

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

REPORT TO THE COMMISSIONERS

DATE: February 24, 2016

**REGARDING: RESOLUTION AUTHORIZING APPROVAL OF A 2016 BUDGET AMENDMENT
CONTRIBUTING TAX INCREMENTS TO THE 8 TO 80 JACKSON STREET
RECONSTRUCTION PROJECT, District 17, Ward 2**

Requested Board Action

Approval of the attached resolution authorizing a budget amendment to provide a total of \$885,000 to the 8 to 80 Jackson Street Reconstruction Project from two TIF districts.

Background

On December 17, 2014, the City Council adopted RES PH 14-343 approving a budget for the 8 to 80 Vitality Fund to provide \$8,000,000 for the Jackson Street Reconstruction Project (the “Project”), through the sale of bonds repaid with the City’s half-cent sales tax. This amount was subsequently reduced to \$7,960,000 by an administrative order.

On December 9, 2015, the HRA adopted RES 15-2178 approving a budget amendment and interfund loan from the MN Life TIF District to contribute \$1,250,000 to the Jackson Street Reconstruction Project so that the City Council could re-allocate a like amount of 8 80 sources to another 8 80 Vitality Fund project (action completed by the City Council on December 16, 2015 per RES PH 15-360).

Additional funding is needed for the Jackson Street Reconstruction project as a result of final design details nearing completion and final estimates being prepared. The City Council will consider RES PH 16-35 at its February 17, 2016 meeting to approve the transfer of available funding, which would include \$885,000 of tax increments as follows: \$120,000 from the Pioneer Endicott TIF District and \$765,000 from the MN Life TIF District. The tax increments will finance construction of public improvements within the Project Area, which is authorized in each approved TIF Plan. The budget amendment covers a multi-year funding source and tax increments from the TIF districts will be available over the course of construction for these public improvements.

The HRA needs to approve a budget amendment in order to transfer the funds to the City's Capital Projects budget.

Budget Action

The 2016 HRA budget is amended as shown in Attachment A to the Resolution.

Future Action

No further action is required.

Financing Structure

The TIF financing will be provided as shown in Attachment A to the Resolution.

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 the HRA Board adopt the attached Resolution authorizing the 2016 Budget Amendment.

Sponsored by: Chair Brendmoen

Staff: Jenny Wolfe, 266-6680

Attachments

- **Attachment B – Budget Amendment (Attachment A to Resolution)**