issued after issuance of a certificate of

occupancy by the City.

(b) The Certificate of Completion provided for in this Section 4.7 shall be in such form as will enable it to be recorded in the proper County office for the recordation of deeds and other instruments pertaining to the EDA Property. The filing of a Certificate of Completion in such County office shall be deemed to constitute the complete release of this Agreement and to permanently discharge this Agreement from the real property records, such that no terms of this Agreement shall be binding on the Developer or any successors in title to the EDA Property. If the EDA shall refuse or fail to provide such certification in accordance with the provisions of this Section 4.7, the EDA shall, within thirty (30) days after written request by the Developer, provide the Developer with a written statement, indicating in adequate detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default of a material term of this Agreement, and what measures or acts will be necessary, in the opinion of the EDA, for the Developer to take or perform in order to obtain such certification.

Section 4.8. Reconstruction of Minimum Improvements. If the Minimum Improvements are damaged or destroyed before completion thereof and issuance of a Certificate of Completion, the Developer agrees, for itself and its successors and assigns, to reconstruct the Minimum Improvements within one year of the date of the damage or destruction, subject to Unavoidable Delays. The Minimum Improvements shall be reconstructed in accordance with the approved Construction Plans, or such modifications thereto as may be requested by the Developer and approved by the EDA in accordance with Section 4.1 of this Agreement, which approval will not be unreasonably withheld. The Developer's obligation to reconstruct the Minimum Improvements pursuant to this Section 4.8 shall end when the Certificate of Completion is issued.

ARTICLE V
Other Obligations of Developer

Section 5.1. Building Permit Fees. Developer acknowledges that building permit fees will be payable by Developer or its successors for Minimum Improvements.

Section 5.2. Administrative Costs. The EDA has incurred and will continue to incur administrative costs in reviewing, analyzing, negotiating and studying the Minimum Improvements and this Development Agreement. In consideration of the time, effort and expenses to be incurred in pursuing the undertakings set forth herein, on or before execution of this Agreement, Developer agrees to pay a $5,000 deposit for the costs of certain consulting fees, including planning, financial, attorneys, engineering, testing and any special meetings. If the obligations of Developer under this Agreement result in a reduction of the $5,000 cash deposit to a level of $1,000 or less, then at such point, Developer shall make an additional cash deposit with the EDA to raise the total cash on deposit with the EDA to $5,000. This process of redeposit shall be continued until all of the monetary obligations of Developer pursuant to this Section are paid in full. The obligations set forth in this shall remain in full force and effect and shall survive any

termination until all monetary obligations of Developer are paid in full. If, after completion of the tasks contemplated by this Agreement and if, after appropriate payment to the EDA, there remains on deposit any sum, then such sum shall be paid over to Developer by the EDA within 30 days after such completion and payment. If Developer terminates this Agreement because of the EDA's default, Developer shall be entitled to payment of any remaining balance. If the EDA terminates this Agreement because of Developer's default, the deposit shall be retained by the EDA.

Section 5.3. Miscellaneous Requirements. Any additional requirements as specified by the EDA are incorporated herein.

Section 5.4. Site Access Requirements. Developer and City acknowledge that access to the Development Property and required roadway improvements will need to be determined through site plan and other planning application approvals. Developer hereby agrees to comply with all conditions and requirements related to site access approved by the City Council and will enter into any documents regarding such roadway or access maintenance, roadway access easements or other documents necessary to effectuate the conditions and requirements related thereto.

Section 5.5. Developer Fees. On or before issuance by the City of a building permit to Developer, Developer shall pay all development fees and provide a landscaping letter of credit in the amount of 125% of the value of the landscaping improvements. Upon completion of the landscaping improvements and approval by the City, the letter of credit shall be reduced to 50% of the initial value and retained for a one-year warranty period. Upon completion of the one-year warranty period the City will reinspect the landscaping improvements, at which time the letter of credit can be released upon final approval by the City. The fees are detailed in Exhibit F.

Section 5.6. Rental Licensing Requirements. The Developer shall comply with the West St. Paul Rental License Ordinance, City Code Section 150.035-150.046 and obtain a rental license prior to the occupancy of any unit. The Developer shall at all times engage a property management company with substantial experience in operating multifamily housing developments, subject to approval by the EDA, which approval will not be unreasonably withheld. The Developer will submit evidence of such management upon request by the EDA. After a Certificate of Occupancy is issued, if a combination of the number of validated calls for service or code violations, as defined in City Code Section 150.040, exceed .25 calls per unit over a four month period, the City shall suspend the rental license for the licensee until the licensee submits a remediation plan that is acceptable to the Police Chief.

Section 5.7. Livingston Median. Developer is aware that due to the Project, Dakota County is requiring the installation of a median on Livingston Avenue from Wentworth to the driveway entrance of the Project on Livingston ("Livingston Median"). The Livingston Median is scheduled for construction in 2021, therefore, the actual costs of construction are unknown at the time of this Agreement. As a County road, the Livingston Median will be constructed by the County but as with all County projects, requires a cost-share from the City of 45% of the costs. Developer understands and acknowledges that Developer shall pay the City's portion of the construction costs for the Livingston Median as invoiced by Dakota County, and shall pay the City such costs within 30 days of receipt of the notice from the City that such costs are due.

ARTICLE VI
Insurance and Condemnation

Section 6.1. Insurance.

(a) The Developer shall provide and maintain insurance in the following types and amounts at all times during the process of construction the Minimum Improvements, and shall provide to the EDA upon it request proof of payment of the requisite premiums and proof of current insured status:

1. Builder's risk insurance, written on the so-called "Builder's Risk – Completed Value Basis" in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy. The interest of the EDA shall be protected in accordance with a clause in form and content satisfactory to the EDA;

2. Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than $1,000,000.00 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

3. Workers' compensation insurance, with statutory coverage.

The policies of insurance required pursuant to clauses (1) and (2) above shall be in a form and content satisfactory to the EDA and shall be placed with financially sound and reputable insurers licensed to transact business in the State. The policy of insurance delivered pursuant to clause (1) above shall contain an agreement of the insurer to give not less than thirty (30) days advance written notice to the EDA in the event of cancellation of such policy or change affecting the coverage thereunder.

(b) Upon completion of construction of the Minimum Improvements and prior to the Maturity Date, the Developer shall maintain or cause to be maintained, at their sole cost and expense, and from time to time at the request of the EDA shall furnish proof of the payment of premiums on, insurance as follows:

1. Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, vandalism and malicious mischief, boiler explosion, water damage, demolition cost, debris removal and

collapse in an amount not less than the full insurable replacement value of the Minimum Improvements.

2. Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), and automobile insurance, including owned, non-owned and hired automobiles, against liability for injuries to persons and/or property in the minimum amount for each occurrence and for each year of One Million Five Hundred Thousand Dollars ($1,500,000.00), which shall be endorsed to show the EDA as additional insured.

3. Such other insurance, including workers' compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of his liability for worker's compensation.

(c) All insurance required in Article VI of this Agreement shall be taken out and maintained with responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. The Developer shall deposit annually with the EDA policies evidencing all such insurance coverages, or a certificate or certificates or binders of the respective insurers stating that such insurance is in full force and effect. Unless otherwise provided in Article VI of this Agreement, each policy shall contain a provision that the insurer shall not cancel nor modify it without giving written notice to the Developer and the EDA at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Developer shall furnish the EDA evidence satisfactory to the EDA that the policy has been renewed or replaced by another policy conforming to the terms of this Agreement. In lieu of separate policies, the Developer shall deposit with the EDA a certificate or certificates of the respective insurers as to the amount of coverage in force.

(d) The Developer agrees to notify the EDA immediately in the case of damage exceeding $50,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. Net Proceeds of any insurance settlement or payment relating to such damage shall be paid directly to the Developer.

In the event the Minimum Improvements or any portion thereof are destroyed in fire or other casualty and the damage or destruction is estimated to equal or exceed $50,000, then the Developer shall, unless otherwise mutually agreed, within one hundred and eighty (180) days after such damage or destruction, use their best efforts to proceed to repair, reconstruct and restore the damaged Minimum Improvements to substantially the same condition or utility value as existed prior to the event causing such damage or destruction and, to the extent necessary to

accomplish such repair, reconstruction and restoration, the Developer shall apply the Net Proceeds of any insurance settlement or payment relating to such damage or destruction received by the Developer from the EDA to the payment or reimbursement of the costs thereof. Any Net Proceeds remaining after completion of construction may be used at the Developer's discretion.

The Developer shall complete the repair, reconstruction and restoration of the Minimum Improvements, whether or not the Net Proceeds of insurance settlement or payment received by the Developer for such purposes are sufficient to pay for the same.

Section 6.2. Condemnation. In the event that title to and possession of the Minimum Improvements or any material part thereof shall be taken in condemnation or by the exercise of eminent domain authority by any governmental body or other person (except the EDA) prior to the Maturity Date, the Developer shall, with reasonable promptness after such taking, notify the EDA as to the nature and extent of such taking. Upon receipt of any Condemnation Award and subject to the rights of the first Mortgagee, the Developer shall use such portion of the Condemnation Award as is needed to reconstruct the Minimum Improvements (or, in the event only a part of the Minimum Improvements have been taken, then to reconstruct such part) within the Project.

ARTICLE VII
Prohibitions Against Assignment and Transfer; Indemnification

Section 7.1. Representation as to Redevelopment. The Developer represents and agrees that its purchase of the Development Property, and other undertakings pursuant to this Agreement, are, and will be used, for the purpose of redevelopment of the Development Property and not for speculation. The Developer further recognizes that, in view of (a) the importance of the redevelopment of the Development Property to the general welfare of the community; and (b) the substantial financing and other public aids that have been made available by the EDA for the purpose of making such redevelopment possible, the identity of the Developer is of particular concern to the community and the EDA. The Developer further recognizes that it is because of Developer's qualifications and identity that the EDA is entering into this Agreement with the Developer, and in so doing, is further willing to accept and rely on the obligations of the Developer for the faithful performance of all undertakings and covenants hereby to be performed.

Section 7.2. Prohibition Against Transfer of Property and Assignment of Agreement. For the foregoing reasons the Developer represents and agrees that until the Maturity Date the Developer has not made or created, and that it will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same. Notwithstanding the foregoing, the Developer shall be permitted to grant a mortgage interest in the Development Property and may collaterally assign the Developer's interest in this Agreement to any lender providing construction or permanent financing for the Project.

Section 7.3. Release and Indemnification Covenants.

(a) The Developer covenants and agrees that the EDA, the City and the City Council, and its officers, agents, servants and employees are not liable for and agrees to release, indemnify and, hold harmless the EDA, the City and the City Council, officers, agents, servants and employees against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements, except for loss or damage resulting in willful misconduct or willful negligence of the EDA, the City or the City Council, officers, agents, servants or employees.

(b) Except for any willful misrepresentations or any willful or wanton misconduct or negligence of the following named parties, the Developer agrees to protect and defend the EDA, the City and the City Council, and its officers, agents, servants and employees, now and forever, and further agrees to hold the EDA harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Minimum Improvements.

(c) Except as otherwise specifically provided in this Agreement, the EDA, the City and the City Council, officers, agents, servants and employees shall not be liable for any damage or injury to the persons or property of Developer, their officers, agents, servants or employees or any other person who may be about the Development Property or Minimum Improvements due to any act of negligence of any person other than the EDA, the City or the City Council members, officers, agents, servants or employees.

(d) All covenants, stipulations, promises, agreements and obligations of the EDA contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the EDA and not of any City Council member, officer, agent, servant or employee of the City or the EDA in his or her individual capacity.

(e) Developer shall indemnify, release, and hold harmless the EDA, its officers, agents, servants and employees, as well as the City, the City Council, and its officers, agents, servants and employees, against all costs, damages or expenses the EDA may incur in enforcing any obligation, agreement or covenant that runs with the Development Property, including attorneys' fees.

ARTICLE VIII
Events of Default

Section 8.1. Events of Default Defined. The term "Event of Default" shall mean any one or more of the following events:

(a) Failure by the Developer or the EDA to pay within 10 days of when due any payments required to be paid under this Agreement.

(b) Failure by the EDA or the Developer to proceed to Closing on the Development Property after compliance with or the occurrence of all conditions precedent to Closing.

(c) Failure by the Developer to commence and complete construction of the Minimum Improvements pursuant to the terms, conditions and limitations of Article IV of this Agreement, including the timing thereof, unless such failure is caused by an Unavoidable Delay.

(d) Failure by the Developer to pay real estate taxes or special assessments on the Development Property and Minimum Improvements as they become due.

(e) Failure by the EDA or the Developer to observe or perform any other covenant, condition, obligation or agreement on his part to be observed or performed hereunder, following 30 days' written notice and failure to cure by the defaulting party.

(f) If the Developer:

1. Files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or state law; or

2. Makes an assignment for the benefit of its creditors; or

3. Admits in writing its inability to pay its debts generally as they become due; or

4. Is in default under any mortgage and fails to cure such default within thirty (30) days of a written demand from the EDA to do so; or

5. Is adjudicated bankrupt or insolvent, or if a petition or answer proposing the adjudication of the Developer, as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be

discharged or denied within ninety (90) days after the filing thereof; or a receiver, trustee or liquidator of the Developer and shall not be discharged without ninety (90) days after such appointed, or if the Developer shall consent to or acquiesce in such appointment.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 of this Agreement occurs, the EDA may exercise its right under Section 8.2(a) below and may take any one or more of the actions described in Section 8.2(b)-(f) after providing thirty (30) days written notice, but only if the Event of Default has not been cured within said thirty (30) days or, if the Event of Default cannot be cured within thirty (30) days, the Developer does not provide assurance to the EDA reasonably satisfactory to the EDA that the Event of Default will be cured as soon as reasonably possible:

(a) The EDA may suspend its performance under the Agreement until it receives assurances from the Developer, deemed adequate by the EDA, that the Developer will cure their default and continue their performance under the Agreement.

(b) The EDA may cancel and rescind or terminate this Agreement.

(c) The EDA may withhold the Certificate of Completion.

(d) The EDA may require the Developer to re-convey all remaining undeveloped properties and properties with incomplete projects within the EDA Property to the EDA, free and clear of all liens and encumbrances, pursuant to a judicial decree issued by the district court.

(e) The EDA may take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to the EDA to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement. Developer shall indemnify the EDA, EDA's officers, employees and agents against all costs, damages or expenses the EDA may incur in enforcing any obligation, agreement or covenant, including attorneys' fees.

(f) In the event that this Agreement is terminated by the EDA or by the Developer as a result of an Event of Default on the part of the other party, the defaulting party agrees that they will, within ten (10) days of written demand by the non-defaulting party, reimburse such party for all of its reasonable costs and expenses, including reasonable fees for attorneys and consultants, incurred in connection with the negotiation, preparation and implementation of this Agreement.

(g) Whenever any Event of Default occurs and the non-defaulting party employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party under this Agreement, the defaulting party agrees that it shall, within ten (10) days of written demand by the non-

defaulting party, pay to the non-defaulting party the reasonable fees for attorneys and other expenses so incurred by the non-defaulting party.

Section 8.3. No Remedy Exclusive. No remedy conferred upon or reserved to the EDA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative.

Section 8.4. No Additional Waiver Implied by One Waiver. In the event any condition contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

ARTICLE IX
Additional Provisions

Section 9.1. Conflict of Interests; EDA Representatives Not Individually Liable. No member, official, or employee of the EDA shall have any personal interest, direct or indirect in this Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects personal interests or the interests of any corporation, partnership or association in which the person is directly or indirectly interested. No member, official, or employee of the EDA shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the EDA or for any amount which may become due to the Developer or successor or on any obligations under the terms of the Agreement.

Section 9.2. Equal Employment Opportunity. The Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in this Agreement, it will comply with all applicable equal employment and nondiscrimination laws and regulations.

Section 9.3. Non-Discrimination. The Developer shall not discriminate on the basis of race, color, creed, national origin, age or sex in the sale, lease, rental or in the use or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof.

Section 9.4. Restriction on Use. The Developer, for itself and its successors and assigns, agrees to devote the Property and Minimum Improvements only to such land use or uses as may be permissible under the City's land use regulations.

Section 9.5. Provisions Not Merged With EDA Property Deed. None of the provisions of this Agreement is intended to or shall be merged by reason of delivery of the EDA Property Deed and the EDA Property Deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 9.6. Titles of Articles and Sections. Any titles of the several parts, Articles and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 9.7. Notices and Demands. Except as otherwise provided in this Agreement, a notice, demand or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally to:

(a)	Developer:	Roers West St. Paul Apartments Owner LLC Attn: Brian Roers and Shane LaFave 110 Cheshire Lane, Suite 120 Minnetonka, MN 55305
(b)	EDA:	West St. Paul Economic Development Authority Attn: Jim Hartshorn 1616 Humboldt Ave. West St. Paul, MN 55118
(c)	City:	City of West St. Paul Attention: City Manager 1616 Humboldt Ave. West St. Paul, Minnesota 55118

Section 9.8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 9.9. Disclaimer of Relationships. The Developer acknowledges that nothing contained in this Agreement nor any act by the EDA or the Developer shall be deemed or construed by the Developer or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between the EDA and the Developer.

Section 9.10. Approvals. Approvals by the EDA shall not be unreasonably withheld, conditioned or delayed.

Section 9.11. Survival of Provisions. The provisions of this Agreement and the representations, warranties and indemnities contained herein shall survive the execution and delivery of the EDA Property Deed and the conveyance thereunder, shall not be merged therein, and shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 9.12. Recording. The parties agree that this document shall be recorded against all properties in Development Property at the Dakota County Recorder's Office.

Section 9.13. Subordination. Each of the EDA and the City expressly agree that their respective interests in the EDA Property shall be subordinate to the lien of mortgage held by any lender providing construction or permanent financing for the Project. The EDA and City agree to execute a subordination agreement, in a form that is appropriate for recording in the County office

for the filing of deeds, reasonably requested by Developer's lenders evidencing such subordination.

Section 9.14. Prevailing Wages. Pursuant to City Code Section 33.03, the Developer shall require the contractor and any subcontractor, agent and other person doing or contracting to do all or a part of the work on the project to pay at least the prevailing wage rate to all laborers and mechanics employed directly on the project work site and the Developer shall comply with all other requirements of the ordinance.

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed in their respective names on or as of the date first written.

EDA:
WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

By: _____
David J. Napier
Its: President

By: _____
James Hartshorn
Its: Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by David J. Napier and James Hartshorn, the President and Executive Director respectively, of the West St. Paul Economic Development Authority, a public body corporate and politic organized and existing under the Constitution and laws of Minnesota, on behalf of the EDA.

_____
Notary Public

CITY:
CITY OF WEST ST. PAUL

By:_____
David J. Napier
Its: Mayor

By:_____
Ryan Schroeder
Its: City Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this _____ day of _____, 2020, before me a Notary Public within and for said County, personally appeared David J. Napier and Ryan Schroeder to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Manager of the City of West St. Paul, the municipality named in the foregoing instrument, and that the said instrument was signed in behalf of said municipality by authority of its City Council and said Mayor and City Manager acknowledged said instrument to be the free act and deed of said municipality.

_____
Notary Public

DEVELOPER:
ROERS WEST ST. PAUL APARTMENTS OWNER LLC,
a Delaware limited liability company

By: Roers West St. Paul Apartments Manager LLC, a Minnesota limited liability company
Its: Manager

By: Roers Companies LLC, a Minnesota limited Liability company
Its: Manager

By: _____
Brian J. Roers, its Manager

STATE OF Minnesota)
) ss.
COUNTY OF Hennepin)

On this 27 day of August, 2020, before me a Notary Public within and for said County, personally appeared Brian J. Roers, who being by me duly sworn, did say that (s)he is the Manager of Roers Companies LLC, a Minnesota limited liability company, the Manager of Roers West St. Paul Apartments Manager LLC, a Minnesota limited liability company, the Manager of Roers West St. Paul Apartments Owner LLC, a Delaware limited liability company, named in the foregoing instrument, and that it was signed on behalf of said limited liability company and acknowledged said instrument to be the free act and deed of the limited liability company.

Lindsey Rae Valley
Notary Public
Minnesota
My Commission Expires January 31, 2024

_____
Notary Public

This document was drafted by:

Korine L. Land, #262432
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
651-451-1831

EXHIBIT A

LEGAL DESCRIPTION OF EDA PROPERTY

Parcel 1
PID: 42-17800-01-072; Abstract Property (Maaco):

The East 125 feet of the South 166.84 feet of Lot Seven (7), Block One (1), City Center Addition according to the plat thereof on file and of record in the office of the Dakota County Recorder.

PID: 42-17800-01-076; Abstract Property (Maaco):

Lot 7, Block 1, City Center Addition, Dakota County, Minnesota, as platted and of record in the office of the County Recorder, except the East 125.00 feet of the South 166.84 feet, and except the West 40.08 feet of said Lot 7, and except the North 40.00 feet of said Lot 7, and except that part of said Lot 7, described as follows:

Beginning at the point of intersection with the East line of said Lot 7, and the South line of Lot 6, Block 1, City Center Addition; thence Westerly along the Westerly extension of the South line of said Lot 6, a distance of 60.07 feet; thence Northerly parallel with the East line of said Lot 7 to the intersection with the Westerly extension of the North line of said Lot 6; thence Easterly along the Westerly extension of the North line of said Lot 6 to the East line of said Lot 7; thence Southerly along the East line of Lot 7 to the point of beginning.

Parcel 2
PID: 42-24200-01-070; Abstract Property (Car X):

Lots 4, 5, 6 and 7, Block 1, Erchingers Addition to South St. Paul, Dakota County, Minnesota

Parcel 3
42-17800-01-042 and 42-17800-01-032; Abstract and Torrens Property; Certificate of Title 159113 (Blockbuster):

Lots 3 and 4, Block 1, City Center Addition, Dakota County, Minnesota

EXHIBIT B

EXISTING LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

PID: 42-17800-01-072; Abstract Property:

The East 125 feet of the South 166.84 feet of Lot Seven (7), Block One (1), City Center Addition according to the plat thereof on file and of record in the office of the Dakota County Recorder.

PID: 42-17800-01-076; Abstract Property:

Lot 7, Block 1, City Center Addition, Dakota County, Minnesota, as platted and of record in the office of the County Recorder, except the East 125.00 feet of the South 166.84 feet, and except the West 40.08 feet of said Lot 7, and except the North 40.00 feet of said Lot 7, and except that part of said Lot 7, described as follows:

Beginning at the point of intersection with the East line of said Lot 7, and the South line of Lot 6, Block 1, City Center Addition; thence Westerly along the Westerly extension of the South line of said Lot 6, a distance of 60.07 feet; thence Northerly parallel with the East line of said Lot 7 to the intersection with the Westerly extension of the North line of said Lot 6; thence Easterly along the Westerly extension of the North line of said Lot 6 to the East line of said Lot 7; thence Southerly along the East line of Lot 7 to the point of beginning.

PID: 42-24200-01-070; Abstract Property:

Lots 4, 5, 6 and 7, Block 1, Erchingers Addition to South St. Paul, Dakota County, Minnesota

42-17800-01-042 and 42-17800-01-032; Abstract and Torrens Property; Certificate of Title 178556:

Lots 3 and 4, Block 1, City Center Addition, Dakota County, Minnesota

42-17800-01-071 and 42-17800-01-070; Abstract Property:

That part of Lots 5 and 7, Block 1, City Center Addition, according to the United States Government Survey thereof and situate in Dakota County, Minnesota, described as follows:

Commencing at the Northeast corner of said Lot 5; thence South 0 degrees 30 minutes 42 seconds East along the Easterly line of said Lot 5 a distance of 100.00 feet to a line 100.00 feet Southerly of, as measured at right angles to the North line of said Lot 5 and to the point of beginning of the land to be described; thence South 89 degrees 55 minutes 38 seconds West, parallel with the North line of said Lot 5, a distance of 160.00 feet; thence South 0 degrees 30 minutes 42 seconds East a distance of 104.80 feet to the Westerly extension of the Northerly line of Lot 6, said Block 1; thence North 90 degrees 00 minutes 00 seconds East along said Westerly extension and along said Northerly line of Lot 6 a distance of 160.00 feet to said Easterly line of Lot 5; thence North 0

degrees 30 minutes 42 seconds West along said Easterly line of Lot 5 a distance of 105.00 feet to the point of beginning, Dakota County, Minnesota.

AND

That part of Lots 5 and 7, Block 1, City Center Addition, according to the United States Government Survey thereof and situate in Dakota County, Minnesota, described as follows:

Commencing at the Northeast corner of said Lot 5; thence South 0 degrees 30 minutes 42 seconds East along the Easterly line of said Lot 5 a distance of 100.00 feet to a line distant 100.00 Southerly of, as measured at right angles to the Northerly line of said Lot 5; thence South 89 degrees 55 minutes 38 seconds West, parallel with the North line of said Lot 5, a distance of 160.00 feet to the point of beginning of the land to be described; thence South 0 degrees 30 minutes 42 seconds East a distance of 104.80 feet to the Westerly extension of the Northerly line of Lot 6, said Block 1; thence South 90 degrees 00 minutes 00 seconds West along said Westerly extension of Lot 6 a distance of 93.02 feet to a line distant 253.01 Westerly of, as measured at right angles to the Easterly line of said Lot 5; thence North 0 degrees 30 minutes 42 seconds West, parallel with said Easterly line of Lot 5 a distance of 204.68 feet to the Northerly line of said Lot 5; thence North 89 degrees 55 minutes 38 seconds East along the Northerly line of said Lot 5 a distance of 103.01 feet to a line distant 150.00 feet Westerly of, as measured at right angles to said Easterly line of Lot 5; thence South 0 degrees 30 minutes 42 seconds East a distance of 100.00 feet to a line distant 100.00 Southerly of, as measured at right angles to the Northerly line of said Lot 5, thence South 89 degrees, 55 minutes 38 seconds West, parallel with said Northerly line of Lot 5, a distance of 10.00 feet to the point of beginning.

