



Legislation Text

File #: RES 15-2179, **Version:** 1

Resolution (i) Approving the Establishment of the Schmidt Keg House Redevelopment Tax Increment Financing District, (ii) Approving a Tax Increment Financing Plan therefor; (iii) Authorizing Execution of a Tax Increment Development Agreement; and (iv) Approving a HRA Budget Amendment, District 9, Ward 2

WHEREAS, the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") has heretofore established and expanded the Koch-Mobil Redevelopment Project area (as modified, the "Project Area") and has adopted a redevelopment plan therefor and a first amendment thereto (as amended, the "Redevelopment Plan") pursuant to Minnesota Statutes, Sections 469.001 to 469.047, as amended (the "HRA Act"); 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 Project Area, the HRA create the Schmidt Keg House Redevelopment Tax Increment Financing District (the "TIF District"), as a redevelopment tax increment financing district, and adopt a Tax Increment Financing Plan therefor (the "TIF Plan") therefor, all pursuant to Minnesota Statutes, Sections 469.174 through 469.1794 (the "TIF Act"); and

WHEREAS, the TIF District is being established to facilitate the redevelopment by Schmidt Keg House, LLC (the "Developer") of a substandard building by converting the existing Schmidt Brewery Keg House warehouse building into approximately 28,000 square feet of commercial space consisting of a restaurant, market and mezzanine office/retail space (the "Development"); and

WHEREAS, the HRA has investigated the facts and has caused to be prepared the TIF Plan for the TIF District; 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 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 will hold a public hearing on December 16, 2015 on (i) the amendment to the Redevelopment Plan and the expansion of the Project Area and (ii) the adoption of the TIF Plan and the establishment of the TIF District and will consider (a) making the findings required by the TIF Act and the HRA Act, (b) approving the expansion of the Project Area and the adoption of the amended Redevelopment Plan, and (c) approving the establishment of the TIF District and the adoption of the TIF Plan; and

WHEREAS, the Developer has requested that the HRA cause to be prepared a Development Agreement (the "Development Agreement") among the HRA and the Developer setting forth the terms and conditions under which the HRA will provide tax increment financing assistance to the Developer, a copy of which is on file with the Executive Director of the HRA; and

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

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

The Board 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, the effect will be, to carry out the objectives of the Redevelopment Plan by redeveloping a historically significant building for commercial and retail use 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 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.

Section 3. Approval and Adoption of Policy on Interfund Loans and Advances. The Board 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 \$3,790,000 outstanding at any time.

3.04 Any Loan shall mature not later than February 1, 2044 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. Approval and Execution of Documents.

4.01 Approval of Development Agreement. The Board hereby approves the Development 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, including without limitation one or more minimum assessment agreements with respect to the Development and 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.

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