



Legislation Text

File #: RES 17-149, **Version:** 1

Approving and allocating the 2017 funding recommendations for Capital Project Investments in the amount of \$750,000 from the annual sales tax revenue Pay-Go Economic Development Fund budgeted to the Commercial Vitality Zone Program, and a swap of \$100,000 from the HRA loan fund for 2016 and 2017 CVZ pre-development funding.

WHEREAS, the Commercial Vitality Zone program ("Program") is an economic development program funded by an annual sales tax revenue account from the City of Saint Paul's ½ cent local sales tax, known as Sales Tax Revitalization or "STAR"; and the funding available for the Program in 2017 is \$750,000 for eligible economic development activities; and

WHEREAS, the purpose of the Program is to utilize a catalytic and flexible approach to commercial revitalization throughout the city by investing in neighborhood commercial districts that have assets with potential, organizations and small businesses with capacity, and community-developed plans; and

WHEREAS, the goal of the Program is to invest in catalytic zones where: 1) other investments can be leveraged; 2) there is an existing economic development strategy; 3) equity can be promoted by targeting Racially Concentrated Areas of Poverty; 4) identified feasible and visible projects exists; and 5) those projects have the potential to meet expected outcomes of the program around vitality, growth and equity; and

WHEREAS, City staff recommends investments in the Commercial Vitality Zones in 2017 as follows: 1) District del Sol to receive \$312,500 for implementation of capital projects; and 2) Central Selby Ave from Lexington Pkwy to Dale St to receive \$312,500 in implementation of capital projects; and 3) Rice St at Larpenteur to receive \$50,000 for pre-development planning, as outlined in the attached "Commercial Vitality Zone - 2017 Funding Recommendations" ("Staff Report"); and the balance of the 2017 allocation of \$75,000 is to be used for eligible city staff costs associated with managing program investments; and

WHEREAS, pre-development planning work included in the Program is not an eligible expense for STAR sales tax dollars, thereby requiring an alternative budgeted source for \$100,000 of program dollars allocated to pre-development planning, with \$50,000 of the 2016 Program going toward Rice St between University and Pennsylvania, and \$50,000 of 2017 Program funding to Rice and Larpenteur; and

WHEREAS, the HRA approved \$500,000 in HRA Loan Enterprise funding for the Historic Fire House project on August 10, 2016 per RES #16-1405, of which \$100,000 will be swapped with the 2016 and 2017 Program pre-development planning areas; and

WHEREAS, the City Council desires to delegate to the Director of the City of Saint Paul's Department of Planning and Economic Development ("PED Director") the authority to approve the specific project budgets for implementation projects and pre-development planning in the zones described above; and

NOW, THEREFORE, BE IT RESOLVED, that the Saint Paul City Council hereby allocates the 2017 Commercial Vitality Zone program funds as follows: District del Sol to receive \$312,500 of implementation funds for capital projects; Central Selby from Lexington to Dale to receive \$312,500 of implementation funds for capital projects; and Rice Street at Larpenteur to receive \$50,000 for pre-development planning; and \$75,000 for Program management services for a total of \$750,000; and

BE IT FURTHER RESOLVED, that the City Council directs staff to utilize for pre-development planning work identified as part of the Program, \$100,000 of \$500,000 in HRA Enterprise Loan fund dollars allocated to the Hope Engine Company fire house redevelopment on West 7th Street, replacing those dollars with STAR dollars for eligible neighborhood capital investment; and

BE IT FURTHER RESOLVED, that the PED Director, City staff and the City Attorney Office are hereby authorized and directed to take all actions necessary to implement this Resolution, and the PED Director and Director of the Office of Financial Services are authorized and directed to execute all agreements, documents and instruments related to the implementation of this Resolution; and

BE IT FURTHER RESOLVED that the PED Director is delegated the power to determine which individual projects and planning within the identified zones are awarded funds under this 2017 Program funding; and

BE IT FURTHER RESOLVED, by the Saint Paul City Council, upon recommendation of the Mayor, that the 2017 budget, as heretofore adopted and amended by this Council, be hereby further amended as specified in the attached financial analysis.