



REDEVELOPMENT INCENTIVE GRANT PROJECT APPLICATION

I. GENERAL APPLICATION INFORMATION

Project Name: **Roers – Town Center 1 Redevelopment**

Applicant City: **City of West St. Paul**

Applicant Address: **1616 Humboldt Avenue, West St. Paul, MN 55118**

Application/Project Contact: **Jim Hartshorn**

Contact Email Address: **JHartshorn@wspmn.gov**

Phone Number: **651-552-4140**

Authorized Official(s) for Execution of Contracts (name and title): **Jim Hartshorn, Community & Economic Development Director**

Amount of funding request: **\$250,000**

Please list the specific Project components or activities that will be funded by the requested RIG:

- 1) Clearance and demolition expenses related to site assemblage for redevelopment; and
- 2) Geotechnical corrections to soil conditions that require extraordinary expense to remediate.

II. REDEVELOPMENT PROJECT AND ACTIVITY INFORMATION

1. Existing Project Site Information

• Project site address(es): The project site is made up of eight (8) parcels, many of which do not have an address assigned. Please see the following table for project site information.

Parcel	PID #	Owner	Address	Acres
1	42-17800-01-032	West St. Paul EDA	1539 Robert St S	0.20
2	42-17800-01-042	West St. Paul EDA	1539 Robert St S	0.83
3	42-17800-01-063	1571 Robert St WFW LLC	1571 Robert St S	0.34
4	42-17800-01-070	WSTP LLC	Not Assigned	0.46
5	42-17800-01-071	WSTP LLC	1565 Robert St S	0.39
6	42-17800-01-072	West St. Paul EDA	81 Wentworth Ave E	0.48
7	42-17800-01-076	West St. Paul EDA	Not Assigned	0.12
8	42-24200-01-070	City of West St. Paul	Not Assigned	0.52

- Legal description of Project site (*may be separate attachment*): The legal description is attached to the application. Please note the legal description will change once the project site is replatted.
- Acreage of site: Approx. 3.34 Acres Number of parcels: 8
- Is the Project site publicly or privately owned? Both, Private and Public
- Current Project site owner(s): The three (3) property owners are as follows: West St. Paul Economic Development Authority, WSTP LLC, and 1571 Robert St WFW LLC. Please refer to the project site information table provided above.
 - Describe the city’s goals and need for the Project including anticipated businesses, housing units, and other proposed components. Please explain the public benefit of the Project. Town Center 1 is an area of aging retail uses that were designed independent of each other and would benefit from redevelopment to allow for a more efficient design of the site layout. The City’s goal for redevelopment of Town Center 1 include developing, updating and enforcing standards for development/redevelopment that enhance public health, provide for increase pedestrian safety and promote a high quality of living. The City desires to provide a balance of spaces for residents to live, work and play.
- Has an end user committed to redevelopment of site? Yes Please see the attached TIF Assistance Agreement for end user commitment.
If end user committed, attach documentation of commitment.
- Provide a brief history of the site including previous uses, activities, prior or existing contamination, and other attempts at redevelopment. Previous uses within the project site include CarX, Maaco, Batteries Plus, Blockbuster, and Aamco. The City acquired CarX (for ROW improvements along S. Robert Street) and Maaco and Blockbuster for redevelopment purposes. All of the buildings were aging leading to a source of blight in the community and blockbuster went out of business, leaving a vacant site. Contamination on site includes areas with petroleum seepage, debris fragments buried in the soil, volatile organic compounds and diesel range organics. Contamination within the remaining structures include asbestos and lead based paint. The City and EDA have attempted to identify a development partner unsuccessfully over the last 6+ years; the two main reasons for this being land assembly and contamination. During this time, the EDA, in partnership with the City and Dakota County CDA have strategically been assembling land to position the area for redevelopment and to attract a development partner.

2. Eligible Activities. Please check all activities that apply, briefly describe the activity, and provide the dollar amount requested for the activity. Please see the “**Redevelopment Incentive Grant Policy and Procedures Guide**” for a description of the eligible activities

<u>Eligible Activity</u>		<u>Description</u>	<u>RIG Funding Requested</u>
<input type="checkbox"/>	Acquisition	Click or tap here to enter text.	\$Click or tap here to enter text.

<input type="checkbox"/>	Relocation Payments	Click or tap here to enter text.	\$Click or tap here to enter text.
<input checked="" type="checkbox"/>	Clearance and Demolition	Demolition of the Aamco, Maaco and Batteries Plus buildings	\$150,000
<input type="checkbox"/>	Environmental Investigation	Click or tap here to enter text.	\$Click or tap here to enter text.
<input checked="" type="checkbox"/>	Environmental Remediation	Remediation of areas identified in the Phase II ESA that contained petroleum related soil contamination, debris fragments, and other volatile organic compounds. The remediation would also include the removal of asbestos and lead based paint in all three buildings.	\$100,000 (<i>Cost are estimated to be about \$250,000</i>)
<input type="checkbox"/>	Necessary Public Infrastructure	Click or tap here to enter text.	\$Click or tap here to enter text.
<input type="checkbox"/>	Geotechnical Soil Corrections	Click or tap here to enter text.	\$Click or tap here to enter text.

3. Redevelopment Project Information

- Describe the Project including location map, photos, and current and projected site plans. Maps should include property boundaries, north arrow, and an accurate bar scale. Roers Companies approached the EDA earlier this year to acquire the publicly held land and the three remaining properties owned by private entities at the intersection of Robert Street and Wentworth Avenue. Roers proposed to demolish the Aamco, Maaco, and Batteries Plus buildings to construct a 192-unit market rate apartment with ground level retail. The first floor would consist of a few walk-up apartment units, 1,700 square feet of retail, and 7,000 square feet of lobby/amenity area for both the residents of the apartment. Amenities include underground parking, multiple club rooms, community terraces/patios, fitness and group fitness rooms, a dog park, dog wash station, work-from-home spaces and conference rooms. Unit types will feature a combination of studio, one, one + den, and two-bedroom apartments. Unit amenities will include stainless steel appliances, 9-foot ceilings, washer/dryer, quartz counters, tile backsplashes, and balconies. Roers will use a combination of brick, glass, fiber cement panels (all primary materials), and corrugated metal and wood composite (secondary materials) for exterior finishing materials. Please see attached documents for further elaboration of the project. Documents attached include a location map, photos, site plans, building elevations, and birds-eye perspectives.

- Describe the specific components or activities that are part of the Project. Roers intends to construct a 192-unit market rate apartment with 1,700 square feet of ground-level retail.

- What is the end use of the Project site? A Mixed-Use Apartment Building

- Is demolition of slum or blighted buildings or other structures an activity of the Project? Yes

- If Yes, please describe. The three buildings identified above, Aamco, Maaco and Batteries Plus, are blighted buildings. They have been found to be structurally substandard to a

degree that would require substantial renovation or clearance because of defects in structural elements, essential utilities, light and ventilation, and fire protection. Please find attached a Report of Inspection Results for Determining Qualification for a Redevelopment Tax Increment Financing District prepared by LHB for a detailed description of the deficiencies found in each of the three buildings.

- Describe how the Project will make more efficient use of the site. The current single-story, auto oriented commercial uses in the area are independent of each other and have multiple entrances along S. Robert Street. Redevelopment allows for a high-density development on the site that will decrease the ingress/egress along S. Robert Street and provide for nearly a 900% increase in market valuation.
- After Redevelopment is complete, what portion of the Project site be publicly and privately owned?
 - Public: 0%
 - Private: 100%
- Post-redevelopment Project site owner(s): Roers West St. Paul Apartments Owner LLC
- Identify any other Project partners such as developers, consultants, and regulating/permitting agencies. NA

4. Acquisition/Relocation Activities

• If the project includes property acquisition, clearance and/or construction activities, describe how owners, tenants, and businesses will be temporarily or permanently relocated. Properties acquire by the City/EDA relocated the existing users in accordance with required federal and State relocation laws. Batteries Plus and Aamco which are being acquired privately have chosen to close their businesses permanently.

Attach relocation plan, if applicable.

- When has/will the acquisition be completed? November 30, 2020

5. Redevelopment Project Environmental Information

- Has an environmental assessment been completed for the Redevelopment Project? Yes
- If so, what level of investigation was done as part of the Redevelopment Project? Phase II Environmental Site Assessment
- Has the Redevelopment Project site been found or suspected to be contaminated? Yes
- Does your Redevelopment Project include the cleanup of contaminated soils, hazardous waste or materials? Yes
 - If yes, please describe information on type of cleanup, what measures have been taken to address the contamination, consultant reports, and/or Response Action Plan. **Petroleum**

related Soil Contamination: The Phase II ESA identified two areas of petroleum related soil contamination, in the northwest and southeast parts of the Site. In the northwest portion of the Site, analytical testing indicated minor petroleum impacts below the MPCA unregulated fill criterion. DRO was detected in the soil sample collected from boring PP-1 at 1 to 3 feet bgs at a concentration of 48.9 mg/kg, which does not exceed the unregulated fill criterion of 100 mg/kg. The boring was located near a small wooded area in the northwest corner of the 1539 Robert Street South parcel, which along with the 1541 Robert Street South parcel was formerly a Blockbuster Video. In the southeast area of the Site, a slight petroleum odor was noted in boring PP-5 at 9 feet bgs, which was located on the north portion of the paved lot of the 1589 Robert Street South parcel.

Debris Fragments: The Phase II ESA identified two areas with debris identified in the soil. Brick fragments were noted in boring PP-3 at 5 feet bgs and in boring PP-6 at 7.5 feet bgs. Soil boring PP-3 was located in the paved lot parcel 42-17800-01-076, and boring PP-6 was located in the 1589 Robert Street South parcel. In addition, the geotechnical evaluation noted brick fragments in boring ST-1 from 12 to 14 feet bgs.

Volatile Organic Compounds: Laboratory analysis detected various petroleum and non-petroleum related VOCs in subsurface soil vapors at the Site. All soil vapor concentrations were below 33X the Residential ISVs (although tetrachloroethene [perchloroethene or PCE] was detected) with the exception of benzene in sample SV-4, which was located on the 1561 Robert Street South parcel just north of the Aamco Transmission & Car Care building on the 1571 Robert Street South parcel. Please find the Phase II ESA attached to the application for further information about the cleanup and measures taken to address the contamination.

- Describe positive environmental impacts of the activities that are part of the Project. Redevelopment of the project site will address the removal of blight and remediation in an area that continues to age and deteriorate. The project, once complete, will result in the availability of safe and decent life-cycle housing, increase the tax base, and offer a high-quality development which will support and stabilize small businesses in the surrounding area.

6. Housing Affordability. Indicate the number of housing units planned in the Project, if any. *Attach separate sheet if necessary.*

	Total # of Units	# of Owner Units	# of Rental Units	Proposed Rents/ Sales Prices
Single Family	Click or tap here to enter text.			
Townhouse	Click or tap here to enter text.			
Apartments/Condominiums	NA	NA	NA	NA
Duplexes	Click or tap here to enter text.			
Other:	Click or tap here to enter text.			

- Will there be any mechanisms to ensure long-term affordability? No If yes, please describe.
Click or tap here to enter text.

7. Economic Benefits

- Current appraised or assessed value of the Project site: The total market value for Pay 2021 is \$2,793,700
- Projected appraised or assessed value of the site after Redevelopment: The projected total market value is anticipated to be \$24,795,000 based on estimates received from the County Assessor Office.
Attach the appraisal or assessor’s current and projected values.
- What are the current property taxes for the Redevelopment Project site? \$29,312 Pay Year 2020
- What will the estimated property tax be after redevelopment? \$429,265 Pay Year 2022
- Project the number of new jobs on the Project site created after redevelopment. Total new jobs (FTEs only) = 7 new jobs; 4 jobs would be created due to on-site management for the apartment and 3 jobs would be created from the retail.
- Number of new jobs with wages greater than \$15.00 per hour = 7 new jobs
- Project the number of jobs retained on the Project site after redevelopment. Total retained jobs (FTEs only) = NA
- Number of retained jobs with wages greater than \$15.00 per hour = NA

8. Leverage. Itemize all other funding sources for the Project and the Activities identified as part of the Project.

Source of Funds	Amount	Committed	Pending
First Mortgage	\$27,192,262	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TIF Note	\$3,820,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Investor Cash	\$7,163,590	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Developer Cash	\$670,236	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Click or tap here to enter text.	<input type="checkbox"/>	<input type="checkbox"/>
Total:	\$38,846,088		

Itemize Project expenses for each Activity. *Be as detailed as possible.*

Project Activities/Expenses	Costs	Funding Source
Acquisition Costs	\$3,650,000	Developer
Construction Costs	\$29,081,100	Developer/EDA/Dakota County CDA
Permits/Fees	\$728,000	Developer
Professional Services	\$1,711,230	Developer
Financing Costs	\$2,047,255	Developer
Developer Fee	\$1,503,503	Developer
Cash Accounts/Escrows/Reserves	\$125,000	Developer
Total:	\$38,846,088	

- List other sources of funds requested or considered but not obtained for the Project, and explain why they were not obtained, to the best of your knowledge. (The purpose of this question is to ensure all other funding sources have been exhausted.) Roers did not apply for any other grants to the EDA and/or City’s knowledge.

