



## Legislation Text

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**File #:** RES 15-2192, **Version:** 1

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Resolution (i) Amending the Redevelopment Plan for the Koch-Mobil Redevelopment Project Area; (ii) Approving the Adoption of an Amendment to the Tax Increment Financing Plan for the Koch Mobil Tax Increment Financing District; (iii) Authorizing Execution of an Amendment to Development and Loan Agreement, Promissory Note, and Combination Mortgage, Security Agreement and Fixture Financing Statement with West 7<sup>th</sup>/Fort Road Federation, Inc.; and (iv) Amending the Resolution Authorizing and Approving an Interfund Loan for the Koch Mobil Tax Increment Financing District, District 9, Ward 2

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") has heretofore established the Koch-Mobil 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 (the "HRA Act"); and

WHEREAS, the Redevelopment Plan contains an identification of need and statement of objectives and program of the HRA for carrying out of 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 within the Project Area; and

WHEREAS It has been proposed that the HRA amend the existing redevelopment plan (the "Redevelopment Plan") for the Koch-Mobil Redevelopment Project Area (the "Project Area") to enlarge the Project Area pursuant to the HRA Act; and

WHEREAS It has also been proposed that the HRA amend the Tax Increment Financing Plan (the "TIF Plan") for the Koch Mobil Tax Increment Financing District, which is located in the Project Area, (the "TIF District") pursuant to and in accordance with the HRA Act and Minnesota Statutes, Sections 469.174 through 469.1794, inclusive, as amended (the "TIF Act"); and

WHEREAS, the HRA has investigated the facts and has caused to be prepared a First Amendment to the Koch-Mobil Redevelopment Project Area Plan (the "1st Amendment to Redevelopment Plan") and a First Amendment to the Tax Increment Financing Plan for the Koch Mobil Tax Increment Financing District (the "1st Amendment to TIF Plan"); and

WHEREAS, other than a public hearing and approval by the City Council of the City of Saint Paul, Minnesota (the "City"), the HRA has performed all actions required by law to be performed prior to the 1st Amendment to TIF Plan, including, but not limited to, consultation with the Planning Commission, notification of the Ramsey County Commissioner representing the area of the County in which the TIF District is located, and transmitting a copy of the First Amendment to TIF Plan to Ramsey County and Independent School District Number 625, which have taxing jurisdiction over the property included in the TIF District; and

WHEREAS, the City Council will hold a public hearing on December 16, 2015, on the adoption of the 1st Amendment to Redevelopment Plan and the 1st Amendment to TIF Plan, consider making the findings required by the TIF Act and the HRA Act and consider approving the 1st Amendment to Redevelopment Plan and the 1st Amendment to TIF Plan; and

WHEREAS, on April 5, 2011 the HRA and the West 7th/Fort Road Federation, Inc., (the "Borrower") executed the following documents: (i) a Development and Loan Agreement with respect to that portion of the Schmidt Brewery site ("Property") on West 7th Street in Saint Paul, Minnesota as described in said agreement

("Development Agreement"); (ii) a promissory note in the sum of \$1,895,715.00 ("Note"); and (iii) a combination mortgage, security agreement, and fixture financing statement ("Mortgage"); (collectively the Note, Mortgage and Development Agreement are referred to as the "Loan Documents"); and

WHEREAS, in connection with a request by the Borrower for an additional period of one year to complete financing for Phase II on the Property, the HRA and the Borrower have executed first amendments to the Loan Documents; and

WHEREAS, the Borrower has requested and staff has negotiated the terms of a Second Amendment to the Loan Documents with the Borrower in connection with tax increment assistance to be provided to the Borrower from the TIF District (the "2nd Amendment to Agreement"), which is available for review in the office of the HRA Executive Director; and

WHEREAS, staff recommends to the HRA Board approval of the 2nd Amendment to Agreement for the reasons described in the staff report submitted to the HRA Board with this Resolution; and

WHEREAS, by this Resolution the HRA finds a public purpose for the actions taken in connection with the 2nd Amendment to Agreement and the Property; and

WHEREAS, the HRA has adopted Resolution No. RES 13-1662 Authorizing and Approving an Interfund Loan for the TIF District in accordance with the terms of the TIF Act (the "Interfund Loan Resolution"); and

WHEREAS, the HRA has determined to increase the authorized amount of interfund loans under the Interfund Loan Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") of the HRA as follows:

Section 1. Findings for the Approval of the 1st Amendment to Redevelopment Plan.

1.01 The HRA hereby finds that the 1st Amendment to Redevelopment Plan is intended and, in the judgment of the HRA, its effect will be to carry out the objectives of the Redevelopment Plan, as amended, and to provide an impetus for redevelopment activities in the City, and to otherwise promote certain public purposes and accomplish certain objectives as specified in the Redevelopment Plan.