42-17800-01-063; Abstract Property:

Lot #6, Block 1, City Center Addition, West St. Paul, Dakota County, Minnesota, and that part of lot 7, beginning at a point on the east line of said lot 7, at the point of intersection with the south line of lot 6; thence westerly along the south line of said lot 6, extended a distance of 60.07 ft; thence northerly and parallel with the east line of lot 7 to the north line of lot 6 extended; thence easterly along the north line of lot 6 extended to the east line of lot 7; thence southerly along the east line of lot 7 to the point of beginning, situated in block 1, City Center Addition, West St. Paul, Dakota County, Minnesota.

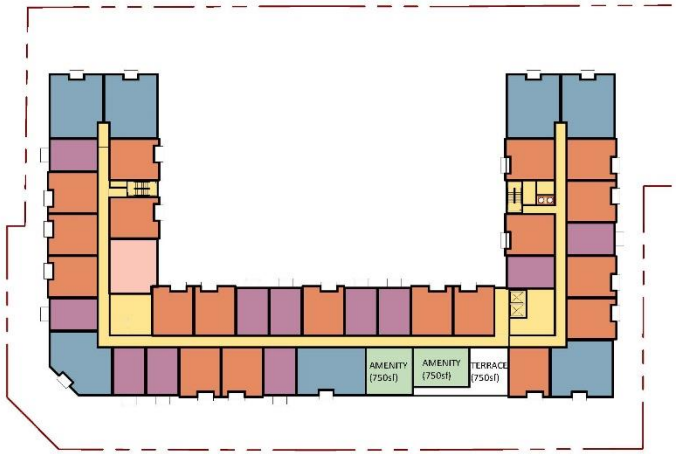
NEW LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

(After Plat is recorded)

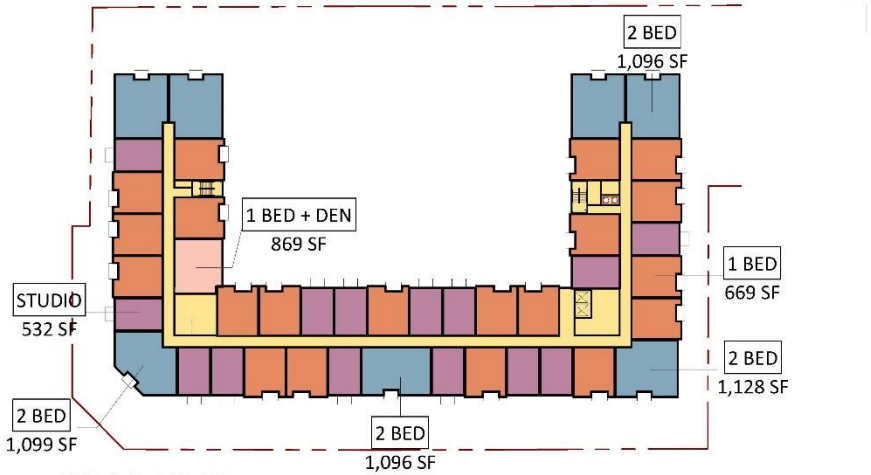
Lot 1, Block 1, Robert & Wentworth Redevelopment, Dakota County, Minnesota

EXHIBIT C

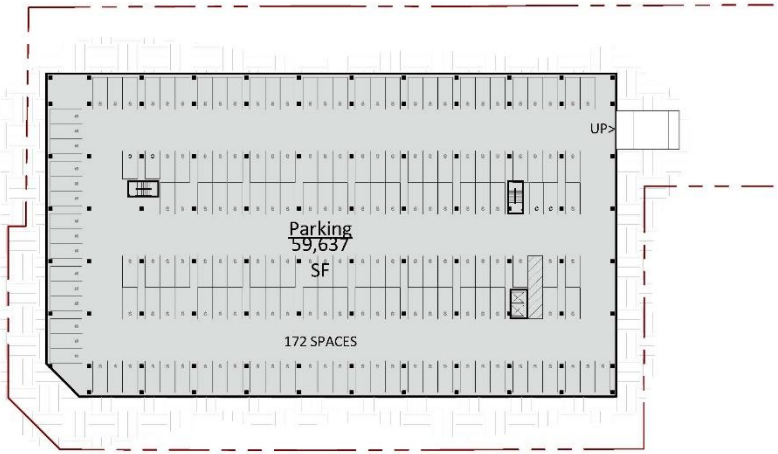
DESCRIPTION OF MINIMUM IMPROVEMENTS



LEVEL 5 PLAN



LEVEL 2-4 PLAN



LEVEL P1

4/3/2020

esg

S Robert & Wentworth
West Saint Paul, MN

FLOOR PLANS

SITE PLAN

4/3/2020

View Looking North on S Robert Street

4/3/2020

esg

S Robert & Wentworth
West Saint Paul, MN

CONCEPT RENDERINGS

View Looking South on S Robert Street

4/3/2020

esg

S Robert & Wentworth
West Saint Paul, MN

CONCEPT RENDERINGS

View Looking East on Wentworth Avenue E

4/3/2020

esg

S Robert & Wentworth
West Saint Paul, MN

CONCEPT RENDERINGS

EXHIBIT D

FORM OF
CERTIFICATE OF COMPLETION

WHEREAS, the West St. Paul Economic Development Authority (the "Grantor"), by a deed recorded in the office of the County Recorder in Dakota County, Minnesota, as Document No. _____, has conveyed to Roers West St. Paul Apartments Owner LLC, a Delaware limited liability company (the "Grantee"), the following described land in County of Dakota and State of Minnesota, to-wit:

(to be completed prior to execution)

and

WHEREAS, said deed was executed pursuant to that certain Contract for Private Redevelopment by and between the Grantor and the Grantee dated the ____ day of _____, 2020 and recorded in the office of the County Recorder in Dakota County, Minnesota, as Document No. _____, which Contract for Private Redevelopment contained certain covenants and restrictions regarding completion of the Minimum Improvements; and

WHEREAS, said Grantee has performed said covenants and conditions in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification.

NOW, THEREFORE, this is to certify that all construction of the Minimum Improvements specified to be done and made by the Grantee has been completed and the covenants and conditions in the Contract for Private Redevelopment have been performed by the Grantee therein, and the County Recorder in Dakota County, Minnesota, is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions relating to completion of the Minimum Improvements.

Dated: _____, ____.

WEST ST. PAUL ECONOMIC
DEVELOPMENT AUTHORITY

By _____
David J. Napier
Its President

By _____
James Hartshorn
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument as acknowledged before me this _____ day of _____, ____ _____, by David J. Napier and James Hartshorn, the president and executive director, respectively, of the West St. Paul Economic Development Authority, a public body corporate and politic organized and existing under the Constitution and laws of Minnesota, on behalf of the EDA.

_____
Notary Public

EXHIBIT E

FORM OF
EDA PROPERTY DEED

THIS INDENTURE, between the West St. Paul Economic Development Authority, a public body corporate and politic organized and existing under the constitution and laws of Minnesota (the "Grantor"), and Roers West St. Paul Apartments Owner LLC, a Delaware limited liability company (the "Grantee").

WITNESSETH, that Grantor, in consideration of the sum of $_____ and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant, bargain, quit claim and convey to the Grantee, their heirs and assigns forever, all the tract or parcel of land lying and being in the County of Dakota and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the "Property"):

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging in now or hereafter pertaining, to the said Grantee, their heirs and assigns, forever,

Provided:

SECTION 1

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement entered into between the Grantor and Grantee on the _____ day of _____, 2020 identified as "Contract for Private Redevelopment" (hereinafter referred to as the "Agreement") and that the Grantee shall not convey the Property, or any part thereof, without the consent of the Grantor, until a Certificate of Completion of this Agreement as to the Property or such part thereof then to be conveyed, has been placed of record with Dakota County. This provision, however, shall in no way prevent the Grantee from mortgaging this Property in order to obtain funds for the purchase of Property hereby conveyed and from erecting improvements in conformity with the Agreement, any applicable redevelopment plan and applicable provisions of the Zoning Ordinance of the City of West St. Paul, Minnesota.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the redevelopment of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of the satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and their heirs and assigns, to construct the improvements and the dates for the beginning and completion thereof.

Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, or Registrar of Titles, Dakota County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete with the improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

SECTION 2

In the event the Grantee herein shall, prior to the recording of the certificate of completion referred to above:

(a) Fail to begin construction of the improvements provided for in this Deed and the Agreement in conformity with the Agreement and such failure is not due to Unavoidable Delays and is not cured within thirty (30) days after written notice to do so; or

(b) Default in or violate its obligations with respect to the construction of the improvements provided for in this Deed and the Agreement, or shall abandon or substantially suspend construction work, and such default, violation or failure is not due to Unavoidable Delays and any default or violation, abandonment or suspension is not cured, ended or remedied within thirty (30) days after written demand by the Grantor to do so; or

(c) Fail to pay real estate taxes or assessments on the Property or any part thereof when due, or shall place thereon any encumbrance or lien unauthorized by the Agreement with the Grantor, or shall suffer any levy or attachment to be made, or any mechanic's liens, or any other unauthorized encumbrances or liens to attach, and such taxes or assessments shall not have been paid or the encumbrance or lien removed or discharged, or provisions satisfactory to the Grantor made for such payments, removal or discharge, within 30 days after written demand by the Grantor to do so; provided, that if the Grantee shall first notify the Grantor of his intention to do so, it may in good faith contest any mechanic's or other lien filed or established and in such event the Grantor shall permit such mechanic's or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal, but only if the Grantee provides the Grantor with a bank letter of credit or other security in the amount of the lien, in a form satisfactory to the Grantor pursuant to which the bank will pay to the Grantor the amount of any lien in the event that the lien is finally determined to be valid and during the course of such contest the Grantee shall keep the EDA informed respecting the status of such defense; or

(d) Cause, in violation of the Agreement or of this Deed, any transfer of the Property or any part thereof, and such violation shall be not cured within sixty (60) days after written demand by the Grantor to the Grantee; or

(e) Fail to comply with any of its other covenants under the Agreement and fail to cure any such noncompliance within thirty (30) days after written demand to do so; or

(f) Default under the terms of a mortgage loan authorized by the Agreement and the holder of the mortgage exercises any remedy provided by the mortgage documents or exercises any remedy provided by law or equity in the event of a default in any of the terms or conditions of the mortgage;

then the Grantor shall have the right to re-enter and take possession of the Property and to terminate and revest in the Grantor the estate conveyed by this Deed to the Grantee, their heirs or successors in interest, pursuant to a judicial decree described in Section 3. Such right to re-enter and take possession of the Property shall only occur if the events stated in Section 2(a-f) have not been cured within the time periods provided above, or if the events cannot be cured within such time periods, and the Grantee does not provide assurances to the EDA, reasonably satisfactory to the EDA, that the events will be cured as soon as reasonably possible.

The Grantor certifies that the Grantor does not know of any wells on the described real property.

SECTION 3

The Grantee agrees for themselves and their heirs and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such heirs and assigns shall, within one year of the date of purchase, devote the Property to, and only to and in accordance with, the uses specified in any applicable redevelopment plan as amended and extended.

Pursuant to Minnesota Statutes, Section 169.105 subd. 6, it is intended and agreed that the above and foregoing agreements and covenants, including those contained in the Agreement, shall be covenants running with the land, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, their heirs and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof. If a covenant is violated and not cured to the satisfaction of Grantor, Grantor may declare a breach of the covenant and seek a judicial decree from Dakota County District Court declaring a forfeiture and a cancellation of the deed. Grantor shall be entitled to recover the costs for such enforcement, including attorneys' fees.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed beneficiary of the agreements and covenants provided herein. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right,

in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled.

SECTION 4

This Deed is also given subject to:

(a) Provision of the ordinances, building and zoning laws of the City of West St. Paul, state and federal laws and regulations in so far as they affect this real estate.

(b) Taxes payable subsequent to the date of this conveyance.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its President and Executive Director and has caused its corporate seal to be hereunto affixed this _____ day of _____, 2020.

WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

By: _____
David J. Napier
Its: President

By: _____
James Hartshorn
Its: Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by David J. Napier and James Hartshorn, the President and Executive Director respectively, of the West St. Paul Economic Development Authority, a public body corporate and politic organized and existing under the Constitution and laws of Minnesota, on behalf of the EDA.

_____
Notary Public

This instrument was drafted by:

Korine L. Land, #262432
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
651-451-1831
TITLE NOT EXAMINED

SEND TAX STATEMENT TO:

Roers West St. Paul Apartments Owner LLC
110 Cheshire Lane, Suite 120
Minnetonka, MN 55305

EXHIBIT F

DEVELOPER FEES

CASH REQUIREMENTS

City Fees	Qty	Unit Cost	Total
Connection Charge Fee (Residential)	192 units	$ 250.00	$ 48,000.00
Connection Charge Fee (Commercial)	5 (based on 5,000 sq. ft)	$250.00/1,000 sq. ft.	$ 1,250.00
Sewer Permit Fee	1	$ 630.00	$ 630.00
Right-Of-Way Permit Fee	1	$ 150.00	$ 150.00
Park Dedication Fees	1	$ 111,536.00	$ 111,536.00
Environmental Review and Inspection Fee	3.43 acres	$ 800.00	$ 2,744.00
Total Fees			$ 164,310.00

CASH ESCROW

Cash Escrow	Cost/Acre	Acres	Total
Erosion Control Escrow	$ $3,000.00	3.43	$ 10,290.00
Stormwater Review Escrow			$ 10,000.00
Total Cash Escrow:			**$ 20,290.00**

SITE IMPROVEMENTS LOC ESCROW

Site Improvement LOC	Estimated Construction Cost
Public Dog Park	$ 30,000.00
Subtotal:	$ 30,000.00
x 125%	
Total Site Improvement LOC:	$ 37,500.00

MEMORANDUM

TO: Jim Hartshorn – Community Development Director
FROM: Stacie Kvilvang & Keith Dahl - Ehlers
DATE: August 31, 2020
SUBJECT: Town Center 1 TIF District Establishment

Roers is proposing to construct a 192-unit market rate apartment with 1,700 sq/ft of ground floor retail on the following parcels:

Parcel number	Use
42-17800-01-070	Batteries Plus (parking)
42-17800-01-071	Batteries Plus
42-17800-01-063	Aamco
42-24200-01-070	Car-X (EDA)
42-17800-01-072	Maaco (EDA)
42-17800-01-076	Maaco (EDA)
42-17800-01-042	Blockbuster (EDA)
42-17800-01-032	Blockbuster (EDA)
42-17800-01-052	Granny's Doughnuts

Note: The parcels will be replatted into one parcel.

A redevelopment TIF district has a 26-year term and requires that more than 50% of the structures in the district are considered to be substandard and that 70% of the area in the TIF district is covered by a building, parking lot, sidewalk, utilities, etc. The City retained LHB to complete the analysis for the district and determined that the area met the qualifications (see copy of blight study in Appendix D of TIF Plan).

The TIF budget is a maximum budget for the District and does not correlate to the amount or term of assistance being provided to Roers which is approved under a separate action by the EDA. The Budget for TIF plan purposes is as follows:

USES	
Land/Building Acquisition	$ 3,650,000
Site Improvements/Preparation	1,000,000
Utilities	500,000
Other Qualifying Improvements	2,541,574
Administrative Costs (up to 10%)	1,275,078
PROJECT COSTS TOTAL	**$ 8,966,652**
Interest	5,059,210
PROJECT AND INTEREST COSTS TOTAL	**$ 14,025,862**

Roers will be provided assistance in the form of pay-as-you-go TIF note over a 17-year term. The EDA will retain 10% of the annual TIF generated (approximately $34,000) for administrative costs or for redevelopment projects and the remaining 90% will go to Roers for payment on the TIF notes. When the TIF Note is paid in year 17, the district will need to be decertified pursuant to State Law.

In addition to approval of the TIF District, the City and EDA are approving an interfund loan for the TIF budget amount. This is an "up to" amount will only be utilized to cover the City/EDA for any expenditures they make for consultants and/or capital expenditures PRIOR to any TIF being available to cover the costs 100%. The interest rate is set at the statutory maximum of 5% (fluctuates annually).

Please contact either of us at 651-697-8500 with any questions.

MODIFICATION TO THE DEVELOPMENT PROGRAM

South Robert Street Redevelopment Project Area

- AND -

TAX INCREMENT FINANCING PLAN

Establishment of Town Center 1
(a redevelopment district)

West St. Paul Economic Development Authority
City of West St. Paul, Dakota County, Minnesota

Public Hearing: August 31, 2020

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Modification to the Development Program for South Robert Street Redevelopment Project Area

Foreword

The following text represents a Modification to the Development Program for South Robert Street Redevelopment Project Area. This modification represents a continuation of the goals and objectives set forth in the Development Program for South Robert Street Redevelopment Project Area. Generally, the substantive changes include the establishment of the Town Center 1 TIF District.

For further information, a review of the Development Program for South Robert Street Redevelopment Project Area, is recommended. It is available from the Community Development Director at the City of West St. Paul. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within South Robert Street Redevelopment Project Area.

Tax Increment Financing Plan for Town Center 1

Foreword

The West St. Paul Economic Development Authority (the "EDA"), the City of West St. Paul (the "City"), staff and consultants have prepared the following information to expedite the Establishment of Town Center 1 (the "District"), a redevelopment tax increment financing district, located in South Robert Street Redevelopment Project Area.

Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the EDA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.090 - 469.1082*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for South Robert Street Redevelopment Project Area.

Statement of Objectives

The District currently consists of nine parcels of land and adjacent and internal roads and rights-of-way. The District is being created to facilitate the construction of approximately 192 market rate apartments with approximately 1,700 sq/ft of ground floor commercial in the City. The EDA anticipates entering into an agreement with Roers and development is likely to occur in 2020. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for South Robert Street Redevelopment Project Area.

The activities contemplated in the Modification to the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of South Robert Street Redevelopment Project Area and the District.

Development Program Overview

Pursuant to the Development Program and authorizing state statutes, the EDA or City is authorized to undertake the following activities in the District:

1. Property to be Acquired - The EDA currently owns 5 parcels of property within the District. The remaining property located within the District may be acquired by the EDA or City and is further described in this TIF Plan. The City does not intend to exercise the power of eminent domain to acquire property in the District.

2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.

3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the EDA or City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.

4. The EDA or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

Description of Property in the District and Property to be Acquired

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below.

Parcel number	Address	Owner
42-17800-01-070	No Address	Batteries Plus (parking)
42-17800-01-071	1565 Robert St	Batteries Plus
42-17800-01-063	1571 Robert St	Aamco
42-24200-01-070	1589 Robert St	Car-X (EDA)
42-17800-01-072	81 Wentworth Ave	Maaco (EDA)
42-17800-01-076	No Address	Maaco (EDA)
42-17800-01-042	No Address	Blockbuster (EDA)
42-17800-01-032	No Address	Blockbuster (EDA)
42-17800-01-052	1555 Robert St	Granny's Doughnuts

Please also see the map in Appendix A for further information on the location of the District. The developer intends to replat the parcels into one parcel prior to development, but will likely occur after the public hearing on the TIF District.

The EDA or City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the EDA or City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The EDA or City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

The EDA or City currently owns 5 parcels of the property to be included in the District.

Classification of the District

The EDA and City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, find that the District, to be established, is a redevelopment district pursuant to *M.S., Section 469.174, Subd. 10(a)(1).*

- The District is a redevelopment district currently consisting of nine parcels (The developer intends to replat the parcels into one parcel prior to development, but will likely occur after the public hearing on the TIF District).
- An inventory shows that more than 15% of the area of the parcels in the District is occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and therefore parcels consisting of more than 70 percent of the area in the District are so occupied.
- An inspection of the buildings located within the District finds that three of the four buildings in the District are structurally substandard as defined in the TIF Act and therefore, more than 50 percent of the buildings are structurally substandard as defined in the TIF Act. (See Appendix D).

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111*, *273.112, or 273.114* or *Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the EDA or City (a total of 26 years of tax increment). The EDA or City elects to receive the first tax increment in 2022, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2047, or when the TIF Plan is satisfied. The EDA or City reserves the right to decertify the District prior to the legally required date.

Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2020 for taxes payable 2021.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2022) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured, and no tax increment will be payable to the EDA or City.

The original local tax rate for the District will be the local tax rate for taxes payable 2021, assuming the request for certification is made before June 30, 2021. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within South Robert Street Redevelopment Project Area, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The EDA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2022. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity		
Project estimated Tax Capacity upon completion	$641,855	
Original estimated Net Tax Capacity	$36,064	
Fiscal Disparities	$10,165	
Estimated Captured Tax Capacity	**$595,626**	
Original Local Tax Rate	121.1950%	Pay 2020
Estimated Annual Tax Increment	**$721,869**	
Percent Retainted by the City	100%	

Note: Tax capacity includes a 3.0% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be $157,875.

Pursuant to *M.S., Section 469.177, Subd. 4*, the EDA shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3.* The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City is reviewing the area to be included in the District to determine if any building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

Sources of Revenue/Bonds to be Issued

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES	
Tax Increment	$ 12,750,784
Interest	1,275,078
TOTAL	**$ 14,025,862**

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The EDA or City reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by pay-as-you-go notes and interfund loans. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the EDA or City to incur debt. The EDA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The EDA or City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of $8,966,652. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Uses of Funds

Currently under consideration for the District is a proposal to facilitate the construction of approximately 192 market rate apartments with approximately 1,700 sq/ft of ground floor commercial. The EDA and City have determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described.

The EDA has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES	
Land/Building Acquisition	$ 3,650,000
Site Improvements/Preparation	1,000,000
Utilities	500,000
Other Qualifying Improvements	2,541,574
Administrative Costs (up to 10%)	1,275,078
PROJECT COSTS TOTAL	**$ 8,966,652**
Interest	5,059,210
PROJECT AND INTEREST COSTS TOTAL	**$ 14,025,862**

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25 percent of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of South Robert Street Redevelopment Project Area, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in this TIF Plan.

Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3*, the EDA or City may elect one of two methods to calculate fiscal disparities.

The EDA will choose to calculate fiscal disparities by clause b (inside).

Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the EDA or City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is $0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2020 rate. The total net capacity for the entities listed above are based on Pay 2020 figures. The District will be certified under the Pay 2021 rates, which were unavailable at the time this TIF Plan was prepared.

Impact on Tax Base			
Entity	**2019/Pay 2020 Total Net Tax Capacity**	**Estimated Captured Tax Capacity (CTC) upon completion**	**Percent of CTC to Entity Total**
Dakota County	532,219,151	595,626	**0.1119%**
City of West St. Paul	19,523,994	595,626	**3.0507%**
ISD 197 (WSP -Mendota Heights-Eagan)	74,618,677	595,626	**0.7982%**

Impact on Tax Rates				
Entity	**Pay 2020 Extension Rate**	**Percent of Total**	**CTC**	**Potential Taxes**
Dakota County	24.1330%	19.91%	595,626	**$ 143,742**
City of West St. Paul	70.1060%	57.85%	595,626	**417,570**
ISD 197 (WSP - Mendota Heights-Eagan)	22.1250%	18.26%	595,626	**131,782**
Other	4.8310%	3.99%	595,626	**28,775**
	121.1950%	**100.00%**		**$ 721,869**

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

(1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is $12,750,784;

(2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically, new buildings generate few calls, if any, and are of superior construction. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

(3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is $2,327,745;

(4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is $2,539,005;

(5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

(i) In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects, (2) review of the developer's proforma; and (3) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the City Council resolution approving the establishment of the TIF District and Appendix C.

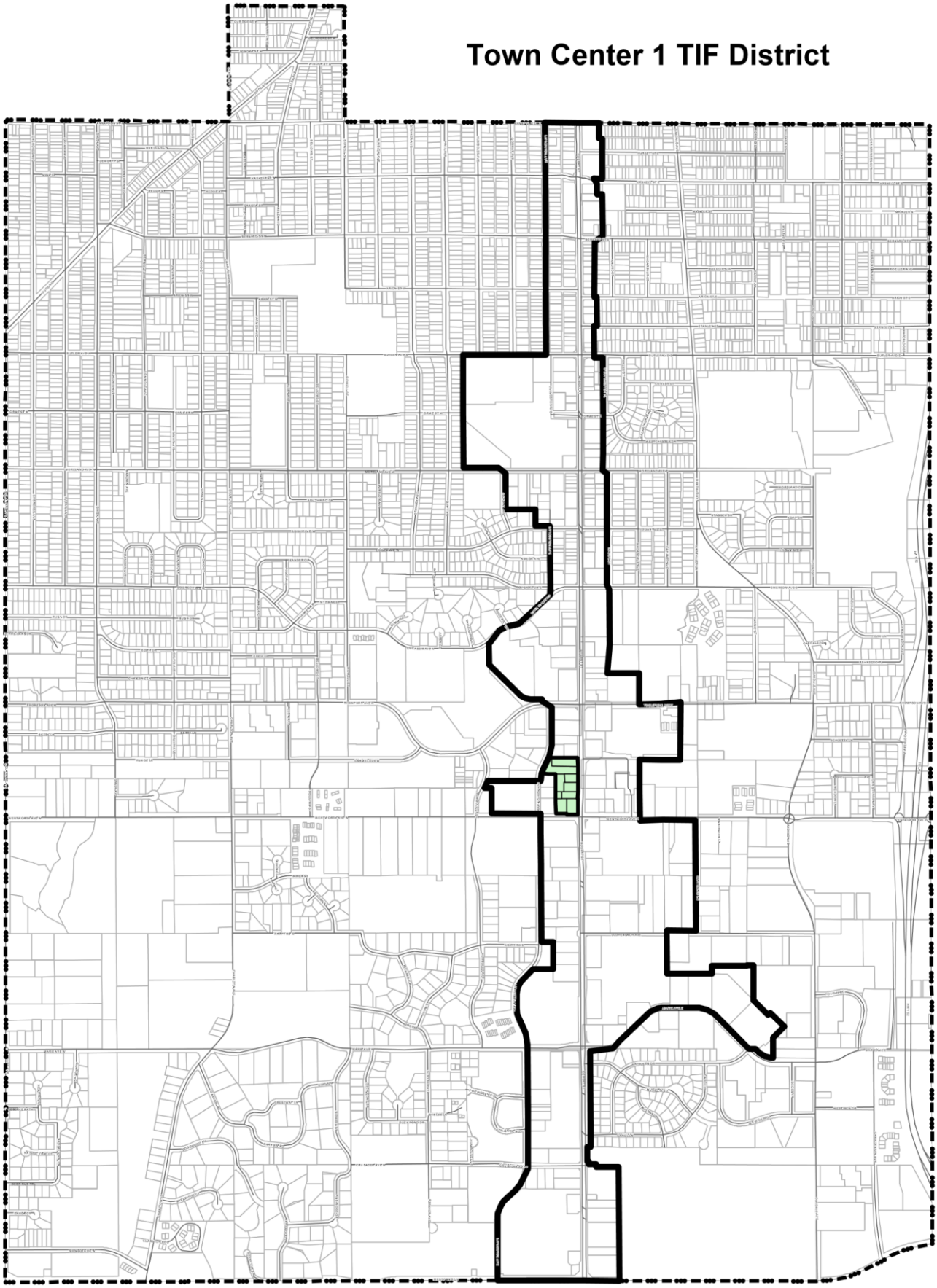
(ii) A comparative analysis of estimated market value both with and without establishment of the TIF District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments.