9. Readiness To Proceed.

- Please provide detailed timeline of the Project with all actions, phases, and anticipated dates for completion. Subject to unavoidable delays, Roers will purchase all eight properties on or before November 30, 2020 and commence construction no later than December 31, 2020. The project is required to be substantially complete by December 31, 2022.

• Please indicate whether any of the following entitlement or due diligence actions are required or have been completed for the Project:

- Comprehensive plan amendment: Status: Click or tap here to enter text.
- Environmental review: Status: Click or tap here to enter text.
- Market or feasibility study: Status: Click or tap here to enter text.
- Zoning amendments or variances: Status: Complete. On August 31, 2020 the City approved a conditional use permit, the site plan, a rezoning amendment, and preliminary/final plat.

• If the activity that is to receive RIG funding will not be completed in 12 months, please explain why. (NOTE: The RIG program requires all RIG-funded activities to be completed within a 12-month period) NA



REQUIRED RESOLUTION PROVISIONS

WHEREAS, the City of West St. Paul has identified a proposed project within the City that meets the Dakota County Community Development Agency (CDA) Redevelopment Incentive Grant program's purposes and criteria; and

WHEREAS, the City has established a Redevelopment Plan of which the proposed project is a component; and

WHEREAS, the City has the capability and capacity to ensure the proposed project be completed and administered within the Redevelopment Incentive Grant program guidelines; and

WHEREAS, the City has the legal authority to apply for financial assistance; and

WHEREAS, the City is supportive of affordable housing and of the CDA's mission, to improve the lives of Dakota County residents through affordable housing and community development.

NOW THEREFORE BE IT RESOLVED that the City of West St. Paul approves the application for funding from the Dakota County CDA Redevelopment Incentive Grant program.

BE IT FURTHER RESOLVED that upon approval of its application by the Dakota County CDA, the Jim Hartshorn, the Community & Economic Development Director, is hereby authorized to execute such agreements as are necessary to receive and use the funding for the proposed project.

LEGAL DESCRIPTION

Parcel 1:

That part of Lot 3 which lies southerly of the North 70.00 feet thereof; and that part of Lot 4 which lies southerly of the North 70.00 feet, and easterly of the westerly line of the Easterly 373.00 feet of the Southwest Quarter of the Northwest Quarter of Section 20, Township 28, Range 22; all in Block 1, CITY CENTER ADDITION, Dakota County, Minnesota;

AND

That part of Lot Four (4), Block One (1), City Center Addition, lying Westerly of the Easterly 373 feet of the Southwest Quarter of the Northwest Quarter of Section 20, Township 28, Range 22, EXCEPT the North 70.00 feet thereof, Dakota County, Minnesota.

Abstract and Torrens Property

Parcel 2:

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 feet; 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, EXCEPT that part of Lot 6, Block 1, City Center Addition, according to the recorded plat thereof, Dakota County, Minnesota, lying Easterly of a line run from Northeast corner of said Lot 6 to a point on the South line of said Lot 6 distant 4.20 feet Westerly of the Southeast corner of said Lot 6.

Parcel 2A:

That part of Lot 6, Block 1, City Center Addition, according to the recorded plat thereof, Dakota County, Minnesota, lying Easterly of a line run from Northeast corner of said Lot 6 to a point on the South line of said Lot 6 distant 4.20 feet Westerly of the Southeast corner of said Lot 6.

Dakota County, Minnesota.

Abstract Property

Parcel 3:

That part of Lots 5 and 7, Block 1, City Center Addition, Dakota County, 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, 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 feet 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 feet 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.

Parcel 4:

The East 125 feet of the South 166.84 feet of Lot Seven (7), Block One (1), City Center Addition according to the recorded plat thereof.

AND

Lot Seven (7), Block One (1), City Center Addition, Dakota County, Minnesota, 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.

Abstract Property

Parcel 5:

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

Abstract Property

NOTE: THE COMPANY HAS BEEN ADVISED THAT THE LAND WILL BE PLATTED AS A PART OF THE CURRENT TRANSACTION. THE LEGAL DESCRIPTION TO BE INSURED WILL BE:

Lot 1, Block 1, Robert & Wentworth Redevelopment.

Dakota County, Minnesota

Abstract and Torrens Property

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
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TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS	2
Section 1.1. Definitions.....	2
ARTICLE II REPRESENTATIONS AND WARRANTIES	6
Section 2.1. Representations and Warranties of the EDA	6
Section 2.2. Representations and Warranties of the Developer.....	6
ARTICLE III UNDERTAKINGS BY DEVELOPER AND EDA.....	8
Section 3.1. Total Development Costs and Public Costs.....	8
Section 3.2. TIF Note.....	8
Section 3.3. Developer to Pay EDA’s Fees and Expenses.	10
Section 3.4. Execution of Assessment Agreement.	11
Section 3.5. Construction Plans.	12
Section 3.6. Commencement and Completion of Construction.....	12
Section 3.7. Insurance	13
Section 3.8. Encumbrance of the Development Property.....	13
Section 3.9. Business Subsidy Act.....	13
Section 3.10. Right to Collect Delinquent Taxes.....	14
Section 3.11. Review of Taxes.	14
Section 3.12. Lookback.....	15
ARTICLE IV EVENTS OF DEFAULT.....	17
Section 4.1. Events of Default Defined	17
Section 4.2. Remedies on Default.....	18
Section 4.3. No Remedy Exclusive.....	18
Section 4.4. No Implied Waiver.	18
Section 4.5. Indemnification of City and EDA.....	18
Section 4.6. Reimbursement of Attorneys’ Fees.	19
ARTICLE V ADDITIONAL PROVISIONS	20
Section 5.1. Restrictions on Use	20
Section 5.2. Reports	20
Section 5.3. Limitations on Transfer and Assignment.....	20
Section 5.4. Conflicts of Interest.....	21
Section 5.5. Titles of Articles and Sections.	21
Section 5.6. Notices and Demands	21
Section 5.7. No Additional Waiver Implied by One Waiver.....	22
Section 5.8. Counterparts.....	22
Section 5.9. Law Governing	22
Section 5.10. Term; Termination.....	22
Section 5.11. Provisions Surviving Rescission, Expiration or Termination.....	22
Section 5.12. Superseding Effect.....	22
Section 5.13. Relationship of Parties	22
Section 5.14. Venue	22

EXHIBIT A DESCRIPTION OF TIF DISTRICT..... A-1
EXHIBIT B DESCRIPTION OF DEVELOPMENT PROPERTY.....B-1
EXHIBIT C PUBLIC DEVELOPMENT COSTS.....C-1
EXHIBIT D FORM OF TAXABLE TIF NOTE..... D-1
EXHIBIT E PROJECT SOURCES AND USES.....E-1
EXHIBIT F FORM OF MINIMUM ASSESSMENT AGREEMENT F-1
EXHIBIT G LOOKBACK PROFORMA G-1

TIF ASSISTANCE AGREEMENT

THIS TIF ASSISTANCE AGREEMENT (the “Agreement”), made as of the 31st day of August, 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 the architect selected by the Developer 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 August 31, 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 the general contractor selected by the Developer 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 30, 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 August 31, 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)

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 August 31, 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



Roers - Town Center 1 Redevelopment
City of West St. Paul

Sources and Uses

192 Apartments & 1,700 Sq. Ft. Retail

SOURCES					
Debt		Amount	Percent	Per Unit	
Debt A:	First Mortgage	27,192,262	70.0%	141,626	
Debt B:	TIF Note	3,820,000	9.8%	19,896	
Subtotal		31,012,262	79.8%	161,522	
Other Sources		Amount	Percent	Per Unit	
Category	Sources	S&U Detail			
Equity	Investor Cash		7,163,590	18.4%	37,310
Equity	Developer Cash to fill Remaining Gap		670,236	1.7%	3,491
Subtotal			7,833,826	20.2%	40,801
TOTAL SOURCES			38,846,088	100.0%	202,323

USES				
		Amount	% of Cost	Per Unit
ACQUISITION COSTS		3,650,000	9.4%	19,010
Land Cost	n/a psf	2,450,000	6.3%	12,760
City Land Cost		1,200,000	3.1%	6,250
CONSTRUCTION COSTS		29,081,100	74.9%	151,464
Residential Building		27,840,000	71.7%	145,000
Commercial - Building		127,500	0.3%	664
Construction Contingency		1,113,600	4.0%	5,800
PERMITS/FEES		728,000	1.9%	3,792
Local SAC/WAC Connection Fees		528,000	1.4%	2,750
City Fees Contingency		200,000	0.5%	1,042
PROFESSIONAL SERVICES		1,711,230	4.4%	8,913
Appraisals		7,500	0.0%	39
Architectural & Engineering Fees		799,730	2.1%	4,165
Architectural Reimbursements		10,000	0.0%	52
Architectural Consultant		30,000	0.1%	156
Environmental Assessment Consultant		25,000	0.1%	130
FF&E		250,000	0.6%	1,302
Legal - Development		100,000	0.3%	521
Market Research		7,500	0.0%	39
Marketing/Leasing		186,500	0.5%	971
Construction Management Fee		240,000	0.6%	1,250
Soft Cost Contingency		25,000	0.1%	130
Survey		30,000	0.1%	156
FINANCING COSTS		2,047,255	5.3%	10,663
Construction Period Interest		896,087	2.3%	4,667
Inspections - Lenders		7,500	0.0%	39
Insurance - Hazard/Liability		85,000	0.2%	443
Lender Legal		35,000	0.1%	182
Loan Origination Fees		168,432	0.4%	877
Real Estate Taxes During Construction		60,000	0.2%	313
Title & Recording		125,000	0.3%	651
Carried Developer Equity		670,236	1.7%	3,491
DEVELOPER FEE		1,503,503	3.9%	7,831
Developer Fee		1,503,503	3.9%	7,831
CASH ACCOUNTS/ESCROWS/RESERVES		125,000	0.3%	651
Management Startup/Leasing		125,000	0.3%	651
TOTAL USES		38,846,088	100%	202,323

EXHIBIT F

FORM OF MINIMUM ASSESSMENT AGREEMENT

THIS MINIMUM ASSESSMENT AGREEMENT (the “Agreement”), dated as of this 31st day of August, 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 August 31, 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 August 31, 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

EHLERS | Roers - Town Center 1 Redevelopment
 City of West St. Paul
 192 Market Rate Apartments; 1,700 (sf) Commercial Space
 Multi-Year Operating Proforma

