



Legislation Text

File #: RES 22-955, **Version:** 1

Resolution approving (i) the adoption of a Spending Plan Minnesota Statutes, Section 469.176, Subd 4n and (ii) an HRA budget amendment, Citywide

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") is a public body corporate and politic established pursuant to the provisions of Minnesota Statutes, Sections 469.001 to 469.047, as amended (the "HRA Act"); and

WHEREAS, the HRA has the power to engage in development or redevelopment activities under Minnesota law and the HRA is authorized to engage in activities relating to (a) housing projects and development, (b) removal and prevention of the spread of conditions of blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) disposition of land for private redevelopment, and (e) improving the tax base and the financial stability of the community, and to engage in the aforementioned activities when these needs cannot be met through reliance solely upon private initiative and which can also be undertaken in targeted neighborhoods; and is authorized to create redevelopment projects as defined in Minnesota Statutes, Section 469.002, Subd. 14; and

WHEREAS, various private entities have requested or identified the need for financial assistance from the HRA for various housing and redevelopment projects; and

WHEREAS, the HRA and the City of Saint Paul, Minnesota (the "City") have previously established the following tax increment financing districts located in the City (collectively, the "TIF Districts"), and adopted tax increment financing plans therefor, pursuant to the HRA Act and Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the "TIF Act"): (1) Block 4/MN Mutual Redevelopment; (2) North Quadrant Housing; (3) Riverfront Renaissance Redevelopment; (4) Emerald Park Redevelopment; (5) Straus Building-Housing; (6) Phalen Village Redevelopment; (7) Osceola Park Housing; (8) Bridgecreek Senior Place Housing (aka Parkway Gardens); (9) Shepard Davern Redevelopment No. 1 (Owner Occupied Housing); (10) Shepard Davern Housing No. 2 (Rental Housing); (11) Shepard Davern Housing No. 3 (Senior Rental Housing); (12) Koch Mobil Redevelopment; (13) Carlton Lofts Housing; (14) Highland Pointe Lofts Housing (aka Riverpointe Lofts); (15) Minnesota Building Housing; (16) Pioneer Endicott Redevelopment; (17) Schmidt Brewery Housing; (18) West Side Flats Phase I Housing; (19) Custom House/Post Office Redevelopment; (20) East 7th & Bates Senior Housing; (21) 2700 University at Westgate Station Housing; and

WHEREAS, Section 469.176, subdivision 4n of the TIF Act ("Subd. 4n") authorizes the HRA to spend available tax increment from any existing tax increment financing district, 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, 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) Tax increments under the spending plan are spent by December 31, 2025; and
- (5) The City Council of the City (the "Council") approves a written spending plan (after a duly noticed public hearing) that specifically authorizes the HRA to take such actions; and

WHEREAS, pursuant to Subd. 4n, the HRA proposes to adopt that certain Spending Plan for Various Tax Increment Financing Districts Adopted Pursuant to Minnesota Statutes, Section 469.176, Subd 4n ("Spending Plan") which authorizes the use of tax increments from the TIF Districts to provide improvements, loans or assistance for private development that will create or retain jobs in this state; and

WHEREAS, the Council will hold a public hearing on this same date, following published notice on the City's public website and in a newspaper of general circulation in the City in accordance with applicable law, and will consider a resolution to approve the Spending Plan; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") of the HRA as follows:

Section 1. Approval of the Spending Plan

1.01 The Board hereby finds that the Spending Plan is intended and, in the judgment of the Board, its effect will be, to create an impetus for development and redevelopment activities in the City, including, but not limited to, developing or redeveloping blighted or underutilized sites, lands or areas within the City, providing necessary public improvements for private development in the City, and otherwise promoting certain public purposes and accomplishing certain objectives as specified in the Spending Plan. The Board finds that the projects described in the Spending Plan would not have commenced by December 31, 2025 without the assistance being offered by the HRA as permitted by Subd. 4n and that assistance will stimulate private development and the creation or retention of jobs in the state, including construction jobs. The HRA makes all the findings set forth in the Spending Plan, which are incorporated herein by reference.

1.02 The Board finds that the tax increments to be transferred under the Spending Plan are not needed to pay obligations of the applicable Tax Increment Financing Districts due within the six months following such transfer and are not improperly retained, received, spent, or transferred.

1.03 Contingent upon approval by the City Council of the City after the public hearing, the Spending Plan is hereby approved and adopted and the Spending Plan shall be placed on file in the office of the Executive Director of the HRA. The HRA authorizes transferring all tax increments under the Spending Plan to a segregated account by December 31, 2022 and spending tax increments under the Spending Plan by December 31, 2025 for projects which commence construction by December 31, 2025.

1.04 The HRA's staff, advisors and legal counsel are authorized and directed to identify potential uses which are in accordance with the Spending Plan for projects that are likely to result in the most efficient and effective use of the identified funds, to proceed with the implementation of the Spending Plan and to negotiate, draft, and prepare all further plans, resolutions, documents and contracts necessary for this purpose for future approval by the Board.

1.05 The staff of the HRA is hereby directed to file a copy of the Spending Plan with the Office of the State Auditor.

Section 2. Approval of an HRA Budget Amendment. The Board hereby approves the HRA budget as set forth in the attached Financial Analysis.