1.02 The HRA hereby finds that:

(a) for the reasons set forth in the Redevelopment Plan, as amended by the 1st Amendment to Redevelopment Plan, and based on representations of owners and potential developers of land in the Project Area to whom assistance will be or has been provided, such land would not be redeveloped without such assistance; therefore, the land in the Project Area, as amended pursuant to the 1st Amendment to Redevelopment Plan, would not be made available for redevelopment without the financial aid to be sought;

(b) the Redevelopment Plan, as amended by the 1st Amendment to Redevelopment Plan, will afford maximum opportunity, consistent with the needs of the City as a whole, for the redevelopment of the Project Area by private enterprise; and

(c) the Redevelopment Plan, as amended by the 1st Amendment to Redevelopment Plan, conforms to the Saint Paul Comprehensive Plan and the general plan for the development of the City

as a whole.

Section 2. Findings for the 1st Amendment to TIF Plan. The Board hereby finds that the 1st Amendment to TIF Plan is intended and, in the judgment of the Board, its effect will be, to carry out the objectives of the Redevelopment Plan and to create an impetus for redevelopment activities in the Project Area, including, but not limited to, developing or redeveloping sites, lands or areas within the Project Area, creating a mixed use urban neighborhood, eliminating the adverse physical and environmental conditions that exist in the Schmidt Brewery Area, and otherwise promoting certain public purposes and accomplishing certain objectives as specified in the Redevelopment Plan and the 1st Amendment to TIF Plan.

Section 3. Approval of the First Amendment of the Redevelopment Plan; First Amendment to TIF Plan.

3.01 The 1st Amendment to Redevelopment Plan and the 1st Amendment to TIF Plan are hereby approved and adopted, contingent upon the City Council approving the 1st Amendment to Redevelopment Plan and 1st Amendment to TIF Plan after a public hearing on December 16, 2015, and the 1st Amendment to Redevelopment Plan and the 1st Amendment to TIF Plan shall be placed on file in the office of the Executive Director of the HRA.

3.02 Contingent upon approval by the City Council, the staff of the HRA and the HRA's advisors and legal counsel are authorized and directed to proceed with the implementation of the 1st Amendment to Redevelopment Plan and the 1st Amendment to TIF Plan and for this purpose to negotiate, draft, prepare and present to the Board for its consideration all further plans, resolutions, documents and contracts necessary for this purpose.

3.03 Contingent upon approval by the City Council, the staff of the HRA is hereby directed to file a copy of the 1st Amendment to TIF Plan with the County Auditor of Ramsey County. The staff of the HRA is also directed to file a copy of the 1st Amendment to TIF Plan with the Commissioner of Revenue and the Office of the State Auditor.

Section 4. Approval and Execution of Documents.

4.01 Approval of 2nd Amendment to Agreement. The Board hereby approves the 2nd Amendment to Agreement, in substantially the form on file with the Executive Director, and such other documents as the Saint Paul City Attorney to the HRA considers appropriate in connection with the development of the Property, including without limitation any subordinations or consents necessary in connection with the Developers' financing, (collectively, the "Development Documents") and the Chair or Commissioner and Executive Director of the HRA and the Director, Office of Financial Services of the City (the "Authorized Officers") are hereby authorized and directed to execute, on behalf of the HRA, the Development Documents.

4.02 Execution of Documents. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Saint Paul City Attorney to the HRA, the appropriate HRA staff person or by the Authorized Officers authorized herein to execute or accept, as the case may be, said documents prior to their execution; and said Authorized Officers or staff members are hereby authorized to approve said changes on behalf of the HRA. The execution of any instrument by the Authorized Officers shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the Authorized Officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any member of the Board or any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the Saint Paul City Attorney to the HRA, may act in their

behalf.

4.03 Future Amendments. The authority to approve, execute and deliver future amendments to the Development Documents entered into by the HRA and consents required under the Development Documents is hereby delegated to the Executive Director of the HRA or Director, Office of Financial Services, subject to the following conditions: (a) such amendments or consents do not materially adversely affect the interests of the HRA; (b) such amendments or consents do not contravene or violate any policy of the HRA, and (c) such amendments or consents are acceptable in form and substance to the counsel retained by the HRA to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Executive Director of the HRA or Director, Office of Financial Services shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Executive Director of the HRA or Director, Office of Financial Services, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the HRA or the City of Saint Paul authorized to act in their place and stead.

Section 5. Approval and Adoption of Amendment to Resolution Authorizing and Approving an Interfund Loan. Section a. of Resolution No. RES13-1662 is hereby amended and restated as follows:

The HRA hereby authorizes and approves one or more advances or loans of up to \$3,000,000 in aggregate principal amount outstanding at any time from the HRA Capital Projects Fund 118 or other available funds to the TIF District in order to pay eligible costs of the TIF District ("Interfund Loan"). The HRA shall reimburse itself for such advances from future tax increments received from the District together with interest at the rate stated in Section b. of Resolution No. RES13-1662.