



## Legislation Text

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**File #:** RES 17-1446, **Version:** 1

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Resolution Making Certain Findings with Respect to Buildings and Improvements and Authorizing Execution of a Demolition Agreement with Snelling-Midway Redevelopment, LLC, District 8, Ward 1.

**WHEREAS**, Snelling-Midway Redevelopment, LLC (the "Developer") is the owner of certain possessory rights in real property located in the City of Saint Paul, Minnesota, known as the Midway Shopping Center (and designated as Parcels A, B, C, D and E on the LHB Report as defined below)("Building Parcels") , and its affiliate, MUSC Holdings, LLC ("MUSC Holdings") has possessory rights on Parcel F of the LHB Report which is an unimproved parking lot ("Parking Lot") (collectively the Building Parcels and Parking Lot are referred to as the "Property"), which Property is described in the TIF Eligibility Assessment Report dated September 1, 2017 prepared by LHB, Inc. (the "LHB Report"), and legally described on Exhibit A hereto attached; and

**WHEREAS**, the Property consists of six (6) parcels currently occupied by five (5) buildings on the Building Parcels; and

**WHEREAS**, the LHB Report documents that parcels consisting of 70 percent of the area of the Property are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures as defined in Minn. Stat. §469.174, Subd. 10a ("Improvements"); and

**WHEREAS**, the LHB Report also documents that 20% of the five (5) buildings currently located on the Property are substandard within the meaning of Minn. Stat. §469.174, Subd. 10 ("Substandard Buildings") and 30% of the other buildings require substantial renovation or clearance to remove existing conditions such as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety, and general well-being of the community within the meaning of Minn. Stat. §469.174, Subd. 10a ("Other Buildings"); and

**WHEREAS**, the Developer intends to submit an application to the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("Authority") for tax increment assistance in connection with a proposed development to be constructed by the Developer or MUSC Holdings, or its successors or assigns on the Property, which application will request that the HRA include the Property in a renewal and renovation tax increment financing district within the meaning of Minn. Stat. § 469.174, Subd. 10a (the "TIF District"); and

**WHEREAS**, for construction scheduling reasons, the Developer wishes to demolish one or more of the Substandard Buildings and/or Other Buildings and to remove Improvements currently located on the Building Parcels, pursuant to a city approved site plan ("Site Plan"), prior to the creation of the TIF District, and the HRA and the Developer wish to enter into a Demolition Agreement to provide for the demolition of such Substandard Buildings, Other Buildings and/or Improvements; and

**WHEREAS**, the Demolition Agreement is a "development agreement" under Minn. Stat. § 469.174, Subd. 10(d)(2).

**WHEREAS**, Minn. Stat. §469.174, Subd. 10(d), provides, among other things that a parcel may be deemed to be occupied by a structurally substandard building or other qualifying building or by improvements if (1) the parcel was occupied by a substandard building or other qualifying building or improvements within three years of the filing of the request for certification of the parcel as part of the district with the county

auditor; (2) the substandard buildings or other qualifying improvements were demolished or removed by the authority or the demolition or removal was financed by the authority or was done by a developer under a development agreement with the authority; and (3) the authority found by resolution before the demolition or removal that the parcel was occupied by a structurally substandard building or other qualifying building or improvements and that after demolition and clearance the authority intended to include the parcel within a district; and

**WHEREAS**, such findings and actions do not obligate the Authority to create a Renewal and Renovation Tax Increment Financing District, but preserve the opportunity to do so.

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

- 1) At least 15% of the area of each of the Building Parcels are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures.
- 2) 20% of the five (5) buildings are “structurally substandard” within the meaning of Minn. Stat. §469.174, Subd. 10 (“Substandard Buildings”) and 30% of the other buildings require substantial renovation or clearance to remove existing conditions within the meaning of Minn. Stat. §469.174, Subd. 10a (“Other Buildings”); as described in the LHB Report. The reasons and supporting facts for the determinations of this section 2 and section 1 above are included in the LHB Report and on file with the staff of the Authority.
- 3) The Developer intends to demolish one or more of the Substandard Buildings, Other Buildings and/or Improvements on the Property pursuant to a Site Plan, in connection with a project it is developing on the Property and the Authority intends to subsequently include the Property in a TIF District which may be established pursuant to Minn. Stat. §469.174, Subd. 10a, which TIF District, if established, shall be established and certification requested within three (3) years of the date demolition or removal has commenced.
- 4) The Authority’s Executive Director is hereby authorized and directed to execute a Demolition Agreement with the Developer in substantially the form submitted to the Authority to provide for the demolition of the Substandard Buildings, Other Buildings, and/or Improvements on the Property pursuant to a Site Plan.
- 5) The Authority’s Executive Director and Authority staff are hereby authorized and directed to take all actions necessary to implement this resolution.

**Exhibit A**  
**Property - Parcel ID & Legal Description**

<b>Parcel ID</b>	<b>Abbreviated Legal Description</b>
34-29-23-32-0001	Section 34, Town 29, Range 23: Subject to Avenues and Easements the W 270 Ft of N 260 Ft of SW 1/4 of Section 34 Town 29 Range 23
34-29-23-32-0006	Lot 3, Block 1, Midway Shopping Center
34-29-23-32-0008	Lot 5, Block 1, Midway Shopping Center
34-29-23-32-0009	Subj to Road, Lot 1, Block 1, Midway Shopping Center
34-29-23-32-0011	That Part of Lot 4 Block 1 Which Lies Wly of the Following Desc Line Beg At NW Corner of Lot 1 Blk 1 of said Midway Shopping Center then S Along the W L of said Lot 1 a Distance of 118 Ft then S 3 Deg 02 Min 52 Sec W A Distance of 76.16 Ft then S 168.84 Ft then S 10 Deg 47 Min 29 Sec E A Distance of 59.47 Ft then S 276.94 Ft to the S Line of said Lot 4 and Said Line There Term, Midway Shopping Center

34-29-23-32-0012                                      That Pt Of Lot 4 Block 1 Which Lies Ely of The Following Desc Line Beg At NW Corner of Lot 1 Blk 1 Of said Midway Shopping Center Then S Along The W Line Of Said Lot 1 a Distance of 118 Ft then S 3 Deg 02 Min 52 Sec W A Distance of 76.16 Ft Th S 168.84 Ft then S 10 Deg 47 Min 29 Sec E a Distance of 59.47 Ft then S 276.94 Ft to the S Line of Said Lot 4 And Said Line There Term, Midway Shopping Center