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Income			Stabilized																	
Rental Income																				
Gross Potential Rent	3,215,100	3,241,892	3,322,940	3,408,013	3,491,164	3,576,443	3,667,904	3,759,601	3,853,591	3,949,931	4,048,679	4,149,896	4,253,644	4,359,965	4,468,984	4,580,709	4,695,227	4,812,607	4,932,923	5,056,246
Less: 5.0% Stabilized Vacancy	(160,755)	(162,095)	(166,147)	(170,301)	(174,558)	(178,922)	(183,395)	(187,980)	(192,680)	(197,497)	(202,434)	(207,495)	(212,682)	(217,999)	(223,449)	(229,035)	(234,761)	(240,630)	(246,646)	(252,812)
Less: Additional Pre-stabilization Vacancy	(2,730,548)	(395,892)																		
Total Rental Income	323,797	2,683,906	3,156,793	3,238,713	3,316,605	3,399,520	3,484,508	3,571,621	3,660,912	3,752,435	3,846,245	3,942,402	4,040,962	4,141,986	4,245,535	4,351,674	4,460,465	4,571,977	4,686,277	4,803,433
Other Residential Income																				
Underground Parking	134,160	134,817	138,188	141,643	145,184	148,813	152,533	156,347	160,256	164,262	168,368	172,578	176,892	181,314	185,847	190,493	195,256	200,137	205,141	210,269
Tenant Charges	62,400	62,706	64,273	65,880	67,527	69,215	70,946	72,719	74,537	76,401	78,311	80,269	82,275	84,332	86,441	88,602	90,817	93,087	95,414	97,800
Miscellaneous	9,600	9,647	9,888	10,135	10,389	10,649	10,915	11,188	11,467	11,754	12,048	12,349	12,658	12,974	13,299	13,631	13,972	14,321	14,679	15,046
Less: Vacancy	(10,308)	(10,359)	(10,617)	(10,883)	(11,155)	(11,434)	(11,720)	(12,013)	(12,313)	(12,621)	(12,936)	(13,260)	(13,591)	(13,931)	(14,279)	(14,636)	(15,002)	(15,377)	(15,762)	(16,156)
Less: Additional Pre-stabilization Vacancy	(127,132)																			
Total Other Residential Income	68,720	196,812	201,732	206,775	211,945	217,243	222,674	228,241	233,947	239,796	245,791	251,936	258,234	264,690	271,307	278,090	285,042	292,168	299,472	306,959
Net Residential Income (NRI)	392,517	2,880,717	3,358,525	3,445,488	3,528,550	3,616,764	3,707,183	3,799,862	3,894,859	3,992,230	4,092,036	4,194,337	4,299,196	4,406,675	4,516,842	4,629,763	4,745,507	4,864,145	4,985,749	5,110,392
Commercial Income																				
Less: Commercial Vacancy - 0.0%	30,600	30,600	31,365	32,149	32,953	33,777	34,621	35,487	36,374	37,283	38,215	39,171	40,150	41,154	42,182	43,237	44,318	45,426	46,562	47,726
Less: Additional Pre-stabilization Loss	(20,400)																			
Net Commercial Income	10,200	30,600	31,365	32,149	32,953	33,777	34,621	35,487	36,374	37,283	38,215	39,171	40,150	41,154	42,182	43,237	44,318	45,426	46,562	47,726
Effective Gross Income (EGI)	402,717	2,911,317	3,389,890	3,477,637	3,561,503	3,650,540	3,741,804	3,835,349	3,931,233	4,029,514	4,130,251	4,233,506	4,339,345	4,447,829	4,559,025	4,673,000	4,789,825	4,909,571	5,032,310	5,159,118
Expenses																				
Rental Unit Expenses																				
Operating Expenses	722,600	740,665	759,182	778,161	797,615	817,556	837,994	858,944	880,418	902,428	924,989	948,114	971,817	996,112	1,021,015	1,046,540	1,072,704	1,099,521	1,127,009	1,155,185
Management Fee: 3.5% of EGI	14,088	101,848	118,590	121,555	124,594	127,709	130,902	134,174	137,529	140,967	144,491	148,103	151,806	155,601	159,491	163,478	167,565	171,754	176,048	180,449
Property Taxes	67,620	287,385	422,021	426,241	436,897	447,819	459,015	470,490	482,252	494,309	506,666	519,333	532,316	545,624	559,265	573,247	587,578	602,267	617,324	632,757
Reserves: \$250 PUPY	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Modified Rental Expense During Stabilization	(715,053)	(126,900)																		
Total Rental Unit Expenses	137,255	1,051,398	1,347,793	1,373,957	1,407,106	1,441,084	1,475,911	1,511,609	1,548,199	1,585,704	1,624,147	1,663,550	1,703,939	1,745,337	1,787,771	1,831,265	1,875,847	1,921,543	1,968,381	2,016,391
NET OPERATING INCOME	265,462	1,859,919	2,042,097	2,103,680	2,154,397	2,209,457	2,268,893	2,332,740	2,383,034	2,443,810	2,506,105	2,569,958	2,635,406	2,702,492	2,771,254	2,841,735	2,913,979	2,988,028	3,063,929	3,141,727
Tax Increment Financing Revenue	0	134,278	311,828	314,946	318,096	321,277	324,489	327,734	331,012	334,322	337,665	341,042	344,452	347,897	351,376	354,889	358,438	362,023	365,643	0
ADJUSTED NET OPERATING INCOME	265,462	1,994,197	2,353,925	2,418,626	2,472,492	2,530,733	2,590,382	2,651,475	2,714,045	2,778,131	2,843,770	2,910,999	2,979,859	3,050,388	3,122,629	3,196,625	3,272,417	3,350,051	3,429,572	3,511,727
Debt Service																				
Debt A: First Mortgage	0	1,060,498	1,425,298	1,502,928	1,502,928	1,502,928	1,502,928	1,502,928	1,502,928	1,502,928	1,502,928	1,502,928	1,502,928	1,502,928	1,502,928	1,502,928	1,502,928	1,502,928	1,502,928	1,502,928
Debt B: TIF Note	0	152,003	304,005	304,005	304,005	304,005	304,005	304,005	304,005	304,005	304,005	304,005	304,005	304,005	304,005	304,005	304,005	304,005	304,005	304,005
Debt C: Other Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	0	1,212,501	1,729,303	1,806,933	1,806,933	1,806,933	1,806,933	1,806,933	1,806,933	1,806,933	1,806,933	1,806,933	1,806,933	1,806,933	1,806,933	1,806,933	1,806,933	1,806,933	1,806,933	1,806,933
Debt Coverage																				
Debt Coverage w/o Tax Increment Financing	0%	164%	136%	134%	137%	140%	143%	147%	150%	154%	157%	161%	165%	169%	173%	177%	181%	185%	190%	209%
Debt Coverage w/o Tax Increment Financing	0%	153%	118%	116%	119%	122%	125%	129%	132%	135%	139%	142%	146%	150%	153%	157%	161%	165%	170%	209%
NET CASH FLOW	265,462	781,696	624,622	608,693	665,559	723,800	783,449	844,542	907,112	971,198	1,036,837	1,104,066	1,172,926	1,243,455	1,315,696	1,389,692	1,465,484	1,543,118	1,622,639	1,638,799
Expenses Paid from Net Cash Flow																				
Asset Management Fee	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034
Subtotal	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034	42,034
NET CASH FLOW AVAILABLE FOR DISTRIBUTION	223,428	739,662	582,588	566,659	623,525	681,766	741,415	802,508	865,078	929,164	994,803	1,062,032	1,130,892	1,201,421	1,273,662	1,347,658	1,423,450	1,501,084	1,580,605	1,596,765
Returns Analysis																				
Net Cash to Developer	223,428	739,662	582,588	566,659	623,525	681,766	741,415	802,508	865,078	929,164	994,803	1,062,032	1,130,892	1,201,421	1,273,662	1,347,658	1,423,450	1,501,084	1,580,605	1,596,765
Net Cash to Developer (w/o assistance)	223,428	605,385	270,760	251,713	305,430	360,490	416,926	474,773	534,067	594,843	657,138	720,991	786,439	853,525	922,287	992,768	1,065,012	1,139,061	1,214,962	1,596,765
Cash on Cash Annual Return	2.9%	9.4%	7.4%	7.2%	8.0%	8.7%	9.5%	10.2%	11.0%	11.9%	12.7%	13.6%	14.4%	15.3%	16.3%	17.2%	18.2%	19.2%	20.2%	20.4%
Cash on Cash Average Annual Return	2.9%	9.4%	8.4%	8.0%	8.0%	8.2%	8.4%	8.6%	8.9%	9.3%	9.6%	10.0%	10.3%	10.7%	11.1%	11.5%	11.9%	12.4%	12.8%	13.2%
Cash on Cash Annual Return (w/o TIF assistance)	2.9%	7.7%	3.5%	3.2%	3.9%	4.6%	5.3%	6.1%	6.8%	7.6%	8.4%	9.2%	10.0%	10.9%	11.8%	12.7%	13.6%	14.5%	15.5%	20.4%
Cash on Cash Average Annual Return (w/o TIF assistance)	0.5%	7.7%	5.6%	4.8%	4.6%	4.9%	4.7%	4.9%	5.1%	5.4%	5.7%	6.0%	6.4%	6.7%	7.1%	7.4%	7.8%	8.2%	8.6%	9.2%

ROBERT STREET & WENTWORTH AVENUE

NOT FOR CONSTRUCTION

1571 ROBERT STREET WEST ST PAUL, MINNESOTA

DRAWING INDEX

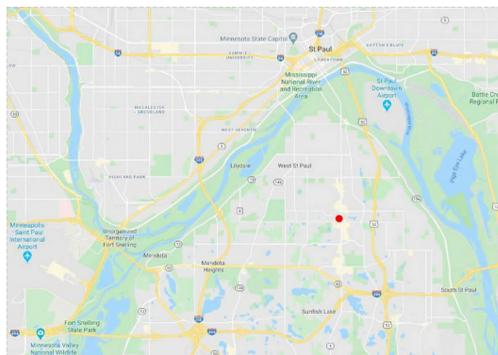
DRAWING INDEX - ENTITLEMENTS		
DRAWING NUMBER	DRAWING NAME	LAND USE
T1-1	TITLE SHEET	•
CIVIL		
C1.1	CIVIL PLAN	•
LANDSCAPE		
L1.1	LANDSCAPE PLAN	•
ARCHITECTURAL		
A0-0	EXISTING CONDITIONS	•
A0-1	SITE PLAN	•
A0-2	DESIGN PERSPECTIVES	•
A3-1	EXTERIOR ELEVATIONS	•
A3-2	EXTERIOR ELEVATIONS	•

DRAWING INDEX - ENTITLEMENTS		
DRAWING NUMBER	DRAWING NAME	LAND USE

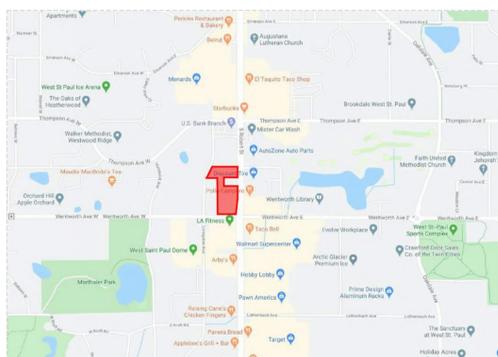
TO BE UPDATED

PROJECT IMAGE

PROJECT LOCATION



Vicinity



Site Location

PROJECT TEAM

- OWNER/DEVELOPER:** Roers Companies
110 Cheshire Lane, Suite 120
Minnetonka, MN 55305
Ph: 763-285-8808
- ARCHITECT:** Elness Swenson Graham Architects, Inc.
500 Washington Ave. South, Suite 1080
Minneapolis, MN 55415
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- MECHANICAL ENGINEER:** T.B.D.
- PLUMBING ENGINEER:** T.B.D.
- ELECTRICAL ENGINEER:** T.B.D.

