



Legislation Text

File #: RES 23-1717, **Version:** 1

Resolution approving the adoption of a Fourth Amendment to the Tax Increment Financing Plan for the Downtown and Seventh Place (For the Minnesota Event District) Tax Increment Financing District, authorizing the execution of related amendments to documents, including an amended and restated tax increment agreement, and approving an HRA budget amendment; District 17, Ward 2

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") has heretofore established the Seventh Place 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, inclusive, 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 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 Tax Increment Financing Plan (the "TIF Plan") for the Downtown and Seventh Place (For the Minnesota Event District) Tax Increment Financing District (the "TIF District"), which is located in the Project Area and was heretofore created as a redevelopment tax increment financing district under the HRA Act and Minnesota Statutes, Sections 469.174 through 469.1794, inclusive, as amended (the "TIF Act"), and Laws of Minnesota 2008, Chapter 366, Article 5, Section 36, Subdivision 3, and as amended by Laws of Minnesota 2014, Chapter 150, Article 5, Section 5 (collectively, the "Prior Special Laws"), and as further amended by Laws of Minnesota 2023, Chapter 64, Article 8, Sections 4 and 5 (the "2023 Special Law" and, together with the Prior Special Laws, the "Special Law"); and

WHEREAS, the TIF Plan was originally adopted by the HRA on July 23, 2008, and has previously been amended by the HRA on September 10, 2014 to revise the authorized tax increment expenditures (the "1st Amendment to TIF Plan"), and on December 9, 2015 and August 9, 2023 to remove certain parcels from the TIF District (the "2nd and 3rd Amendments to TIF Plan") and now the HRA has investigated the facts and has caused to be prepared a Fourth Amendment to the Tax Increment Financing Plan (the "4th Amendment to TIF Plan" and, together with the TIF Plan, the 1st Amendment to TIF Plan and the 2nd and 3rd Amendments to TIF Plan, the "Amended TIF Plan") to extend the duration of the TIF District and to revise the authorized tax increment expenditures pursuant to the 2023 Special Law;

WHEREAS, the HRA or the City Council (the "Council") of the City of Saint Paul, Minnesota (the "City") has or will have performed all actions required by law to be performed prior to the approval of the 4th Amendment to TIF Plan, including, but not limited to, notification of the Ramsey County Commissioner representing the area of Ramsey County (the "County") in which the TIF District is located and delivering a copy of the 4th Amendment to TIF Plan to the County and Independent School District Number 625, both of which have taxing jurisdiction over the property included in the TIF District; and

WHEREAS, the Council will hold a public hearing on this same date on the approval of the 4th Amendment to TIF Plan, and will consider a resolution to approve the 4th Amendment to TIF Plan; and

WHEREAS, the Prior Special Laws required that the City, the HRA and the County enter into a Tax Increment Agreement (the "Tax Increment Agreement"), pursuant to which the parties agreed that the County would be paid annually out of increments from the TIF District amounts equal to the tax that would have been payable to

the County had the TIF District not been created, and now, because the duration of the TIF District is being extended pursuant to the 2023 Special Law and the 4th Amendment to TIF Plan, the City, the HRA and the County desire to amend and restate the Tax Increment Agreement as detailed in an Amended and Restated Tax Increment Agreement by and among the City, the HRA and the County, a form of which is presented to Board of Commissioners of the HRA (the "Amended Tax Increment Agreement"); and

WHEREAS, the City Council and Independent School District No. 625 have approved the 2023 Special Law in accordance with Minnesota Statutes, §469.1782 and §645.021 and Ramsey County will consider local approval in accordance with Minnesota Statutes, §469.1782 and §645.021 after the date hereof.

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

Section 1. Findings for the Approval of 4th Amendment to TIF Plan. The Board hereby finds that the 4th 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 development and redevelopment activities in the Project Area, including, but not limited to, developing or redeveloping sites, lands or areas within the Project Area, providing necessary public improvements in the Project Area, and otherwise promoting certain public purposes and accomplishing certain objectives as specified in the Redevelopment Plan, the Amended TIF Plan, and the Special Law.

Section 2. Approval of the 4th Amendment to TIF Plan.

2.01 Contingent upon approval by the Council after the public hearing and the approval of the 2023 Special Law by the County Board in accordance with Minnesota Statutes, §469.1782 and §645.021, the 4th Amendment to TIF Plan is hereby approved and adopted and the 4th Amendment to TIF Plan shall be placed on file in the office of the Executive Director of the HRA.

2.02 The HRA's advisors and legal counsel are authorized and directed to proceed with the implementation of the 4th Amendment to TIF Plan and to negotiate, draft, and prepare all further plans, resolutions, documents and contracts necessary for this purpose.

2.03 Upon approval by the Council of the 4th Amendment to TIF Plan and the approval of the 2023 Special Law by the County Board, the staff of the HRA is hereby directed to file a copy of the 4th Amendment to TIF Plan with the County Auditor of the County. The staff of the HRA is also directed to file a copy of the 4th Amendment to TIF Plan with the Commissioner of Revenue and the Office of the State Auditor.

Section 3. Approval and Execution of Documents.

3.01 Approval of Amendment Documents. The Board hereby approves the Amended Tax Increment Agreement, in substantially the form on file with the Executive Director, together with any related documents necessary in connection therewith, including, without limitation, all documents, exhibits, certifications or consents referenced therein or attached thereto (collectively, the "Amendment Documents").

3.02 Execution of Documents. The Chair or any Commissioner and Executive Director of the HRA and the Director, Office of Financial Services of the City (the "Authorized Officers") are hereby authorized in their discretion and at such time, if any, as they may deem appropriate, to execute, on behalf of the HRA, the Amendment Documents and to carry out, on behalf of the HRA, directly or through one or more appointed designees, the HRA's obligations thereunder when all conditions precedent thereto have been satisfied. The approval hereby given to the Amendment 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(s) 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. This Resolution shall not constitute an offer and the Amendment Documents shall not be effective until the date of execution thereof as provided herein. In the event of absence or disability of any of the Authorized Officers, any of the Amendment 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. The electronic signature of a party to the Amendment Documents, including all acknowledgements, authorizations, directions, waivers and consents thereto (or any amendment or supplement thereto) shall be as valid as an original signature of such party and shall be effective to bind such party to the Amendment Documents. Any electronically signed Amendment Documents shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "electronic signature" means a manually-signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

3.03 Future Amendments. The authority to approve, execute and deliver future amendments to the Amendment Documents entered into by the HRA and consents required under the Amendment Documents or applicable law is hereby delegated to the Authorized Officers of the HRA, 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 Saint Paul City Attorney to the HRA or 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 Authorized Officers of the HRA shall be conclusive evidence of the approval of such instruments 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 HRA as, in the opinion of the Saint Paul City Attorney to the HRA, may act in their behalf.

Section 4. 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:

4.01 The authorized tax increment eligible costs (including without limitation capital improvements within the City's RiverCentre complex, including but not limited to the St. Paul RiverCentre, Xcel Energy Center, Roy Wilkins Auditorium, and St. Paul RiverCentre Parking Ramp and adjacent areas controlled by the City in an amount up to \$39,091,296) 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.

4.02 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).

4.03 Neither the maximum principal amount of any one Loan nor the aggregate principal amount of all Loans may exceed \$108,771,972 outstanding at any time.

4.04 Any Loan shall mature not later than March 1, 2034 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.

4.05 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.

4.06 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 5. Approval of an HRA Budget Amendment. The Board hereby approves the HRA budget as set forth in the attached Financial Analysis.