

**HOUSING AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF SAINT PAUL, MINNESOTA**

**REPORT TO THE COMMISSIONERS**

**DATE: December 11, 2013**

**REGARDING: RESOLUTION AUTHORIZING AND APPROVING AN INTERFUND LOAN  
REQUIRED UNDER THE TIF ACT FOR THE RIVERFRONT TAX INCREMENT  
FINANCING DISTRICT**

**(DISTRICT 9, WARD 2)**

**Requested Board Action**

Approval of the attached resolution (**Attachment A**) to authorize and approve an Interfund Loan required under the TIF Act for the Riverfront Tax Increment Financing District.

**Background**

On July 18, 2012, the City Council adopted RES PH 12-213 approving a budget for developing and constructing a regional ballpark (the “Ballpark”) in the Lowertown neighborhood in downtown Saint Paul. One of the sources in the approved budget was \$1,500,000 as a transfer from Capital Project Fund – TIF. On October 23, 2013, the HRA adopted RES 13-1656 approving a budget amendment to transfer the TIF funds from the Riverfront TIF district to the City’s Capital Projects budget. The tax increment will finance TIF-eligible construction of public improvements in and around the Ballpark. The budget amendment covers a multi-year funding source and a portion of the tax increments from the Riverfront TIF district will not be received until July of 2014. State of Minnesota TIF laws require that an Interfund Loan be authorized prior to the transfer of a temporary source.

The HRA is authorized to advance or loan money in order to pay costs eligible for financing with tax increments under the TIF Act. The attached resolution authorizes such advances to be reimbursed with tax increments, upon receipt of such tax increments, with the terms of the Interfund Loan outlined in the authorizing Resolution (**Attachment A**).

**Budget Action**

N/A

**Future Action**

N/A

**Financing Structure**

Up to \$1,500,000 will be advanced for TIF-eligible costs to be reimbursed from the Riverfront Tax Increment Financing District without interest. The advance, or loan, may be drawn from available monies from any legally authorized fund or account of the HRA as designated by the HRA's Executive Director from time to time. The Executive Director shall maintain applicable data on all advances and loans. Payments on this Interfund Loan are payable solely from "Available Tax Increments" which shall mean tax increment from the District, until the earlier of the advanced amount is repaid or the District is closed.

**PED Credit Committee Review**

N/A

**Compliance**

N/A

**Green/Sustainable Development**

N/A

**Environmental Impact Disclosure**

N/A

**Historic Preservation**

N/A

**Public Purpose/Comprehensive Plan Conformance**

N/A

**Recommendation:**

The Executive Director recommends HRA Board adoption of the attached Resolution authorizing an Interfund Loan under the TIF Act for the Riverfront Tax Increment Financing District.

**Sponsored by:** Commissioner Thune

**Staff:** Patricia Lilledahl (266-6593) and Jenny Wolfe (266-6680)

**Attachments**

- **Attachment A -- Resolution**