Administration of the District

Administration of the District will be handled by the Community Development Director.

Appendix A: Map of South Robert Street Redevelopment Project Area and the TIF District

Town Center 1 TIF District



Prepared for the West St. Paul Community Development Department by the Dakota County Office of GIS

This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information and data from various city, county and state offices and other sources. This document should be used for reference only. No representation is made that features presented accurately reflect true location. Neither Dakota County nor any other entity from which data was obtained assumes no liability for any errors or omissions herein. If discrepancies are found, please contact the Dakota County Office of GIS.

0 500 1,000 2,000
Feet

Legend

- South Robert St Redevelopment Project
- TIF District

N

Map Dated July 1, 2020

Appendix B: Estimated Cash Flow for the District

Town Center 1 Redevelopment - Roers

City of West St. Paul, MN

184 Market Rate Apartments and 5,000 Sq. Ft. Retail

ASSUMPTIONS AND RATES

DistrictType:	**Redevelopment**	
District Name/Number:		
County District #:		
First Year Construction or Inflation on Value	**2020**	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	**3.00%**	
Interest Rate:	**4.00%**	
Present Value Date:	**1-Aug-21**	
First Period Ending	1-Feb-22	
Tax Year District was Certified:	**Pay 2020**	
Cashflow Assumes First Tax Increment For Development:	2022	
Years of Tax Increment	26	
Assumes Last Year of Tax Increment	2047	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	**Inside(B)**	
Incremental or Total Fiscal Disparities	**Incremental**	
Fiscal Disparities Contribution Ratio	34.1647%	Pay 2020
Fiscal Disparities Metro-Wide Tax Rate	142.4540%	Pay 2020
Maximum/Frozen Local Tax Rate:	121.195%	Pay 2020
Current Local Tax Rate: (Use lesser of Current or Max.)	121.195%	Pay 2020
State-wide Tax Rate (Comm./Ind. only used for total taxes)	38.8460%	Pay 2020
Market Value Tax Rate (Used for total taxes)	0.15911%	Pay 2020

Tax Rates

Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First	$150,000	1.50%
Over	$150,000	2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First	$162,000	0.75%
Over	$162,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First	$500,000	1.00%
Over	$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First	$500,000	1.00%
Over	$500,000	1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
1	42-17800-01-070	Batteries Plus (parking)	No Address	164,100	0	164,100	100%	164,100	Pay 2020	C/I	3,282	Rental	2,051	1
2	42-17800-01-071	Batteries Plus	1565 Robert St	201,900	173,500	375,400	100%	375,400	Pay 2020	C/I Pref.	6,758	Rental	4,693	1
3	42-17800-01-063	Aamco	1571 Robert St	198,000	234,400	432,400	100%	432,400	Pay 2020	C/I Pref.	7,898	Rental	5,405	1
4	42-24200-01-070	Car-X (EDA)	1589 Robert St	346,000	0	346,000	100%	346,000	Pay 2020	Exempt	-	Rental	4,325	1
5	42-17800-01-072	Maaco (EDA)	81 Wentworth Ave	271,100	420,100	691,200	100%	691,200	Pay 2020	Exempt	-	Rental	8,640	1
6	42-17800-01-076	Maaco (EDA)	No Address	33,800	3,900	37,700	100%	37,700	Pay 2020	Exempt	-	Rental	471	1
7	42-17800-01-042	Blockbuster (EDA)	No Address	389,100	0	389,100	100%	389,100	Pay 2020	Exempt	-	Rental	4,864	1
8	42-17800-01-032	Blockbuster (EDA)	No Address	105,500	0	105,500	100%	105,500	Pay 2020	Exempt	-	Rental	1,319	1
9	42-17800-01-052	Granny's Doughnuts	1555 Robert St	198,800	53,500	252,300	100%	252,300	Pay 2020	C/I Pref.	4,296	C/I Pref.	4,296	1
				1,908,300	885,400	2,793,700		**2,793,700**			**22,234**		**36,064**	

Note:

1. **Base values are for pay 2021 based upon review of County website on 7-15-20.**
2. **Located in SD #197 and Lower Mississippie River WS**

Town Center 1 Redevelopment - Roers

City of West St. Paul, MN

184 Market Rate Apartments and 5,000 Sq. Ft. Retail

PROJECT INFORMATION (Project Tax Capacity)

Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2020	Percentage Completed 2021	Percentage Completed 2022	Percentage Completed 2023	First Year Full Taxes Payable
1	Apts	130,000	130,000	184	23,920,000	Rental	299,000	1,625	50%	100%	100%	100%	2023
	Retail	175	175	5,000	875,000	C/I Pref.	16,750	3	50%	100%	100%	100%	2023
TOTAL					**24,795,000**		**315,750**						
Subtotal Residential				**184**	**23,920,000**		**299,000**						
Subtotal Commercial/Ind.				**5,000**	**875,000**		**16,750**						

Note:

1. Market values are based upon estimates.

TAX CALCULATIONS

New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Apts	**299,000**	**0**	**299,000**	**362,373**	**0**	**0**	**38,059**	**400,432**	**2,176.26**
Retail	**16,750**	**5,723**	**11,027**	**13,365**	**8,152**	**5,924**	**1,392**	**28,833**	**5.77**
TOTAL	**315,750**	**5,723**	**310,027**	**375,738**	**8,152**	**5,924**	**39,451**	**429,265**	

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?

Total Property Taxes	**429,265**
less State-wide Taxes	**(5,924)**
less Fiscal Disp. Adj.	**(8,152)**
less Market Value Taxes	**(39,451)**
less Base Value Taxes	**(41,928)**
Annual Gross TIF	**333,809**

MARKET VALUE BUT / FOR ANALYSIS

Current Market Value - Est.	2,793,700
New Market Value - Est.	24,795,000
Difference	22,001,300
Present Value of Tax Increment	7,155,198
Difference	14,846,102
Value likely to occur without Tax Increment is less than:	**14,846,102**

Town Center 1 Redevelopment - Roers

City of West St. Paul, MN

184 Market Rate Apartments and 5,000 Sq. Ft. Retail

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				02/01/22
100%	157,875	(36,064)	(1,394)	120,418	121.195%	145,941	72,970	(263)	(7,271)	65,437	62,896	0.5	2022	08/01/22
							72,970	(263)	(7,271)	65,437	124,558	1	2022	02/01/23
100%	315,750	(36,064)	(4,255)	275,432	121.195%	333,809	166,905	(601)	(16,630)	149,673	262,833	1.5	2023	08/01/23
							166,905	(601)	(16,630)	149,673	398,397	2	2023	02/01/24
100%	325,223	(36,064)	(4,427)	284,732	121.195%	345,081	172,541	(621)	(17,192)	154,728	535,791	2.5	2024	08/01/24
							172,541	(621)	(17,192)	154,728	670,491	3	2024	02/01/25
100%	334,979	(36,064)	(4,603)	294,312	121.195%	356,692	178,346	(642)	(17,770)	159,933	806,992	3.5	2025	08/01/25
							178,346	(642)	(17,770)	159,933	940,818	4	2025	02/01/26
100%	345,029	(36,064)	(4,786)	304,180	121.195%	368,650	184,325	(664)	(18,366)	165,295	1,076,417	4.5	2026	08/01/26
							184,325	(664)	(18,366)	165,295	1,209,359	5	2026	02/01/27
100%	355,379	(36,064)	(4,973)	314,343	121.195%	380,968	190,484	(686)	(18,980)	170,818	1,344,048	5.5	2027	08/01/27
							190,484	(686)	(18,980)	170,818	1,476,096	6	2027	02/01/28
100%	366,041	(36,064)	(5,166)	324,811	121.195%	393,655	196,827	(709)	(19,612)	176,507	1,609,866	6.5	2028	08/01/28
							196,827	(709)	(19,612)	176,507	1,741,013	7	2028	02/01/29
100%	377,022	(36,064)	(5,365)	335,593	121.195%	406,722	203,361	(732)	(20,263)	182,366	1,873,857	7.5	2029	08/01/29
							203,361	(732)	(20,263)	182,366	2,004,096	8	2029	02/01/30
100%	388,333	(36,064)	(5,570)	346,699	121.195%	420,182	210,091	(756)	(20,933)	188,401	2,136,007	8.5	2030	08/01/30
							210,091	(756)	(20,933)	188,401	2,265,331	9	2030	02/01/31
100%	399,983	(36,064)	(5,781)	358,138	121.195%	434,045	217,022	(781)	(21,624)	194,617	2,396,303	9.5	2031	08/01/31
							217,022	(781)	(21,624)	194,617	2,524,706	10	2031	02/01/32
100%	411,982	(36,064)	(5,999)	369,920	121.195%	448,324	224,162	(807)	(22,336)	201,020	2,654,734	10.5	2032	08/01/32
							224,162	(807)	(22,336)	201,020	2,782,211	11	2032	02/01/33
100%	424,342	(36,064)	(6,223)	382,055	121.195%	463,032	231,516	(833)	(23,068)	207,614	2,911,290	11.5	2033	08/01/33
							231,516	(833)	(23,068)	207,614	3,037,837	12	2033	02/01/34
100%	437,072	(36,064)	(6,454)	394,555	121.195%	478,181	239,090	(861)	(23,823)	214,407	3,165,962	12.5	2034	08/01/34
							239,090	(861)	(23,823)	214,407	3,291,574	13	2034	02/01/35
100%	450,184	(36,064)	(6,691)	407,429	121.195%	493,784	246,892	(889)	(24,600)	221,403	3,418,742	13.5	2035	08/01/35
							246,892	(889)	(24,600)	221,403	3,543,417	14	2035	02/01/36
100%	463,690	(36,064)	(6,936)	420,690	121.195%	509,855	254,928	(918)	(25,401)	228,609	3,669,625	14.5	2036	08/01/36
							254,928	(918)	(25,401)	228,609	3,793,359	15	2036	02/01/37
100%	477,600	(36,064)	(7,188)	434,348	121.195%	526,409	263,204	(948)	(26,226)	236,031	3,918,605	15.5	2037	08/01/37
							263,204	(948)	(26,226)	236,031	4,041,395	16	2037	02/01/38
100%	491,928	(36,064)	(7,448)	448,417	121.195%	543,459	271,729	(978)	(27,075)	243,676	4,165,677	16.5	2038	08/01/38
							271,729	(978)	(27,075)	243,676	4,287,522	17	2038	02/01/39
100%	506,686	(36,064)	(7,715)	462,907	121.195%	561,020	280,510	(1,010)	(27,950)	251,550	4,410,837	17.5	2039	08/01/39
							280,510	(1,010)	(27,950)	251,550	4,531,735	18	2039	02/01/40
100%	521,887	(36,064)	(7,991)	477,832	121.195%	579,109	289,554	(1,042)	(28,851)	259,661	4,654,084	18.5	2040	08/01/40
							289,554	(1,042)	(28,851)	259,661	4,774,034	19	2040	02/01/41
100%	537,543	(36,064)	(8,275)	493,205	121.195%	597,740	298,870	(1,076)	(29,779)	268,015	4,895,415	19.5	2041	08/01/41
							298,870	(1,076)	(29,779)	268,015	5,014,416	20	2041	02/01/42
100%	553,670	(36,064)	(8,567)	509,039	121.195%	616,930	308,465	(1,110)	(30,735)	276,619	5,134,830	20.5	2042	08/01/42
							308,465	(1,110)	(30,735)	276,619	5,252,882	21	2042	02/01/43
100%	570,280	(36,064)	(8,868)	525,348	121.195%	636,696	318,348	(1,146)	(31,720)	285,482	5,372,328	21.5	2043	08/01/43
							318,348	(1,146)	(31,720)	285,482	5,489,432	22	2043	02/01/44
100%	587,388	(36,064)	(9,178)	542,147	121.195%	657,054	328,527	(1,183)	(32,734)	294,610	5,607,910	22.5	2044	08/01/44
							328,527	(1,183)	(32,734)	294,610	5,724,066	23	2044	02/01/45
100%	605,010	(36,064)	(9,497)	559,449	121.195%	678,024	339,012	(1,220)	(33,779)	304,012	5,841,578	23.5	2045	08/01/45
							339,012	(1,220)	(33,779)	304,012	5,956,786	24	2045	02/01/46
100%	623,160	(36,064)	(9,826)	577,270	121.195%	699,623	349,811	(1,259)	(34,855)	313,697	6,073,333	24.5	2046	08/01/46
							349,811	(1,259)	(34,855)	313,697	6,187,595	25	2046	02/01/47
100%	641,855	(36,064)	(10,165)	595,626	121.195%	721,869	360,935	(1,299)	(35,964)	323,672	6,303,178	25.5	2047	08/01/47
							360,935	(1,299)	(35,964)	323,672	6,416,495	26	2047	02/01/48
	Total						**12,796,852**	**(46,069)**	**(1,275,078)**	**11,475,705**				
		Present Value From	**08/01/2021**	**Present Value Rate**	**4.00%**		**7,155,198**	**(25,759)**	**(712,944)**	**6,416,495**				

Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for Town Center 1 (the "District"), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that Town Center 1 is a redevelopment district as defined in M.S., Section 469.174, Subd. 10.*

   The District consists of 9 parcels and adjacent right-of-way, with plans to redevelop the area for the construction of approximately 192 market rate apartments with approximately 1,700 sq/ft of ground floor commercial. Parcels consisting of 70 percent of the area of the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50 percent of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix D of the TIF Plan.)

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Town Center 1 permitted by the TIF Plan.*

   The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of acquiring parcels for the redevelopment that are currently occupied by substandard buildings, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing. The EDA has marketed the parcels it owns and surrounding parcels for development over the past 5+ years and no developer has been interested until now. The developer was asked for and provided a letter and a pro forma as justification that the developer would not have gone forward without tax increment assistance.

   The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan: This finding is justified on the grounds that the cost of land assembly, site and public improvements and utilities add to the total redevelopment cost. Historically, land assemble and construction costs in this area have made redevelopment infeasible without tax increment assistance. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

   Therefore, the City concludes as follows:

   a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is $0.

b. If the proposed development occurs, the total increase in market value will be $22,001,300.

c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be $7,155,198.

d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than $14,846,102 (the amount in clause b less the amount in clause c) without tax increment assistance.

3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

   The City Council reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for Town Center 1 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of South Robert Street Redevelopment Project Area by private enterprise.*

   The project to be assisted by the District will result in the availability of safe and decent life-cycle housing in the City, the removal of substandard properties, increased tax base of the State and add a high-quality development to the City.

Appendix D: Redevelopment Qualifications for the District

Report of Inspection Procedures and Results for Determining Qualifications of a Tax Increment Financing District as a Redevelopment District

West Saint Paul Town Center 1 Redevelopment TIF District West Saint Paul, Minnesota

August 14, 2020

Prepared For the

City of West Saint Paul

Prepared by:

LHB, Inc.
701 Washington Avenue North, Suite 200
Minneapolis, Minnesota 55401

LHB Project No. 170745

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PART 1 – EXECUTIVE SUMMARY

PURPOSE OF EVALUATION

LHB was hired by the City of West Saint Paul to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District ("TIF District") proposed to be established by the City. The proposed TIF District is located near the northwest corner of Wentworth Avenue East and Robert Street South (Diagram 1). The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether four (4) buildings on nine (9) parcels, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.

Diagram 1 – Proposed TIF District

SCOPE OF WORK

The proposed TIF District consists of nine (9) parcels with four (4) buildings. Three (3) buildings were inspected on March 19, 2018. One (1) building was not inspected due to lack of access to the interior of the properties. Building Code and Condition Deficiency reports for the buildings that were inspected, and found to be substandard, are located in Appendix B.

CONCLUSION

After inspecting and evaluating the properties within the proposed TIF District and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the proposed TIF District qualifies as a Redevelopment District because:

- The proposed TIF District has a coverage calculation of 94.5 percent which is above the 70 percent requirement.
- 75 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

The remainder of this report describes our process and findings in detail.

PART 2 – MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

INTERIOR INSPECTION

"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."

EXTERIOR INSPECTION AND OTHER MEANS

"An interior inspection of the property is not required, if the municipality finds that

(1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and

(2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

DOCUMENTATION

"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3(1)."

QUALIFICATION REQUIREMENTS

Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires three tests for occupied parcels:

A. COVERAGE TEST

…"parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots…"

The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states: "For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

B. CONDITION OF BUILDINGS TEST

Minnesota Statutes, Section 469.174, Subdivision 10(a) states, "…and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"

1. Structurally substandard is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, which states: "For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

    a. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

2. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

    "A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."

    "Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."

    LHB counts energy code deficiencies toward the 15 percent code threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c*)) for the following reasons:

- The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
- Chapter 13 of the 2015 *Minnesota Building Code* states, "Buildings shall be designed and constructed in accordance with the *International Energy Conservation Code*." Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, "References to the *International Energy Conservation Code* in this code mean the *Minnesota Energy Code*…"
- The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
- In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
- Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. In order for an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

C. DISTRIBUTION OF SUBSTANDARD BUILDINGS

Minnesota Statutes, Section 469.174, Subdivision 10, defines a Redevelopment District and requires one or more of the following conditions, "reasonably distributed throughout the district."

(1) "Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;

(2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way;

(3) tank facilities, or property whose immediately previous use was for tank facilities…"

Our interpretation of the distribution requirement is that the substandard buildings must be reasonably distributed throughout the district as compared to the location of all buildings in the district. For example, if all of the buildings in a district are located on one half of the area of the district, with the other half occupied by parking lots (meeting the required 70 percent coverage for the district), we would evaluate the distribution of the substandard buildings compared with only the half of the district where the buildings are located. If all of the buildings in a district are located evenly throughout the entire area of the district, the substandard buildings must be reasonably distributed throughout the entire area of the district. We believe this is consistent with the opinion expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

PART 3 – PROCEDURES FOLLOWED

LHB inspected three (3) of the four (4) buildings during the day of March 19, 2018. The inspector was unable to gain access to one (1) building. We have verified that the buildings are in the same, or worse condition than at the time of inspection in 2018.

The current nine parcels are planned to be re-platted into one parcel for future development purposes. While this report focused on the nine existing parcels, our analysis shows that the proposed District will meet all TIF Statute requirements as a single parcel District.

PART 4 – FINDINGS

A. COVERAGE TEST

1. The total square foot area of the parcel in the proposed TIF District was obtained from City records, GIS mapping and site verification.

2. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District was obtained from City records, GIS mapping and site verification.

3. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

FINDING:
The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 94.5 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision (a) (1).*

Diagram 2 – Coverage Diagram

Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures

B. CONDITION OF BUILDING TEST

1. BUILDING INSPECTION

The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether or not a building "appears" to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

2. REPLACEMENT COST

The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is

the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2018.

A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in West Saint Paul, Minnesota.

Replacement cost includes labor, materials, and the contractor's overhead and profit. Replacement costs do not include architectural fees, legal fees or other "soft" costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

3. CODE DEFICIENCIES

The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.

Minnesota Statutes, Section 469.174, Subdivision 10(c), specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.

The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is actually a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.

After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2018; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

FINDING:

Three (3) out of four (4) buildings (75 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c).* Building Code, Condition Deficiency and Context Analysis reports for the buildings in the proposed TIF District can be found in Appendix B of this report.

4. SYSTEM CONDITION DEFICIENCIES

If a building meets the minimum code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c),* then in order for such building to be "structurally substandard" under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, the building's defects or deficiencies should be of sufficient total significance to justify "substantial renovation or clearance." Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c),* to determine if the total deficiencies warranted "substantial renovation or clearance" based on the criteria we outlined above.

System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors and doors.

The evaluation of system condition deficiencies was made by reviewing all available information contained in City records, and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of "service life" used up for a particular component unless it was an obvious part of that component's deficiencies.

After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify "substantial renovation or clearance."

FINDING:

In our professional opinion, three (3) out of four (4) buildings (75 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

C. DISTRIBUTION OF SUBSTANDARD STRUCTURES

Much of this report has focused on the condition of individual buildings as they relate to requirements identified by *Minnesota Statutes, Section 469.174, Subdivision 10*. It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District (Diagram 3).

FINDING

The parcels with substandard buildings are reasonably distributed compared to all parcels that contain buildings.

Diagram 3 – Substandard Buildings
Shaded green area depicts parcels with buildings.
Shaded orange area depicts substandard buildings.

PART 5 - TEAM CREDENTIALS

Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 32 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning Masters degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards and community task forces, including a term as a City Council President and as Chair of a Metropolitan Planning Organization. Most recently, he served as Chair of the Edina, Minnesota planning commission and is currently a member of the Edina city council. Michael has also managed and designed several award-winning architectural projects, and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

Philip Waugh – Project Manager/TIF Analyst

Philip is a project manager with 13 years of experience in historic preservation, building investigations, material research, and construction methods. He previously worked as a historic preservationist and also served as the preservation specialist at the St. Paul Heritage Preservation Commission. Currently, Phil sits on the Board of Directors for the Preservation Alliance of Minnesota. His current responsibilities include project management of historic preservation projects, performing building condition surveys and analysis, TIF analysis, writing preservation specifications, historic design reviews, writing Historic Preservation Tax Credit applications, preservation planning, and grant writing.

Phil Fisher – Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

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APPENDICES

APPENDIX A	Property Condition Assessment Summary Sheet
APPENDIX B	Building Code and Condition Deficiencies Reports
APPENDIX C	Building Replacement Cost Reports Code Deficiency Cost Reports Photographs

APPENDIX A

Property Condition Assessment Summary Sheet

West Saint Paul Town Center 1 TIF Analysis

Property Condition Assessment Summary Sheet

TIF Map No.	PID #	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard
1	421780001032	1539 ROBERT ST S	Improved	Exterior	8,789	268	3.0%	0	0					
2	421780001042	1539 ROBERT ST S	Improved	Exterior	36,029	12,296	34.1%	36,029	0					
3	421780001052	1555 ROBERT ST S	Improved	Exterior	15,000	13,654	91.0%	15,000	1	Note 1				
4	421780001071	1565 ROBERT ST S	Improved	Interior/Exterior	16,824	14,480	86.1%	16,824	1	$290,741	$43,611	$48,438	1	1
5	421780001070	N/A	Improved	Exterior	19,997	18,729	93.7%	19,997	0					
6	421780001063	1571 ROBERT ST S	Improved	Interior/Exterior	14,905	14,633	98.2%	14,905	1	$426,881	$64,032	$143,154	1	1
7	422420001070	N/A	Improved	Exterior	22,621	22,014	97.3%	22,621	0					
8	421780001072	81 WENTWORTH AVE E	Improved	Interior/Exterior	20,854	20,854	100.0%	20,854	1	$720,617	$108,093	$239,546	1	1
9	421780001076	N/A	Improved	Exterior	5,206	5,206	100.0%	5,206	0					
TOTALS					160,225			151,436	4				3	3

Total Coverage Percent: **94.5%**

Note 1: The inspector was not able to gain interior access to this building.

Percent of buildings exceeding 15 percent code deficiency threshold: **75.0%**

Percent of buildings determined substandard: **75.0%**

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APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

West Saint Paul Town Center 1 TIF Analysis

Building Code, Condition Deficiency and Context Analysis Report

Parcel No. & Building Name:	4 Retail – Batteries Plus
Address:	1565 Robert Street S, West St Paul, MN 55118
Parcel ID:	421780001071
Inspection Date(s) & Time(s):	March 19, 2018 8:35 am
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	It is our professional opinion that this building is Substandard because: - Substantial renovation is required to correct Conditions found. - Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	$290,741
Estimated Cost to Correct Building Code Deficiencies:	$48,438
Percentage of Replacement Cost for Building Code Deficiencies:	16.66%

Defects in Structural Elements

1. Foundation block walls are cracked due to differential settlement, allowing for water intrusion, contrary to code.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. Door hardware is not ADA code compliant.
    b. Restroom is not fully ADA code compliant.
    c. Thresholds should be modified to comply with code for proper height.

