



Legislation Text

File #: RES 13-2008, **Version:** 1

Resolution Authorizing and Approving an Interfund Loan under the TIF Act for the Riverfront Tax Increment Financing District

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, on July 18, 2012, the City Council adopted RES PH 12-213 approving a budget for developing and constructing a regional ballpark (the "Ballpark") in the Lowertown neighborhood in Downtown Saint Paul; and

WHEREAS, a source in the approved budget included \$1,500,000 as a transfer from Capital Project Fund - TIF; and

WHEREAS, on October 23, 2013, the HRA adopted RES 13-1656 approving a budget amendment to transfer the TIF funds from the Riverfront TIF district to the City's Capital Projects budget; and

WHEREAS, the budget amendment covers a multi-year funding source and a portion of the tax increments from the Riverfront TIF district will not be received until July of 2014; and

WHEREAS, under MN Statutes, Section 469.178, Subd. 7, the HRA is authorized to advance or loan money from the HRA's general fund or any other fund from which such advances may be legally authorized, in order to pay costs that are otherwise eligible for financing with tax increments under the TIF Act but such advance or loan must first be authorized and approved by this HRA Board of Commissioners before money is transferred, advanced or spent; and

WHEREAS, by this Resolution an interfund loan is being approved and the HRA Board of Commissioners finds a public purpose for this expenditure of 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:

a. The HRA hereby authorizes and approves the advance or loan of up to \$1,500,000 to the Riverfront TIF district ("District") in order to pay eligible costs of the District ("Interfund Loan"). The HRA shall be reimbursed for such advances from future tax increments received from the District without interest. The

advance or loan may be drawn from available monies from any legally authorized fund or account of the HRA as designated by the HRA's Executive Director from time to time. The Executive Director shall maintain applicable data on all advances and loans.

b. Payments on this Interfund Loan are payable solely from "Available Tax Increments" which shall mean tax increment from the District, until the earlier of the advanced amount is repaid or the District is closed.

c. This Interfund Loan is evidence of an internal borrowing by the HRA in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from Available Tax Increments pledged to the payment hereof.

d. The HRA may amend the terms of this Interfund Loan, but they may not discharge the obligation.

e. HRA staff is hereby directed and authorized to take all actions necessary to implement this Resolution.