



Legislation Text

File #: RES 20-1503, **Version:** 1

Resolution approving and authorizing the establishment of the Snelling Midway Renewal and Renovation Tax Increment Financing District (a Renewal and Renovation district) in the Saint Paul Neighborhood Redevelopment Project area and adopting Tax Increment Financing Plan therefor and approving an HRA budget amendment, District 13, Ward 1

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") has heretofore established the Saint Paul Neighborhood 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, as amended (the "HRA Act"); and

WHEREAS, the Redevelopment Plan contains an identification of need and a statement of purpose and objectives, land uses and standards for development 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 Snelling Midway Renewal and Renovation Tax Increment Financing District, as a renewal and renovation tax increment financing district under Minnesota Statutes, Section 469.174, Subdivision 10a (the "TIF 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 of the area bordered by Snelling Avenue on the West, University Avenue on the North, Pascal Street North on the East, and St. Anthony Avenue on the South into a mix of residential rental, office, retail, hotel and structured parking uses with related public infrastructure (collectively, the "Development") based on the adopted Snelling Midway Redevelopment Site Master Plan dated April 18, 2016, as revised May 24, 2016 (the "Master Plan") and the Resolution Committing to Community Benefits at the Snelling-Midway Redevelopment Site adopted by the City Council of the City of Saint Paul, Minnesota (the "City Council") on August 17, 2016 as Resolution 16-1407 (the "Community Benefits Resolution"); and

WHEREAS, the HRA has investigated the facts and has caused the TIF Plan to be prepared for the TIF District; and

WHEREAS, 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 November 4, 2020 on (i) adoption of the TIF Plan and (ii) the establishment of the TIF District and (a) consider the findings required by the TIF Act and the HRA Act, (b) consider approving the establishment of the TIF District and adopting the TIF Plan; 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 TIF Plan therefor.

1.01 The HRA 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 the commercial properties with higher density development in the City, and to otherwise promote certain public purposes and accomplish certain objectives as specified in the Redevelopment Plan and the TIF Plan.

1.02 The HRA hereby finds that the TIF District qualifies as a “renewal and renovation district” within the meaning of the TIF Act for the following reasons:

The District is, pursuant to Minnesota Statutes, Section 469.174, Subdivision 10a a “renewal and renovation district”. The reasons and supporting facts for these determinations are set forth in that certain Report of Inspection Procedures and Results for Determining Qualifications of a Tax Increment Financing District as a Renewal and Renovation District Snelling Midway Renewal and Renovation TIF District St. Paul, Minnesota, dated September 1, 2017, prepared by LHB, Inc. (the “Renewal and Renovation Assessment Report”), copies of which are on file with the Executive Director of the HRA, which determinations were ratified by a resolution adopted by HRA on September 13, 2017. The HRA found by resolution that the TIF District originally contained five buildings, one of which (i.e. 20%) was structurally substandard and two of which (i.e. 40% of the total number of buildings and 50% of the other buildings) exhibited existing conditions warranting renovation or clearance.

1.03 The HRA further finds that the future development of the TIF District in accordance with the Master Plan and the Community Benefits Resolution, in the opinion of the Board, would not occur solely through private investment within the reasonably foreseeable future and, therefore, the use of tax increment financing is deemed necessary.

1.04 The HRA further finds that the TIF Plan conforms to the general plan for the development or redevelopment of the city as a whole.

1.05 The HRA further finds that the TIF Plan will afford maximum opportunity consistent with the sound needs of the City as a whole for the development of the TIF District by private enterprise.

1.06 The HRA elects to retain all of the captured tax capacity to finance the costs of the TIF District. The City elects the method of tax increment computation set forth in Minnesota Statutes, Section 469.177, Subdivision 3(b).

1.07 The HRA elects to delay the receipts of the first increment until tax payable year 2024.

1.08 The provisions of this Section 1 are hereby incorporated by reference into and made a part of the TIF Plan.

Section 2. Approval of Creation of the TIF District and Approval of the TIF Plan Therefor; Other Authorizations.

2.01 Subject to approval by the City Council after a public hearing thereon, the creation of the TIF District and the adoption of the TIF Plan, 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 and implementation of the TIF District, the TIF Plan and this Resolution. The HRA’s Executive Director is 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 Commissioner of Revenue and the Office of the State Auditor 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 HRA 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 in an amount up to \$11,000,000, interest in an amount up to \$36,890,000, and other project costs in an amount up to \$67,510,000, 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 \$115,400,000 outstanding at any time.

3.04 Any Loan shall mature not later than March 1, 2040 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. Approving an HRA Budget Amendment. The Board hereby approves the HRA budget as set forth in the attached Financial Analysis.