



Legislation Text

File #: RES PH 12-312, **Version:** 1

Resolution Approving (i) The Establishment of the West Side Flats Tax Increment Financing District and the Adoption of a Tax Increment Financing Plan; (ii) A Development Agreement and TBRA, LCDA and DEED Subgrants with West Side Flats Apartments LLC; (iii) Acceptance of Land from the City of Saint Paul and Conveyance of Land to West Side Flats Urban Development LLC; (iv) Agreement with West Side Flats Urban Development LLC Regarding Land Note and Loan Agreement; (v) \$198,906 HRA Loan to West Side Flats Urban Development LLC; (vi.)Phase II Development Agreement with West Side Flats Redevelopment LLC; (vii) Phase III Development Agreement with WSF Phase III LLC; and (viii) Related Budget Amendment and (ix) Parcel 4 Agreement with Sherman Associates, Ward 2, District 3

WHEREAS, there has heretofore been submitted to and considered by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("Authority") a Redevelopment Plan (as amended from time to time, the "Redevelopment Plan") for the Riverfront Redevelopment Project Area (the "Redevelopment Project Area");

WHEREAS, said Redevelopment Plan contains an identification of need and statement of objectives and program of the Authority for carrying out of 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;

WHEREAS, it has been proposed that, within the Redevelopment Project Area, the Authority create the West Side Flats Tax Increment Financing District (the "Tax Increment District"), as a housing tax increment financing district, and adopt a Tax Increment Financing Plan therefor, all pursuant to Minnesota Statutes, Sections 469.174 through 469.1799 (the "Tax Increment Act");

WHEREAS, the Authority has investigated the facts and has caused to be prepared a Tax Increment Financing Plan for the Tax Increment Financing District;

WHEREAS, the Authority has performed all actions required by law to be performed prior to the creation of the Tax Increment District and adoption of a Tax Increment Financing Plan therefor, including, but not limited to, notification of the Ramsey County Commissioner representing the area of the County in which the Tax Increment Financing District is located and transmitting a copy of the Tax Increment Financing Plan to Ramsey County and Independent School District Number 625, which have taxing jurisdiction over the property to be included in the Tax Increment District;

WHEREAS, the City Council has heretofore held public hearings on the adoption of the Tax Increment Financing Plan and the Redevelopment Plan and the establishment of the Tax Increment District and the Redevelopment Project and made the findings required by the Tax Increment Act and the HRA Act and approved the establishment of the Redevelopment Project and Tax Increment District and the adoption of the Redevelopment Plan and Tax Increment Financing Plan;

WHEREAS, the Authority has heretofore received a proposal from West Side Flats Apartments LLC, a Minnesota limited liability company (the "Developer") that the Authority assist with certain public costs of a development consisting of not less than 178 rental housing units, related parking improvements and approximately 6,185 square feet of commercial space to be constructed by the Developer within the Tax Increment Financing District (the "Development");

WHEREAS, the Authority has caused to be prepared a Development Agreement (the "Development Agreement") with Developer setting forth the terms and conditions under which the Authority will provide tax increment financing assistance for the Development, and acceptance of land from the City of Saint Paul to the Authority ("Land"), and conveyance of the Land to the Developer, a copy of which is on file with the Executive Director of the Authority;

WHEREAS, the Authority has on the date hereof held a public hearing on the conveyance of the Land

to the Developer; and

WHEREAS, in connection with the Development, the Authority has caused to be prepared a \$500,000 TBRA Subgrant Agreement, \$750,000 LCDA Subgrant Agreement and \$598,906 DEED Subgrant Agreement with the Developer (collectively, the "Subgrants"), an agreement with West Side Flats Urban Development LLC regarding its existing land note and loan agreement with the Authority (collectively, the "Note Amendments"), a Phase II Development Agreement with West Side Flats Redevelopment LLC (the "Phase II Agreement"), and a Phase III Development Agreement with WSF Phase III LLC (the "Phase III Agreement"), and Parcel 4 Agreement with Sherman Associates, Inc. (the "Parcel 4 Agreement"), copies of which are on file with the Executive Director of the Authority.

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

Section 1. Findings for the Creation of the West Side Flats Tax Increment Financing District and Adoption of a Tax Increment Financing Plan therefor.

The Board of Commissioners hereby finds that the creation of the West Side Flats Tax Increment Financing District and the adoption of the Tax Increment Financing Plan therefor are intended and, in the judgment of the Board of Commissioners, its effect will be, to carry out the objectives of the Redevelopment Plan by creating an impetus for the development of low and moderate income housing facilities in the City, and otherwise promote certain public purposes and accomplish certain objectives as specified in the Tax Increment Financing Plan.

Section 2. Creation of the West Side Tax Increment Financing District and Approval of the Tax Increment Financing Plan.

2.01 The creation of the West Side Flats Tax Increment Financing District and the adoption of the Tax Increment Financing Plan therefor, are hereby approved and the Tax Increment Financing Plan shall be placed on file in the office of the Executive Director of the Authority.

2.02 The Authority's Executive Director and staff of the Authority and the Authority's advisors and legal counsel are authorized and directed to proceed with the establishment of the Tax Increment District and implementation of the Tax Increment Financing Plan therefor and this Resolution. The Authority'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 Authority is hereby directed to file a copy of the Tax Increment Financing Plan with the County Auditor of Ramsey County and to request the County Auditor to certify the original tax capacity of the West Side Flats Tax Increment Financing District.

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

Section 3. Approval of Acceptance and Conveyance of Land, Development Agreement, Subgrants, Note Amendments, Phase II Agreement, Phase III Agreement, Parcel 4 Agreement, \$198,906 loan.

3.01 The Authority hereby finds, determines and declares that it is in the public interest of the residents of the City of Saint Paul that the Development as described in the Development Agreement be undertaken in order to increase the supply of low and moderate income rental housing facilities in the City.

3.02 The Board of Commissioners hereby approves the acceptance of the Land from the City of Saint Paul and the conveyance of the Land to the Developer, and the Authority loan of \$198,906 to West Side Flats Urban Development LLC on the terms set forth in staff report.

3.03 The Board of Commissioners hereby approves the Development Agreement, the Subgrants, the Note Amendments, the Phase II Agreement, the Phase III Agreement, Parcel 4 Agreement, and any subordinations or consents necessary in connection with the Developer's HUD financing, and any required changes to the HOME Agreement previously approved by this Board and executed by the Authority and Developer (collectively, the "Development Documents") in substantially the forms submitted, and the Chair or Commissioner, Executive Director and Director, Office of Financial Services are hereby authorized and directed to execute, on behalf of the Authority, the Development Documents and such other documents as the Saint Paul City Attorney to the Authority considers appropriate in connection with the Development.

3.04 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 Authority, the appropriate Authority staff person or by the officers authorized herein to execute or accept, as the case may be, said documents prior to their execution; and said officers or staff members are hereby authorized to approve said changes on behalf of the Authority. The execution of any instrument by the appropriate officer or officers of the Authority herein authorized 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 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, may act in their behalf.

Section 4. Approval and Adoption of Policy on Interfund Loans and Advances. The Authority hereby approves a policy on interfund loans or advances ("Loans") for the Tax Increment District, as follows:

4.01 The authorized tax increment eligible costs (including without limitation out-of-pocket administrative expenses) payable from the Tax Increment District, as its Tax Increment Financing 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 Authority 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 the adopted and, if applicable, amended Tax Increment Financing Plan budget for the Tax Increment District.

4.04 The maximum term of any Loan shall not exceed the lesser of the statutory duration limit of the Tax Increment 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.

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

Attachment A