



Legislation Details (With Text)

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Title: Approving the establishment of the 2700 University at Westgate Station Housing Tax Increment Financing District and approving the tax increment financing plan therefor.

Sponsors: Russ Stark

Indexes:

Code sections:

Attachments: 1. HRA St Paul 2700 University TIF PLAN

Date	Ver.	Action By	Action	Result
10/20/2014	1	Mayor's Office	Signed	
10/15/2014	1	City Council	Adopted	Pass

Approving the establishment of the 2700 University at Westgate Station Housing Tax Increment Financing District and approving the tax increment financing plan therefor.

WHEREAS, the City Council of the City of Saint Paul (the "Council") has the statutory responsibility under Minnesota Statutes, Section 469.028, to approve redevelopment plans and projects of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA"), after public hearing thereon; and

WHEREAS, the HRA heretofore established the Franklin-Emerald Redevelopment Project Area (the "Project Area") and has adopted a redevelopment plan therefor (the "Redevelopment Plan") pursuant to Minnesota Statutes, Sections 469.001 to 469.047, as amended; and

WHEREAS, said Redevelopment Plan contains an identification of need and statement of objectives and program of the HRA for carrying out a redevelopment project, including property to be acquired, public improvements to be provided, development and redevelopment to occur, and sources of revenue to pay redevelopment costs of the Project Area; and

WHEREAS, Minnesota Statutes, Section 469.175 requires that before a county auditor may certify a tax increment financing district created under Minnesota Statutes, Section 469.174 to 469.1794 (the "TIF Act") the governing body of the municipality must approve the tax increment financing plan after a public hearing thereon; and

WHEREAS, the HRA has asked the Council to approve the creation, within the Project Area, of the 2700 University at Westgate Station Housing Tax Increment Financing District as a housing tax increment financing district under Minnesota Statutes, Section 469.174, Subdivision 11 (the "TIF District") and the adoption of a Tax Increment Financing Plan therefor (the "TIF Plan"), all pursuant to and in accordance with the TIF Act; and

WHEREAS, the TIF District is being established to facilitate the acquisition, construction and equipping of an approximately 345,594 gross square foot, six-level mixed-use building (including below grade parking) consisting of approximately 248 units of rental housing and related amenities and approximately 3,000 gross square feet of commercial space (the "Development"); and

WHEREAS, the Development will be constructed as a single building that will be subdivided and separately owned by (i) 2700 University FC, LP, which will own approximately 50 income-restricted housing units and the parking, (the "Affordable Developer") and (ii) 2700 University FC, LLC, which will own

approximately 198 market rate housing units and the commercial space, (the "Market Rate Developer"), and the parking will be shared by the Affordable Developer and Market Rate Developer.

WHEREAS, the HRA has performed all actions required by law to be performed prior to the creation of the TIF District and adoption of the TIF Plan therefor, including, but not limited to, notification of the Ramsey County Commissioner representing the area of the County in which the TIF District is located, and delivering a copy of the TIF Plan to Ramsey County and Independent School District Number 625, which have taxing jurisdiction over the property to be included in the TIF District; and

WHEREAS, on this date, the City Council conducted a public hearing on the TIF Plan, after published notice thereof; and

WHEREAS, at said public hearing the City Council heard testimony from all interested parties on the TIF Plan; and

WHEREAS, the parcel to be included in the TIF District, PID # 29.29.23.32.0127 (the "Property") was included in the 2700 University Avenue Tax Increment Financing District (a redevelopment district) No. 281 (the "Prior TIF District"); and

WHEREAS, in order to include the Property in the TIF District, the Authority has determined to decertify the Prior TIF District; and

WHEREAS, the City Council has considered the documentation submitted in support of the TIF District and TIF Plan and has taken into account the information and knowledge gained in hearings upon and during consideration of other matters relating to the developments proposed within the Project Area.

NOW, THEREFORE, BE IT RESOLVED, by the Saint Paul City Council as follows:

Section 1. Findings for the Creation of the TIF District and Adoption of a Tax Increment Financing Plan therefor.

