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Title: Resolution approving financing under Temporary Tax Increment Financing Spending Plan authority to provide infrastructure improvements necessary to advance private development in the area bounded by the Mississippi River on the north, Wabasha Street on the east, Smith Avenue on the west and the bluff on the south, and approving an HRA budget amendment, District 3, Ward 2

Sponsors: Rebecca Noecker

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Attachments: 1. Board Report, 2. Temporary TIF Spending Plan, 3. Map, 4. Financial Analysis

Date	Ver.	Action By	Action	Result
10/26/2022	1	Housing & Redevelopment Authority	Adopted	Pass

Resolution approving financing under Temporary Tax Increment Financing Spending Plan authority to provide infrastructure improvements necessary to advance private development in the area bounded by the Mississippi River on the north, Wabasha Street on the east, Smith Avenue on the west and the bluff on the south, and approving an HRA budget amendment, District 3, Ward 2

WHEREAS, Minnesota Statutes, Section 469.176, subdivision 4n ("Subd. 4n") authorizes the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") to spend available tax increment from any existing tax increment financing district ("Available TIF"), notwithstanding any other law to the contrary, to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of construction or substantial rehabilitation of buildings and ancillary facilities, if the following conditions exist:

(1) Such assistance will create or retain jobs in the State of Minnesota (the "State"), including construction jobs;

(2) Construction commences before December 31, 2025;

(3) The construction would not have commenced before December 31, 2025 without the assistance;

(4) Available TIF under the spending plan is spent by December 31, 2025; and

(5) The City Council (the "Council") of the City of Saint Paul, Minnesota (the "City") approves a written spending plan (after a duly noticed public hearing) that specifically authorizes the HRA to take such actions; and

WHEREAS, the HRA and the Council have heretofore adopted a spending plan (the "Spending Plan") pursuant Subd. 4n, which authorizes the use of Available TIF to provide improvements, loans or assistance for private development that satisfies the criteria listed above and as further described in the Spending Plan; and

WHEREAS, the Spending Plan expressly authorizes the use of Available TIF assistance for the installation of sanitary sewer infrastructure (the "Sewer Upgrade") serving the area bounded by the Mississippi River on the north, Wabasha Street on the east, Smith Avenue on the west and the bluff on the south (the "SSS Area"); and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "Board") as follows:

Section 1. Findings for the Use of Available TIF.

1.01 The Board hereby finds that the use of Available TIF is authorized for the Sewer Upgrade because the Sewer Upgrade will enable the City to advance the redevelopment of land within the SSS Area for private development of approximately 2100 units of housing, including but not limited to the proposed construction of approximately 63 units of affordable housing at the property currently identified as 115 Plato Boulevard (the "Affordable Housing Development") and a proposed mixed-use redevelopment consisting of approximately 221 rental housing units, approximately 2,585 square feet of commercial space and related parking improvements at the property currently identified as 150 Water Street (the "Mixed-Use Development" and, together with the Affordable Housing Development, the "Development") and:

- (a) the Development and the Sewer Upgrade will create jobs in the State, including construction jobs;
- (b) construction on the Development will commence before December 31, 2025 and requires assistance in the form of public infrastructure to commence in this timeframe. The Available TIF will be applied to reduce the cost of the Sewer Upgrade passed on to private properties and the developer of the Development has represented that the Development would not be economically feasible within the reasonably foreseeable future, and more specifically, the developer would not have commenced such construction before December 31, 2025 if the developer were required to pay the cost of the Sewer Upgrade in the amount of Available TIF allocated hereunder;
- (c) the construction of the Development would not have commenced before December 31, 2025 without the Sewer Upgrade and there is a significant need for the Development to commence prior to such date due to the need for affordable housing in the City which, in the case of the Affordable Housing Development, would not be possible without new tax increments to be generated by the Mixed-Use Development. No development which requires sewer capacity is currently possible within the SSS Area, and specifically the property at which the Development will be located, and could not include any housing units due to insufficient sanitary sewer capacity in the area; and
- (d) the Available TIF for the Sewer Upgrade will be spent under the Spending Plan by December 31, 2025.

1.02 The Board further finds that the Sewer Upgrade additionally meets the Spending Plan goal of providing assistance in any form to advance the private development of underutilized, privately owned redevelopment sites within the City and is authorized pursuant to the Spending Plan and Subd. 4n.

Section 2. Approval of Use of Available TIF.

2.01 Approval. The Board hereby approves the use of Available TIF for the Sewer Upgrade in a principal amount of up to \$5,000,000.

2.02 Direction to Staff. The HRA's Executive Director and staff of the HRA and the HRA's advisors and legal counsel are authorized and directed to proceed with the implementation of this Resolution, including without limitation the transfer of Available TIF to the City's Department of Public Works in connection with the construction of the Sewer Upgrade and documentation of construction jobs in connection

with the Sewer Upgrade and the Development. The HRA's Executive Director and staff of the HRA and the City and the HRA's and City's advisors and legal counsel are authorized and directed to negotiate, draft, prepare and execute all further plans, resolutions, documents, notes and contracts necessary to accomplish these actions.

2.03 Approval of an HRA Budget Amendment. The Board hereby approves the HRA budget as set forth in the attached Financial Analysis.