



## Legislation Details (With Text)

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**Title:** Approving an amended and restated Tax Increment Financing Plan for the Schmidt Brewery Tax Increment Financing District.

**Sponsors:** Dave Thune

**Indexes:**

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**Attachments:** 1. TIF PLAN Revised.pdf

| Date      | Ver. | Action By      | Action  | Result |
|-----------|------|----------------|---------|--------|
| 9/25/2012 | 1    | Mayor's Office | Signed  |        |
| 9/19/2012 | 1    | City Council   | Adopted | Pass   |

Approving an amended and restated Tax Increment Financing Plan for the Schmidt Brewery Tax Increment Financing District.

WHEREAS, the City Council of the City of Saint Paul (the "Council") has the statutory responsibility under Minnesota Statutes, Section 469.028, to approve redevelopment plans and projects of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA"), after public hearing thereon; and WHEREAS, Minnesota Statutes, Section 469.175 requires that before a county auditor may certify a tax increment financing district created under Minnesota Statutes, Section 469.174 to 469.1799 (the "Tax Increment Act") the governing body of the municipality must approve the amendment to the tax increment financing plan after a public hearing thereon; and

WHEREAS, there has heretofore been submitted and approved by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("Authority") a Redevelopment Plan (the "Redevelopment Plan") for the Schmidt Brewery Redevelopment Project Area (the "Project Area"); and

WHEREAS, said Redevelopment Plan contains an identification of need and statement of objectives and program of the HRA for carrying out a redevelopment project, including property to be acquired, public improvements to be provided, development and redevelopment to occur, and sources of revenue to pay redevelopment costs of the Project; and

WHEREAS, the Council has heretofore approved the creation, within the Project Area, of a Tax Increment Financing District as a housing tax increment financing district under Minnesota Statutes, Section 469.174, Subdivision 11 (the "Tax Increment Financing District"), and the HRA has asked the Council to approve the adoption of the Amended and Restated Tax Increment Financing Plan therefor (the "Tax Increment Financing Plan"), all pursuant to and in accordance with the Tax Increment Act; and

WHEREAS, the HRA has performed all actions required by law to be performed prior to the creation of the Tax Increment Financing District and adoption of the Tax Increment Financing Plan therefor, including, but not limited to, notification of the Ramsey County Commissioner representing the area of the County in which the Tax Increment Financing District is located, and delivering a copy of the Tax Increment Financing Plan to Ramsey County and Independent School District Number 625, which have taxing jurisdiction over the property to be included in the Tax Increment Financing District; and

WHEREAS, on this date, the City Council conducted a public hearing on the Tax Increment Financing

Plan, after published notice thereof; and

WHEREAS, at said public hearing the City Council heard testimony from all interested parties on the Tax Increment Financing Plan; and

Section 1. Restated Findings for the Creation of the Tax Increment Financing District and Adoption of an Amended and Restated Tax Increment Financing Plan Therefor.

1.01 The City Council hereby finds that the creation of the Tax Increment Financing District and adoption of the Tax Increment Financing Plan therefor, are intended and, in the judgment of the City Council, its effect will be, to carry out the objectives of the Redevelopment Plan and to create an impetus for the construction of low and moderate income housing, and will otherwise promote certain public purposes and accomplish certain objectives as specified in the Redevelopment Plan and Tax Increment Financing Plan.

1.02 The City Council hereby finds that the creation of the Tax Increment Financing District and the adoption of the Tax Increment Plan are intended, its effect will be, to carry out the objectives of the Redevelopment Plan by creating an impetus for the redevelopment of two historic buildings and the development of housing facilities in the City and otherwise promote public purposes and accomplish certain objectives as specified in the Redevelopment Plan and Tax Increment Financing Plan.

1.03 The City Council hereby finds that the Tax Increment Financing District qualifies as a "housing district" within the meaning of the Tax Increment Act for the following reasons:

The District is, pursuant to Minnesota Statutes, Section 469.174, Subdivision 11, a "housing district" because it consists of a project or portions of a project or a portion of a project intended for occupancy, in part, by persons or families of low and moderate income as defined in Chapter 462A, Title II of the National Housing Act of 1934; the National Housing Act of 1959; the United States Housing Act of 1937, as amended; Title V of the Housing Act of 1949, as amended; and any other similar present or future federal, state or municipal legislation or the regulations promulgated under any of those acts. No more than 20% of the square footage of buildings that receive assistance from tax increments will consist of commercial, retail or other nonresidential uses.

The project to be constructed in the Tax Increment Financing District will consist of approximately 260 units of rental housing. At least 40% of the units in the buildings of the project that receive tax increment financing assistance will be rented to and occupied by individuals or families whose income is 60% or less of area median income.

1.04 The City Council hereby makes the following findings:

(a) The City Council further finds that the proposed development, in the opinion of the City Council, would not occur solely through private investment within the reasonably foreseeable future and, therefore, the use of tax increment financing is deemed necessary. The specific basis for such finding being:

The housing development will result in the renovation of two existing historic buildings into an affordable housing development as a mid-rise, medium-to-high density, mixed use urban neighborhood consisting of approximately 260 rental units, which renovation would not be undertaken in the reasonably foreseeable future. St. Paul Leased Housing Associates IV, Limited Partnership (the "Developer") has represented that it could not proceed with the development without tax increment assistance.

(b) The City Council further finds that the Tax Increment Financing Plan conforms to the general plan for the development or redevelopment of the City as a whole. The specific basis for such finding being:

The Tax Increment Financing Plan will generally complement and serve to implement policies adopted in the City's comprehensive plan. The housing development contemplated is in accordance with the existing zoning for the property.

(c) The City Council further finds that the Tax Increment Financing Plan will afford maximum opportunity consistent with the sound needs of the City as a whole for the development of the Tax Increment Financing District by private enterprise. The specific basis for such finding being:

The proposed development to occur within the Tax Increment Financing District is primarily low and moderate income housing. The development will increase the taxable market valuation of the City. The available housing in the City will expand by approximately 261 rental units with the completion of the development contemplated by the Tax Increment Financing Plan.

(d) The City does not expect any commercial/industrial net tax capacity in the Tax Increment Financing District; however, to the extent required, the City elects to retain all of the captured tax capacity to finance the costs of Tax Increment Financing District. The City elects the method of tax increment computation set forth in Minnesota Statutes, Section 469.177, Subd. 3(a).

(e) The City elects to delay the receipt of the first increment until tax payable year 2015.

1.05 The provisions of this Section 2 are hereby incorporated by reference into and made a part of the Tax Increment Financing Plan.

Section 2. Approval of the Amended and Restated Tax Increment Financing Plan.

2.01 The Tax Increment Financing Plan, as amended, is hereby approved.

2.02 The staff of the City, the staff of the Authority and the City's and Authority's advisors and legal counsel are authorized and directed to negotiate, draft, prepare and file all further plans, resolutions, documents and contracts necessary for this purpose.