METRICS

Use	Name	Elevation	Gross Area			Departments										Parking		
			Project GSF	Residential GSF	Residential Efficiency	Residential	Amenity	Common / Circulation	Service	Retail	Parking	Terrace	Exterior	n/a	Vehicle	Bicycle		
LEVEL 5	140.0	34,907	32,432	79%	27,173	1,595	-	4,248	1,490	-	-	-	-	-	-	-	0	0
LEVEL 4	134.3	35,815	34,324	84%	30,081	-	-	4,243	1,490	-	-	-	786	-	-	-	0	0
LEVEL 3	123.7	35,815	34,324	84%	30,081	-	-	4,243	1,490	-	-	-	-	-	-	-	0	0
LEVEL 2	113.0	35,815	34,324	84%	30,081	-	-	4,243	1,490	-	-	-	-	-	-	-	0	0
LEVEL 1	100.0	35,815	21,581	49%	17,388	7,087	-	4,193	1,499	5,268	-	-	1,978	-	-	-	101	54
LOWER LEVEL	88.5	60,202	647	0%	-	-	-	647	1,438	-	-	-	-	-	-	-	164	66
Totals		237,788	156,021	59%	134,803	8,682	-	21,818	9,099	5,268	-	-	18,117	2,704	-	-	265	120

Summary / Calculations	
237,788	Total Project GSF
134,803	Total Residential SF
265	Parking Spaces
187	Beeds
187	Units
1272	Project GSF / Unit
723	Residential SF / Unit
1.30	Parking Ratio / Beeds
1.42	Parking Ratio / Units
0.55	Bicycle Ratio / Beeds
0.64	Bicycle Ratio / Unit

Level	Unit Name					
	1 BED	1 BED + DEN	2 BED	STUDIO		
	Beds/Unit	1	1	2	1	
	Baths/Unit	1	1.5	2	1	
	SF/Unit (Average)	675	774	1135	535	
LEVEL 5	38	19	2	7	10	
LEVEL 4	42	20	2	7	13	
LEVEL 3	42	20	2	7	13	
LEVEL 2	42	20	2	7	13	
LEVEL 1	23	12	1	5	5	
LOWER LEVEL	0	0	0	0	0	
	Total Units/Type	91	9	33	54	0
	Total Beds/Type	91	9	66	54	0
	Total Bath/Type	91	13.5	66	54	0
	Total SF/Type	61,460	6,968	37,462	28,914	-
	% of total beds	41.4%	4.1%	30.0%	24.5%	0.0%
	% of total units	48.7%	4.8%	17.6%	28.9%	0.0%

Level	Parking Type-Use	9'-0" X 18' STANDARD		ACCESSIBLE STALL		BICYCLE		9'-0" X 18' STANDARD W/BIKE		9'-0" X 16' COMPACT	
		STANDARD	STALL	BICYCLE	STANDARD	W/BIKE	COMPACT				
LEVEL 5	0	0	0	0	0	0	0	0	0	0	
LEVEL 4	0	0	0	0	0	0	0	0	0	0	
LEVEL 3	0	0	0	0	0	0	0	0	0	0	
LEVEL 2	0	0	0	0	0	0	0	0	0	0	
LEVEL 1	155	97	4	54	0	0	0	0	0	0	
LOWER LEVEL	230	92	4	66	66	2	0	0	0	0	
	Total Stalls/Type	189	8	120	66	2	0	0	0	0	
	% of total Stalls	49.1%	2.1%	31.2%	17.1%	0.5%	0.0%	0.0%	0.0%	0.0%	

CITY SUBMISSION PROGRESS PRINT 7/22/2020

ORIGINAL ISSUE:
07/09/20

REVISIONS:
No. Description Date

220515
PROJECT NUMBER

Author _____ Checker _____
DRAWN BY _____ CHECKED BY _____

KEY PLAN

S Robert & Wentworth

TITLE SHEET
T1-1

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed architect under the laws of the State of Minnesota

Signature _____

Typed or Printed Name _____

License # _____ Date _____

NOT FOR CONSTRUCTION



1 NORTHWEST AT ROBERT ST AND WENTWORTH AVE



2 NORTHEAST AT ROBERT ST AND WENTWORTH AVE



3 WEST AT ROBERT ST



4 SOUTHWEST AT ROBERT ST AND WENTWORTH AVE



5 SOUTHEAST AT ROBERT ST AND WENTWORTH AVE



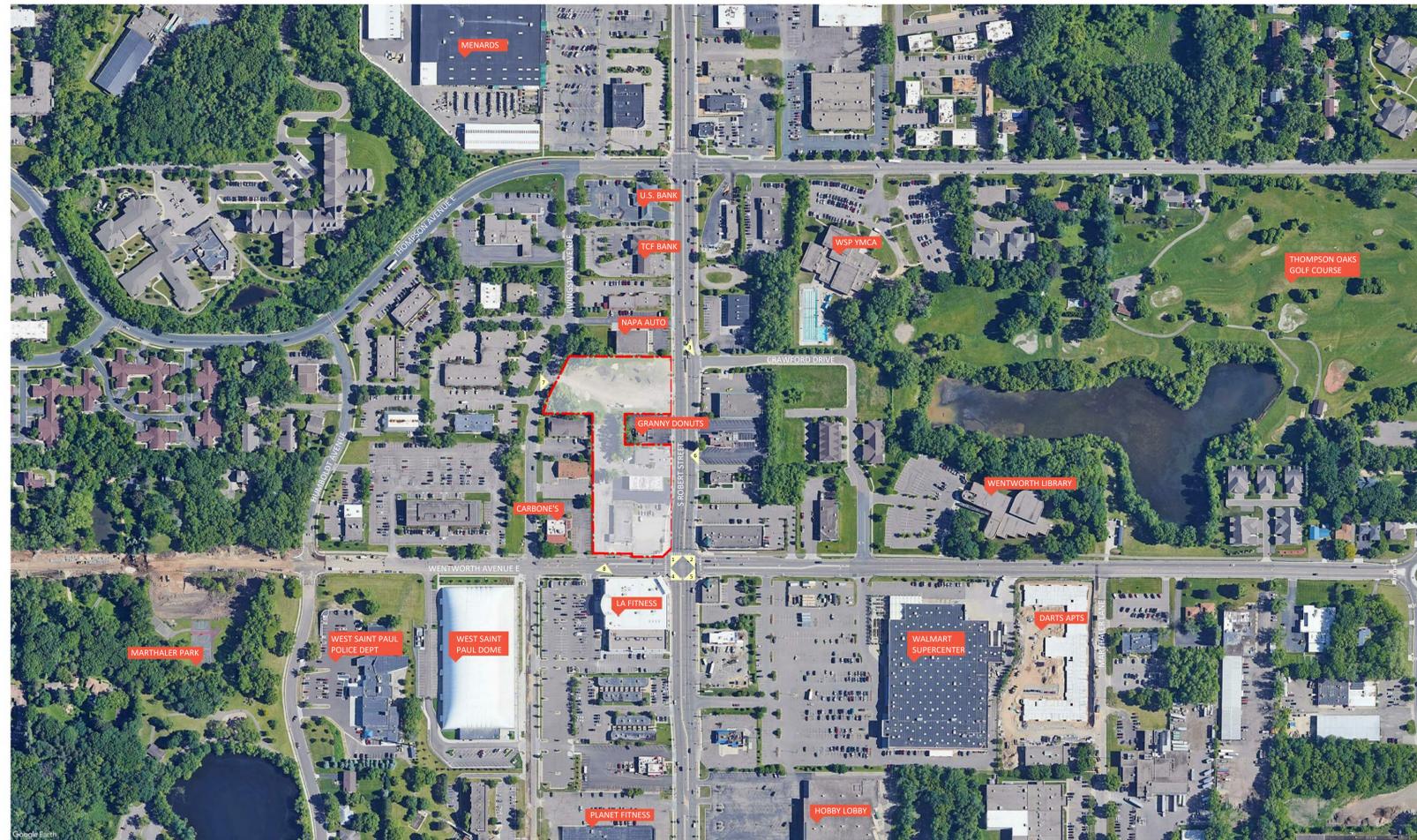
6 WEST AT ROBERT ST



7 EAST AT LIVINGSTON AVE



8 NORTH AT WENTWORTH AVE



EXISTING SITE CONTEXT

CITY SUBMISSION
PROGRESS PRINT
7/22/2020

ORIGINAL ISSUE:
07/08/20

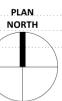
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AJ
DRAWN BY

Checker
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KEY PLAN



S Robert & Wentworth

EXISTING CONDITIONS

A0-0



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I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed architect under the laws of the State of Minnesota

Signature _____

Typed or Printed Name _____

License # _____ Date _____

TO BE UPDATED - GIS DATA

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CITY SUBMISSION
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7/22/2020

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07/22/20

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KEY PLAN

S Robert & Wentworth

EXISTING CONDITIONS
A0-0b

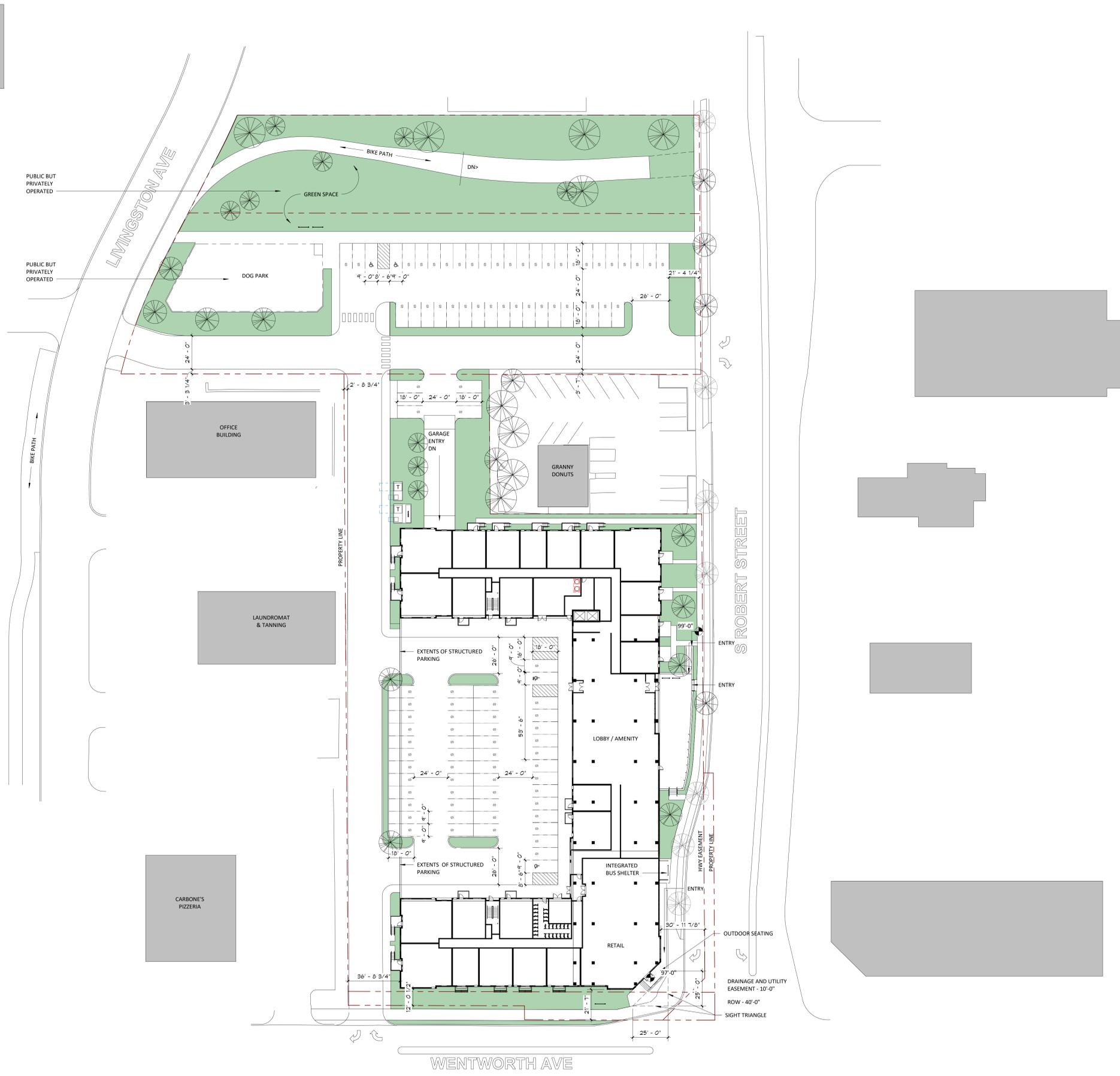
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License # _____ Date _____

