



Legislation Text

File #: RES 14-1112, **Version:** 1

Resolution Approving the Establishment of a Tax Increment Financing District and Approving a Tax Increment Financing Plan (Custom House/Post Office Redevelopment Project), District 17, Ward 2.

WHEREAS, the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") has heretofore established the Riverfront 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 within the Project Area; and

WHEREAS, it has been proposed that, within the Redevelopment Project Area, the HRA create the Custom House/Post Office Tax Increment Financing District (the "TIF District"), as a redevelopment tax increment financing district, and adopt a Tax Increment Financing Plan (Custom House/Post Office Redevelopment Project) (the "TIF Plan") therefor, all pursuant to Minnesota Statutes, Sections 469.174 through 469.1794 (the "TIF Act"); and

WHEREAS, the HRA has investigated the facts and has caused to be prepared the TIF Plan for the TIF District; and

WHEREAS, the HRA has performed all actions required by law to be performed prior to the creation of the TIF District and adoption of a 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 transmitting 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, the City Council has heretofore held public hearings on the adoption of the TIF Plan and the Redevelopment Plan and the establishment of the TIF District and the Project Area and made the findings required by the TIF Act and the HRA Act and approved the establishment of the Project Area and TIF District and the adoption of the Redevelopment Plan and TIF Plan; and

WHEREAS, the parcel to be included in the TIF District, PID # 06.28.22.11.0025 (the "Property") was included in the Riverfront Tax Increment Financing District No. 87 (the "Prior TIF District"); and

WHEREAS, in order to include the Property in the TIF District, the Authority has determined to amend the tax increment financing plan for the Prior TIF District to remove the Property from the Prior TIF District, thereby reducing the size thereof; and

WHEREAS, the total current net tax capacity of the Property is at least equal to its original net tax capacity, and therefore the amendment to the tax increment financing plan for the Prior TIF District may be accomplished without notice or hearing pursuant to Section 469.175, Subdivision 4(e)(2)(A) of the TIF Act; and

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

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

The Board of Commissioners hereby finds that the creation of the TIF District and the adoption of the TIF Plan therefor are intended and, in the judgment of the Board of Commissioners, the effect will be, to carry out the objectives of the Redevelopment Plan by creating an impetus for the redevelopment of blighted structures and the development of rental housing facilities in the City, and to otherwise promote certain public purposes and accomplish certain objectives as specified in the Redevelopment Plan and TIF Plan.

Section 2. Creation of TIF District and Approval of the TIF Plan Therefor; Other Authorizations.

2.01 The creation of the TIF District and the adoption of the TIF Plan therefor, are hereby approved and the TIF Plan shall be placed on file in the office of the Executive Director of the HRA.

2.02 The HRA's Executive Director and staff of the HRA and the HRA's advisors and legal counsel are authorized and directed to proceed with the establishment of the TIF District and implementation of the TIF Plan therefor and this Resolution. The HRA's Executive Director and Director, Office of Financial Services are authorized and directed to negotiate and execute all documents, notes and contracts necessary to accomplish these actions.

2.03 The staff of the HRA is hereby directed to file a copy of the TIF Plan with the County Auditor of Ramsey County and to request the County Auditor to certify the original tax capacity of the TIF District.

2.04 The staff of the HRA is also directed to file a copy of the TIF Plan and Redevelopment Plan with the Office of the State Auditor and file with Commissioner of Revenue within 60 days after the latest of: (a) the filing of the request with the County Auditor to certify the TIF District and (b) the date of approval of the TIF Plan by the City and the HRA.

2.05 The HRA hereby approves an amendment to the tax increment financing plan for the Prior TIF District to remove the Property therefrom. The staff of the HRA is authorized and directed to notify the County Auditor of this modification pursuant to Section 469.175, Subdivision 4(e) of the TIF Act.

Section 3. Approval and Adoption of Policy on Interfund Loans and Advances. The HRA hereby approves a policy on interfund loans or advances ("Loans") for the TIF District, as follows:

3.01 The authorized tax increment eligible costs (including without limitation out-of-pocket administrative expenses) payable from the TIF District, as its TIF Plan is originally adopted or may be amended, may need to be financed on a short-term and/or long-term basis via one or more Loans, as may be determined by the Executive Director from time to time.

3.02 The Loans may be advanced if and as needed from available monies in any fund or account of the HRA designated by the Executive Director. Loans may be structured as draw-down or "line of credit" obligations of the lending fund(s).

3.03 Neither the maximum principal amount of any one Loan nor the aggregate principal amount of all Loans may exceed the adopted and, if applicable, amended TIF Plan budget for the TIF District.

3.04 The maximum term of any Loan shall not exceed the lesser of the statutory duration limit of the TIF District or such earlier date as the Executive Director may specify in writing. All Loans may be pre-paid, in whole or in part, whether from tax increment revenue, TIF bond proceeds or other eligible sources.

3.05 The outstanding and unpaid principal amount of each Loan shall bear interest at the rate prescribed by the statute (Minnesota Statutes, Section 469.178, Subdivision 7), which is the greater of the rates specified under Sections 270C.40 or 549.09 at the time a Loan, or any part of it, is first made, subject to the right of the Executive Director to specify a lower rate.

3.06 Such Loans within the above guidelines are pre-approved. The Loans need not take any particular form and may be undocumented, except that the Executive Director shall maintain all necessary or applicable data on the Loans.

Section 4. Approving an HRA Budget Amendment. The HRA hereby approves the HRA budget as set forth in Attachment A.