1.01 The City Council hereby finds that the creation of the TIF District and adoption of the TIF Plan therefor, are intended and, in the judgment of the City Council, its effect will be, to carry out the objectives of the Redevelopment Plan and to create an impetus for the construction of low and moderate income housing, and will otherwise promote certain public purposes and accomplish certain objectives as specified in the Redevelopment Plan and TIF Plan.

1.02 The City Council hereby finds that the TIF District qualifies as a "housing district" within the meaning of the TIF Act for the following reasons:

The District is, pursuant to Minnesota Statutes, Section 469.174, Subdivision 11, a "housing district" because it consists of a project or portions of a project or a portion of a project intended for occupancy, in part, by persons or families of low and moderate income as defined in Chapter 462A, Title II of the National Housing Act of 1934; the National Housing Act of 1959; the United States Housing Act of 1937, as amended; Title V of the Housing Act of 1949, as amended; and any other similar present or future federal, state or municipal legislation or the regulations promulgated under any of those acts. No more than 20% of the square footage of buildings that receive assistance from tax increments will consist of commercial, retail or other nonresidential uses.

The Development to be constructed in the TIF District will consist of approximately 248 units of rental housing. At least 20% of the units (i.e., 50 units) will be rented to and occupied by individuals or families whose income is not greater than 50% or less of area median income. The Development consists of one approximately 345,594 gross square foot, six level building (including below grade parking) of which the commercial portion will comprise approximately 3,000 gross square feet which is less than one level and not more than 20% of the square footage of the building. The commercial portion of the Development will not receive any tax increment financing assistance because the owners of the Development have requested that all of the tax increments be used to finance the portion of the Development to be owned by the Affordable Developer, which portion does not include any of the commercial space.

1.03 The City Council hereby makes the following findings:

(a) The City Council further finds that the proposed Development, in the opinion of the City Council, would not occur solely through private investment within the reasonably foreseeable future and, therefore, the use of tax increment financing is deemed necessary. The specific basis for such finding being:

The construction of the Development would not be undertaken in the reasonably foreseeable

future. The Property has remained undeveloped for several years despite previous proposals for tax increment financing assistance. The Affordable Developer and the Market Rate Developer have represented that they could not proceed with the Development without the tax increment assistance to be provided to the Affordable Developer.

(b) The City Council further finds that the TIF Plan conforms to the general plan for the development or redevelopment of the City as a whole. The specific basis for such finding being:

The TIF Plan will generally complement and serve to implement policies adopted in the City's comprehensive plan. The Development contemplated is in accordance with the existing zoning for the property and provides for high density housing development along the light rail corridor.

(c) The City Council further finds that the TIF Plan will afford maximum opportunity consistent with the sound needs of the City as a whole for the development of the TIF District by private enterprise. The specific basis for such finding being:

The proposed Development to occur within the TIF District is primarily low and moderate income housing. The Development will increase the taxable market valuation of the City. The available housing in the City will expand by approximately 248 rental units with the completion of the Development contemplated by the TIF Plan.

(d) The City elects to retain all of the captured tax capacity to finance the costs of TIF District. The City elects the method of tax increment computation set forth in Minnesota Statutes, Section 469.177, Subd. 3(a).

(e) The City elects to delay the receipt of the first increment until tax payable year 2017.

1.04 The provisions of this Section 1 are hereby incorporated by reference into and made a part of the TIF Plan.

Section 2. Creation of the TIF District and Approval of the TIF Plan.

2.01 The creation of the TIF District and the adoption of the TIF Plan are hereby approved.

2.02 The staff of the HRA and the City, the HRA's Executive Director and the City's and HRA's advisors and legal counsel are authorized and directed to proceed with the establishment of the TIF District and the implementation of the TIF Plan and this Resolution. The HRA's Executive Director is authorized and directed to negotiate, draft, execute, prepare, file and present to the Board of Commissioners of the HRA for its consideration all further plans, resolutions, documents and contracts necessary to accomplish these actions.

2.03 The City Council hereby approves the decertification of the Prior TIF District by the HRA. The HRA is authorized to notify the County, the Office of the State Auditor and the Department of Revenue of the decertification of the Prior TIF District.