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No. Description Date

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PROJECT NUMBER

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Checked By

KEY PLAN



S Robert & Wentworth

SITE PLAN
A0-1



PERSPECTIVE VIEW OF CORNER AT ROBERT STREET AND WENTWORTH AVENUE



PERSPECTIVE VIEW OF RESIDENTIAL ENTRY ALONG ROBERT STREET



PERSPECTIVE VIEW OF RETAIL CORNER AT ROBERT STREET AND WENTWORTH AVENUE

TO BE UPDATED

S Robert & Wentworth
West Saint Paul, MN



esg
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KEY PLAN

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DESIGN PERSPECTIVES

A0-2

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Signature _____
Typed or Printed Name _____
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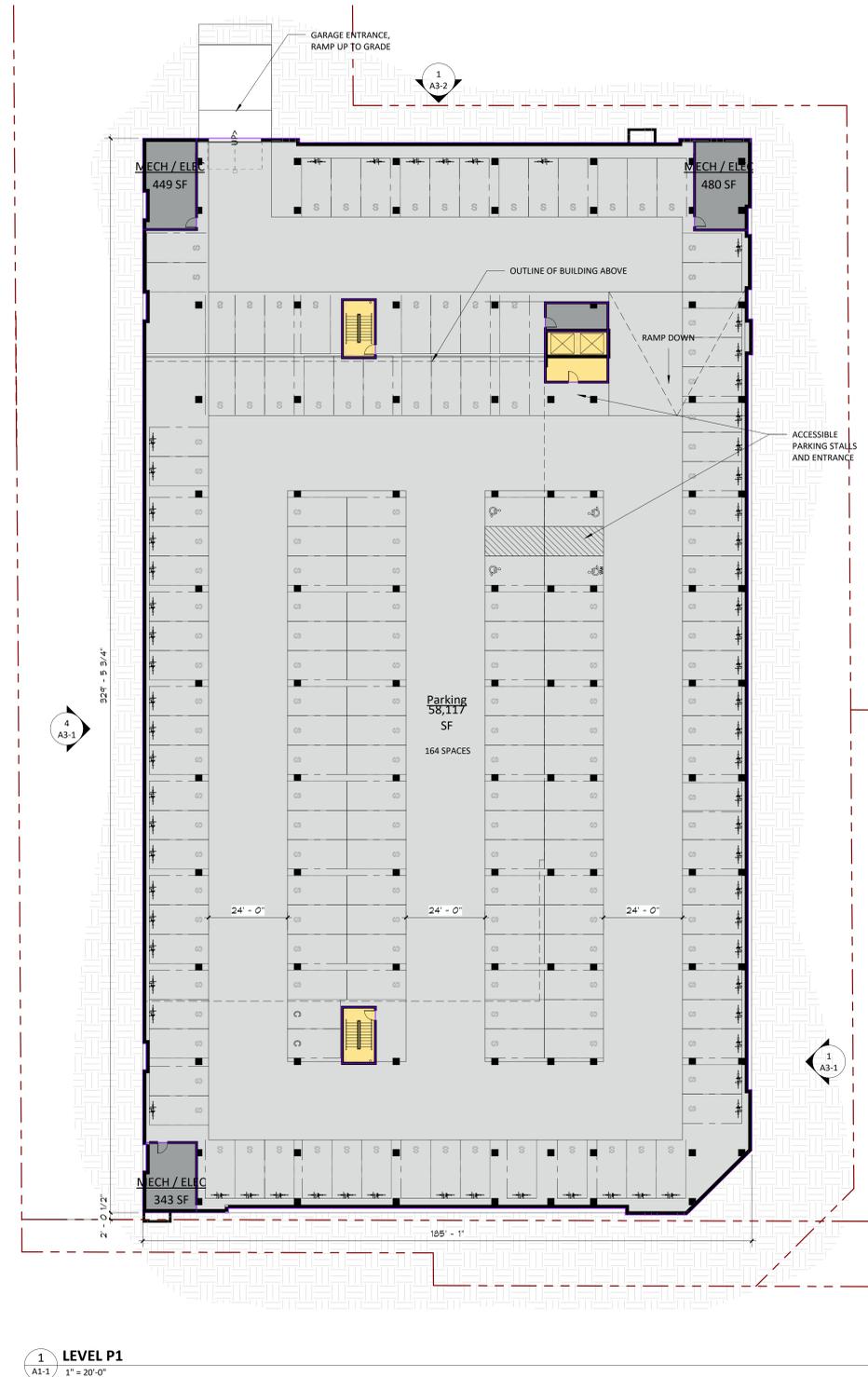
KEY PLAN

PLAN NORTH



S Robert & Wentworth

FLOOR PLANS
A1-1



MATERIAL PERCENTAGE

AREA	MATERIAL PERCENTAGE			
	NORTH	EAST	SOUTH	WEST
BRICK	600	2364	1719	
DARK	3357	4714	2983	
LIGHT	2702	2482	1553	
ACCENT	501	870	473	
GLAZING	2773	6912	3204	
TOTAL SF	9933	17342	9932	

PERCENTAGE	PERCENTAGE			
	NORTH	EAST	SOUTH	WEST
Primary	6%	14%	17%	
Secondary	34%	27%	30%	
Primary	27%	14%	16%	
Secondary	5%	5%		
Primary	28%	40%	22%	
TOTAL	100%	100%	100%	

NOTE:
DARK - PREFINISHED CORRUGATED METAL AND CHANNELS
LIGHT - FIBER CEMENT PANEL
ACCENT - COMPOSITE WOOD PRODUCT (LONGBOARD OR SIMILAR)
*MATERIAL AREAS AND PERCENTAGES ARE ESTIMATES BASED ON 2D ELEVATIONS AND DO NOT ACCOUNT FOR ALL INS AND OUTS OF THE BUILDING EXTERIOR.

METRICS TO BE UPDATED



3 SOUTH ELEVATION
A3-1 3/32" = 1'-0"



1 EAST ELEVATION
A3-1 3/32" = 1'-0"

ELEVATIONS IN PROGRESS



4 WEST ELEVATION
A3-1 3/32" = 1'-0"

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KEY PLAN

S Robert & Wentworth

EXTERIOR ELEVATIONS
A3-1

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Signature _____

Typed or Printed Name _____

License # _____ Date _____



3 COURT - SOUTH ELEVATION
A3-2 3/32" = 1'-0"



2 COURT - NORTH ELEVATION
A3-2 3/32" = 1'-0"



1 NORTH ELEVATION
A3-2 3/32" = 1'-0"

ELEVATIONS IN PROGRESS

NOT FOR CONSTRUCTION

**CITY SUBMISSION
PROGRESS PRINT
7/22/2020**

ORIGINAL ISSUE:
07/06/20

REVISIONS:
No. Description Date

220515
PROJECT NUMBER

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KEY PLAN

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EXTERIOR ELEVATIONS

A3-2

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

TABLE OF CONTENTS

PART 1 – EXECUTIVE SUMMARY	2
Purpose of Evaluation.....	2
Scope of Work	3
Conclusion.....	3
PART 2 – MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS	3
A. Coverage Test.....	4
B. Condition of Buildings Test.....	4
C. Distribution of Substandard Buildings.....	5
PART 3 – PROCEDURES FOLLOWED	6
PART 4 – FINDINGS	6
A. Coverage Test.....	6
B. Condition of Building Test.....	7
1. Building Inspection	7
2. Replacement Cost.....	7
3. Code Deficiencies	8
4. System Condition Deficiencies.....	9
C. Distribution of Substandard Structures.....	9
PART 5 - TEAM CREDENTIALS	11
APPENDIX A	Property Condition Assessment Summary Sheet
APPENDIX B	Building Code, Condition Deficiency and Context Analysis Reports
APPENDIX C	Building Replacement Cost Reports Code Deficiency Cost Reports Photographs

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%

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Percent of buildings determined substandard:

75.0%

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

RSMMeans data
from **BORIAN**

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 Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick		12.27	24,539.91
	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide		7.65	15,301.65
	Spread footings, 3000 PSI concrete, load 50K, soil bearing capacity 6 KSF, 3' - 0" square x 12" deep		4.19	8,380.09
			0.43	858.17
A1030	Slab on Grade Slab on grade, 4" thick, non industrial, non reinforced		5.04	10,074.92
			5.04	10,074.92
A2010	Basement Excavation Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage		0.31	621.60
			0.31	621.60
B Shell		37.04%	48.95	97,908.84
B1020	Roof Construction 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		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, add for		6.42	12,833.12
			0.77	1,531.92
B2010	Exterior Walls Concrete block (CMU) wall, split rib, 8 ribs, hollow, regular weight, 8x8x16, reinforced, vertical #4@48", grouted		16.04	32,073.51
			16.04	32,073.51
B2020	Exterior Windows Aluminum flush tube frame, for 1/4" glass, 1-3/4"x4", 5'x6' opening, 1 intermediate horizontal		9.50	19,006.72
	Glazing panel, plate glass, 1/4" thick, clear		5.97	11,947.43
			3.53	7,059.29
B2030	Exterior Doors Door, aluminum & glass, without transom, full vision, double door, hardware, 6'-0" x 7'-0" opening		6.60	13,202.70
			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
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
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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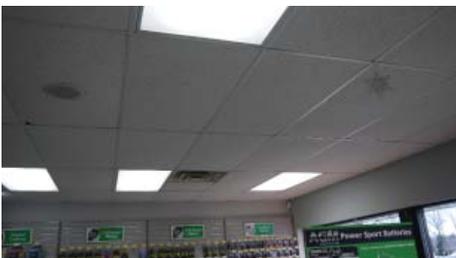
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West Saint Paul Town Center 1 TIF Analysis

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 **BORIAN**

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 fixtures @32watt per 1000 SF		0.59	2,360.84
			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 **BORIAN**

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 Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick		6.71	49,669.16
	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide		4.34	32,110.69
			2.37	17,558.47
A1030	Slab on Grade Slab on grade, 6" thick, light industrial, reinforced		8.04	59,485.49
			8.04	59,485.49
A2010	Basement Excavation Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage		0.32	2,380.73
			0.32	2,380.73
B Shell		29.95%	26.52	196,181.31
B1020	Roof Construction 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
			6.27	46,366.62
B2010	Exterior Walls 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
			8.43	62,414.55
B2020	Exterior Windows Windows, aluminum, sliding, standard glass, 5' x 3'		1.31	9,701.95
			1.31	9,701.95
B2030	Exterior Doors Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening Door, steel 24 gauge, overhead, sectional, manual operation, 12'-0" x 12'-0" opening		2.81	20,785.96
			0.86	6,396.25
			1.94	14,389.71
B3010	Roof Coverings Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped		7.66	56,651.96
			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
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
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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West Saint Paul Town Center 1 TIF Analysis

Photos: Parcel 8, 81 WENTWORTH AVE E, MAACO Auto



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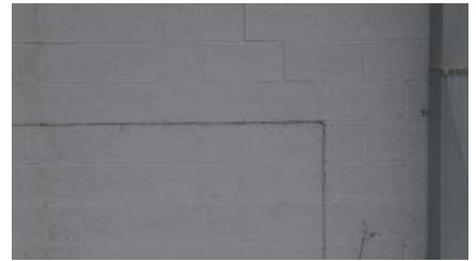
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West Saint Paul Town Center 1 TIF Analysis

Photos: Parcel 8, 81 WENTWORTH AVE E, MAACO Auto



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Phase II Environmental Site Assessment

Proposed Apartment Building
1539, 1565 and 1571 Robert Street, 81 Wentworth Avenue E, and
Parcels 42-17800-010-40, 42-17800-010-70, 42-17800-010-76 and
42-24200-010-70
West St. Paul, Minnesota

Prepared for

**Roers West St. Paul Apartments
Owner LLC**

August 21, 2020

Project B2005266.00

Shane LaFave
Roers West St. Paul Apartments Owner LLC
110 Cheshire Lane
Minnetonka, MN 55305

Re: Phase II Environmental Site Assessment
Proposed Apartment Building
1539, 1565 and 1571 Robert Street, 81 Wentworth Avenue E, and
Parcels 42-17800-010-40, 42-17800-010-70, 42-17800-010-76 and 42-24200-010-70
West St. Paul, Minnesota

Dear Shane LaFave:

On behalf of Roers West St. Paul Apartments Owner, LLC, Braun Intertec Corporation conducted a Phase II Environmental Site Assessment (ESA) of the above-referenced site (Site) in accordance with the authorized scope of services described in our proposal dated July 13, 2020. No other party has a right to rely on the contents of this Phase II ESA without the written authorization of Braun Intertec.

The Phase II ESA was prepared in association with the proposed Site redevelopment. The objective of the Phase II ESA was to investigate the recognized environmental conditions identified in a Phase I ESA conducted at the Site by Braun Intertec (Project B2005266) dated August 3, 2020 and to assist in determining appropriate off-site disposal and reuse options for both fill and native soil at the Site. For a complete discussion of our assessment, please refer to the attached Phase II ESA report.

