

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

REPORT TO THE COMMISSIONERS

DATE: DECEMBER 14, 2016

**REGARDING: RESOLUTION APPROVING THE ADOPTION OF AN
AMENDMENT TO THE TAX INCREMENT FINANCING PLAN
FOR THE SNELLING UNIVERSITY TAX INCREMENT
FINANCING DISTRICT NO. 135, District 13, Ward 1**

Requested Board Action

The Housing and Redevelopment Authority of the City of Saint Paul (HRA) Board of Commissioners is requested to approve the attached resolution authorizing adoption of the Fourth Amendment to the Snelling University Tax Increment Financing Plan (“TIF Plan”) for TIF District No. 135 to increase revenues and authorized expenditures.

Background

The HRA created the Snelling University TIF District No. 135 (“TIF District”) in 1990 and used tax increment from the TIF District to assist in the development of the Midway Marketplace project.

The HRA amended the Snelling University TIF Plan and budgets in 2010 and 2011 to assist in the financing of the betterments for the Central Corridor Light Rail (Green Line) Project.

In December 2011 the HRA authorized \$2,880,000 of tax increments from the TIF District for the Penfield project. The Penfield project was sold on September 22, 2016, and the portion of tax increment from the TIF District expended for the project needs to be returned to the TIF District.

This year is the final year of the TIF District and the HRA cannot modify the TIF Plan, including the spending budget, after the year ends. Although the collection of tax increments generated by the property taxes paid by the parcels within the TIF District will end in 2016, revenues from the sale of property financed with tax increment may be received after 2016 and expenditures of all available revenues can occur beyond 2016.

Staff has determined that it is necessary to further amend the TIF Plan to: 1) increase the budgeted revenues to reflect the receipt of the sales proceeds from the Penfield project, and other potential revenues; and 2) increase authorized expenditures in connection with development and redevelopment anticipated to occur within the Saint Paul Neighborhood Redevelopment Project Area, including, but not limited to, development along the Green Line Light Rail Transit and the construction of affordable housing within the City. The Fourth Amendment to the TIF Plan and a map of the TIF District and Project Area are included as attachments.

The HRA's action is contingent on the City Council holding a public hearing on December 21, 2016, to consider making the findings required by the TIF Act and approving the Amendment of the TIF Plan.

In March 2016 the HRA approved spending \$709,219 of the returned tax increments from the sale of the Penfield project for the Soccer Stadium Site infrastructure costs.

Budget Action

The HRA is approving a budget amendment to increase revenues and expenditures for future spending which is included in the attached Financial Analysis.

Future Action

N/A

Financing Structure

The funding for TIF-eligible activities will include: 1) all available tax increment revenue generated from tax increments collected from the TIF District properties; and 2) tax increments generated from the individual projects financed with TIF District tax increments (i.e., sale and/or loan proceeds).

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

The HRA will be able to assist in the financing of development and redevelopment projects within the City and Project Area. All future activities will conform to adopted citywide and neighborhood plans.

Recommendation:

The Executive Director recommends that the HRA Board of Commissioners approve the attached Resolution which approves the Fourth Amendment to the Snelling University Tax Increment Financing Plan No. 135.

Sponsored by: Commissioner Thao

Staff: Jenny Wolfe, 266-6680

Attachments

- **Attachment – HRA Budget Amendment**
- **Attachment – Fourth Amendment to Snelling University TIF District No. 135 TIF Plan**
- **Attachment – Map of TIF District & Project Area**