2. Light and Ventilation
    a. None observed.

3. Fire Protection/Adequate Egress
    a. Code required 10-inch kick plates should be installed on glass doors.
    b. Sidewalks are cracked, creating an impediment to emergency egress, contrary to code.
    c. The building does not have code required smoke detectors.
    d. The building does not have a code required emergency notification system.
    e. The building does not have code compliant emergency lighting.
    f. The building does not have a code required sprinkler system.

4. Layout and Condition of Interior Partitions/Materials
    a. Ceiling tile is damaged.
    b. Interior walls should be repaired and repainted.

5. Exterior Construction
    a. Masonry control joint caulking is damaged, allowing for water intrusion, contrary to code.
    b. Roofing material should be replaced to prevent water intrusion, per code.

Description of Code Deficiencies

1. Foundation walls should be repaired to prevent water intrusion, per code.
2. ADA code compliant door hardware should be installed.
3. Restroom should be modified to fully comply with ADA code.
4. Thresholds should be modified to comply with code for maximum height.
5. Code required 10-inch kick plates should be installed on glass doors.
6. Damaged sidewalks should be repaired to create a code required unimpeded means for emergency egress.
7. Code required smoke detectors should be installed.
8. Code compliant emergency lighting system should be installed.
9. A code required emergency notification system should be installed.
10. A code required building sprinkler system should be installed.
11. Masonry control joint caulking should be replaced to prevent water intrusion per code.
12. Roofing material should be replaced to prevent water intrusion, per code.

Overview of Deficiencies

This small retail store does not have any code compliant emergency services. The interior wall should be repaired and repainted. The restroom should be modified to comply with ADA code. The exterior masonry control joints should be replaced to prevent water intrusion, per code. Staff reports that the roof has leaked in the past and should be replaced.

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West Saint Paul Town Center 1 TIF Analysis

Building Code, Condition Deficiency and Context Analysis Report

Map No. & Building Name:	6 Commercial - AAMCO
Address:	1571 Robert St S, West St Paul, MN 55118
Parcel ID:	421780001063
Inspection Date(s) & Time(s):	March 19, 2018 9:00 am
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	It is our professional opinion that this building is Substandard because: - Substantial renovation is required to correct Conditions found. - Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	$426,881
Estimated Cost to Correct Building Code Deficiencies:	$143,154
Percentage of Replacement Cost for Building Code Deficiencies:	33.53%

Defects in Structural Elements

1. None observed.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. The restrooms are not fully ADA code compliant.
    b. Exterior door thresholds do not comply with code for maximum height.
    c. There are two interior doors that do not comply with code for proper landing size of 44 inches.
    d. Door hardware is not ADA code compliant.
    e. The reception desk is not ADA code compliant.
    f. The stairway to the elevated storage area does not comply with code for proper rise and run.
    g. The stairway to the elevated storage area does not comply with code for proper handrails.

2. Light and Ventilation
    a. HVAC system does not comply with mechanical/building code.
    b. Electrical control panels do not have the code required 36-inch clear space in front of them.

3. Fire Protection/Adequate Egress
    a. Glass door should have code required 10-inch kick plates installed.
    b. There are no code required smoke detectors in the building.
    c. The emergency lighting does not comply with code.
    d. There is no code required emergency notification system in the building.
    e. The building does not have a code required building sprinkler system installed.
    f. There is a confined space that is not properly identified per code.

4. Layout and Condition of Interior Partitions/Materials
    a. Interior walls are damaged and should be repaired/repainted.
    b. Carpeting is buckling creating an impediment for code required emergency egress.
    c. Vinyl composition tile is worn and should be replaced.
    d. Carpeting is worn and dirty.
    e. The elevated storage area does not have a code required 4-inch toe board.

5. Exterior Construction
    a. Exterior walls should be repainted.
    b. Exterior concrete block walls are cracked and damaged, allowing for water intrusion, contrary to code.
    c. Windows have failed, allowing for water intrusion, contrary to code.
    d. Control joint caulking has failed, allowing for water intrusion, contrary to code.
    e. Steel lintels should be protected from rusting, per code.
    f. Garage doors are rusting and should be repaired/repainted.
    g. Metal downspouts are damaged.
    h. The roofing material has failed, allowing for water intrusion, contrary to code.

Description of Code Deficiencies

1. Restroom should be modified to comply with ADA code.
2. Thresholds should be modified to comply with code for maximum height.
3. Two interior doors should have landings modified to comply with code.
4. Door hardware should be replaced to comply with ADA code.
5. The reception desk should be modified to comply with ADA code.
6. Modify stairway to elevated storage to comply with code for proper rise and run of treads.
7. Install code compliant handrails on stairway to elevated storage.
8. HVAC system should be replaced to comply with code.
9. Electrical control panels are required by code to have a 36-inch clear space in front of them.
10. Glass doors should have code required 10-inch kick plates installed.
11. Code required smoke detectors should be installed.
12. Code compliant emergency lighting should be installed.
13. A code required emergency notification system should be installed.
14. A code required building sprinkler system should be installed.
15. The confined space area should be properly identified, per code.
16. Damaged carpeting should be replaced to comply with code for emergency egress.
17. A code required 4-inch toe board should be installed in the elevated storage area.
18. Exterior block walls should be repaired/repointed to prevent water intrusion, per code.
19. Windows should be replaced to prevent water intrusion, per code.
20. Exterior masonry control joint caulking should be removed/replaced to prevent water intrusion, per code.
21. Steel lintels should be protected from rusting per code.
22. Roofing material should be replaced to prevent water intrusion per code.

Overview of Deficiencies

This building is currently being used for vehicle repair. There are no code required emergency systems in the building. The exterior concrete block walls need repair and repainting. Interior walls should be repaired and repainted. Flooring material should be replaced. Accessibility to all areas needs to be addressed per code.

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West Saint Paul Town Center 1 TIF Analysis

Building Code, Condition Deficiency and Context Analysis Report

Parcel No. & Building Name:	8 Commercial – MAACO Auto
Address:	81 Wentworth Ave E, West St Paul, MN 55118
Parcel ID:	421780001072
Inspection Date(s) & Time(s):	March 19, 2018 11:00 am
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	It is our professional opinion that this building is Substandard because: - Substantial renovation is required to correct Conditions found. - Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	$720,617
Estimated Cost to Correct Building Code Deficiencies:	$239,546
Percentage of Replacement Cost for Building Code Deficiencies:	33.24%

Defects in Structural Elements

1. None observed.

Combination of Deficiencies

1. Essential Utilities and Facilities
    a. Door hardware does not comply with ADA code.
    b. Thresholds do not comply with code for maximum height.
    c. The reception desk is not ADA compliant.
    d. Restrooms are not fully ADA code compliant.
    e. Glass doors do not have code required 10-inch kick plates.

2. Light and Ventilation
    a. HVAC system does not comply with mechanical/building code.
    b. Electrical outlet does not have code required cover plate.

3. Fire Protection/Adequate Egress
    a. Emergency exit doors have hardware that is not code compliant.
    b. Confined spaces are not properly identified by code.
    c. There are no code compliant smoke detectors in the building.
    d. There is no code required emergency notification system in the building.
    e. There is no code required building sprinkler system.

4. Layout and Condition of Interior Partitions/Materials
    a. Interior walls should be repainted.
    b. Vinyl floor tile is damaged and should be repaired.
    c. Carpeting is stained and should be replaced.
    d. Ceilings are water stained, indicative of a failed roofing system.
    e. Pull down ceiling ladder is damaged and should be replaced.

5. Exterior Construction
    a. Glass doors are damaged, allowing for water intrusion, contrary to code.
    b. Steel lintels over the garage doors should be protected from rusting, per code.
    c. Concrete window sills are damaged, allowing for water intrusion, contrary to code.
    d. Caulking in masonry control joints is damaged/missing, allowing for water intrusion, contrary to code.
    e. Concrete block walls and mortar joints are damaged, allowing for water intrusion, contrary to code.
    f. Exterior door hardware is damaged.
    g. Exterior masonry surfaces should be repainted.
    h. Roofing material is compromised, allowing for water intrusion, contrary to code.

Description of Code Deficiencies

1. Door hardware should be replaced to comply with ADA code.
2. Thresholds should be modified to comply with code for maximum height.
3. The reception desk does not comply with ADA code.
4. Restrooms should be modified to comply with ADA code.
5. Glass doors should have code required 10-inch kick plates installed.
6. HVAC system should be replaced to comply with mechanical/building code.
7. Electrical outlet should have code required cover plate installed.
8. Emergency exit doors should have code compliant hardware installed.
9. Confined space should be properly identified per code.
10. Code compliant smoke detectors should be installed.
11. Code required emergency notification system should be installed.
12. Code required building sprinkler system should be installed.
13. Damaged exterior glass door should be repaired to prevent water intrusion, per code.
14. Rusting steel lintels should be protected, per code.
15. Concrete window sills should be repaired to prevent water intrusion, per code.
16. Damaged caulking joints should be replaced to prevent water intrusion, per code.
17. Exterior concrete block walls are damaged, allowing for water intrusion, contrary to code.
18. Roofing material is compromised, allowing for water intrusion, contrary to code.

Overview of Deficiencies

This building was originally constructed as an auto body shop and has recently been abandoned. The exterior concrete block walls need major repair in several areas. The interior does not have code compliant life safety systems. The roof is leaking and should be replaced per code. The HVAC system does not comply with current mechanical code. The building lacks code compliant ADA services.

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APPENDIX C

Building Replacement Cost Reports
Code Deficiency Cost Reports
Photographs

West Saint Paul Town Center 1 TIF Analysis

Replacement Cost Report

RSMeans data from GORDIAN **Square Foot Cost Estimate Report** Date: **4/4/2018**

Estimate Name:	**1565 Robert Street S** City of West St Paul 1565 Robert Street South , West St Paul , Minnesota , 55118
Building Type:	**Retail with Decorative Concrete Block / Bearing Walls**
Location:	**WEST SAINT PAUL, MN**
Story Count:	**1**
Story Height (L.F.):	**12**
Floor Area (S.F.):	**2000**
Labor Type:	**OPN**
Basement Included:	**No**
Data Release:	**Year 2018 Quarter 1**
Cost Per Square Foot:	**$145.38**
Building Cost:	**$290,741.96**

Costs are derived from a building model with basic components.

Scope differences and market conditions can cause costs to vary significantly.

		% of Total	Cost Per S.F.	Cost
A Substructure		**13.33%**	**17.62**	**35,236.43**
A1010	**Standard Foundations**		**12.27**	**24,539.91**
	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick		7.65	15,301.65
	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide		4.19	8,380.09
	Spread footings, 3000 PSI concrete, load 50K, soil bearing capacity 6 KSF, 3' - 0" square x 12" deep		0.43	858.17
A1030	**Slab on Grade**		**5.04**	**10,074.92**
	Slab on grade, 4" thick, non industrial, non reinforced		5.04	10,074.92
A2010	**Basement Excavation**		**0.31**	**621.60**
	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage		0.31	621.60
B Shell		**37.04%**	**48.95**	**97,908.84**
B1020	**Roof Construction**		**7.18**	**14,365.04**
	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns and bearing wall, 20'x20' bay, 18" deep, 40 PSF superimposed load, 60 PSF total load		6.42	12,833.12
	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns and bearing wall, 20'x20' bay, 18" deep, 40 PSF superimposed load, 60 PSF total load, add for		0.77	1,531.92
B2010	**Exterior Walls**		**16.04**	**32,073.51**
	Concrete block (CMU) wall, split rib, 8 ribs, hollow, regular weight, 8x8x16, reinforced, vertical #4@48", grouted		16.04	32,073.51
B2020	**Exterior Windows**		**9.50**	**19,006.72**
	Aluminum flush tube frame, for 1/4"glass,1-3/4"x4", 5'x6' opening, 1 intermediate horizontal		5.97	11,947.43
	Glazing panel, plate glass, 1/4" thick, clear		3.53	7,059.29
B2030	**Exterior Doors**		**6.60**	**13,202.70**
	Door, aluminum & glass, without transom, full vision, double door, hardware, 6'-0" x 7'-0" opening		0.77	1,536.54

	Door, steel 18 gauge, hollow metal, 1 door with frame, "A" label, 3'-0" x 7'-0" opening		5.83	11,666.16
B3010	**Roof Coverings**		**9.63**	**19,260.87**
	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped		3.30	6,603.64
	Insulation, rigid, roof deck, polyisocyanurate, 2#/CF, 3" thick		2.00	3,992.22
	Roof edges, aluminum, duranodic, .050" thick, 6" face		2.67	5,337.75
	Flashing, aluminum, no backing sides, .019"		0.52	1,032.72
	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick		1.15	2,294.54
C Interiors		**15.77%**	**20.84**	**41,675.64**
C1010	**Partitions**		**2.92**	**5,833.15**
	Metal partition, 5/8"fire rated gypsum board face, no base,3 -5/8" @ 24" OC framing, same opposite face, no insulation		2.92	5,833.15
C1020	**Interior Doors**		**3.20**	**6,407.81**
	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"		3.20	6,407.81
C3010	**Wall Finishes**		**4.91**	**9,822.16**
	2 coats paint on masonry with block filler		3.27	6,531.60
	Painting, interior on plaster and drywall, brushwork, primer & 2 coats		1.65	3,290.56
C3020	**Floor Finishes**		**3.63**	**7,259.92**
	Vinyl, composition tile, maximum		2.84	5,687.42
	Tile, quarry tile, mud set, minimum		0.79	1,572.50
C3030	**Ceiling Finishes**		**6.18**	**12,352.60**
	Acoustic ceilings, 3/4" fiberglass board, 24" x 48" tile, tee grid, suspended support		6.18	12,352.60
D Services		**33.86%**	**44.75**	**89,489.96**
D2010	**Plumbing Fixtures**		**11.29**	**22,576.44**
	Water closet, vitreous china, bowl only with flush valve, wall hung		7.46	14,913.52
	Lavatory w/trim, vanity top, PE on CI, 19" x 16" oval		2.43	4,862.31
	Service sink w/trim, PE on CI, corner floor, 28" x 28", w/rim guard		0.54	1,089.90
	Water cooler, electric, wall hung, dual height, 14.3 GPH		0.86	1,710.71
D2020	**Domestic Water Distribution**		**0.40**	**794.97**
	Electric water heater, residential, 100< F rise, 20 gallon tank, 7 GPH		0.40	794.97
D2040	**Rain Water Drainage**		**3.19**	**6,376.92**
	Roof drain, DWV PVC, 4" diam, diam, 10' high		3.03	6,051.92
	Roof drain, DWV PVC, 4" diam, for each additional foot add		0.16	325.00
D3050	**Terminal & Package Units**		**7.13**	**14,265.75**
	A/C, rooftop, DX cooling, gas heat, curb, economizer, filters, 5 ton		7.13	14,265.75
D4010	**Sprinklers**		**3.57**	**7,136.82**
	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 10,000 SF		3.57	7,136.82
D4020	**Standpipes**		**0.92**	**1,849.25**
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor		0.92	1,849.25
D5010	**Electrical Service/Distribution**		**5.74**	**11,473.94**
	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A		1.46	2,923.43
	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A		1.19	2,388.98
	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A		3.08	6,161.53

D5020	**Lighting and Branch Wiring**		**8.33**	**16,656.52**
	Receptacles incl plate, box, conduit, wire, 2.5 per 1000 SF, .3 watts per SF		1.86	3,711.44
	Wall switches, 1.0 per 1000 SF		0.29	582.14
	Miscellaneous power, to .5 watts		0.16	313.06
	Central air conditioning power, 4 watts		0.61	1,224.40
	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF		5.41	10,825.48
D5030	**Communications and Security**		**4.18**	**8,359.35**
	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire		0.96	1,919.02
	Fire alarm command center, addressable without voice, excl. wire & conduit		3.22	6,440.33
E Equipment & Furnishings		**0%**	**0**	**0**
E1090	**Other Equipment**		**0**	**0**
F Special Construction		**0%**	**0**	**0**
G Building Sitework		**0%**	**0**	**0**

SubTotal	**100%**	**$132.16**	**$264,310.87**
Contractor Fees (General Conditions,Overhead,Profit)	**10.00%**	**$13.22**	**$26,431.09**
Architectural Fees	**0.00%**	**$0.00**	**$0.00**
User Fees	**0.00%**	**$0.00**	**$0.00**
Total Building Cost		**$145.38**	**$290,741.96**

West Saint Paul Town Center 1 TIF Analysis

Code Deficiency Cost Report

Parcel 4 - 1565 Roberts St S, West St Paul, MN 55118 - PID 42-17800-01-071

Code Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items				
Door Hardware				
Install ADA code compliant door hardware	$ 250.00	EA	2	$ 500.00
Restroom				
Modify restroom to comply ADA code	$ 2.43	SF	2000	$ 4,860.00
Thresholds				
Modify thresholds to comply with code	$ 100.00	EA	2	$ 200.00
Structural Elements				
Foundation Walls				
Foundation walls should be repaired to prevent water intrusion per code.	$ 0.75	SF	2000	$ 1,500.00
Exiting				
Glass Doors				
Install 10-inch kick plate per code	$ 100.00	EA	4	$ 400.00
Sidewalks				
Repair sidewalks to create unimpeded means of emergency egress per code	$ 9.00	SF	100	$ 900.00
Fire Protection				
Smoke Detectors				
Code required smoke detectors should be installed	$ 0.96	SF	2000	$ 1,920.00
Emergency Lights				
Code compliant emergency lighting should be installed	$ 0.65	SF	2000	$ 1,300.00
Emergency Notification System				
Code required emergency notification system should be installed	$ 3.22	SF	2000	$ 6,440.00
Sprinkler System				
Code required building sprinkler system should be installed	$ 4.49	SF	2000	$ 8,980.00
Exterior Construction				
Masonry Control Joints				
Replace damaged caulking in masonry control joints to prevent water intrusion per code	$ 8.90	LF	20	$ 178.00
Roof Construction				
Roofing Material				
Remove compromised roofing material	$ 1.00	SF	2000	$ 2,000.00
Replace roofing material to prevent water intrusion per code	$ 9.63	SF	2000	$ 19,260.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Mechanical- Electrical					
				$	-
		Total Code Improvements		**$**	**48,438**

West Saint Paul Town Center 1 TIF Analysis

Photos: Parcel 4, 1565 ROBERT ST S, Batteries Plus

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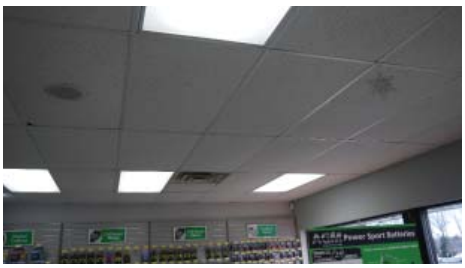
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West Saint Paul Town Center 1 TIF Analysis

Photos: Parcel 4, 1565 ROBERT ST S, Batteries Plus

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West Saint Paul Town Center 1 TIF Analysis

Replacement Cost Report

RSMeans data from GORDIAN **Square Foot Cost Estimate Report** Date: **4/5/2018**

Estimate Name:	**1571 Robert St S** City of West St Paul 1571 Robert St S , West St Paul , Minnesota , 55118
Building Type:	**Garage, Repair with Concrete Block / Steel Joists**
Location:	**WEST SAINT PAUL, MN**
Story Count:	**1**
Story Height (L.F.):	**14**
Floor Area (S.F.):	**4000**
Labor Type:	**OPN**
Basement Included:	**No**
Data Release:	**Year 2018 Quarter 1**
Cost Per Square Foot:	**$106.73**
Building Cost:	**$426,881.68**

Costs are derived from a building model with basic components.

Scope differences and market conditions can cause costs to vary significantly.

		% of Total	Cost Per S.F.	Cost
A Substructure		**17.53%**	**17.01**	**68,029.88**
A1010	**Standard Foundations**		**8.85**	**35,397.96**
	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick		5.72	22,871.94
	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide		3.13	12,526.02
A1030	**Slab on Grade**		**7.85**	**31,388.72**
	Slab on grade, 6" thick, light industrial, reinforced		7.85	31,388.72
A2010	**Basement Excavation**		**0.31**	**1,243.20**
	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage		0.31	1,243.20
B Shell		**31.53%**	**30.59**	**122,367.71**
B1020	**Roof Construction**		**6.23**	**24,904.84**
	Roof, steel joists, 1.5" 22 ga metal deck, on bearing walls, 40' bay, 25.5" deep, 40 PSF superimposed load, 61 PSF total load		6.23	24,904.84
B2010	**Exterior Walls**		**11.07**	**44,277.85**
	Concrete block (CMU) wall, regular weight, 75% solid, 8 x 8 x 16, 4500 PSI, reinforced, vertical #5@32", grouted		11.07	44,277.85
B2020	**Exterior Windows**		**1.72**	**6,888.16**
	Windows, aluminum, sliding, standard glass, 5' x 3'		1.72	6,888.16
B2030	**Exterior Doors**		**3.39**	**13,570.48**
	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening		0.84	3,354.96
	Door, steel 24 gauge, overhead, sectional, manual operation, 12'-0" x 12'-0" opening		2.55	10,215.52
B3010	**Roof Coverings**		**8.18**	**32,726.38**
	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped		3.14	12,578.36

	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite		2.18	8,739.76
	Roof edges, aluminum, duranodic, .050" thick, 6" face		1.99	7,978.53
	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick		0.86	3,429.73
C Interiors		**11.59%**	**11.25**	**44,990.88**
C1010	**Partitions**		**4.77**	**19,099.64**
	Lightweight block 4" thick		1.70	6,783.34
	Concrete block (CMU) partition, light weight, hollow, 8" thick, no finish		3.08	12,316.30
C1020	**Interior Doors**		**0.40**	**1,601.95**
	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"		0.40	1,601.95
C1030	**Fittings**		**0.38**	**1,533.00**
	Toilet partitions, cubicles, ceiling hung, stainless steel		0.38	1,533.00
C3010	**Wall Finishes**		**4.03**	**16,112.64**
	2 coats paint on masonry with block filler		2.68	10,720.19
	Painting, masonry or concrete, latex, brushwork, primer & 2 coats		0.76	3,038.66
	Painting, masonry or concrete, latex, brushwork, addition for block filler		0.59	2,353.79
C3020	**Floor Finishes**		**1.24**	**4,943.51**
	Concrete topping, hardeners, metallic additive, minimum		1.00	3,987.72
	Vinyl, composition tile, minimum		0.24	955.79
C3030	**Ceiling Finishes**		**0.43**	**1,700.14**
	Acoustic ceilings, 5/8" fiberglass board, 24" x 48" tile, tee grid, suspended support		0.43	1,700.14
D Services		**39.34%**	**38.18**	**152,685.78**
D2010	**Plumbing Fixtures**		**2.96**	**11,842.14**
	Water closet, vitreous china, bowl only with flush valve, wall hung		1.15	4,588.78
	Urinal, vitreous china, wall hung		0.24	942.45
	Lavatory w/trim, wall hung, PE on CI, 19" x 17"		0.60	2,385.03
	Service sink w/trim, PE on CI,wall hung w/rim guard, 24" x 20"		0.65	2,593.30
	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH		0.33	1,332.58
D2020	**Domestic Water Distribution**		**0.69**	**2,778.68**
	Gas fired water heater, residential, 100< F rise, 30 gal tank, 32 GPH		0.69	2,778.68
D2040	**Rain Water Drainage**		**3.25**	**12,997.05**
	Roof drain, steel galv sch 40 threaded, 4" diam piping, 10' high		1.72	6,899.08
	Roof drain, steel galv sch 40 threaded, 4" diam piping, for each additional foot add		1.52	6,097.97
D3050	**Terminal & Package Units**		**9.76**	**39,027.72**
	Rooftop, single zone, air conditioner, factories, 10,000 SF, 33.33 ton		9.76	39,027.72
D3090	**Other HVAC Systems/Equip**		**2.44**	**9,764.81**
	Garage, single exhaust, 3" outlet, cars & light trucks, 1 bay		1.61	6,423.98
	Garage, single exhaust, 3" outlet, additional bays up to seven bays		0.84	3,340.83
D4010	**Sprinklers**		**4.67**	**18,667.68**
	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF		4.67	18,667.68
D4020	**Standpipes**		**1.01**	**4,034.61**
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor		0.92	3,698.49
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, additional floors		0.08	336.12

D5010	**Electrical Service/Distribution**		**1.17**	**4,664.90**
	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A		0.73	2,923.43
	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A		0.36	1,433.39
	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A		0.08	308.08
D5020	**Lighting and Branch Wiring**		**8.45**	**33,803.32**
	Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 watts per SF		2.16	8,629.84
	Miscellaneous power, 1 watt		0.29	1,161.68
	Central air conditioning power, 3 watts		0.59	2,360.84
	fixtures @32watt per 1000 SF		5.41	21,650.96
D5030	**Communications and Security**		**3.68**	**14,713.23**
	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire		2.13	8,528.98
	Fire alarm command center, addressable with voice, excl. wire & conduit		1.30	5,205.88
	Internet wiring, 4 data/voice outlets per 1000 S.F.		0.24	978.37
D5090	**Other Electrical Systems**		**0.10**	**391.64**
	operated, 3 phase, 4 wire, 277/480 V, 15 kW		0.10	391.64
E Equipment & Furnishings		**0%**	**0**	**0**
E1090	**Other Equipment**		**0**	**0**
F Special Construction		**0%**	**0**	**0**
G Building Sitework		**0%**	**0**	**0**

SubTotal	**100%**	**$97.03**	**$388,074.25**
Contractor Fees (General Conditions,Overhead,Profit)	**10.00%**	**$9.70**	**$38,807.43**
Architectural Fees	**0.00%**	**$0.00**	**$0.00**
User Fees	**0.00%**	**$0.00**	**$0.00**
Total Building Cost		**$106.73**	**$426,881.68**