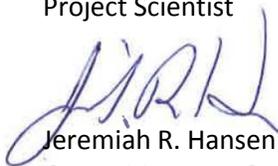
We appreciate the opportunity to provide our professional services to you for this project. If you have any questions or comments regarding this report or the project in general, please contact Justin Michael at 952.995.2617 or Jeremy Hansen at 952.995.2464.

Sincerely,

BRAUN INTERTEC CORPORATION



Justin Michael
Project Scientist



Jeremiah R. Hansen
Group Manager, Senior Scientist

Attachment: Phase II Environmental Site Assessment Report

Table of Contents

Description	Page
A. Introduction.....	1
A.1. Authorization.....	1
A.2. Project Objective	1
B. Site Background.....	1
B.1. Site Location and Description.....	1
B.2. Proposed Development.....	2
B.3. Previous Site Investigations.....	2
B.4. Published Geologic Information.....	4
B.4.a. Topography	4
B.4.b. Geology	5
B.4.c. Hydrogeology	5
C. Scope of Services.....	5
C.1. Deviations from Proposal	6
D. Investigation Methods and Procedures	6
D.1. Soil Evaluation	7
D.1.a. Soil borings	7
D.1.b. Soil Classification and Monitoring.....	8
D.1.c. Soil Analyses	8
D.2. Soil Vapor Evaluation	9
D.2.a. Soil Vapor Probes	9
D.2.b. Soil Vapor Analyses	9
E. Investigation Results	9
E.1. Geologic Conditions	9
E.2. Field Screening	10
E.3. Soil Analytical Results.....	10
E.4. Soil Vapor Analytical Results	11
E.5. Quality Assurance/Quality Control.....	11
F. Conclusions.....	12
G. Recommendations	13
H. Assessment Limitations.....	13

Figures

- 1: Site Location Map
- 2: Investigation Location Diagram

Tables

- 1: Soil Analytical Results
- 2: Soil Vapor Analytical Results

Appendices

- A: Soil Boring Logs
- B: Laboratory Analytical Reports
- C: Standard Operating Procedures
- D: References

A. Introduction

A.1. Authorization

Braun Intertec Corporation received authorization from Shane LaFave of Roers West St. Paul Apartments Owner LLC to conduct a Phase II Environmental Site Assessment (ESA) of the proposed apartment building located northwest of the intersection of South Robert Street and Wentworth Avenue East in West St. Paul, Minnesota (Site), in accordance with the scope of services described in Braun Intertec's proposal dated July 13, 2020. The Phase II ESA was prepared in association with the redevelopment of the Site.

This Phase II ESA was prepared on behalf of and for use by Roers West St. Paul Apartments Owner LLC in accordance with the contract between Roers West St. Paul Apartments Owner LLC and Braun Intertec. No other party has a right to rely on the contents of this Phase II ESA without the written authorization of Braun Intertec.

A geotechnical evaluation was also conducted by Braun Intertec and is provided under separate cover.

A.2. Project Objective

The objective of the Phase II ESA was to investigate the recognized environmental conditions identified in a Phase I ESA conducted at the Site by Braun Intertec (Project B2005266) dated August 3, 2020 and to assist in determining appropriate off-site disposal and reuse options for both fill and native soil at the Site.

B. Site Background

B.1. Site Location and Description

The Site is located at 1539, 1565, and 1571 Robert Street S, 81 Wentworth Avenue E, and parcels 42-17800-010-40, 42-17800-010-70, 42-17800-010-76, and 42-24200-010-70 (see Figure 1). The Site is located within the southwest quarter of the northwest quarter of Section 20, Township 28 North, Range 22 West, in the city of West St. Paul, Dakota County, Minnesota.

The Site consists of eight contiguous parcels totaling approximately 3.89 acres in size. The parcels are currently owned by the City of West St Paul, the West St Paul Economic Development Authority, WSTP LLC, and 1571 Robert St WFW LLC. A Site Diagram which shows the parcels is included as Figure 2.

The Site was developed with three buildings: one commercial/retail building occupied by Batteries Plus Bulbs, one automobile service center occupied by Aamco Transmission & Car Care and one vacant building formerly occupied by Maaco Auto Painting and Bodyworks. The remainder of the Site consisted of vacant land and/or paved lots.

The Site is bordered on the north by a building occupied by Napa Auto Parts with commercial properties located beyond; on the east by Robert Street South followed by commercial businesses including Discount Tire, KFC, Pollo Campero, Wentworth Plaza and Jimmy John's/Verizon Wireless with commercial and residential properties located beyond; on the south by Wentworth Avenue East followed by an LA Fitness and retail center with commercial properties located beyond; and on the west by multi-tenant office buildings, Davita Dialysis, The Wooden Tub, Carbone's Pizzeria Bar & Grill with office and residential properties located beyond.

B.2. Proposed Development

The client is considering acquisition and redevelopment of the Site into an apartment building with first-floor retail space and underground parking. The proposed redevelopment includes two surface parking areas, one on the south portion of the Site and a second parking area, green space, and a dog park on the north portion of the Site.

B.3. Previous Site Investigations

Braun Intertec completed a Phase I ESA at the Site in August 2020, the results of which are presented in the report titled *Phase I Environmental Site Assessment, Proposed West St. Paul Apartments, 1539, 1541, 1561, 1565, 1571 and 1589 Robert Street; 81 Wentworth Avenue East; and Parcel 42-17800-010-76, West St. Paul, Minnesota*, prepared by Braun Intertec, dated August 3, 2020 (project B2005266) (2020 Phase I ESA).

According to the recently conducted Phase I ESA, the Site was historically wooded land and/or developed as cultivated cropland from at least 1937 through 1947. A residence occupied the northern portion of the Site from at least 1951 through 1963; a residence-like building occupied the central portion of the Site from at least 1937 through 1968; and a residence and/or excavating contractor occupied the southwest portion of the Site from at least 1947 through 1976. A commercial building was constructed on the

northern portion of the Site (1539 Robert Street S) in 1966; an addition to that building was constructed in 1972; and the building was demolished in 2015. Past occupants of the commercial building included an electrical contractor, a real estate office, a plumbing contractor, a transportation inspection business, various nightclubs and saloons, various billiards rooms, and Blockbuster Video. A restaurant was constructed on the central portion of the Site in 1985 and the restaurant building was demolished in 1992. The existing Batteries Plus Bulbs building (1565 Robert Street S) was constructed in 1993 and has always been occupied by Batteries Plus Bulbs (formerly known as Batteries Plus). The existing Aamco Transmission & Car Care building (1571 Robert Street S) was constructed in 1977 and has always been occupied by an automobile transmission and car care service business. The existing building on the southwest portion of the Site (81 Wentworth Avenue East) was constructed in 1977. The building has always been occupied by an automobile painting and bodywork business and was formerly known as Maaco Auto Painting and Bodyworks. The southeast portion of the Site (1589 Robert Street S) was occupied by a gasoline station (Texaco Service) from 1968 through 1973 and a restaurant (Polly's Slow Foods Restaurant) in 1983. A different commercial building was constructed on this parcel in 1994 and was listed as Car X Muffler & Brakes from 1997 through 2012. This building was demolished in 2013.

The Phase I ESA identified the following recognized environmental conditions in connection with the Site:

- The county database records review identified two historic surface disposal areas that extended onto the Site. In addition, based on the available historical information, there were residential and commercial buildings on the Site that have since been demolished. It is unknown if the demolition debris associated with the buildings was buried on the Site or hauled away for disposal. There is a potential that buried materials are present at the Site that may require management as solid or hazardous waste if encountered during redevelopment activities. This potential represents a recognized environmental condition.
- The Site was currently developed at 1571 Robert Street S with Aamco Transmission & Car Care and 81 Wentworth Avenue E with a vacant building formerly occupied by Maaco Auto Painting and Bodyworks. While no releases have been reported, automotive maintenance and repair have occurred on the Site at these locations since 1977. Aamco was a generator of hazardous waste, had trench drains connected to an oil water separator, and underground hydraulic hoists were formerly used inside five of the Aamco service bays. No confirmation testing data of soils was conducted when the hoists were removed. The Maaco Site building was not accessed as part of this assessment; however, Maaco was a generator of hazardous waste and it is likely, based on experience, that similar features were located in that building due to the type of services formerly performed at this location. It is not uncommon to find contamination below and along floor drains, flammables traps, sewer pipes and hoists during

removal of the building slab and underground utilities. Therefore, the use of the Site for automobile maintenance since 1977 and the potential for soil, groundwater, and/or soil vapor contamination related to these uses of the Site represents a recognized environmental condition.

- A release (MPCA Leak No. 569) of petroleum was discovered at the 1589 Robert Street S Site parcel on May 8, 1988 during the removal of two underground gasoline storage tanks associated with a former Texaco gasoline station that was located on this parcel. The file regarding the release was closed by the Minnesota Pollution Control Agency (MPCA) indicating that the investigation was completed to their satisfaction; however, this does not suggest that no contamination remains. Groundwater contamination was reported and based on the available information it appears that contaminated soils remain. There is a potential that petroleum contaminated soil is present at the Site that may require management as solid or hazardous waste. Further, the contaminated soil, if present or allowed to remain in place, represents a potential for soil vapor impact. This potential represents a recognized environmental condition.
- The Site is located within an area of West St. Paul where the surrounding area has been developed for commercial use for over 40 years. Adjoining or nearby property uses have included gasoline/service stations and automobile sales/service. The regulatory information suggests that contamination has been identified or is suspected at sites located near and/or potentially upgradient of the Site relative to the estimated direction of ground water flow. Although it appears that these adjoining/surrounding upgradient sites have been redeveloped in accordance with the oversight and approval of the MPCA, there remains a potential that these sites may have impacted soil, groundwater and/or soil vapor at the Site. Based on the proposed redevelopment of the Site, this potential represents a recognized environmental condition.

B.4. Published Geologic Information

B.4.a. Topography

According to the United States Geological Survey (USGS) 7.5-minute topographic map series, Saint Paul East, Minneapolis quadrangle, the Site is located at an elevation of approximately 980 feet above mean sea level (AMSL).

B.4.b. Geology

The unconsolidated sediments in the Site vicinity are Superior Lobe till deposits that consist of reddish brown colored sandy loam. Cobbles and boulders are common in the deposit. Stringers and masses of poorly sorted sand and gravel are also common (Hobbs et al., 1990).

The uppermost bedrock units in the Site vicinity are the Middle Ordovician Decorah Shale and Platteville and Glenwood Formations (Mossler, 1990). The Decorah Shale is described as green, calcareous shale with thin interbeds of limestone. The Platteville Formation is described as fine-grained dolostone and limestone, which is underlain by green sandy shale of the Glenwood Formation.

The depth to bedrock in the Site vicinity is approximately 150 feet below land surface (Bloomgren et al., 1990).

B.4.c. Hydrogeology

Based on published information, the reported depth to the water table in the Site vicinity is approximately 20 feet below land surface. The Geotechnical Evaluation conducted by Braun Intertec reported depths to the water table on the Site ranging from 16 to 21 feet bgs, corresponding to elevations of 962.5 to 965.5 feet AMSL. The Geotechnical evaluation noted apparent perched groundwater in two borings at 9 and 11 feet bgs, corresponding to elevations of 970.5 and 974 feet AMSL.

According to published geologic information, the regional groundwater flow direction within the unconsolidated deposits in the Site vicinity is generally northeast (Palen, 1990). The general groundwater flow direction within the uppermost bedrock aquifer in the Site vicinity, the Prairie du Chien-Jordan Aquifer, is likely northeast (Palen, 1990).

C. Scope of Services

The following tasks were conducted at the Site as part of this Phase II ESA:

- Subcontracted a licensed drilling contractor to clear public utilities through Gopher State One Call and private utilities for the investigation locations.
- Subcontracted a licensed drilling contractor to complete soil borings and complete soil vapor probes.

- Advanced eight environmental soil borings (PP-1 through PP-8) and collected soil samples.
- Completed nine temporary soil vapor probes (SV-1 through SV-9) and collected soil vapor samples.
- Conducted environmental monitoring during drilling and screened soil samples collected from the borings for the presence of organic vapors using a photoionization detector (PID). Made and recorded visual and olfactory observations regarding potential contamination.
- Analyzed representative soil samples for the following parameters: volatile organic compounds (VOCs), polycyclic aromatic hydrocarbons (PAHs), eight Resource Conservation and Recovery Act (RCRA) metals, diesel range organics (DRO), and gasoline range organics (GRO).
- Analyzed soil vapor samples for VOCs.
- Evaluated the data and prepared this report.

