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Title: Resolution Authorizing Approval of a 2015 Budget Amendment Related to the Jackson Street Reconstruction Project, and Authorizing and Approving an Interfund Loan Within the Block 4 Redevelopment Tax Increment Financing District (Minnesota Life) District 17, Ward 2

Sponsors: Dave Thune

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Attachments: 1. Board Report, 2. Attachment A - Budget Amendment

Date	Ver.	Action By	Action	Result
12/9/2015	1	Housing & Redevelopment Authority	Adopted	Pass

Resolution Authorizing Approval of a 2015 Budget Amendment Related to the Jackson Street Reconstruction Project, and Authorizing and Approving an Interfund Loan Within the Block 4 Redevelopment Tax Increment Financing District (Minnesota Life) District 17, Ward 2

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, Section 469.001, et seq. (the "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 Minn Stat Section 469.002, Subd. 14; and

WHEREAS, on December 17, 2014 the Saint Paul City Council adopted RES PH 14-343 approving a budget for the 8 to 80 Vitality Fund ("Vitality Fund") which provided \$8,000,000.00 for the Jackson Street Reconstruction Project ("Jackson Street Project"); and

WHEREAS, the City of Saint Paul will consider a resolution on December 16, 2015, to remove \$1,250,000.00 of this \$8,000,000.00 Vitality Fund budget for the Jackson Street Project to provide this amount to another Vitality Fund economic development project, provided that the HRA transfer to the Jackson Street Project an equal amount of funds from another source, and by this Resolution the HRA Board of Commissioners is authorizing the expenditure of these other funds for the Jackson Street Project; and

WHEREAS, on April 28, 2004 the HRA approved a First Amendment to the Block 4 Minnesota Life TIF Plan (the "TIF Plan"), and refinancing of a tax increment revenue note benefiting Minnesota Life ("Tax

Increment Note"); and

WHEREAS, the TIF Plan authorized additional eligible expenditures beyond the Minnesota Life project that are incurred within the project area, and the HRA now desires to use \$1,250,000.00 of tax increments from the Block 4 Minnesota Life TIF District ("TIF District") for the Jackson Street Project; and

WHEREAS, as more fully described in the accompanying staff report, the HRA desires to use an HRA interfund loan to bridge the delayed receipts of tax increments using the accounts described in the budget amendment attached to this Resolution; and

WHEREAS, under MN Statutes, Section 469.178, Subd. 7, the HRA is authorized to advance or loan money from the HRA's general fund or any other fund from which such advances may be legally authorized, in order to pay costs that are otherwise eligible for financing with tax increments under the TIF Act but such advance or loan must first be authorized and approved by this HRA Board of Commissioners before money is transferred, advanced or spent; and

WHEREAS, by this Resolution an interfund loan is being approved and the HRA Board of Commissioners finds a public purpose for this expenditure of funds.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, that:

- a. The HRA approves the 2015 budget amendment related to the Jackson Street Project in the form attached to this Resolution.
- b. The HRA hereby authorizes and approves the advance or loan of up to \$1,250,000.00 from the HRA Loan Enterprise Fund to the Block 4 Minnesota Life TIF District ("TIF District") in order to pay eligible costs of the TIF District ("Interfund Loan"). The HRA shall be reimbursed for such advances from future tax increments received from the TIF District together with interest at the rate stated below.
- c. Interest accrues on the principal amount from the date of each advance. The interest rate shall be 4%, which rate is no more than the greatest of (a) the rate specified under Minnesota Statutes, Section 270C.40 (the rate applied to delinquent State income taxes), or (b) the rate specified under Minnesota Statutes, Section 549.09 (the rate on unpaid judgments) in effect for calendar year 2015.
- d. Payments on this Interfund Loan are payable solely from "Available Tax Increments" which shall mean tax increment from the TIF District after payments are made on the Tax Increment Note, until the earlier of the advanced amount is repaid or the TIF District is closed.
- e. This Interfund Loan is evidence of an internal borrowing by the HRA in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from Available Tax Increments pledged to the payment hereof.
- f. The HRA may amend the terms of this Interfund Loan, but it may not discharge the obligation.
- g. The HRA Executive Director, staff and legal counsel are hereby directed and authorized to take all actions necessary to implement this Resolution. The HRA Executive Director is further authorized and directed to execute and deliver all documents, agreements and instruments necessary to implement this Resolution.