West Saint Paul Town Center 1 TIF Analysis

Code Deficiency Cost Report

Parcel 6 - 1571 Robert St S, West St Paul, MN 55118 - PID 421780001063

Code Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items				
Restrooms				
Restrooms should be modified to comply with ADA code	$ 500.00	EA	2	$ 1,000.00
Thresholds				
Exterior door thresholds should be modified to comply with code for maximum height	$ 250.00	EA	2	$ 500.00
Interior Door Landings				
Modify interior door landings to comply with code for proper size	$ 500.00	EA	2	$ 1,000.00
Door Hardware				
Install ADA code compliant door hardware	$ 250.00	EA	4	$ 1,000.00
Reception Desk				
Modify reception desk to comply with ADA code	$ 500.00	Lump	1	$ 500.00
Elevated Storage Stairway				
Install code compliant handrails	$ 100.00	Lump	1	$ 100.00
Modify rise and run of treads to comply with code	$ 1,000.00	Lump	1	$ 1,000.00
Structural Elements				
				$ -
Exiting				
Glass Door				
Install code required 10-inch kick plates on glass door	$ 100.00	EA	2	$ 200.00
Carpeting				
Replace damaged carpeting to create a code compliant unimpeded means for emergency egress	$ 6.00	SF	400	$ 2,400.00
Confined Space				
Identify confined space per code and create code compliant procedures for entry	$ 500.00	Lump	1	$ 500.00
Elevated Storage Area				
Install code required 4-inch toe board	$ 250.00	Lump	1	$ 250.00
Fire Protection				
Smoke Detectors				
Install code required smoke detectors	$ 2.13	SF	4000	$ 8,520.00
Emergency Lighting				
Install code compliant emergency lighting	$ 0.75	SF	4000	$ 3,000.00
Emergency Notification System				
Install code required emergency notification system	$ 1.30	SF	4000	$ 5,200.00

Code Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Building Sprinkler System				
Install code required building sprinkler system	$ 5.68	SF	4000	$ 22,720.00
Exterior Construction				
Exterior Concrete Block Walls				
Repair/repoint damaged exterior concrete block walls to prevent water intrusion per code	$ 2.12	SF	4000	$ 8,480.00
Exterior Masonry Control Joints				
Remove/replace damaged caulking to prevent water intrusion per code	$ 5.12	LF	280	$ 1,433.60
Windows				
Replace windows to prevent water intrusion per code	$ 1.72	SF	4000	$ 6,880.00
Steel Lintels				
Protect steel lintels from rusting per code	$ 500.00	Lump	1	$ 500.00
Roof Construction				
Roofing Material				
Remove failed roofing material	$ 0.95	SF	4000	$ 3,800.00
Replace roofing material to prevent water intrusion per code	$ 8.18	SF	4000	$ 32,720.00
Mechanical- Electrical				
Mechanical				
Install code compliant HVAC system	$ 9.76	SF	4000	$ 39,040.00
Electrical				
Increase electrical service for new HVAC system	$ 0.59	SF	4000	$ 2,360.00
Create code required 36-inch clear space in front of electrical control panels	$ 50.00	Lump	1	$ 50.00
			Total Code Improvements	**$ 143,154**

West Saint Paul Town Center 1 TIF Analysis

Photos: Parcel 6, 1571 ROBERT ST S, AAMCO

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West Saint Paul Town Center 1 TIF Analysis

Photos: Parcel 6, 1571 ROBERT ST S, AAMCO

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West Saint Paul Town Center 1 TIF Analysis

Photos: Parcel 6, 1571 ROBERT ST S, AAMCO

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West Saint Paul Town Center 1 TIF Analysis

Photos: Parcel 6, 1571 ROBERT ST S, AAMCO

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West Saint Paul Town Center 1 TIF Analysis

Replacement Cost Report

RSMeans data from GORDIAN **Square Foot Cost Estimate Report** Date: **4/3/2018**

Estimate Name:	**81 Wentworth Ave E** City of West St Paul 81 Wentworth Ave E , West St Paul , Minnesota , 55118
Building Type:	**Garage, Repair with Concrete Block / Steel Joists**
Location:	**WEST ST PAUL, MN**
Story Count:	**1**
Story Height (L.F.):	**14**
Floor Area (S.F.):	**7400**
Labor Type:	**OPN**
Basement Included:	**No**
Data Release:	**Year 2018 Quarter 1**
Cost Per Square Foot:	**$97.41**
Building Cost:	**$720,617.24**

Costs are derived from a building model with basic components.

Scope differences and market conditions can cause costs to vary significantly.

		% of Total	Cost Per S.F.	Cost
A Substructure		**17.03%**	**15.07**	**111,535.38**
A1010	**Standard Foundations**		**6.71**	**49,669.16**
	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick		4.34	32,110.69
	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide		2.37	17,558.47
A1030	**Slab on Grade**		**8.04**	**59,485.49**
	Slab on grade, 6" thick, light industrial, reinforced		8.04	59,485.49
A2010	**Basement Excavation**		**0.32**	**2,380.73**
	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage		0.32	2,380.73
B Shell		**29.95%**	**26.52**	**196,181.31**
B1020	**Roof Construction**		**6.27**	**46,366.62**
	Roof, steel joists, 1.5" 22 ga metal deck, on bearing walls, 40' bay, 25.5" deep, 40 PSF superimposed load, 61 PSF total load		6.27	46,366.62
B2010	**Exterior Walls**		**8.43**	**62,414.55**
	Concrete block (CMU) wall, regular weight, 75% solid, 8 x 8 x 16, 4500 PSI, reinforced, vertical #5@32", grouted		8.43	62,414.55
B2020	**Exterior Windows**		**1.31**	**9,701.95**
	Windows, aluminum, sliding, standard glass, 5' x 3'		1.31	9,701.95
B2030	**Exterior Doors**		**2.81**	**20,785.96**
	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening		0.86	6,396.25
	Door, steel 24 gauge, overhead, sectional, manual operation, 12'-0" x 12'-0" opening		1.94	14,389.71
B3010	**Roof Coverings**		**7.66**	**56,651.96**
	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped		3.24	23,971.86

	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite		2.25	16,638.16
	Roof edges, aluminum, duranodic, .050" thick, 6" face		1.52	11,219.25
	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick		0.65	4,822.69
B3020	**Roof Openings**		**0.04**	**260.27**
	Skylight, plastic domes, insulated curbs, 10 SF to 20 SF, single glazing		0.04	260.27
C Interiors		**12.14%**	**10.76**	**79,546.82**
C1010	**Partitions**		**4.95**	**36,623.74**
	Lightweight block 4" thick		1.76	13,003.81
	Concrete block (CMU) partition, light weight, hollow, 8" thick, no finish		3.19	23,619.93
C1020	**Interior Doors**		**0.42**	**3,077.91**
	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"		0.42	3,077.91
C1030	**Fittings**		**0.22**	**1,592.13**
	Toilet partitions, cubicles, ceiling hung, stainless steel		0.22	1,592.13
C3010	**Wall Finishes**		**3.45**	**25,505.47**
	2 coats paint on masonry with block filler		2.05	15,171.45
	Painting, masonry or concrete, latex, brushwork, primer & 2 coats		0.79	5,824.13
	Painting, masonry or concrete, latex, brushwork, addition for block filler		0.61	4,509.89
C3020	**Floor Finishes**		**1.28**	**9,484.04**
	Concrete topping, hardeners, metallic additive, minimum		1.03	7,649.54
	Vinyl, composition tile, minimum		0.25	1,834.50
C3030	**Ceiling Finishes**		**0.44**	**3,263.53**
	Acoustic ceilings, 5/8" fiberglass board, 24" x 48" tile, tee grid, suspended support		0.44	3,263.53
D Services		**40.89%**	**36.20**	**267,843.07**
D2010	**Plumbing Fixtures**		**3.36**	**24,830.95**
	Water closet, vitreous china, bowl only with flush valve, wall hung		1.14	8,447.72
	Urinal, vitreous china, wall hung		0.23	1,725.30
	Lavatory w/trim, wall hung, PE on CI, 19" x 17"		0.59	4,375.43
	Service sink w/trim, PE on CI,wall hung w/rim guard, 24" x 20"		0.64	4,768.58
	Shower, stall, baked enamel, molded stone receptor, 30" square		0.41	3,063.52
	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH		0.33	2,450.40
D2020	**Domestic Water Distribution**		**0.69**	**5,107.04**
	Gas fired water heater, residential, 100< F rise, 30 gal tank, 32 GPH		0.69	5,107.04
D2040	**Rain Water Drainage**		**2.53**	**18,704.96**
	Roof drain, steel galv sch 40 threaded, 4" diam piping, 10' high		1.71	12,668.85
	Roof drain, steel galv sch 40 threaded, 4" diam piping, for each additional foot add		0.82	6,036.11
D3050	**Terminal & Package Units**		**9.67**	**71,570.06**
	Rooftop, single zone, air conditioner, factories, 10,000 SF, 33.33 ton		9.67	71,570.06
D3090	**Other HVAC Systems/Equip**		**1.31**	**9,710.26**
	Garage, single exhaust, 3" outlet, cars & light trucks, 1 bay		0.86	6,387.98
	Garage, single exhaust, 3" outlet, additional bays up to seven bays		0.45	3,322.28
D4010	**Sprinklers**		**4.62**	**34,199.40**
	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF		4.62	34,199.40
D4020	**Standpipes**		**1.00**	**7,412.40**
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor		0.92	6,795.35
	floors		0.08	617.05

D5010	**Electrical Service/Distribution**		**0.64**	**4,701.12**
	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A		0.40	2,952.13
	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A		0.19	1,442.70
	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A		0.04	306.29
D5020	**Lighting and Branch Wiring**		**8.59**	**63,586.72**
	Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 watts per SF		2.20	16,281.11
	Miscellaneous power, 1 watt		0.30	2,190.40
	Central air conditioning power, 3 watts		0.60	4,441.48
	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF		5.50	40,673.73
D5030	**Communications and Security**		**3.69**	**27,302.45**
	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire		2.15	15,919.99
	Fire alarm command center, addressable with voice, excl. wire & conduit		1.29	9,537.86
	Internet wiring, 4 data/voice outlets per 1000 S.F.		0.25	1,844.60
D5090	**Other Electrical Systems**		**0.10**	**717.71**
	Generator sets, w/battery, charger, muffler and transfer switch, gas/gasoline operated, 3 phase, 4 wire, 277/480 V, 15 kW		0.10	717.71
E Equipment & Furnishings		**0%**	**0**	**0**
E1090	**Other Equipment**		**0**	**0**
F Special Construction		**0%**	**0**	**0**
G Building Sitework		**0%**	**0**	**0**

SubTotal	**100%**	**$88.55**	**$655,106.58**
Contractor Fees (General Conditions,Overhead,Profit)	**10.00%**	**$8.86**	**$65,510.66**
Architectural Fees	**0.00%**	**$0.00**	**$0.00**
User Fees	**0.00%**	**$0.00**	**$0.00**
Total Building Cost		**$97.41**	**$720,617.24**

West Saint Paul Town Center 1 TIF Analysis

Code Deficiency Cost Report

Parcel 8 - 81 Wentworth Ave E, West St Paul, MN 55118 - PID 421780001072

Code Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items				
Door Hardware				
Install ADA code compliant door hardware	$ 250.00	EA	10	$ 2,500.00
Thresholds				
Modify thresholds to comply with code for maximum height	$ 250.00	EA	5	$ 1,250.00
Reception Desk				
Modify reception desk to comply with ADA code	$ 500.00	Lump	1	$ 500.00
Restrooms				
Modify restrooms to comply with ADA code	$ 0.25	SF	7400	$ 1,850.00
Structural Elements				
				$ -
Exiting				
Door Hardware				
Replace exiting door hardware to become code compliant	$ 500.00	EA	1	$ 500.00
Glass Doors				
Install code required 10-inch kick plates on glass doors	$ 100.00	EA	4	$ 400.00
Confined Space				
Identify confined space per code and create code compliant procedures for entry	$ 500.00	EA	1	$ 500.00
Fire Protection				
Smoke Detectors				
Code required smoke detectors should be installed	$ 2.14	SF	7400	$ 15,836.00
Emergency Notification System				
Code required emergency notification system should be installed	$ 1.29	SF	7400	$ 9,546.00
Sprinkler System				
Code required building sprinkler system should be installed	$ 5.62	SF	7400	$ 41,588.00
Exterior Construction				
Glass Door				
Repair glass door to prevent water intrusion per code	$ 450.00	EA	1	$ 450.00
Steel Lintels				
Protect steel lintels from rusting per code	$ 600.00	Lump	1	$ 600.00
Concrete Window Sills				
Repair concrete window sills to prevent water intrusion per code	$ 500.00	Lump	1	$ 500.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Caulking Joints				
	Replace damaged caulking to prevent water intrusion per code	$ 4.25	LF	360	$ 1,530.00
	Concrete Block Walls				
	Repair/replace damaged concrete block walls and mortar joints to prevent water intrusion per code	$ 2.50	SF	7400	$ 18,500.00
Roof Construction					
	Roofing Material				
	Remove damaged roofing material	$ 0.75	SF	7400	$ 5,550.00
	Replace roofing material	$ 7.66	SF	7400	$ 56,684.00
Mechanical- Electrical					
	Mechanical				
	Install code compliant HVAC system	$ 10.98	SF	7400	$ 81,252.00
	Electrical				
	Install code required cover plate on electrical outlet	$ 10.00	EA	1	$ 10.00
		Total Code Improvements			**$ 239,546**

West Saint Paul Town Center 1 TIF Analysis

Photos: Parcel 8, 81 WENTWORTH AVE E, MAACO Auto

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West Saint Paul Town Center 1 TIF Analysis

Photos: Parcel 8, 81 WENTWORTH AVE E, MAACO Auto

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West Saint Paul Town Center 1 TIF Analysis

Photos: Parcel 8, 81 WENTWORTH AVE E, MAACO Auto

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West Saint Paul Town Center 1 TIF Analysis

Photos: Parcel 8, 81 WENTWORTH AVE E, MAACO Auto

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Photos: Parcel 8, 81 WENTWORTH AVE E, MAACO Auto

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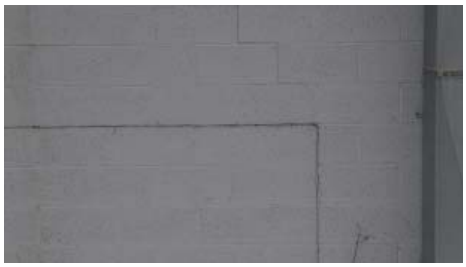
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West Saint Paul Town Center 1 TIF Analysis

Photos: Parcel 8, 81 WENTWORTH AVE E, MAACO Auto

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CITY OF WEST ST. PAUL
DAKOTA COUNTY, MINNESOTA

ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 20-

RESOLUTION APPROVING DEVELOPMENT AGREEMENT AND SALE OF PROPERTY TO ROERS WEST ST. PAUL APARTMENTS OWNER LLC FOR REDEVELOPMENT PURPOSES

WHEREAS, the West St. Paul Economic Development Authority ("EDA") desires to sell the properties legally described on Exhibit A ("Property"); and

WHEREAS, Roers West St. Paul Apartments Owner LLC ("Roers") desires to purchase the Property for the purpose of development of a multi-family apartment building as articulated in the Contract for Redevelopment between the EDA, Roers and the City; and

WHEREAS, on August 31, 2020, the EDA held a public hearing on the sale of the Property and the EDA considered all of the information presented at the public hearing.

NOW THEREFORE, **BE IT RESOLVED** by the West St. Paul Economic Development Authority as follows:

1. The sale of the Property to Roers is in the public interest of the City and its people, furthers its general plan of economic development and furthers the aims and purposes of Minn. Stat. Sections 469.090 to 469.108; and the appropriate officials are authorized to take such action so as to effectuate such sale.
2. The EDA approves the Contract for Redevelopment and authorizes the appropriate officials to take such action as to effectuate its execution and implementation.

Passed by the Economic Development Authority of the City of West St. Paul, Minnesota, this 31st date of August 2020.

ECONOMIC DEVELOPMENT AUTHORITY
CITY OF WEST ST. PAUL

_____
David J. Napier, President

ATTEST:

_____
Shirley R Buecksler, Secretary/City Clerk

EXHIBIT A

LEGAL DESCRIPTION OF EDA PROPERTY

PID: 42-17800-01-072; Abstract Property (Maaco):

The East 125 feet of the South 166.84 feet of Lot Seven (7), Block One (1), City Center Addition according to the plat thereof on file and of record in the office of the Dakota County Recorder.

PID: 42-17800-01-076; Abstract Property (Maaco):

Lot 7, Block 1, City Center Addition, Dakota County, Minnesota, as platted and of record in the office of the County Recorder, except the East 125.00 feet of the South 166.84 feet, and except the West 40.08 feet of said Lot 7, and except the North 40.00 feet of said Lot 7, and except that part of said Lot 7, described as follows:

Beginning at the point of intersection with the East line of said Lot 7, and the South line of Lot 6, Block 1, City Center Addition; thence Westerly along the Westerly extension of the South line of said Lot 6, a distance of 60.07 feet; thence Northerly parallel with the East line of said Lot 7 to the intersection with the Westerly extension of the North line of said Lot 6; thence Easterly along the Westerly extension of the North line of said Lot 6 to the East line of said Lot 7; thence Southerly along the East line of Lot 7 to the point of beginning.

PID: 42-24200-01-070; Abstract Property (Car X):

Lots 4, 5, 6 and 7, Block 1, Erchingers Addition to South St. Paul, Dakota County, Minnesota

42-17800-01-042 and 42-17800-01-032; Abstract and Torrens Property; Certificate of Title 159113 (Blockbuster):

Lots 3 and 4, Block 1, City Center Addition, Dakota County, Minnesota

CITY OF WEST ST. PAUL
DAKOTA COUNTY, MINNESOTA

ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 20-

RESOLUTION APPROVING A MODIFICATION TO THE REDEVELOPMENT PLAN FOR SOUTH ROBERT STREET REDEVELOPMENT PROJECT NO. 1, ESTABLISHING THE TOWN CENTER 1 TIF DISTRICT THEREIN, APPROVING A TAX INCREMENT FINANCING PLAN THEREFOR, AND AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT RELATED THERETO

WHEREAS, it has been proposed that the West St. Paul Economic Development Authority (the "EDA") modify the Redevelopment Plan for its South Robert Street Redevelopment Project No. 1 (the "Project Area"); establish the Town Center 1 TIF District (a redevelopment district), a redevelopment tax increment financing district (the "TIF District") within the Project Area; adopt the Tax Increment Financing Plan (the "TIF Plan") therefor; authorize the execution of a certain development agreement related thereto (as further described and defined herein); all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the "TIF Act"), Minnesota Statutes, Sections 469.001 to 469.047 and Sections 469.090 to 469.1081, all inclusive, as amended (collectively, and together with the TIF Act, the "Act"), and all as reflected in that certain document entitled in part "Modification to the Development Program for South Robert Street Redevelopment Project Area and the Tax Increment Financing Plan for Town Center 1 TIF District (a redevelopment district)" dated August 31, 2020 (collectively, the "Plans"), presented for consideration by the Board of Commissioners of the EDA (the "Board"); and

WHEREAS, the Board has investigated the facts relating to the Plans and certain information and material (collectively, the "Materials") relating to the TIF Plan and to the activities contemplated in the TIF District have heretofore been prepared and submitted to the Board and/or made a part of the EDA files and proceedings on the TIF Plan. The Materials include (1) the "studies and analyses" on why the TIF District meets the requirements to be a redevelopment tax increment financing district, including a "Report of Inspection Procedures and Results for Determining Qualifications of a Tax Increment Financing District as a Redevelopment District - West Saint Paul Town Center 1 Redevelopment TIF District, West Saint Paul, Minnesota," dated August 14, 2020, prepared by LHB, Inc., Minneapolis, Minnesota, (2) the tax increment application, project pro forma financial statement, project sources and uses and other information supplied by Roers West St. Paul Apartments Owner LLC, a Delaware limited liability company (the "Developer") as to the activities contemplated therein, (3) the items listed under the heading "Supporting Documentation" in the TIF Plan, and (4) information constituting or relating to (a) why the assistance satisfies the so-called "but for" test and (b) the bases for the other findings and determinations made in this resolution. The Board hereby confirms, ratifies and adopts the Materials, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein; and

WHEREAS, the EDA or the City has performed all actions required by law to be performed prior to the adoption and approval of the Plans, including but not limited to notice to the County Commissioner representing the area of the County to be included in the TIF District, delivery of the Plans to Dakota County and Independent School District No. 197; and the holding of a public hearing by the City Council of the City of West St. Paul, Minnesota (the "City") thereon on the date hereof following notice thereof published in accordance with state law; and

WHEREAS, the TIF District is being established to facilitate a redevelopment project by the Developer consisting of the acquisition of certain property, demolition of existing blighted buildings, and construction of approximately 192 units of market rate housing, approximately 1,700 square feet of retail/restaurant, and dependent upon market demand, up to an additional approximately 10,600 square feet of retail, with underground and surface parking, greenspace and related amenities in the City (the "Development").

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") of the West St. Paul Economic Development Authority (the "EDA"), as follows:

Section 1. Findings for the Adoption and Approval of the Plans.

1.01. The Board hereby finds that the boundaries of the Project Area are not being expanded and the Redevelopment Plan is not being modified other than to incorporate the establishment of the TIF District therein and therefore the Board reaffirms the findings and determinations originally made in connection with the establishment of the Project Area and the adoption of the Redevelopment Plan therefor.

1.02. The Board hereby finds that: (a) the land within the Project Area would not be available for redevelopment without the financial aid to be sought under the Plans; (b) the Plans will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project Area by private enterprise; and (c) the Plans conform to the general plan for the development of the City as a whole, and otherwise promote certain public purposes and accomplishes certain objectives as specified in the Plans, including without limitation the development of rental housing. The purposes and development activities set forth in the Redevelopment Plan, as modified, are hereby expanded to include all development and redevelopment activities occurring within the TIF District.

1.03. The Board hereby finds that the TIF District is in the public interest and is a "redevelopment district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10 for the following reasons:

> The TIF District is, pursuant to Minnesota Statutes, Section 469.174, Subdivision 10, a "redevelopment district" because it consists of a project or portions of a project within which the following conditions, reasonably distributed throughout the District, exist: (1) parcels consisting of at least 70% of the area of the TIF District are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and (2) more than 50% of the buildings located within the TIF District are deemed "structurally substandard" (within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10(b) and (c)) to a degree requiring substantial renovation or clearance.

The TIF District consists of 9 parcels with 4 buildings. The parcels consisting of 100% of the area of the TIF District are "occupied" as defined in Minnesota Statutes, Section 469.174, Subd. 10(e), in that at least 15% of the area of each parcel is occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures. In addition, 3 of the 4 buildings in the TIF District are structurally substandard to a degree requiring substantial renovation or clearance, and therefore, more than 50% of the buildings are structurally substandard as defined in the TIF Act. In addition, the costs of bringing the structurally substandard buildings into compliance with building codes applicable to new buildings would exceed 15% of the cost of constructing new structures of the same size and type on the site.

The Materials, including without limitation the supporting facts for these determinations, is on file with the staff of the EDA. There have been no building permits issued or improvements made to the buildings since the date of the report.

1.04. The Board hereby makes the following additional findings in connection with the TIF District:

(a) The Board further finds that the proposed Development, in the opinion of the Board, would not occur solely through private investment within the reasonably foreseeable future and, therefore, the use of tax increment financing is deemed necessary. The specific basis for such finding being:

> The Development proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of acquiring parcels for the Development that are currently occupied by substandard buildings, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing. The EDA has marketed the parcels it owns and surrounding parcels for development for over 5 years and no developer has been interested until now. The Developer was asked for and provided a letter and a pro forma as justification that the Developer would not have gone forward without tax increment assistance. Historically, land assemble and construction costs in this area have made redevelopment infeasible without tax increment assistance. The Board reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

(b) The Board further finds that the TIF Plan conforms to the general plan for the development or redevelopment of the City as a whole. The specific basis for such finding being:

> The TIF Plan conforms with the general development plan of the City and will generally complement and serve to implement policies adopted in the City's comprehensive plan. The construction of the housing Development contemplated on the property is in accordance with the existing zoning or approved zoning variances for the property.

(c) The Board further finds that the TIF Plan will afford maximum opportunity consistent with the sound needs of the City as a whole for the development of the TIF District by private enterprise. The specific basis for such finding being:

> The Development proposed to occur within the TIF District will afford maximum opportunity for the development of the applicable parcels consistent with the needs of the City and the removal of blighted buildings will increase the potential for future redevelopment. The Development is primarily rental housing and retail/restaurant space. Through the implementation of the TIF Plan, the Development will result in the availability of safe and decent rental housing within the City, the removal of substandard properties, increased tax based of the State and add high-quality development to the City.

(d) For purposes of compliance with Minnesota Statutes, Section 469.175, Subdivision 3(b)(2), the Council hereby finds that the increased market value of the property to be developed within the TIF District that could reasonably be expected to occur without the use of tax increment financing is approximately $0 (other than amounts due to inflation), which is less than the market value estimated to result from the proposed Development (approximately $22,001,300), after subtracting the present value of the projected tax increments for the maximum duration of the TIF District (i.e., approximately $7,155,198), which is approximately $14,846,102. In making these findings, the Council has noted that the property has been declining for several years and would likely continue to do so if tax increment financing were not available for redevelopment. Thus, the use of tax increment financing will be a positive net gain to the City, the School District, and the County, and the tax increment assistance does not exceed the benefit which will be derived therefrom.