C.1. Deviations from Proposal

The original proposed depth for the soil vapor probes was 10 feet bgs. Soil vapor probe SV-8 was advanced to 10 feet bgs and retracted to 8 feet bgs; however during sample collection water was noted in the sample tubing. Sample collection was stopped and the vapor probe was offset and advanced to 6 feet bgs and retracted to 4 feet bgs. The remaining soil vapor probes were also advanced to 6 feet bgs.

D. Investigation Methods and Procedures

The field work relating to the investigation was conducted on July 23, 2020. Prior to beginning the field investigation, public utilities were cleared through Gopher State One Call and private utilities were cleared through a subcontracted private utility locator.

Field methods and results are discussed in the following sections. Soil boring logs are provided in Appendix A, laboratory analytical reports are provided in Appendix B, and Braun Intertec Standard Operating Procedures (SOPs) are provided in Appendix C.

Eight push-probe soil borings, designated as PP-1 through PP 8, and nine soil vapor probes, designated as SV-1 through SV-9, were advanced at the Site as follows:

- Soil boring PP-1 and soil vapor probe SV-1 were advanced on one of the north vacant parcels to the north of the adjoining dialysis center building and in the vicinity of a former off-Site surface disposal site.
- Soil borings PP-2, PP-3, and PP-4 and soil vapor probes SV-2 and SV-5 were advanced on the vacant parcels in the center portion of the Site, in the vicinity of the west adjoining off-Site surface disposal site and the existing Aamco and Maaco buildings.
- Soil vapor probes SV-3 and SV-4 were advanced to the north of the Aamco Transmission & Car Care building.
- Soil borings PP-5, PP-6, and PP-7 and soil vapor probes SV-6, SV-7, and SV-9 were advanced in the paved lot in the southeast portion of the Site. Closed MPCA Leak No. 569 is located on this parcel.
- Soil boring PP-8 and soil vapor probe SV-8 were advanced to the southwest of the former Maaco building in the southwest portion of the Site.

The soil boring and soil vapor probe locations are shown on Figure 2. The locations of the soil borings and soil vapor probes were determined using GPS technology.

D.1. Soil Evaluation

D.1.a. Soil borings

Braun Intertec subcontracted Range Environmental Drilling of Hibbing, Minnesota to advance eight soil borings, designated as PP-1 through PP-8. Soil borings PP-1, PP-3, and PP-5 through PP-8 were advanced to depths of 10 feet bgs, and borings PP-2 and PP-4 were advanced to depths of 20 feet bgs.

The soil borings were completed with a hydraulically-driven push-probe sampling rig. To collect the soil samples from the borings, a disposable thin-walled PVC liner was placed inside of a 5-foot long sampling tool. The borehole was then advanced using the sampling tool to a total penetration depth of up to 5 feet. After advancing the tooling, the sampler was removed from the borehole and the soil sample was retrieved from the PVC liner for field screening and classification. The process was then repeated to the termination depths of the borings.

Prior to arrival onsite, the drill rig and sampling equipment were cleaned with a high pressure, hot water sprayer.

This investigation includes soil borings advanced to depths of 15 feet or deeper. Upon completion, soil borings were sealed in accordance with Minnesota Department of Health (MDH) regulations. The concrete or asphalt surface at the boring location was patched.

D.1.b. Soil Classification and Monitoring

Soils samples from the soil borings were visually and manually classified in the field by an environmental technician using ASTM D 2487 “Standard Practice for Classification of Soils for Engineering Purposes (Unified Soil Classification System)” and ASTM D 2488 “Standard Practice for Description and Identification of Soils (Visual-Manual Procedures).”

Soil samples retrieved were examined by an environmental technician, who was a certified asbestos inspector by MDH, for unusual staining, odors, and other apparent signs of contamination. In addition, the soil samples were screened for the presence of organic vapors using a PID. The PID was equipped with a 10.6-electron-volt lamp and calibrated to an isobutylene standard. The PID was used to perform a headspace method of field analyses, as recommended by the MPCA in Petroleum Remediation Program Guidance Document 4-04 (July 2018).

D.1.c. Soil Analyses

Selected soil samples were collected from the soil borings for laboratory analysis. At least two soil samples were collected from each soil boring: one soil sample was collected from the fill soil; if impacts were detected, a second fill soil sample was collected from just above the fill-native soil interface; a final sample was collected from the native soil. Soil samples were collected from intervals where indications of contamination were observed in the field. If no indications of contamination were observed, the soil samples were collected from the depth most likely to be encountered during proposed redevelopment activities based on information provided by the client.

Samples were submitted to Pace Analytical Services, LLC (Pace) of Minneapolis, Minnesota and analyzed for the following parameters:

- VOCs using United States Environmental Protection Agency (EPA) Method 8260
- PAHs using EPA Method 8270
- Eight RCRA metals using EPA Methods 6010 and 7471
- DRO using the Wisconsin Department of Natural Resources Method (WDNR)
- GRO using the WDNR Method

D.2. Soil Vapor Evaluation

D.2.a. Soil Vapor Probes

Braun Intertec subcontracted Range Environmental Drilling of Hibbing, Minnesota to advance nine temporary soil vapor probes, designated as SV-1 through SV-9, at the Site. Each soil vapor probe was advanced, using a hydraulically-driven push-probe rig, to a depth of 6 feet bgs and then retracted to a depth of 4 feet bgs. New, inert tubing was attached to the top of the downhole sampler, and the sampling point and tubing were purged with a hand pump to remove two volumes of air prior to sample collection. Following purging, organic vapor concentrations were screened with a PID and the value was recorded. The soil vapor samples were then collected using laboratory-supplied negative pressure air-sample collection canisters (6-liter canisters) equipped with 200 milliliter per minute (mL/min) flow restrictors in accordance with the MPCA guidelines. Following sample collection, the temporary sampling point was removed from the borehole, and the borehole was sealed in accordance with MDH guidelines.

D.2.b. Soil Vapor Analyses

The soil vapor samples were submitted to Pace and analyzed for VOCs using EPA Method TO-15.

E. Investigation Results

E.1. Geologic Conditions

Soil boring logs with descriptions of the various soil strata encountered during the soil boring operations and water level information are contained in Appendix A. The depths shown as changes between the soil types are approximate. The actual changes may be transitional, and the transition depths are likely to be horizontally variable.

Fill soil, consisting of a mixture of sands, clays, and silts, were encountered from the ground surface to depths of 7 to 15 feet bgs. Underlying the fill soil was apparent native soil consisting of silt and poorly graded sand. A peat layer was present beneath the silt in boring PP-1 and beneath the silt and poorly graded sand in boring PP-2.

Wet soil was encountered in boring PP-4 at a depth of approximately 14 feet bgs; however, no indications of water were observed in boring PP-2, the other soil boring advanced to 20 feet bgs. In the soil borings completed for the Geotechnical Evaluation, groundwater was encountered between 16 and 21 feet bgs and suspected perched groundwater was encountered in two borings at 9 and 11 feet bgs.

E.2. Field Screening

Soil recovered from the soil borings was screened by the field technician for evidence of contamination, including odors, staining, and the presence of debris. PID screening of the soil generally exhibited organic vapor concentrations of less than 5 parts per million (ppm), which, based on site-specific field readings, is considered to be general background readings. One boring, PP-5, exhibited a slight petroleum-like odor and staining with a PID reading of 1.2 ppm from 7.5 to 10 feet bgs, which is consistent with the former UST basin associated with closed MPCA Leak No. 569. Chemical-like odors were noted in two of the geotechnical soil borings: in ST-4 at 10 and 12 feet bgs and in ST-9 at 5 and 7 feet bgs. Soil screening PID results are included on the boring logs in Appendix A. Brick debris was observed in boring PP-3 at 5 feet bgs and in boring PP-6 at 7.5 feet bgs; brick fragments were also noted in geotechnical boring ST-1 from 12 to 14 feet bgs. No other evidence of contamination was observed in the completed borings.

E.3. Soil Analytical Results

A summary of the soil analytical results is provided in Table 1. The soil analytical results can be compared with the Soil Reference Values (SRVs) and Screening Soil Leaching Values (SLVs) which are also listed on Table 1. SRVs and SLVs are allowable risk-based contaminant concentrations derived by the MPCA using risk assessment methodology, modeling, and risk management policy to guide investigation and cleanup actions. SRVs relate to direct-contact exposure scenarios and SLVs relate to potential leaching of contaminants to groundwater. Concentrations of contaminants in soil, SRVs, and SLVs are expressed in units of milligrams per kilogram (mg/kg).

The following provides a summary of the soil analytical results.

- No VOCs were detected at concentrations greater than or equal to the laboratory reporting limits in the ten soil samples analyzed.
- Varying concentrations of PAHs were detected in three of the ten soil samples analyzed. The concentrations of the detected PAHs were below the applicable regulatory criteria. The benzo(a)pyrene [B(a)P] equivalent concentrations did not exceed the regulatory criteria.
- Varying concentrations of the eight RCRA metals were detected in each of the ten soil samples analyzed; however, none of the metal concentrations exceeded the applicable regulatory criteria.

- DRO was detected in one of the ten soil samples analyzed at a concentration of 48.9 mg/kg [sample PP-1 (1-3')] which does not exceed the MPCA unregulated fill criterion of 100 mg/kg.
- GRO was not detected in the ten soil samples analyzed at concentrations greater than or equal to the laboratory reporting limits.

E.4. Soil Vapor Analytical Results

A summary of the soil vapor analytical results is provided in Table 2. For comparison purposes, Table 2 includes Intrusion Screening Values (ISVs). ISVs were developed by the MPCA in coordination with the MDH as screening values for evaluating vapor intrusion risks from VOCs identified in indoor air. The potential for indoor air to be impacted by soil vapor intrusion can also be assessed using ISVs. Concentrations of VOCs in air or soil vapor and ISVs are expressed in units of micrograms per cubic meter ($\mu\text{g}/\text{m}^3$).

Per 2017 MPCA Vapor Investigation Document, soil vapor results are compared to 33X ISVs to assess vapor intrusion risk if building conditions are appropriate. According to the guidance, soil vapor concentrations greater than 33X ISVs indicate a vapor source with potential vapor intrusion risk is present. A Site with contaminant concentrations greater than 33X ISVs would typically require either mitigation or additional assessment of potential pathways and receptors to better quantify risks, which might include collection of sub-slab or indoor air samples.

The following provides a summary of the soil vapor analytical results.

- Various VOCs were detected at concentrations greater than or equal to the laboratory limits. None of the concentrations exceeded the 33X Residential ISVs with the exception of benzene. In soil vapor sample SV-4, benzene was detected at a concentration of $151 \mu\text{g}/\text{m}^3$, which exceeds the 33X Residential ISV of $150 \mu\text{g}/\text{m}^3$.

E.5. Quality Assurance/Quality Control

Samples were placed in clean, laboratory supplied containers, preserved, labeled, and transported to the Pace laboratory under refrigerated conditions using chain-of-custody procedures. Analyses were performed using EPA or other recognized standard procedures.

A quality assessment of field procedures and analytical laboratory reports was performed to evaluate potential effects on data quality used to support project objectives. All applicable Braun Intertec SOPs

were followed as prescribed unless otherwise noted in this report. Notable findings are provided in more detail below and incorporated, where necessary, into this report.

A trip blank accompanied the investigative soil samples and was analyzed for VOCs. No contaminants were detected in the trip blank at concentrations greater than the laboratory method reporting limits. Data were reviewed prior to release, quality-control guidelines were generally met, and the data are considered usable.

F. Conclusions

This Phase II ESA identified two areas of petroleum related soil contamination, in the northwest and southeast parts of the Site. In the northwest portion of the Site, analytical testing indicated minor petroleum impacts below the MPCA unregulated fill criterion. DRO was detected in the soil sample collected from boring PP-1 at 1 to 3 feet bgs at a concentration of 48.9 mg/kg, which does not exceed the unregulated fill criterion of 100 mg/kg. The boring was located near a small wooded area in the northwest corner of the 1539 Robert Street South parcel, which along with the 1541 Robert Street South parcel was formerly a Blockbuster Video. In the southeast area of the Site, a slight petroleum odor was noted in boring PP-5 at 9 feet bgs, which was located on the north portion of the paved lot of the 1589 Robert Street South parcel.

