



Legislation Text

File #: RES 14-1576, **Version:** 1

Resolution (i) Amending the Redevelopment Plan for the Saint Paul Neighborhood Redevelopment Project Area, (ii) Approving the Establishment of the East 7th and Bates Tax Increment Financing District, (iii) Adopting a Tax Increment Financing Plan therefor and (iv) Approving an HRA budget Amendment, District 4, Ward 7.

WHEREAS, the Board of Commissioners of 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, said Redevelopment Plan contains an identification of need and statement of objectives and program of the HRA 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; and

WHEREAS, it has been proposed that the HRA amend the existing redevelopment plan (the "Redevelopment Plan") for the Saint Paul Neighborhood Redevelopment Project Area (the "Project Area") to enlarge the Project Area pursuant to the HRA Act; and

WHEREAS, the HRA has investigated the facts and has caused to be prepared a Sixth Amendment to the Saint Paul Neighborhood Redevelopment Plan (the "6th Amendment").

WHEREAS, the City Council held a public hearing on September 3, 2014, on the adoption of the 6th Amendment, made the findings required by the HRA Act and approved the adoption of the 6th Amendment; and

WHEREAS, the HRA has investigated the facts and has caused the Tax Increment Financing Plan (the "TIF Plan") for the East 7th and Bates Tax Increment Financing District (the "TIF District") to be prepared; and

WHEREAS, the City Council of the City of Saint Paul, Minnesota (the "City"), on September 3, 2014, held a public hearing, approved the 6th Amendment and the creation of the TIF District, within the Project Area, as a housing tax increment financing district, and adopted the TIF Plan therefor, all pursuant to the HRA Act and Minnesota Statutes, Sections 469.174 through [469.1794 <tel:469.1794>](#) (the "TIF Act"); 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 and the approval of the 6th Amendment, including, but not limited to, consultation with the Planning Commission, 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, St. Paul Leased Housing Associates VI, LLC (as referred to herein, together with any affiliate thereof which owns or develops the Project described below, the "Developer") has represented that it could not proceed with the development of the Project without tax increment assistance; and

WHEREAS, the Developer has also requested the HRA approve and enter into a development agreement with the Developer at a later date; and

BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") as follows:

Section 1. Findings for the Approval of the Sixth Amendment to the Redevelopment Plan.

1.01 The HRA hereby finds that the 6th Amendment is intended and, in the judgment of the HRA, its effect will be to carry out the objectives of the Redevelopment Plan, as amended, and to provide an impetus for redevelopment and housing activities in the City, and to otherwise promote

certain public purposes and accomplish certain objectives as specified in the Redevelopment Plan.

1.02 The HRA hereby finds that

- (a) the land in the Project Area, as amended by the 6th Amendment, would not be made available for redevelopment without the financial aid to be sought;
- (b) the 6th Amendment will afford maximum opportunity, consistent with the needs of the City as a whole, for the redevelopment of the Project Area by private enterprise; and
- (c) the 6th Amendment conforms to the Saint Paul Comprehensive Plan and the general plan for the development of the City as a whole.

Section 2. Findings for the Creation of TIF District and Adoption of TIF Plan.

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 of Commissioners, its effect will be, to carry out the objectives of the Redevelopment Plan, as amended, by creating an impetus for the development of low and moderate income housing facilities and related structures in the City, and otherwise promote certain public purposes and accomplish certain objectives as specified in the Redevelopment Plan and the TIF Plan.

The senior housing development to be constructed in the TIF District will consist of approximately 113 units of rental housing (the "Housing Development"). At least 40% of the units (i.e., 46 units) in the Housing Development will be rented to and occupied by individuals or families whose income is 60% or less of area median income. The Housing Development consists of one approximately 158,353 gross square foot, five-level building (including underground parking), none of which is expected to be used for commercial, retail, or other nonresidential uses and is the only building that will receive tax increment financing assistance. A separate building will be constructed in the TIF District to be used as a grocery store with surface parking (the "Commercial Portion"). The Commercial Portion will not receive assistance from the tax increments.

Section 3. Approval of the Sixth Amendment of the Redevelopment Plan, Creation of the TIF District, and Approval of the TIF Plan.

3.01 The 6th Amendment, 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.

3.02 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 implementation of the TIF Plan and this Resolution. The HRA's Executive Director and Director, Office of Financial Services are authorized and directed to negotiate, draft, prepare and present to the Board of Commissioners of the HRA for its consideration all further plans, resolutions, documents and contracts necessary for this purpose.

3.03 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.

3.04 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 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 out-of-pocket administrative expenses) 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 the adopted and, if applicable, amended TIF Plan budget for the TIF District.

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

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