1.05. The EDA (i) elects to retain all of the captured tax capacity to finance the costs of the TIF District and the Project Area, (ii) elects to delay the receipt of the first increment until tax payable year 2022, and (iii) pursuant to Section 469.177, Subd. 3 of the TIF Act, elects to calculate fiscal disparities under clause (b) (i.e. inside).

1.06. The provisions of this Section 1 are hereby incorporated by reference into and made a part of the TIF Plan and the findings set forth in Appendix C to the TIF Plan are hereby incorporated by reference into and made a part of this resolution.

1.07. The Board further finds that the Plans are intended and in the judgment of the Board their effect will be to promote the public purposes and accomplish the objectives specified in the TIF Plan for the TIF District and the Redevelopment Plan for the Project Area.

Section 2. <u>Approval and Adoption of the Plans; Policy on Interfund Loans and Advances</u>.

2.01. The TIF District is hereby established and the Plans, as presented to the Board on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted, and shall be placed on file in the office of

the City Finance Director. Approval of the Plans does not constitute approval of any project or a development agreement with any developer. The Community & Economic Development Director, or his designee, is hereby directed to request, in writing, the Dakota County Auditor to certify the new TIF District and to file the Plans with the Commissioner of Revenue and the Office of the State Auditor.

2.02. The Board hereby approves a policy on interfund loans or advances ("Loans") for the TIF District, as follows:

(a) The authorized tax increment eligible costs (including without limitation out-of-pocket administrative expenses in an amount up to $1,275,078, interest in an amount up to $5,059,210 and other development costs in an amount up to $7,691,574) payable from the TIF District, as provided in the TIF Plan as originally adopted or as it may be amended, may need to be financed on a short-term and/or long-term basis via one or more Loans, as may be determined by the City Finance Director from time to time.

(b) The Loans may be advanced if and as needed from available monies in any fund or account of the EDA designated by the City Finance Director. Loans may be structured as draw-down or "line of credit" obligations of the lending fund(s).

(c) Neither the maximum principal amount of any one Loan nor the aggregate principal amount of all Loans may exceed $14,025,862 outstanding at any time.

(d) All Loans shall mature not later than February 1, 2048 or such earlier date as the City Finance Director may specify in writing. All Loans may be pre-paid, in whole or in part, whether from tax increment revenue, tax increment revenue bond proceeds or other eligible sources.

(e) The outstanding and unpaid principal amount of each Loan shall bear interest at the rate prescribed by the statute (Minnesota Statutes, Section 469.178, Subdivision 7), which is the greater of the rates specified under Sections 270C.40 or 549.09 at the time a Loan, or any part of it, is first made, subject to the right of the EDA Finance Director to specify a lower rate (but not less than the EDA's then-current average investment return for similar amount and term).

(f) Such Loans within the above guidelines are pre-approved. The Loans need not take any particular form and may be undocumented, except that the City Finance Director shall specify the principal amount and interest rate and maintain all necessary or applicable data on the Loans.

Section 3. <u>Approval of TIF Assistance Agreement</u>.

3.01. The Developer has presented the EDA with a proposal for the construction of the Development, and there has been prepared and presented to the Board for its consideration a certain TIF Assistance Agreement (the "Agreement") between the EDA and the Developer, stating the Developer's responsibilities and the terms and conditions the EDA's assistance with the financing of certain costs of the Development.

3.02. The portion of the tax increment financing assistance under the Agreement which benefits the non-housing portion of the Development constitutes a business subsidy within the meaning of Minnesota Statutes, Section 116J.993 to 116J.995, as amended, (the "Business Subsidy Act"), and the Agreement includes a "business subsidy agreement" as required under the Business Subsidy Act. The tax increment financing assistance under the Agreement which benefits the housing portion of the Development is not a business subsidy under the Business Subsidy Act pursuant to an exemption for housing. The City Council has on this date held a duly noticed public hearing, at which all interested persons were given an opportunity to be heard, on the tax increment financing assistance under the Agreement which benefits the non-housing portion of the Development and the granting of a business subsidy to the Developer and setting the wage and job goals at zero in connection with the non-housing portion of the Development in accordance with the Business Subsidy Act. The Board hereby finds and determines that the public purposes of the business subsidy of any tax increment financing assistance which benefits the non-housing portion of the Development is that it will serve as an impetus for redevelopment, increase the tax base in the City, and stimulate construction jobs. The Board hereby determines that the creation or retention of jobs is not a goal the proposed development. Therefore, the job goals may be and hereby are set at zero in the Agreement in accordance with the Business Subsidy Act.

3.03. The Board hereby approves the Agreement in substantially the form presented to the Board, together with any related documents necessary in connection therewith, including without limitation all documents, exhibits, certifications or consents referenced in or attached to the Agreement including without limitation the TIF Note and the Minimum Assessment Agreement (all as defined in the Agreement) (collectively, the "Development Documents"), and hereby authorizes the President and Executive Director, in their discretion and at such time, if any, as they may deem appropriate, to execute the same on behalf of the EDA, and to carry out, on behalf of the EDA, the EDA's obligations thereunder when all conditions precedent thereto have been satisfied.

3.04. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This resolution shall not constitute an offer and the Development Documents shall not be effective until the date of execution thereof as provided herein.

3.05. In the event of absence or disability of the officers, any of the documents authorized by this resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the City Attorney, may act in their behalf. Upon execution and delivery of the Development Documents, the officers and employees of the Board are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the Board to implement the Development Documents, including without limitation the issuance of tax

increment revenue obligations thereunder when all conditions precedent thereto have been satisfied and reserving funds for the payment thereof in the applicable tax increment accounts.

3.06. The Board hereby determines that the execution and performance of the Development Documents will help realize the public purposes of the Act.

Passed by the Economic Development Authority of the City of West St. Paul, Minnesota, this 31st day of August 2020.

ECONOMIC DEVELOPMENT AUTHORITY OF
THE CITY OF WEST ST. PAUL

_____
David J. Napier, President

ATTEST:

_____
Shirley R Buecksler, Secretary/City Clerk

CITY OF WEST ST. PAUL

EDA Report

To: **EDA President and Board**

From: **Executive Director Jim Hartshorn**

Date: **August 31, 2020**

Subject: **Deposit Agreement between the Dakota County CDA and the City of West St. Paul and RPS Legacy, LLC**

BACKGROUND INFORMATION:

As part of the Dominium/Kmart/Signal Bank redevelopment project, the current TIF district (administered by the Dakota County CDA) will need to be decertified. Before the CDA starts the decertification process, they require an initial deposit of $7,500 to cover their legal fees. Staff made an agreement with RPS Legacy to cover half the deposit. Staff has received their half of the deposit for $3,750.

FISCAL IMPACT:

		Amount
Fund:	**EDA Fund**	
Department:	**EDA**	
Account:	**209-41121-40399**	**$7,500**

STAFF RECOMMENDATION:

Staff recommends approval of the attached Dakota County CDA Deposit Agreement for TIF Decertification and approve of $3,750 to cover the EDA's half of initial deposit.

ATTACHMENTS:

- Letter from Tony Schertler, Executive Director of the Dakota County CDA
- Dakota County CDA Deposit Agreement for TIF Decertification

Dakota County
Community Development
Agency
CDA

1228 Town Centre Drive | Eagan, MN 55123
PHONE 651-675-4400 | TDD/TTY 711
www.dakotacda.org

August 12, 2020

Mr. Ryan Schroeder, City Administrator
Mr. Jim Hartshorn, Community Development Director
City of West St. Paul
1616 Humboldt Avenue
West St. Paul, MN 55118

Mr. Warren Pederson, Controller
RPS Legacy, LLC
2935 Country Drive, Suite 100
Little Canada, MN 55117

RE: Decertification of Dakota County CDA TIF District No. 10 (Signal Hills, a redevelopment district)

Dear Sirs,

On July 15, 2020, the Dakota County Community Development Agency (the CDA) received a letter dated July 14, 2020 from the City of West St. Paul (the City) requesting the decertification of the CDA's above-mentioned Tax Increment Financing (TIF) district. The CDA's TIF District No. 10 (the District) was certified in 1996 for the redevelopment of the Signal Hills Shopping Center, generally located southwest of the intersection of Butler Avenue and Robert Street South. The District is slated to decertify by December 31, 2022. In December 1999, the CDA, the City and the property owner, Signal Hills Company II, LLP, executed a Contract for Private Development (the Contract) that specified the terms of redevelopment project and requirements of each party necessary to ensure the success of the redevelopment project. The Contract, which was filed with the Dakota County Recorder's office in February 2000, states the agreement will terminate automatically on February 1, 2023 or the date the CDA makes the final payment on the Developer Note and the City Note, whichever comes first. The Contract does not address decertification before December 31, 2022.

Because the Contract does not address the early decertification request, the CDA will require that the Contract be amended, and the costs to amend the Contract will be the responsibility of the requesting parties, i.e. the City and/or the property owner. In order complete the Contract amendment, the CDA is willing to work with its consultants provided the attached Deposit Agreement is executed and the required Deposit is submitted to the CDA. Without an executed Deposit Agreement and Deposit, the CDA is not able to move forward. Once the Agreement is executed and the funds deposited, the CDA and its consultants will draft a Contract amendment for approval by all parties. The West St. Paul City Council and the Dakota County CDA Board of Commissioners must approve the Contract amendment. After that, the CDA will submit a decertification request to Dakota County.

Please let me know if you have questions about this letter or the Deposit Agreement. I can be reached at 651-675-4432.

Best regards,
DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY

Tony Schertler, Executive Director

CC: Lisa Alfson, Director of Community and Economic Development

DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY

DEPOSIT AGREEMENT

FOR TAX INCREMENT FINANCING DECERTIFICATION

THIS AGREEMENT is made this 31 day of August, 2020, by City of West St. Paul, a Local Government, and RPS, Legacy DeSoto, LLC, a MN Limited Liability Company (together the "Applicants"), in favor of the Dakota County Community Development Agency, a public body corporate and politic and a political subdivision of the State of Minnesota (the "CDA").

WHEREAS, the Applicants have requested the decertification of CDA Tax Increment Financing (TIF) District Number 10 (Signal Hills); and

WHEREAS, the CDA requires reimbursement for all CDA costs related to the decertification, and further requires a deposit to cover the CDA's anticipated costs;

NOW, THEREFORE, the CDA and the Applicants agree as follows:

1. Initial Deposit. The Executive Director of the CDA has determined that the amount of the initial deposit to cover the anticipated costs related to decertification of the TIF District shall be $7,500.00. The Applicants acknowledge and agree that the CDA shall commence to process the decertification request at such time as this Agreement is executed by the Applicants and the cash required for the initial deposit is paid to the CDA.

2. Additional Deposits. From time to time, if in the discretion of the CDA there is deemed to be an inadequate balance in the deposit account to pay all of the costs anticipated to be incurred by the CDA, the CDA will notify the Applicants of the need for additional deposits. Additional deposits shall be made in $1,500 increments. The Applicants agree to make such additional deposit(s) within ten (10) days of receipt of such notice. For purposes hereof, notice

shall be deemed received upon deposit of the notice in the U.S. Mail, postage paid, addressed as follows:

Jim Hartshorn City of West St. Paul EDA 1616 Humboldt Ave West St. Paul MN 55118	Warren Pederson, Controller RPS Legacy DeSoto LLC a Minnesota Limited Liability Company 2935 Country Drive Suite 100 Little Canada, MN 55117

3. Use of Deposited Funds. The CDA may draw upon the deposit to pay the costs it incurs in connection with the decertification request. The CDA shall determine all of its costs, including both administrative and consulting services, at the rates normally charged by the CDA or its consultants at the time the costs are incurred.

4. Conditions of Deposit. The following conditions shall apply to the account contemplated under this Agreement.

a. Payment shall be made to the CDA's consultants, including but not limited to engineering, financial, legal and planning, in the amounts actually billed to the CDA, according to the consulting rates in effect at that time. Such consulting services or costs shall reasonably and necessarily relate to the subject matter of the request as determined by the CDA.

b. The CDA may reimburse itself from the deposit account for all costs and expenses incurred by the CDA in connection with the review of the decertification request and the implementation and enforcement of this Agreement.

c. The CDA shall not be responsible for paying any interest on the money deposited under this Agreement.

5. Disbursement of Deposit Account. Upon (i) decertification of the TIF district by the CDA or Dakota County, (ii) withdrawal of the request, or (iii) denial of the decertification, the

deposit account shall be applied to pay the CDA's costs related to the application, and any balance remaining in the deposit account after payment of such costs shall be refunded to the Applicants.

6. Accounting. If there has been activity in the account, the CDA will provide an accounting of all expenses charged against the account when requested by the Applicants, but in no event more often than monthly.

7. Enforcement. In the event of breach of any terms of this Agreement by the Applicants, including, but not limited to the failure to make additional deposits or payments when required by the CDA, the CDA may cease processing any application submitted by the Applicants. The Applicants agree to indemnify and hold the CDA harmless from any liability, claim, action or suit by or any obligation to the Applicants arising from or in connection the CDA exercising or enforcing the terms and conditions of this Agreement. The Applicants shall pay all costs and expenses, including reasonable attorney fees and suit costs, incurred by the CDA arising from or in connection with the CDA enforcing any terms and conditions of this Agreement.

8. No Representation or Warranty. The Applicants acknowledge that the CDA makes no representation or warranty that the decertification request will be approved.

9. Severability. If any portion of this Agreement is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this Agreement.

10. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of Minnesota.

IN WITNESS WHEREOF, the undersigned has executed this Agreement.

_____

_____

By: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by _____, the _____ of _____, a _____, on behalf of the _____.

IN WITNESS WHEREOF, the undersigned has executed this Agreement.

_____
Notary Public

_____

By: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by _____, the _____ of _____, a _____, on behalf of the _____.

_____

City of West St. Paul

TO: EDA President and Board Members

FROM: Jim Hartshorn, Executive Director

DATE: August 31, 2020

SUBJECT: **Wentworth Place Easement Agreement**

BACKGROUND INFORMATION:

Last spring, the EDA purchased 1.5 acres of property from Sherman Associate located north of the Wentworth Place Townhomes. Thirty feet of the property was sold to Dakota County for an easement for the River-to-River trail. The intention is to sell the remaining vacant property to a developer who will build approximately 16 townhomes. Before the EDA can sell the property to a developer, an easement agreement is necessary with the Wentworth Place Home Owners Association (HOA). The agreement will allow the developer to access the property along the two private roadways. See attached agreement for more detail.

FISCAL IMPACT:

		Amount
Fund:		
Department:	**EDA**	
Account:		

STAFF RECOMMENDATION:

Staff recommends approval of the attached Wentworth Place Easement Agreement.

ATTACHMENTS:

1. Wentworth Place Easement Agreement
2. Map showing area of future development

PERMANENT INGRESS AND EGRESS EASEMENT

THIS PERMANENT INGRESS AND EGRESS EASEMENT ("Agreement") is made, granted and conveyed this ____ day of _____, 2020 ("Effective Date") by and between the Wentworth Place Homeowner's Association, a Minnesota nonprofit corporation ("Association") and the West St. Paul Economic Development Authority, a Minnesota public body corporate and politic ("EDA").

PROPERTY DESCRIPTIONS

The EDA owns real property in Dakota County, Minnesota, legally described on Exhibit A ("EDA's Property"), attached hereto and incorporated herein by reference.

The Association owns real property in Dakota County, Minnesota, legally described on Exhibit B ("Association's Property"), attached hereto and incorporated herein by reference.

PERMANENT EASEMENT DESCRIPTION

The Association for and in consideration of One Dollar ($1.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant and convey unto the EDA, its successors and assigns, forever the following:

> A permanent easement for ingress and egress purposes and all such purposes ancillary, incident or related thereto ("Permanent Easement") under, over, across, through and upon the real property legally described and depicted on Exhibit C (the "Permanent Easement Area"), attached hereto and incorporated herein by reference.

EXEMPT FROM STATE DEED TAX

The rights of the EDA also include the right of the EDA, its contractors, agents and servants:

(a) To enter upon the Permanent Easement Area at all reasonable times for the purposes of ingress and egress to the Association's Property and to maintain, inspect, repair and replace said ingress and egress access to the Association's Property; and

(b) To remove from the Permanent Easement Area trees, brush, herbage, aggregate, undergrowth and other obstructions interfering with the use and operation of the Permanent Easement Area and to deposit earthen material in and upon the Permanent Easement Area; and

(c) To remove or otherwise dispose of all earth or other material excavated from the Permanent Easement Area as the City may deem appropriate.

The Permanent Easement shall be maintained as follows:

(a) The Permanent Easement shall be regularly maintained in a manner similar to other roadways in the vicinity; said maintenance to be sufficient to allow safe travel by, and prevent harm to, pedestrians and vehicles using the Permanent Easement. During the period that the EDA permits the use of the EDA Property by its contractors, agents, servants, Dakota County, or others, for the construction of the River to River Trail project or for any other construction project, the EDA, at its sole expense, shall ensure that there is no nuisance accumulation of dirt or other debris on the Permanent Easement and will periodically sweep or remove any such dirt or debris within a reasonable time of a written request to do so from the Association.

(b) The cost of routine maintenance of the paving and curbing on the Permanent Easement shall be divided equally between the Association and the EDA and its successors and assigns.

(c) Any party who causes harm to be done to the pavement and curbing on the Permanent Easement requiring repair other than routine maintenance, shall be responsible to pay for the repair of the same.

Additional Conditions:

The EDA agrees that as part of any purchase agreement it may enter into for the sale of the EDA's Property for residential development, the buyer shall be obligated to make a written request to the Association board seeking to have the EDA Property added to the Association, (as more fully described in Article 11 of the First Supplemental Declaration, dated December 30, 2008, recorded January 7, 2009, as Document No. 2629699 in the Office of the Dakota County Recorder) through an amendment of the Declaration and the Plat. The Association shall have thirty (30) days in which to either accept or reject the offer from the buyer. If the Association accepts the offer for the EDA Property to be added to the Association, the cost of amending the Declaration and the Plat shall be equally borne by the buyer of the EDA's Property and the Association.

The Permanent Easement shall automatically terminate and be of no further force and effect if the EDA sells the EDA Property for commercial-only development.

The EDA shall not be responsible for any costs, expenses, damages, demands, obligations, penalties, attorneys' fees and losses resulting from any claims, actions, suits, or proceedings based upon a

release or threat of release of any hazardous substances, petroleum, pollutants, and contaminants which may have existed on, or which relate to, the Permanent Easement Area prior to the date hereof.

Nothing contained herein shall be deemed a waiver by the EDA of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by the Association or its successors or assigns, shall be subject to any governmental immunity defenses of the EDA and the maximum liability limits provided by Minnesota Statute, Chapter 466.

The Association, for itself and its successors and assigns, does hereby warrant to and covenant with the EDA, its successors and assigns, that it is well seized in fee of the Association's Property described on Exhibit B, the Permanent Easement Area described and depicted on Exhibit C and has good right to grant and convey the Permanent Easement herein to the EDA.

Any party who hires counsel to enforce the provisions of this Agreement shall be entitled to recover its reasonable attorney's fees and costs from the breaching party, regardless of whether a lawsuit is initiated.

This Agreement is binding upon the heirs, successors, executors, administrators and assigns of the parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

[Remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, the parties have caused these presents to be executed as of the day and year aforesaid by their duly authorized representatives.

EDA:
WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

By: _____
David J. Napier
Its President

By: _____
James Hartshorn
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this _____ day of _____, 2020, before me a Notary Public within and for said County, personally appeared David J. Napier and James Hartshorn to me personally known, who being each by me duly sworn, each did say that they are respectively the President and the Executive Director of the West St. Paul Economic Development Authority, a Minnesota public body corporate and politic, named in the foregoing instrument, and that it was signed on behalf of said entity by authority of its Board and said President and Executive Director acknowledged said instrument to be the free act and deed of said entity.

_____
Notary Public

ASSOCIATION:
WENTWORTH PLACE HOMEOWNERS' ASSOCIATION

By: DJHarris
Name: DJ Harris
Its: President

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 20th day of August, 2020, before me a Notary Public within and for said County, personally appeared D.J. Harris to me personally known, who being by me duly sworn, did say that s/he is the President of Wentworth Place Homeowners' Association, a Minnesota nonprofit corporation, the entity named in the foregoing instrument, and that said instrument was signed on behalf of said entity by authority of its Board of Directors and said D.J. Harris acknowledged said instrument to be the free act and deed of the entity.

KIMBERLY A LEWIS
NOTARY PUBLIC - MINNESOTA
MY COMMISSION EXPIRES 01/31/2025

Kimberly A. Lewis
Notary Public

This instrument was drafted by
and after recording, please return to:
Korine L. Land (#262432)
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
651-451-1831

EXHIBIT A
LEGAL DESCRIPTION OF EDA'S PROPERTY

Lot 1, Block 1, WENTWORTH PLACE, according to the recorded plat thereof, Dakota County, Minnesota, except the following described parcel of property:

Beginning at the most easterly southeast corner of said Lot 1; thence North 89 degrees 53 minutes 03 seconds West on an assumed bearing along the southerly line of said Lot 1, a distance of 64.75 feet; thence continuing along said southerly line South 00 degrees 19 minutes 57 seconds East 66.94 feet; thence continuing along said southerly line North 89 degrees 52 minutes 07 seconds West 106.13 feet; thence continuing along said southerly line North 00 degrees 22 minutes 07 seconds West 66.91 feet; thence South 89 degrees 53 minutes 03 seconds East 24.50 feet; thence North 00 degrees 19 minutes 57 seconds West 184.71 feet; thence South 89 degrees 54 minutes 06 seconds East 32.13 feet; thence South 00 degrees 19 minutes 57 seconds East 35.20 feet; thence North 89 degrees 40 minutes 03 seconds East 114.29 feet to the most easterly line of said Lot 1, thence South 00 degrees 19 minutes 57 seconds East along said easterly line 150.42 feet to the point of beginning.

And

Except that part of Lot 1, Block I, WENTWORTH PLACE, according to the recorded plat thereof, Dakota County, Minnesota described as follows:

Commencing at the most easterly southeast corner of said Lot 1; thence North 89 degrees 53 minutes 03 seconds West on an assumed bearing along the southerly line of said Lot 1, a distance of 64.75 feet; thence continuing along said southerly line South 00 degrees 19 minutes 57 seconds East 66.94 feet; thence continuing along said southerly line North 89 degrees 52 minutes 00 seconds West 106.13 feet: thence continuing along said southerly line North 00 degrees 22 minutes 07 seconds West 66.91 feet; to the point of beginning; thence continuing along said southerly line North 89 degrees 53 minutes 03 seconds West 110.66 feet; thence North 00 degrees 19 minutes 57 seconds west 184.67 feet; thence South 89 degrees 54 minutes 06 seconds East 135.16 feet; thence South 00 degrees 19 minutes 57 seconds East 184.71 feet; thence North 89 degrees 53 minutes 03 seconds West 24.50 feet to the point of beginning, Dakota County Minnesota.

PID: 42-83680-01-011
Abstract Property

EXHIBIT B
LEGAL DESCRIPTION OF ASSOCIATION'S PROPERTY

That part of Lot 1, Block 1, WENTWORTH PLACE, according to the recorded plat thereof, Dakota County, Minnesota, described as follows:

Beginning at the most easterly southeast corner of said Lot 1; thence North 89 degrees 53 minutes 03 seconds West on an assumed bearing along the southerly line of said Lot 1, a distance of 64.75 feet; thence continuing along said southerly line South 00 degrees 19 minutes 57 seconds East 66.94 feet; thence continuing along said southerly line North 89 degrees 52 minutes 00 seconds West 106.13 feet; thence continuing along said southerly line North 00 degrees 22 minutes 07 seconds West 66.91 feet; thence South 89 degrees 53 minutes 03 seconds East 24.50 feet; thence North 00 degrees 19 minutes 57 seconds West 184.71 feet; thence South 89 degrees 54 minutes 06 seconds East 32.13 feet; thence South 00 degrees 19 minutes 57 seconds East 35.20 feet; thence North 89 degrees 40 minutes 03 seconds East 114.29 feet to the most easterly line of said Lot 1, thence South 00 degrees 19 minutes 57 seconds East along said easterly line 150.42 feet to the point of beginning.