This Phase II ESA identified two areas with debris identified in the soil. Brick fragments were noted in boring PP-3 at 5 feet bgs and in boring PP-6 at 7.5 feet bgs. Soil boring PP-3 was located in the paved lot parcel 42-17800-01-076, and boring PP-6 was located in the 1589 Robert Street South parcel. In addition, the geotechnical evaluation noted brick fragments in boring ST-1 from 12 to 14 feet bgs.

Laboratory analysis detected various petroleum and non-petroleum related VOCs in subsurface soil vapors at the Site. All soil vapor concentrations were below 33X the Residential ISVs (although tetrachloroethene [perchloroethene or PCE] was detected) with the exception of benzene in sample SV-4, which was located on the 1561 Robert Street South parcel just north of the Aamco Transmission & Car Care building on the 1571 Robert Street South parcel.

G. Recommendations

Based on the results of this assessment, the following recommendations are provided:

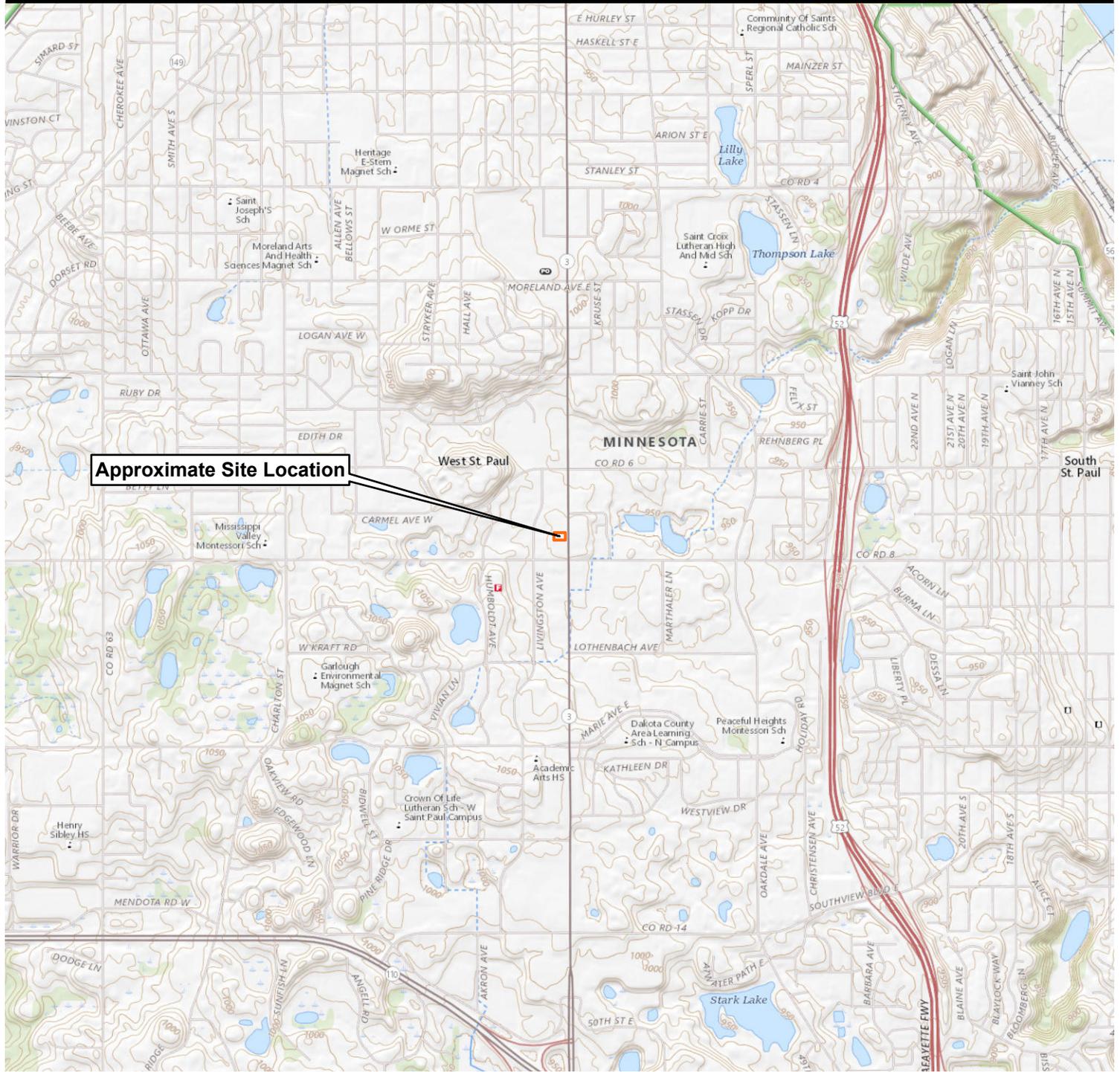
- Petroleum-related compounds have been identified in the soil and groundwater at the Site. According to Minnesota Statute 115.061, the property owners and/or responsible parties associated with this release may have a duty to notify the MPCA via the Minnesota Department of Public Safety, Division of Emergency Management (DEM) Duty Officer.
- Benzene was detected in subsurface soil vapors in one area of the Site at a concentration above the actionable regulatory criteria. Based on that result and current MPCA guidance, the building should be constructed with active vapor mitigation. Based on the proposed building size being larger than 30,000 square feet, there is the potential to limit the mitigation area if additional soil vapor sampling is conducted and results are favorable.
- Braun Intertec recommends that the Site be enrolled in the MPCA Petroleum Brownfields Program (PBP) and the Voluntary Investigation and Cleanup (VIC) Program to facilitate the redevelopment and to obtain applicable assurances from the MPCA regarding the soil and soil vapor impacts. If a No Association Determination (NAD) letter is desired for the non-petroleum soil vapor compounds (including PCE), a Proposed Actions Letter should be prepared and submitted to the MPCA to facilitate the request for a NAD.
- Braun Intertec recommends that a Response Action Plan (RAP) be prepared that addresses procedures for the management and/or mitigation of non-petroleum and petroleum-contaminated soil and soil vapor that will be encountered during redevelopment and contaminated groundwater that may potentially be encountered during construction. Braun Intertec recommends that a Construction Contingency Plan (CCP) be prepared and incorporated into the RAP that provides a plan to evaluate and manage other environmental issues that may arise during redevelopment of the Site. The RAP/CCP document should be submitted to the MPCA for review and approval prior to the start of construction.

H. Assessment Limitations

The analyses and conclusions submitted in this report are based on field observations and the results of laboratory analyses of soil and soil vapor samples collected from the soil borings and soil vapor probes completed for this project.

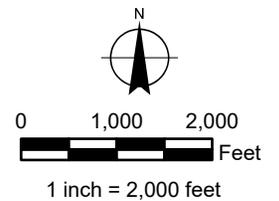
In performing its services, Braun Intertec used that degree of care and skill ordinarily exercised under similar circumstances by reputable members of its profession currently practicing in the same locality. No warranty, express or implied, is made.

Figures



 Approximate Site Boundary

Source: USGS US Topo Map



11001 Hampshire Avenue S
 Minneapolis, MN 55438
 952.995.2000
 braunintertec.com

Project No:
 B2005266

Drawing No:
 B2005266

Drawn By: ZS
 Date Drawn: 6/16/2020
 Checked By: DST
 Last Modified: 6/16/2020

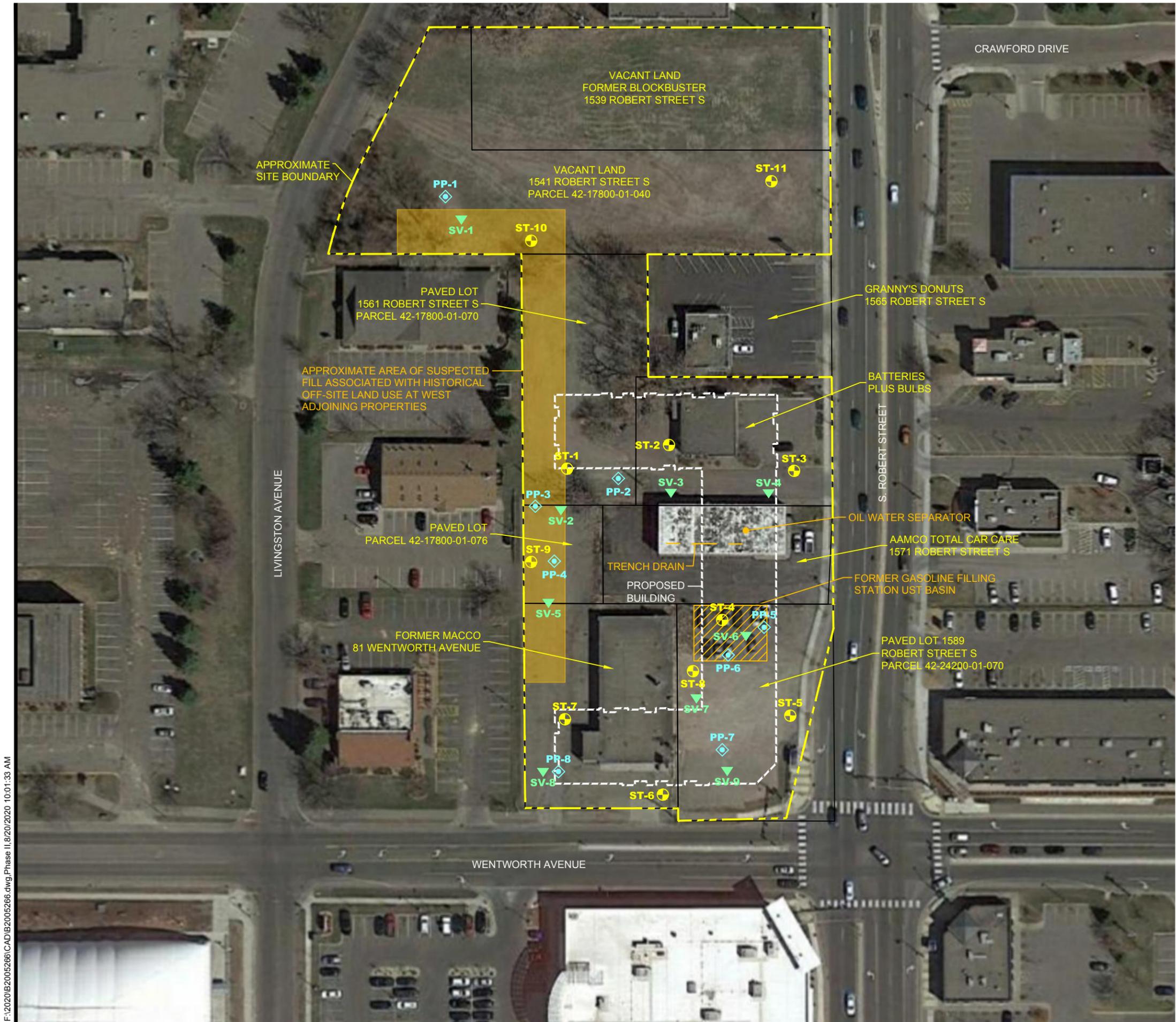
Proposed West St. Paul Apartments

1565 Robert Street West

West Saint Paul, Minnesota

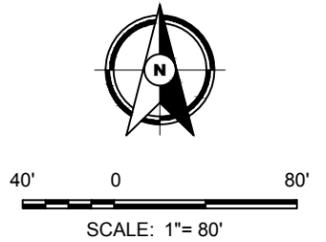
Site Location Map

Figure 1



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- DENOTES APPROXIMATE LOCATION OF STANDARD PENETRATION TEST BORING**
- DENOTES APPROXIMATE LOCATION OF PUSH PROBE SOIL BORING**
- DENOTES APPROXIMATE LOCATION OF SOIL VAPOR PROBE**



Drawing Information	
Project No:	B2005266.00
Drawing No:	B2005266
Drawn By:	JAG
Date Drawn:	6/23/20
Checked By:	AS
Last Modified:	8/20/20

Project Information

Proposed West St. Paul Apartments

1539, 1565 and 1571 Robert Street W. and 81 Wentworth Avenue E.

West St. Paul, Minnesota

Investigation Locations Sketch

Figure 2