



Legislation Text

File #: RES 23-1888, **Version:** 1

Resolution authorizing tax increment financing spending plan authority and approving issuance of a tax increment financing loan from unobligated increment in the amount of \$440,000 to TMREIT, LLC or another entity that is affiliated with and controlled by TMREIT, LLC (“Developer”) for a project at 576 Front Ave; District 6, Ward 5

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, Developer proposes to complete a project consisting of the purchase and substantial rehabilitation of a building located at 576 Front Ave that is currently used for storage and turning it into a gym and an affordable rent business incubator (“Project”); and

WHEREAS, Minnesota Statutes, Section 469.176, subdivision 4n (“Subd. 4n”) authorizes the HRA to spend available tax increment from any existing tax increment financing district (“Available TIF”), notwithstanding any other law to the contrary, to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of construction or substantial rehabilitation of buildings and ancillary facilities, if the following conditions exist:

(1) Such assistance will create or retain jobs in the State of Minnesota (the “State”), including construction jobs;

(2) Construction commences before December 31, 2025;

(3) The construction would not have commenced before December 31, 2025 without the assistance;

(4) Available TIF under the spending plan is spent by December 31, 2025; and

(5) The City Council (“Council”) of the City of Saint Paul, Minnesota (“City”) approves a written spending plan (after a duly noticed public hearing) that specifically authorizes the HRA to take such actions.

WHEREAS, the HRA and the Council have heretofore adopted a spending plan on June 22, 2022 and adopted a Supplement to the Spending Plan on February 23, 2023 (collectively the “Spending Plan”) pursuant to Subd. 4n, which authorizes the use of Available TIF to provide improvements, loans or assistance for private development that satisfies the criteria listed above and as further described in the Spending Plan; and

WHEREAS, the Spending Plan expressly authorizes Available TIF assistance to be transferred to a project that advances private development of commercial and mixed-use properties for the purpose of preventing displacement of emerging and small businesses from within the City; and

WHEREAS, to facilitate the rehabilitation of a property and the creation of an affordable rent business hub, the HRA staff recommends issuance of a loan of Available TIF in the amount of \$440,000 for the Project; and

WHEREAS, by this Resolution, the HRA finds that the Project meets all conditions of Subd. 4n because it will consist of private development on privately owned land; consists of substantial rehabilitation of buildings; will create and retain jobs in the State, including retaining 4.5 and creating 2 new FTE-equivalent jobs by The F.I.T. Lab, and an estimated 12 construction jobs; will commence construction prior to December 31, 2025; the Project would not have commenced prior to December 31, 2025 except for the use of Available TIF; the Available TIF funds will be spent by December 31, 2025; the Project qualifies under the Spending Plan; and the Developer has agreed to enter into a development agreement with the HRA governing the use of such 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:

1. based upon the findings set forth above, the HRA hereby approves issuance of a loan of Available TIF funds in the amount of \$440,000 to Developer for the Project.

2. the HRA approves and authorizes entering into a development agreement with the Developer consistent with the terms of this Resolution, the Board Report, and subject to approval by the City Attorney’s Office.

3. the HRA hereby approves and authorizes HRA staff to take all actions necessary to carry out the activities authorized by this Resolution, including finalizing all documents and agreements, subject to approval by the City Attorney’s Office.

4. the proper HRA official(s) are hereby approved and authorized to execute any and all documents in connection with this Resolution, subject to approval by the City Attorney’s Office.

5. this Resolution does not constitute a binding legal agreement; rather, the action taken herein shall not be effective until said documents are executed by the appropriate official(s) of the HRA.