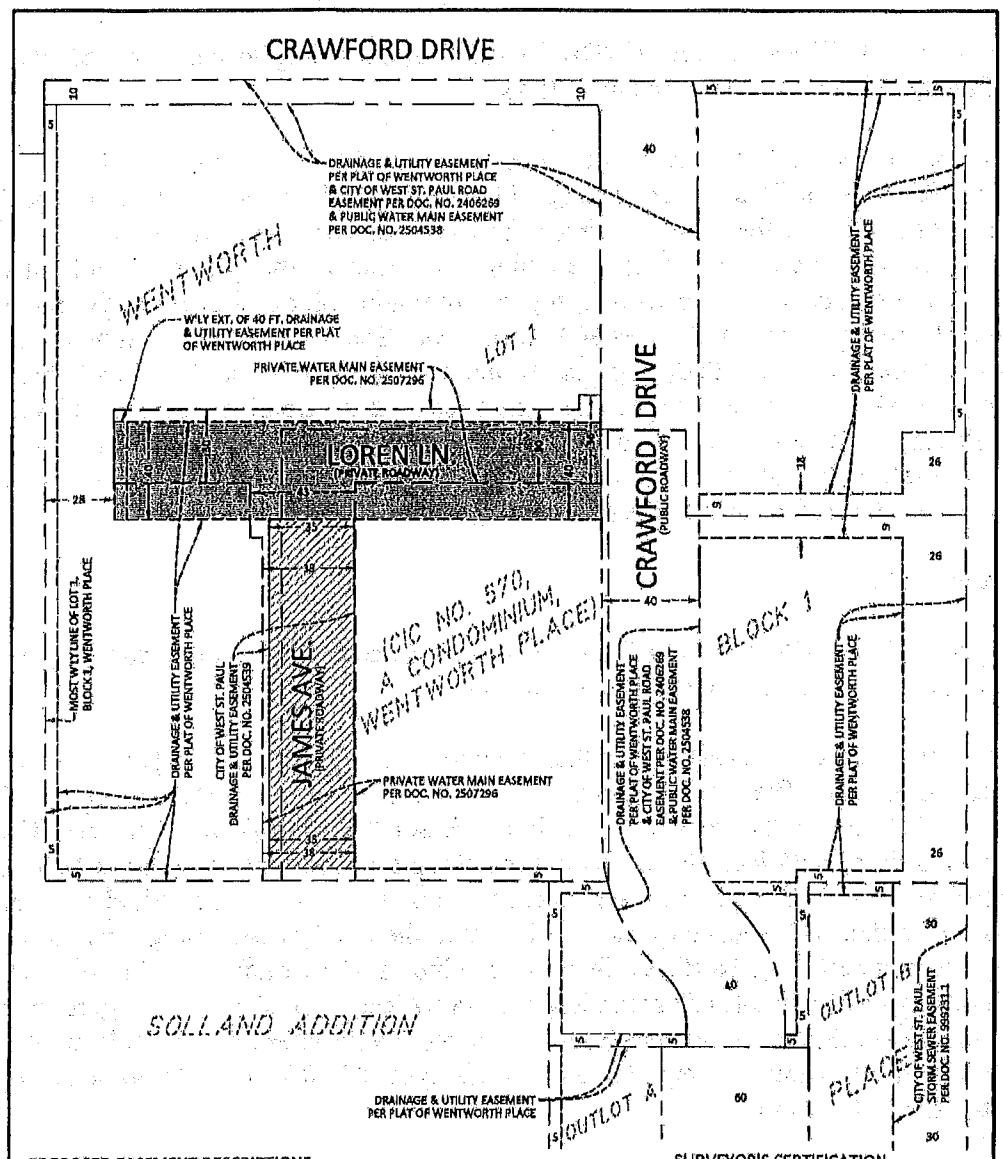
Together with:

That part of Lot 1, Block I, WENTWORTH PLACE, according to the recorded plat thereof, Dakota County, Minnesota described as follows:

Commencing at the most easterly southeast corner of said Lot 1; thence North 89 degrees 53 minutes 03 seconds West on an assumed bearing along the southerly line of said Lot 1, a distance of 64.75 feet; thence continuing along said southerly line South 00 degrees 19 minutes 57 seconds East 66.94 feet; thence continuing along said southerly line North 89 degrees 52 minutes 00 seconds West 106.13 feet: thence continuing along said southerly line North 00 degrees 22 minutes 07 seconds West 66.91 feet; to the point of beginning; thence continuing along said southerly line North 89 degrees 53 minutes 03 seconds West 110.66 feet; thence North 00 degrees 19 minutes 57 seconds West 184.67 feet; thence South 89 degrees 54 minutes 06 seconds East 135.16 feet; thence South 00 degrees 19 minutes 57 seconds East 184.71 feet; thence North 89 degrees 53 minutes 03 seconds West 24.50 feet to the point of beginning, Dakota County Minnesota.

Abstract Property

EXHIBIT C
LEGAL DESCRIPTION AND DEPICTION OF PERMANENT EASEMENT AREA



PROPOSED EASEMENT DESCRIPTIONS

EASEMENT NO. 1

A perpetual easement for access purposes over, under and across that part of the 40.00 feet wide drainage and utility easement lying in an easterly and westerly direction within Lot 1, Block 1, WENTWORTH PLACE, according to the recorded plat thereof, as delineated and dedicated in said plat, and its westerly extension, lying westerly of the westerly right-of-way line of Crawford Drive as described in Document No. 2406269, on file and of record in the Office of the County Recorder, and lying easterly of the most westerly 28.00 feet, as measured at a right angle, of said Lot 1. Said plat also being part of CIC NUMBER 570, A CONDOMINIUM, WENTWORTH PLACE on file and of record in said Office of the County Recorder. All in Dakota County, Minnesota.

AND

EASEMENT NO. 2

A perpetual easement for access purposes over, under and across all of the 35.00 feet wide drainage and utility easement as described in Document No. 2504539, on file and of record in the Office of the County Recorder, lying within Lot 1, Block 1, WENTWORTH PLACE, according to the recorded plat thereof. Said plat also being part of CIC NUMBER 570, A CONDOMINIUM, WENTWORTH PLACE on file and of record in said Office of the County Recorder. All in Dakota County, Minnesota.

SURVEYOR'S CERTIFICATION

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Eric R. Wilkahn — 05/18/2020 Date

License Number 46666

0 40 SCALE IN FEET

N

EASEMENT NO. 1 PROPOSED ACCESS EASEMENT (8,032 SQ. FT.)

EASEMENT NO. 2 PROPOSED ACCESS EASEMENT (4,995 SQ. FT.)

NOTE: 2019 DAKOTA CO. AERIAL PHOTO OBTAINED FROM MINNESOTA GEOSPATIAL IMAGE SERVICE.

EASEMENT EXHIBIT
WEST ST. PAUL, MN 55118

BOLTON & MENK — 12224 NICOLLET AVENUE, BURNSVILLE, MINNESOTA 55337, (952) 890-0509

PART OF: LOT 1, BLOCK 1, WENTWORTH PLACE & CIC NO. 570, DAKOTA COUNTY, MN FOR: CITY OF WEST ST. PAUL

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H:\WSTP\T12 — 520-T28-R22-S4

JOB NUMBER: T12. FIELD BOOK: DRAWN BY: ERW FILE NO. 5365

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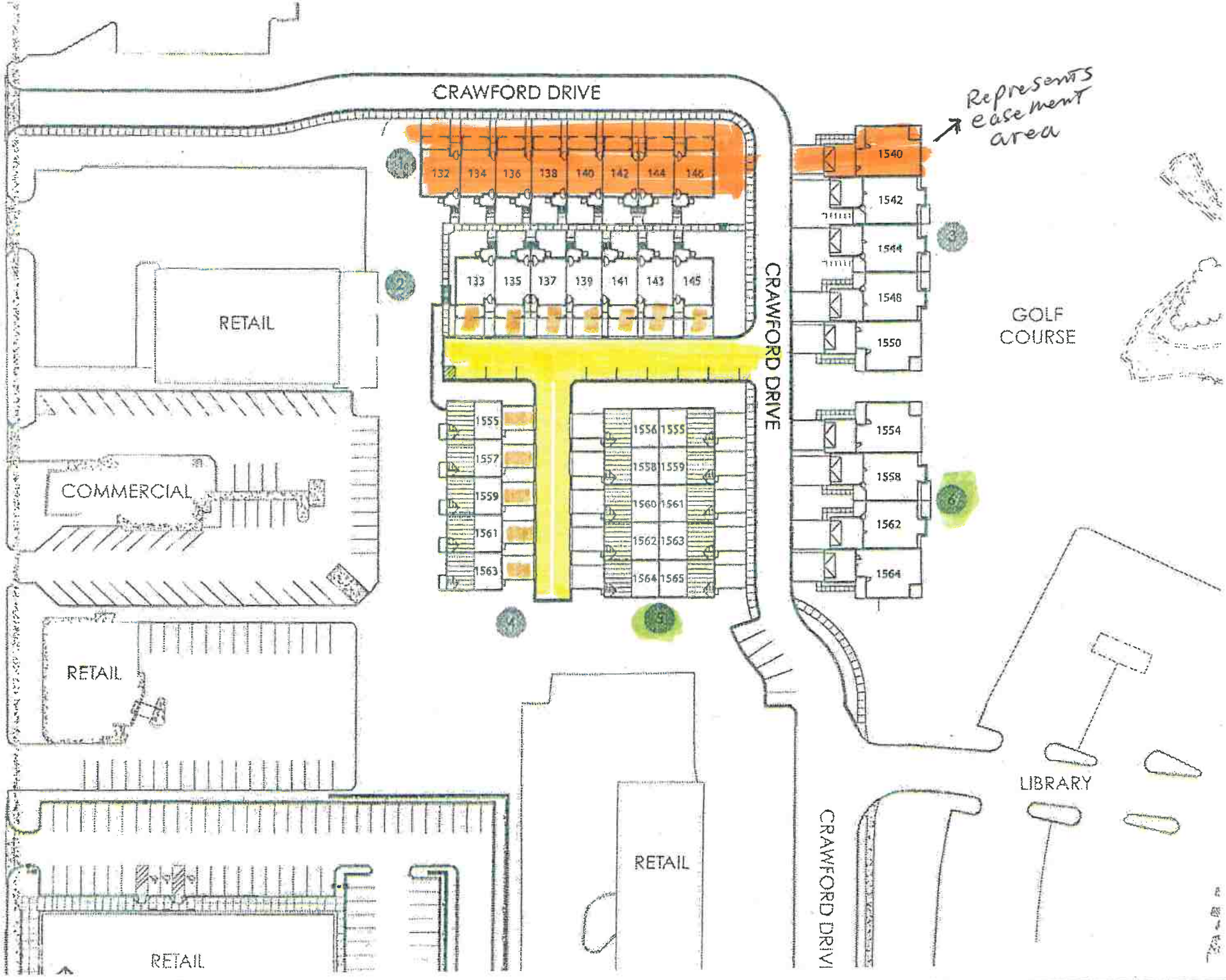
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CRAWFORD DRIVE
GOLF COURSE
LIBRARY
CRAWFORD DRIVE

CITY OF WEST ST. PAUL

EDA Report

To: **EDA President and Board**

Through: **Ryan Schroeder, City Manager**

From: **Executive Director Jim Hartshorn**

Date: **August 31, 2020**

Dominium Development Project

BACKGROUND INFORMATION:

The following recommendations and attachments regarding the Dominium project, will be reviewed on Monday 31.

FISCAL IMPACT:

		Amount
Fund:		**N/A**
Department:		
Account:		

STAFF RECOMMENDATION:

- Approve TIF District, approve of TIF Agreement and approval of Interfund loan.

ATTACHMENTS:

- Memos from Ehlers Associates
- Tax Increment Financing Plan and Agreement

MEMORANDUM

TO: Jim Hartshorn – Community Development Director
FROM: Stacie Kvilvang & Keith Dahl - Ehlers
DATE: August 31, 2020
SUBJECT: Kmart TIF District Establishment

Dominium is proposing to construct a 247-unit affordable senior apartment and a 146-unit, non-age restricted affordable apartment on the following parcels:

Parcel number	Use
42-01700-55-060	Kmart
42-01700-50-012	Signal Hills Bank
42-01700-55-051	Signal Hills Mall

Parcels 42-01700-55-060 and 42-01700-55-051 are currently located in County TIF District #10 Signal Hills and will be decertified from that District prior to certification of the new Kmart District. In addition, the parcels will be replatted in which approximately only 98% of parcel 42-01700-55-060, which currently contains Kmart, will be part of the new district and approximately only 6% of parcel 42-01700-55-051, which contains Signal Hills Shopping Center, will be part of the District.

A housing TIF district has a 26-year term and requires that a minimum of 20% of the units be affordable at 50% of the area median income (AMI) or 40% of the units be affordable at 60% of the AMI. Dominium's project will be 100% affordable to persons at or below 60% of AMI and therefore meets the requirements for establishment of the TIF district. Development will commence late this fall and the EDA has elected to receive the first TIF in 2023, so the district will terminate in 2048 (26 years).

The TIF budget is a maximum budget for the District and does not correlate to the amount or term of assistance being provided to Dominium which is approved under a separate action by the EDA. The Budget for TIF plan purposes is as follows:

USES	
Land/Building Acquisition	$ 2,000,000
Site Improvements/Preparation	1,500,000
Affordable Housing	5,248,311
Utilities	750,000
Other Qualifying Improvements	1,750,000
Administrative Costs (up to 10%)	1,868,103
PROJECT COSTS TOTAL	**$ 13,116,414**
Interest	7,432,721
PROJECT AND INTEREST COSTS TOTAL	**$ 20,549,135**

Dominium will be provided assistance in the form of pay-as-you-go TIF notes over a 16-year term. The EDA will retain 10% of the annual TIF generated (approximately $50,000) for administrative costs or for affordable housing projects and the remaining 90% will go to Dominium for payment on the TIF notes. When the TIF Notes are paid in year 16, 100% of the TIF generated will be available to the City for use on affordable housing projects (approximately $500,000/year). A housing project is a rental or owner-occupied housing development intended for occupancy by low and moderate-income families under the following income guidelines:

Rental Housing: 20% of the units occupied by families at 50% of AMI (20/50) or 40% of the units occupied by families at 60% of AMI (40/60).

Owner Occupied: Assistance to homeowners with an income at or below 100% of the median income for a family of two or less or 115% of the median income for a family of three or more.

Examples of potential rental housing projects would include:

1. New affordable rental housing as part of redevelopment (20/50 or 40/60 election)
2. Renovation of an existing rental housing development (20/50 or 40/60 election)
3. Providing subsidy to an existing project that is earmarked for additional affordability (20/50 or 40/60 election)

Examples of potential owner-occupied projects would include:

1. Site acquisition and demolition for infill lots that will be sold for new housing construction
2. Acquisition of foreclosed homes for resale to income qualified buyers
3. Rehabilitation loans for home improvements
4. Second mortgages to qualified home buyers

In addition to approval of the TIF District, the City and EDA are approving an interfund loan for the TIF budget amount. This is an “up to” amount will only be utilized to cover the City/EDA for any expenditures they make for consultants and/or capital expenditures PRIOR to any TIF being available to cover the costs 100%. The interest rate is set at the statutory maximum of 5% (fluctuates annually).

Please contact either of us at 651-697-8500 with any questions.

MODIFICATION TO THE DEVELOPMENT PROGRAM

South Robert Street Redevelopment Project Area

- AND -

TAX INCREMENT FINANCING PLAN

Establishment of the Kmart TIF District
(a housing district)

West St. Paul Economic Development Authority
City of West St. Paul, Dakota County, Minnesota

Public Hearing: August 31, 2020

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Modification to the Development Program for South Robert Street Redevelopment Project Area

Foreword

The following text represents a Modification to the Development Program for South Robert Street Redevelopment Project Area. This modification represents a continuation of the goals and objectives set forth in the Development Program for South Robert Street Redevelopment Project Area. Generally, the substantive changes include the establishment of the Kmart TIF District, a housing TIF district.

For further information, a review of the Development Program for South Robert Street Redevelopment Project Area, is recommended. It is available from the Community Development Director at the City of West St. Paul. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within South Robert Street Redevelopment Project Area.

Tax Increment Financing Plan for the Kmart TIF District

Foreword

The Economic Development Authority of the City of West St. Paul (the "EDA"), the City of West St. Paul (the "City"), staff and consultants have prepared the following information to expedite the Establishment of the Kmart TIF District (the "District"), a housing tax increment financing district, located in South Robert Street Redevelopment Project Area.

Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the EDA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.090 - 469.1082*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for South Robert Street Redevelopment Project Area.

Statement of Objectives

The District currently consists of three parcels of land and adjacent roads and internal rights-of-way. The District is being created to facilitate the construction of approximately 393 apartments affordable to persons at or below 60% of area median income (AMI). in the City. The EDA intends to enter into an agreement with Dominium and construction is expected to begin in late 2020. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for the South Robert Street Redevelopment Project Area.

The activities contemplated in the Modification to the Development Program and the 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 South Robert Street Redevelopment Project Area and the District.

Development Program Overview

Pursuant to the Development Program and authorizing state statutes, the EDA or City is authorized to undertake the following activities in the District:

1. Property to be Acquired - Selected property located within the District may be acquired by the EDA or City and is further described in this TIF Plan. The City does not intend to exercise the power of eminent domain to acquire property in the District. The Developer currently has an agreement to purchase the property to be included in the District.

2. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the EDA or City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.

3. The EDA or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

Description of Property in the District and Property to be Acquired

The District encompasses a portion of the property and adjacent rights-of-way and abutting roadways identified by the parcels listed below.

Parcel number	Address	Owner
42-01700-55-060	1201 Robert St S #50	RPS Legacy Desoto LLC
42-01700-50-012	100 SIGNAL HILLS AVE	RPS Legacy Desoto LLC
42-01700-55-051	1201 Robert St S	RPS Legacy Desoto LLC

Note: Parcels 42-01700-55-060 and 42-01700-55-051 are currently located in County TIF District #10 Signal Hills and will be decertified from that District prior to certification of the Kmart District. In addition, the parcels will be replatted in which approximately only 98% of parcel 42-01700-55-060, which currently contains Kmart, will be part of the new district and approximately only 6% of parcel 42-01700-55-051, which contains Signal Hills Shopping Center, will be part of the District.

Please also see the map in Appendix A for further information on the location of the District.

The EDA or City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the EDA or City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The EDA or City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Classification of the District

The EDA and City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, find that the District, to be established, is a housing district pursuant to *M.S., Section 469.174, Subd. 11 and M.S., Section 469.1761.*

- The District consists of three parcels
- The development will consist of approximately 393 units of multi-family rental housing
- At least 40% of the units will be occupied by person with incomes less than 60% of median income
- No more that 20 percent of the square footage of the building that is receiving assistance from tax increment consists of commercial, retail or other non-residential uses

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111*, *273.112, or 273.114* or *Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the EDA or City (a total of 26 years of tax increment). The EDA or City elects to receive the first tax increment in 2023, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2048, or when the TIF Plan is satisfied. The EDA or City reserves the right to decertify the District prior to the legally required date.

Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2020 for taxes payable 2021.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2021) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the EDA or City.

The original local tax rate for the District will be the local tax rate for taxes payable 2021, assuming the request for certification is made before June 30, 2021. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within South Robert Street Redevelopment Project Area, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The EDA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2023. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity		
Project estimated Tax Capacity upon completion	898,749	
Original estimated Net Tax Capacity	29,245	
Fiscal Disparities	0	
Estimated Captured Tax Capacity	**869,504**	
Original Local Tax Rate	121.1950%	Pay 2020
Estimated Annual Tax Increment	**$1,053,796**	
Percent Retainted by the City	100%	

Note: Tax capacity includes a 3.0% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be $110,531.

Pursuant to *M.S., Section 469.177, Subd. 4*, the EDA shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3.* The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City is reviewing the area to be included in the District to determine if any building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

Sources of Revenue/Bonds to be Issued

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES	
Tax Increment	$ 18,681,032
Interest	1,868,103
TOTAL	**$ 20,549,135**

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The EDA or City reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by pay-as-you-go notes and interfund loans. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the EDA or City to incur debt. The EDA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The EDA or City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of $13,116,414. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Uses of Funds

Currently under consideration for the District is a proposal to facilitate the construction of approximately 393 apartments affordable to persons at or below 60% of area median income (AMI). The EDA and City have determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described.

The EDA has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES	
Land/Building Acquisition	$ 2,000,000
Site Improvements/Preparation	1,500,000
Affordable Housing	5,248,311
Utilities	750,000
Other Qualifying Improvements	1,750,000
Administrative Costs (up to 10%)	1,868,103
PROJECT COSTS TOTAL	**$ 13,116,414**
Interest	7,432,721
PROJECT AND INTEREST COSTS TOTAL	**$ 20,549,135**

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. The EDA may expend funds for qualified housing activities outside of the District boundaries.

Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3*, the EDA or City may elect one of two methods to calculate fiscal disparities.

The EDA will choose to calculate fiscal disparities by clause b (inside).

Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the EDA or City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is $0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Impact on Tax Base			
Entity	2019/Pay 2020 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Dakota County	532,219,151	869,504	**0.1634%**
City of West St. Paul	19,523,994	869,504	**4.4535%**
ISD 197 (WSP - Mendota Heights-Eagan)	74,618,677	869,504	**1.1653%**

Impact on Tax Rates				
Entity	Pay 2020 Extension Rate	Percent of Total	CTC	Potential Taxes
Dakota County	24.1330%	19.91%	869,504	**$ 209,837**
City of West St. Paul	70.1060%	57.85%	869,504	**609,575**
ISD 197 (WSP - Mendota Heights-Eagan)	22.1250%	18.26%	869,504	**192,378**
Other	4.8310%	3.99%	869,504	**42,006**
	121.1950%	**100.00%**		**$ 1,053,796**

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2020 rate. The total net capacity for the entities listed above are based on Pay 2020 figures. The District will be certified under the Pay 2021 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

(1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is $18,681,032;

(2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically, new buildings generate few calls, if any, and are of superior construction. The existing buildings, which will be eliminated by the new development, have public safety concerns due to being vacant. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The development will add traffic in the area and the developer is required to conduct a traffic study and address the issues, if any raised by the study. Any changes required to the existing infrastructure for sanitary sewer, storm sewer and water will be paid for by the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

(3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is $3,410,354;

(4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is $3,719,867;

(5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

(i) In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects, (2) review of the developer's proforma; and (3) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the City Council resolution approving the establishment of the TIF District and Appendix C.

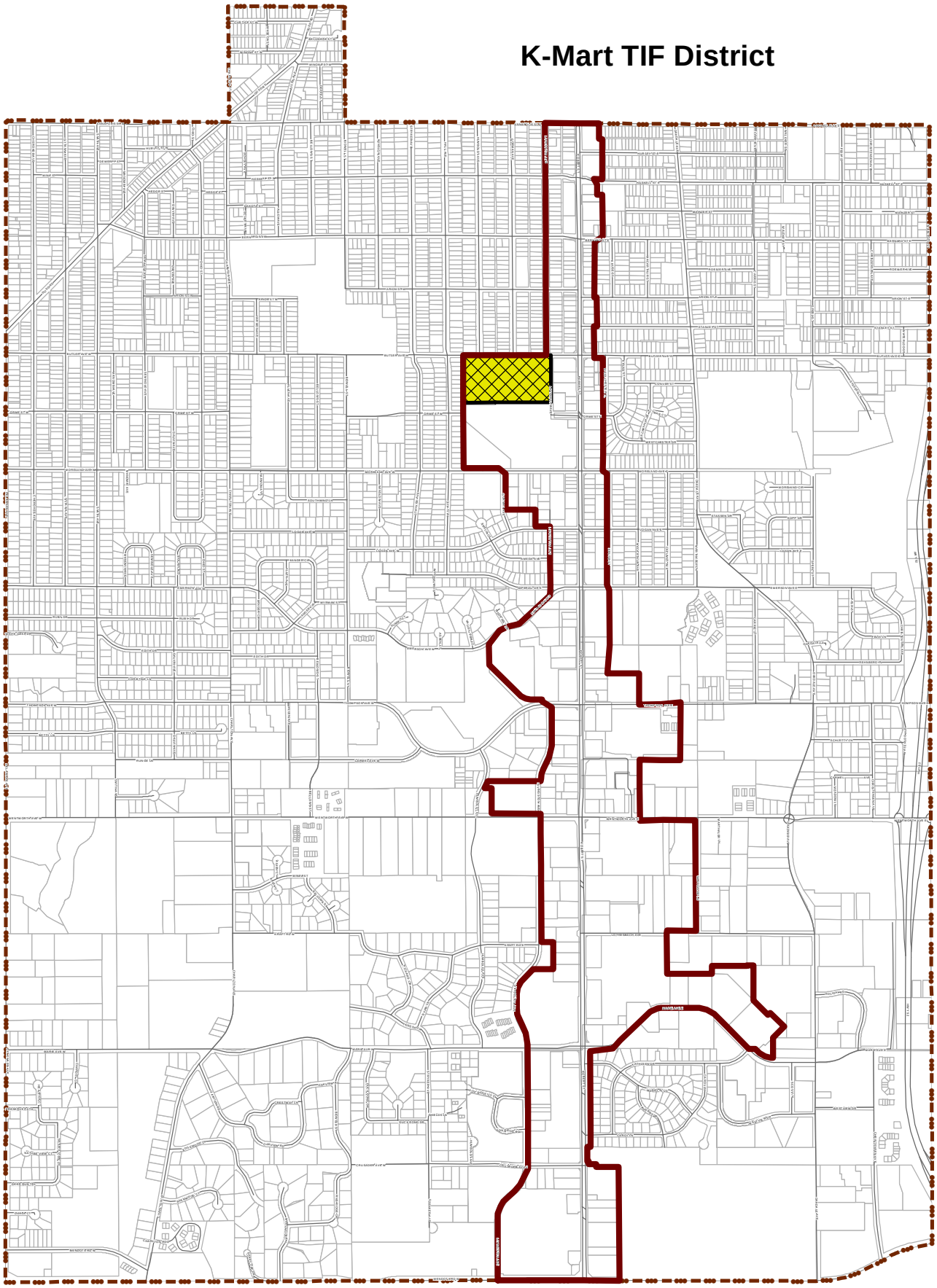
(ii) A comparative analysis of estimated market value both with and without establishment of the TIF District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments.

Administration of the District

Administration of the District will be handled by the Community Development Director.

Appendix A: Map of South Robert Street Redevelopment Project Area and the TIF District

K-Mart TIF District



Prepared for the West St. Paul Community Development Department by the Dakota County Office of GIS

This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information and data from various city, county and state offices and other sources. This document should be used for reference only. No representation is made that features presented accurately reflect true location. Neither Dakota County nor any other entity from which data was obtained assumes no liability for any errors or omissions herein. If discrepancies are found, please contact the Dakota County Office of GIS.

0 500 1,000 2,000
Feet

Legend

South Robert St Redevelopment Project

TIF District

N

Map Dated July 1, 2020

Appendix B: Estimated Cash Flow for the District

Kmart Redevelopment - No Inflation

City of West St. Paul, MN

146-Unit Affordable Family Apartment; and 247-Unit Affordable Senior Apartment

ASSUMPTIONS AND RATES

DistrictType:	**Housing**	
District Name/Number:		
County District #:		
First Year Construction or Inflation on Value	**2021**	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	**3.00%**	
Interest Rate:	**4.00%**	
Present Value Date:	**1-Aug-22**	
First Period Ending	1-Feb-23	
Tax Year District was Certified:	**Pay 2021**	
Cashflow Assumes First Tax Increment For Development:	2023	
Years of Tax Increment	26	
Assumes Last Year of Tax Increment	2048	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	**Inside(B)**	
Incremental or Total Fiscal Disparities	**Incremental**	
Fiscal Disparities Contribution Ratio	34.1647%	Pay 2020
Fiscal Disparities Metro-Wide Tax Rate	142.4540%	Pay 2020
Maximum/Frozen Local Tax Rate:	121.195%	Pay 2020
Current Local Tax Rate: (Use lesser of Current or Max.)	121.195%	Pay 2020
State-wide Tax Rate (Comm./Ind. only used for total taxes)	38.8460%	Pay 2020
Market Value Tax Rate (Used for total taxes)	0.15911%	Pay 2020

Tax Rates

Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First	$150,000	1.50%
Over	$150,000	2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First	$162,000	0.75%
Over	$162,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First	$500,000	1.00%
Over	$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First	$500,000	1.00%
Over	$500,000	1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
1	42-01700-55-060	RPS Legacy Desoto LLC	1201 Robert St S #50	3,040,300	213,600	3,253,900	56%	1,822,184	Pay 2021	C/I Pref.	35,694	Aff. Rental	13,666	1
		RPS Legacy Desoto LLC	1201 Robert St S #50	3,040,300	213,600	3,253,900	42%	1,366,638	Pay 2021	C/I	27,333	Aff. Rental	10,250	2
2	42-01700-50-012	RPS Legacy Desoto LLC	100 SIGNAL HILLS AVE	338,800	70,500	409,300	100%	409,300	Pay 2021	C/I Pref.	7,436	Aff. Rental	3,070	2
3	42-01700-55-051	RPS Legacy Desoto LLC	1201 Robert St S	5,019,700	0	5,019,700	6%	301,182	Pay 2021	C/I Pref.	5,274	Aff. Rental	2,259	2
				11,439,100	497,700	11,936,800		**3,899,304**			**75,736**		**29,245**	

Note:

1. **Base values are for pay 2021 based upon review of County website on 5-8-20.**
2. **Located in SD # 197 and Lower Mississippi River WS**

Kmart Redevelopment - No Inflation

City of West St. Paul, MN

146-Unit Affordable Family Apartment; and 247-Unit Affordable Senior Apartment

PROJECT INFORMATION (Project Tax Capacity)

Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2021	Percentage Completed 2022	Percentage Completed 2023	Percentage Completed 2024	First Year Full Taxes Payable
1	Family Aff. Apt.	150,000	150,000	146	21,900,000	Aff. Rental	164,250	1,125	25%	100%	100%	100%	2024
2	Senior Aff. Apt.	150,000	150,000	247	37,050,000	Aff. Rental	277,875	1,125	25%	100%	100%	100%	2024
TOTAL					**58,950,000**		**442,125**						
Subtotal Residential				**393**	**58,950,000**		**442,125**						
Subtotal Commercial/Ind.				**0**	**0**		**0**						

Note:

1. Market values are based upon estimates.

TAX CALCULATIONS

New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Family Aff. Apt.	**164,250**	**0**	**164,250**	**199,063**	**0**	**0**	**34,845**	**233,908**	**1,602.11**
Senior Aff. Apt.	**277,875**	**0**	**277,875**	**336,771**	**0**	**0**	**58,950**	**395,721**	**1,602.11**
TOTAL	**442,125**	**0**	**442,125**	**535,833**	**0**	**0**	**93,795**	**629,629**	

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?

Total Property Taxes	**629,629**
less State-wide Taxes	**0**
less Fiscal Disp. Adj.	**0**
less Market Value Taxes	**(93,795)**
less Base Value Taxes	**(35,443)**
Annual Gross TIF	**500,390**

MARKET VALUE BUT / FOR ANALYSIS

Current Market Value - Est.	3,899,304
New Market Value - Est.	58,950,000
Difference	55,050,696
Present Value of Tax Increment	10,460,109
Difference	44,590,587
Value likely to occur without Tax Increment is less than:	**44,590,587**

Kmart Redevelopment - No Inflation

City of West St. Paul, MN

146-Unit Affordable Family Apartment; and 247-Unit Affordable Senior Apartment

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				02/01/23
100%	110,531	(29,245)	-	81,286	121.195%	98,515	49,258	(177)	(4,908)	44,172	42,457	0.5	2023	08/01/23
							49,258	(177)	(4,908)	44,172	84,081	1	2023	02/01/24
100%	442,125	(29,245)	-	412,880	121.195%	500,390	250,195	(901)	(24,929)	224,365	291,360	1.5	2024	08/01/24
							250,195	(901)	(24,929)	224,365	494,574	2	2024	02/01/25
100%	455,389	(29,245)	-	426,144	121.195%	516,465	258,233	(930)	(25,730)	231,573	700,204	2.5	2025	08/01/25
							258,233	(930)	(25,730)	231,573	901,802	3	2025	02/01/26
100%	469,050	(29,245)	-	439,806	121.195%	533,022	266,511	(959)	(26,555)	238,997	1,105,783	3.5	2026	08/01/26
							266,511	(959)	(26,555)	238,997	1,305,765	4	2026	02/01/27
100%	483,122	(29,245)	-	453,877	121.195%	550,076	275,038	(990)	(27,405)	246,643	1,508,098	4.5	2027	08/01/27
							275,038	(990)	(27,405)	246,643	1,706,464	5	2027	02/01/28
100%	497,616	(29,245)	-	468,371	121.195%	567,642	283,821	(1,022)	(28,280)	254,519	1,907,151	5.5	2028	08/01/28
							283,821	(1,022)	(28,280)	254,519	2,103,903	6	2028	02/01/29
100%	512,544	(29,245)	-	483,299	121.195%	585,735	292,867	(1,054)	(29,181)	262,632	2,302,945	6.5	2029	08/01/29
							292,867	(1,054)	(29,181)	262,632	2,498,084	7	2029	02/01/30
100%	527,920	(29,245)	-	498,676	121.195%	604,370	302,185	(1,088)	(30,110)	270,987	2,695,484	7.5	2030	08/01/30
							302,185	(1,088)	(30,110)	270,987	2,889,013	8	2030	02/01/31
100%	543,758	(29,245)	-	514,513	121.195%	623,564	311,782	(1,122)	(31,066)	279,594	3,084,773	8.5	2031	08/01/31
							311,782	(1,122)	(31,066)	279,594	3,276,695	9	2031	02/01/32
100%	560,071	(29,245)	-	530,826	121.195%	643,335	321,667	(1,158)	(32,051)	288,458	3,470,819	9.5	2032	08/01/32
							321,667	(1,158)	(32,051)	288,458	3,661,137	10	2032	02/01/33
100%	576,873	(29,245)	-	547,628	121.195%	663,698	331,849	(1,195)	(33,065)	297,589	3,853,629	10.5	2033	08/01/33
							331,849	(1,195)	(33,065)	297,589	4,042,346	11	2033	02/01/34
100%	594,179	(29,245)	-	564,934	121.195%	684,672	342,336	(1,232)	(34,110)	306,993	4,233,211	11.5	2034	08/01/34
							342,336	(1,232)	(34,110)	306,993	4,420,333	12	2034	02/01/35
100%	612,004	(29,245)	-	582,760	121.195%	706,276	353,138	(1,271)	(35,187)	316,680	4,609,574	12.5	2035	08/01/35
							353,138	(1,271)	(35,187)	316,680	4,795,105	13	2035	02/01/36
100%	630,365	(29,245)	-	601,120	121.195%	728,527	364,264	(1,311)	(36,295)	326,657	4,982,728	13.5	2036	08/01/36
							364,264	(1,311)	(36,295)	326,657	5,166,673	14	2036	02/01/37
100%	649,275	(29,245)	-	620,031	121.195%	751,446	375,723	(1,353)	(37,437)	336,933	5,352,684	14.5	2037	08/01/37
							375,723	(1,353)	(37,437)	336,933	5,535,048	15	2037	02/01/38
100%	668,754	(29,245)	-	639,509	121.195%	775,053	387,526	(1,395)	(38,613)	347,518	5,719,452	15.5	2038	08/01/38
							387,526	(1,395)	(38,613)	347,518	5,900,241	16	2038	02/01/39
100%	688,816	(29,245)	-	659,572	121.195%	799,368	399,684	(1,439)	(39,825)	358,421	6,083,046	16.5	2039	08/01/39
							399,684	(1,439)	(39,825)	358,421	6,262,266	17	2039	02/01/40
100%	709,481	(29,245)	-	680,236	121.195%	824,412	412,206	(1,484)	(41,072)	369,650	6,443,477	17.5	2040	08/01/40
							412,206	(1,484)	(41,072)	369,650	6,621,135	18	2040	02/01/41
100%	730,765	(29,245)	-	701,520	121.195%	850,208	425,104	(1,530)	(42,357)	381,216	6,800,759	18.5	2041	08/01/41
							425,104	(1,530)	(42,357)	381,216	6,976,861	19	2041	02/01/42
100%	752,688	(29,245)	-	723,443	121.195%	876,777	438,389	(1,578)	(43,681)	393,129	7,154,906	19.5	2042	08/01/42
							438,389	(1,578)	(43,681)	393,129	7,329,459	20	2042	02/01/43
100%	775,269	(29,245)	-	746,024	121.195%	904,144	452,072	(1,627)	(45,044)	405,400	7,505,931	20.5	2043	08/01/43
							452,072	(1,627)	(45,044)	405,400	7,678,943	21	2043	02/01/44
100%	798,527	(29,245)	-	769,282	121.195%	932,332	466,166	(1,678)	(46,449)	418,039	7,853,851	21.5	2044	08/01/44
							466,166	(1,678)	(46,449)	418,039	8,025,329	22	2044	02/01/45
100%	822,483	(29,245)	-	793,238	121.195%	961,365	480,682	(1,730)	(47,895)	431,057	8,198,680	22.5	2045	08/01/45
							480,682	(1,730)	(47,895)	431,057	8,368,632	23	2045	02/01/46
100%	847,157	(29,245)	-	817,912	121.195%	991,269	495,634	(1,784)	(49,385)	444,465	8,540,435	23.5	2046	08/01/46
							495,634	(1,784)	(49,385)	444,465	8,708,869	24	2046	02/01/47
100%	872,572	(29,245)	-	843,327	121.195%	1,022,070	511,035	(1,840)	(50,920)	458,276	8,879,131	24.5	2047	08/01/47
							511,035	(1,840)	(50,920)	458,276	9,046,055	25	2047	02/01/48
100%	898,749	(29,245)	-	869,504	121.195%	1,053,796	526,898	(1,897)	(52,500)	472,501	9,214,785	25.5	2048	08/01/48
							526,898	(1,897)	(52,500)	472,501	9,380,208	26	2048	02/01/49
	Total						**18,748,526**	**(67,495)**	**(1,868,103)**	**16,812,928**				
		Present Value From	**08/01/2021**	**Present Value Rate**	**4.00%**		**10,460,109**	**(37,656)**	**(1,042,245)**	**9,380,208**				

Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for the Kmart TIF District, as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that the Kmart TIF District is a housing district as defined in M.S., Section 469.174, Subd. 11.*

   The Kmart TIF District consists of 3 parcels. The development will consist of the construction of approximately 393 apartments affordable to persons at or below 60% of area median income (AMI)., all or a portion of which will receive tax increment assistance and will meet income restrictions described in *M.S. 469.1761.* At least 40 percent of the units receiving assistance will have incomes at or below 60 percent of area median income.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.*

   The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the development proposed in this plan is a housing district that meets the City's objectives for development and redevelopment. The Kmart and Signal Hills Bank buildings have been vacant for many years and they have been marketed for development without success. The cost of land acquisition, site and public improvements and utilities makes this housing development infeasible without City assistance. Due to decreased rental income from affordable units, there is insufficient cash flow to provide a sufficient rate of return, pay operating expenses, and service the debt. This leaves a gap in the funding for the project and makes this housing development feasible only through assistance, in part, from tax increment financing. The developer was asked for and provided a letter and a proforma as justification that the developer would not have gone forward without tax increment assistance.

   The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan: This finding is justified on the grounds that the cost of land acquisition, site and public improvements, utilities and construction of affordable housing add to the total development cost. Historically, these costs as well as reduced rents required for affordable housing in the City have made development infeasible without tax increment assistance. The City reasonably determines that no other development of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

3. *Finding that the TIF Plan for the Kmart TIF District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The City Council reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for the Kmart TIF District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of South Robert Street Redevelopment Project Area by private enterprise.*

   Through the implementation of the TIF Plan, the City will provide an impetus for residential development, which is desirable or necessary for increased population and an increased need for life-cycle housing within the City.

CITY OF WEST ST. PAUL
DAKOTA COUNTY, MINNESOTA

ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 20-

RESOLUTION APPROVING A MODIFICATION TO THE REDEVELOPMENT PLAN FOR SOUTH ROBERT STREET REDEVELOPMENT PROJECT NO. 1, ESTABLISHING THE KMART TIF DISTRICT THEREIN, APPROVING A TAX INCREMENT FINANCING PLAN THEREFOR, AND AUTHORIZING THE EXECUTION OF DEVELOPMENT AGREEMENTS RELATED THERETO

WHEREAS, it has been proposed that the West St. Paul Economic Development Authority (the "EDA") modify the Redevelopment Plan for its South Robert Street Redevelopment Project No. 1 (the "Project Area"); establish the Kmart TIF District, a housing tax increment financing district (the "TIF District") within the Project Area; adopt the Tax Increment Financing Plan (the "TIF Plan") therefor; authorize the execution of certain development agreements related thereto (as further described and defined herein); all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the "TIF Act"), Minnesota Statutes, Sections 469.001 to 469.047 and Sections 469.090 to 469.1081, all inclusive, as amended (collectively, and together with the TIF Act, the "Act"), and all as reflected in that certain document entitled in part "Modification to the Development Program for South Robert Street Redevelopment Project Area and Tax Increment Financing Plan for Kmart TIF district (a housing district)" dated August 31, 2020 (collectively, the "Plans"), presented for consideration by the Board of Commissioners of the EDA (the "Board"); and

WHEREAS, the Board has investigated the facts relating to the Plans and certain information and material (collectively, the "Materials") relating to the TIF Plan and to the activities contemplated in the TIF District have heretofore been prepared and submitted to the Board and/or made a part of the EDA files and proceedings on the TIF Plan. The Materials include the tax increment application made and other information supplied by West St. Paul Leased Housing Associates I, LLLP, a Minnesota limited liability limited partnership (the "Workforce Housing Developer"), and West St. Paul Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership (the "Senior Housing Developer" and, together with the Workforce Housing Developer, the "Developers") as to the activities contemplated therein, the items listed under the heading "Supporting Documentation" in the TIF Plan, and information constituting or relating to (1) why the assistance satisfies the so-called "but for" test and (2) the bases for the other findings and determinations made in this resolution. The Board hereby confirms, ratifies and adopts the Materials, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein; and

WHEREAS, the EDA has performed all actions required by law to be performed prior to the adoption and approval of the Plans, including but not limited to notice to the County Commissioner representing the area of the County to be included in the TIF District, delivery of the Plans to Dakota County and Independent School District No. 197; and the holding of a public hearing by the City Council of the City of West St. Paul, Minnesota (the "City") thereon on the date hereof following notice thereof published in accordance with state law; and

WHEREAS, the TIF District is being established to facilitate the construction of (i) an approximately 146-unit affordable multifamily rental housing development, and all related amenities and improvements, to be completed, owned and operated by the Workforce Housing Developer on certain property within the TIF District to be constructed by the Workforce Housing Developer (the "Workforce Housing Development"), and (ii) an approximately 247-unit affordable multifamily senior rental housing development, and all related amenities and improvements, to be completed, owned and operated by the Senior Housing Developer on certain property within the TIF District to be constructed by the Senior Housing Developer (the "Senior Housing Development" and, together with the Workforce Housing Development, the "Developments").

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") of the West St. Paul Economic Development Authority (the "EDA"), as follows:

Section 1. Findings for the Adoption and Approval of the Plans.

1.01. The Board hereby finds that the boundaries of the Project Area are not being expanded and the Redevelopment Plan is not being modified other than to incorporate the establishment of the TIF District therein and therefore the Board reaffirms the findings and determinations originally made in connection with the establishment of the Project Area and the adoption of the Redevelopment Plan therefor.

1.02. The Board hereby finds that the TIF District is in the public interest and is a "housing district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 11, because it consists of projects or portions of projects intended for occupancy, in part, by persons or families of low and moderate income as defined in Chapter 462A, Title II of the National Housing Act of 1934; the National Housing Act of 1959; the United States Housing Act of 1937, as amended; Title V of the Housing Act of 1949, as amended; and any other similar present or future federal, state or municipal legislation or the regulations promulgated under any of those acts. No more than 20% of the square footage of buildings that receive assistance from tax increments will consist of commercial, retail or other nonresidential uses.

The Workforce Housing Development to be constructed in the TIF District will consist of approximately 146 units of workforce rental housing. The Workforce Housing Developer has represented that at least 40% of the workforce rental housing units (i.e., 59 units) will be rented to and occupied by individuals or families whose income is not greater than 60% or less of area median income and that no more than 20% of the square footage of buildings in the Workforce Housing Development that receive assistance from tax increments will consist of commercial, retail or other nonresidential uses.

The Senior Housing Development to be constructed in the TIF District will consist of approximately 247 units of senior rental housing. The Senior Housing Developer has represented that at least 40% of the senior housing units (i.e., 99 units) will be rented to and occupied by individuals or families whose income is not greater than 60% or less of area median income and that no more than 20% of the square footage of buildings Senior Housing Development that receive assistance from tax increments will consist of commercial, retail or other nonresidential uses.

1.03. The Board hereby makes the following additional findings in connection with TIF District:

(a) The Board further finds that the proposed developments, in the opinion of the Board, would not occur solely through private investment within the reasonably foreseeable future and, therefore, the use of tax increment financing is deemed necessary. The specific basis for such finding being:

> The Kmart and Signal Hills Bank buildings in the TIF District have been vacant for many years and they have been marketed for development without success. The cost of land acquisition, site and public improvements and utilities makes the Developments infeasible without EDA assistance. Due to decreased rental income from affordable units, there is insufficient cash flow to provide a sufficient rate of return, pay operating expenses, and service the debt. This leaves a gap in the funding for the Developments and makes the Developments feasible only through assistance, in part, from tax increment financing. The Developers were asked for and provided a letter and a proforma as justification that the Developers would not have gone forward without tax increment assistance. The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the Developments after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan: This finding is justified on the grounds that the cost of land acquisition, site and public improvements, utilities and construction of affordable housing add to the total development cost. Historically, these costs as well as reduced rents required for affordable housing in the City have made development infeasible without tax increment assistance. The City reasonably determines that no other development of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

(b) The Board further finds that the TIF Plan conforms to the general plan for the development or redevelopment of the City as a whole. The specific basis for such finding being:

> The TIF Plan conforms with the general development plan of the City and will generally complement and serve to implement policies adopted in the City's comprehensive plan. The housing Developments contemplated on the property are in accordance with the existing zoning or approved zoning variances for the property.

(c) The Board further finds that the TIF Plan will afford maximum opportunity consistent with the sound needs of the EDA as a whole for the development of the TIF District by private enterprise. The specific basis for such finding being:

> The Developments to occur within the TIF District are primarily low- and moderate-income senior and workforce housing. The Developments will increase the taxable market valuation of the City, and the number of available low- and moderate-income senior and workforce housing units in the City. Through the implementation of the TIF Plan, the EDA will provide an impetus for residential development, which is desirable or necessary for increased population and an increased need for life-cycle housing within the City.

1.04. The provisions of this Section 1 are hereby incorporated by reference into and made a part of the TIF Plan and the findings set forth in Appendix C to the TIF Plan are hereby incorporated by reference into and made a part of this resolution.

1.05. The Board further finds that the Plans are intended and in the judgment of the Board their effect will be to promote the public purposes and accomplish the objectives specified in the TIF Plan for the TIF District and the Redevelopment Plan for the Project Area.

Section 2. Approval and Adoption of the Plans; Policy on Interfund Loans and Advances.

2.01. The TIF District is hereby established and the Plans, as presented to the Board on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted, and shall be placed on file in the office of the City Finance Director. Approval of the Plans does not constitute approval of any project or a development agreement with any developer. The Community & Economic Development Director, or his designee, is hereby directed to request, in writing, the Dakota County Auditor to certify the new TIF District and to file the Plans with the Commissioner of Revenue and the Office of the State Auditor.

2.02. The Board hereby approves a policy on interfund loans or advances ("Loans") for the TIF District, as follows:

(a) The authorized tax increment eligible costs (including without limitation out-of-pocket administrative expenses in an amount up to $1,868,103, interest in an amount up to $7,432,721 and other development costs in an amount up to $11,248,311) payable from the TIF District, as provided in the TIF Plan as originally adopted or as it may be amended, may need to be financed on a short-term and/or long-term basis via one or more Loans, as may be determined by the City Finance Director from time to time.

(b) The Loans may be advanced if and as needed from available monies in any fund or account of the EDA designated by the City Finance Director. Loans may be structured as draw-down or "line of credit" obligations of the lending fund(s).

(c) Neither the maximum principal amount of any one Loan nor the aggregate principal amount of all Loans may exceed $20,549,135 outstanding at any time.

(d) All Loans shall mature not later than February 1, 2048 or such earlier date as the City Finance Director may specify in writing. All Loans may be pre-paid, in whole or in part, whether from tax increment revenue, tax increment revenue bond proceeds or other eligible sources.

(e) The outstanding and unpaid principal amount of each Loan shall bear interest at the rate prescribed by the statute (Minnesota Statutes, Section 469.178, Subdivision 7), which is the greater of the rates specified under Sections 270C.40 or 549.09 at the time a Loan, or any part of it, is first made, subject to the right of the EDA Finance Director to specify a lower rate (but not less than the EDA's then-current average investment return for similar amount and term).

(f) Such Loans within the above guidelines are pre-approved. The Loans need not take any particular form and may be undocumented, except that the City Finance Director shall specify the principal amount and interest rate and maintain all necessary or applicable data on the Loans.

Section 3. Approval of TIF Assistance Agreement.

3.01. The Workforce Housing Developer has presented the EDA with a proposal for the construction of the Workforce Housing Development by the Workforce Housing Developer, and there has been prepared and presented to the Board for its consideration a certain Development Agreement (the "Workforce Housing Agreement") between the EDA and the Workforce Housing Developer, stating the Workforce Housing Developer's responsibilities and the terms and conditions the EDA's assistance with the financing of certain costs of the Workforce Housing Development.

3.02. The Senior Housing Developer has presented the EDA with a proposal for the construction of the Senior Housing Development by the Senior Housing Developer, and there has been prepared and presented to the Board for its consideration a certain Development Agreement (the "Senior Housing Agreement") between the EDA and the Senior Housing Developer, stating the Senior Housing Developer's responsibilities and the terms and conditions the EDA's assistance with the financing of certain costs of the Senior Housing Development.

3.03. The Board hereby approves the Workforce Housing Agreement in substantially the form presented to the Board, together with any related documents necessary in connection therewith, including without limitation all documents, exhibits, certifications or consents referenced in or attached to the Workforce Housing Agreement including without limitation the TIF Note, the Declaration of Restrictive Covenants, and the Minimum Assessment Agreement (all as defined in the Workforce Housing Agreement) (collectively, the "Workforce Housing Development Documents"), and hereby authorizes the President and Executive Director, in their discretion and at such time, if any, as they may deem appropriate, to execute the same on behalf of the EDA, and to carry out, on behalf of the EDA, the EDA's obligations thereunder when all conditions precedent thereto have been satisfied.

3.04. The Board hereby approves the Senior Housing Agreement in substantially the form presented to the Board, together with any related documents necessary in connection therewith, including without limitation all documents, exhibits, certifications or consents referenced in or attached to the Senior Housing Agreement including without limitation the TIF Note, the Declaration of Restrictive Covenants, and the Minimum Assessment Agreement (all as defined in the Senior Housing Agreement) (collectively, the "Senior Housing Development Documents" and, together with the Workforce Housing Development Documents, the "Development Documents"), and hereby authorizes the President and Executive Director, in their discretion and at such time, if any, as they may deem appropriate, to execute the same on behalf of the EDA, and to carry out, on behalf of the EDA, the EDA's obligations thereunder when all conditions precedent thereto have been satisfied.

3.05. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This resolution shall not constitute an offer and the Development Documents shall not be effective until the date of execution thereof as provided herein.

3.06. In the event of absence or disability of the officers, any of the documents authorized by this resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the City Attorney, may act in their behalf. Upon execution and delivery of the Development Documents, the officers and employees of the Board are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the Board to implement the Development Documents, including without limitation the issuance of tax increment revenue obligations thereunder when all conditions precedent thereto have been satisfied and reserving funds for the payment thereof in the applicable tax increment accounts.

3.07. The Board hereby determines that the execution and performance of the Development Documents will help realize the public purposes of the Act.

Passed by the Economic Development Authority of the City of West St. Paul, Minnesota, this 31st day of August 2020.

ECONOMIC DEVELOPMENT AUTHORITY OF
THE CITY OF WEST ST. PAUL

_____
David J. Napier, President

ATTEST:

_____
Shirley R Buecksler, Secretary/City Clerk