



Legislation Text

File #: RES PH 19-101, **Version:** 1

Approving the establishment of the 848 Payne Avenue Housing Project Area and the Tax Increment Financing District (848 Payne Avenue Housing Project) and approving a Housing Development and Redevelopment Plan and Tax Increment Financing Plan. (District 5, Ward 6)

WHEREAS, the City Council of the City of Saint Paul, Minnesota (the "Council") has the statutory responsibility under Minnesota Statutes, Section 469.028, to approve redevelopment plans and projects of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA"), after a public hearing thereon; and

WHEREAS, the HRA proposes to establish the 848 Payne Avenue Housing Project area (the "Project Area") and has submitted to the Council a Housing Development and Redevelopment Plan therefor (the "Redevelopment Plan") pursuant to Minnesota Statutes, Sections 469.001 to 469.047, as amended; and

WHEREAS, said Redevelopment Plan contains an identification of need and statement of objectives and program of the HRA for carrying out a housing and redevelopment project, including property to be acquired, public improvements to be provided, development and redevelopment to occur, and sources of revenue to pay costs of the Project Area; and

WHEREAS, the Saint Paul Planning Commission, on March 22, 2019, reviewed said Redevelopment Plan, and adopted resolution #19-12 approving the same as being in conformity with the Saint Paul Comprehensive Plan and the general plan for the development and redevelopment of the City as a whole; and

WHEREAS, Minnesota Statutes, Section 469.175 requires that before a county auditor may certify a tax increment financing district created under Minnesota Statutes, Section 469.174 to 469.1794 (the "TIF Act") the governing body of the municipality must approve the tax increment financing plan after a public hearing thereon; and

WHEREAS, the HRA has asked the Council to approve the creation, within the Project Area, of the Redevelopment Plan, of the Tax Increment Financing District (848 Payne Avenue Housing Project) as a housing tax increment financing district under Minnesota Statutes, Section 469.174, Subdivision 11 (the "TIF District") and the adoption of a Tax Increment Financing Plan therefor (the "TIF Plan"), all pursuant to and in accordance with the TIF Act; and

WHEREAS, the TIF District is being established to facilitate the construction of an approximately 99-unit, 4-story multifamily rental housing development with related amenities, approximately 5,600 square feet of ground level commercial space and surface parking, to be located on a one and one-half acre parcel on the southeast corner of the intersection of Payne Avenue and Aguirre Street/Wadena Avenue (the "Development"); and

WHEREAS, the HRA has, or at the time of its approval of the TIF Plan will have, performed all actions required by law to be performed prior to the creation of the TIF District and adoption of the 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 delivering 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, on this date, the Council conducted a public hearing on the Redevelopment Plan and the TIF Plan, after duly published notice thereof; and

WHEREAS, at said public hearing the Council heard testimony from all interested parties on the Redevelopment Plan and the TIF Plan; and

WHEREAS, the Council has considered the findings and determinations of the Saint Paul Planning Commission and the HRA respecting the Project Area, Redevelopment Plan, TIF District, and TIF Plan, together with the documentation submitted in support of the same and has taken into account the information and knowledge gained in hearings upon and during consideration of other matters relating to the developments proposed within the Project Area.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Saint Paul, Minnesota (the "City") as follows:

Section 1. Approval of Redevelopment Plan.

1.01 The Council hereby finds that the Redevelopment Plan is intended and, in the judgment of the Council, the effect will be, to carry out the objectives of the Redevelopment Plan and to create an impetus for redevelopment and a range of housing opportunities in the City and otherwise promote public purposes and accomplish certain objectives as specified in the Redevelopment Plan.

1.02 It is hereby found and determined that the undertakings and site of the Project Area, as described in the Redevelopment Plan constitutes a "redevelopment project" within the meaning of Minnesota Statutes, Section 469.002, Subdivision 14. It is hereby found and determined that the land in the Project Area, would not be made available for nor would redevelopment be financially feasible without the financial assistance proposed for the Project Area. It is hereby found and determined that the Redevelopment Plan, will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development and redevelopment of such area by private enterprise. It is hereby found and determined that the Redevelopment Plan, conforms to the Saint Paul Comprehensive Plan and the general plan for the development of the City as a whole.

1.03 The creation of the Project Area and the Redevelopment Plan are hereby approved as in the public interest and as necessary in order to carry out the development and redevelopment of the Project Area in accordance with the objectives and purposes in said Redevelopment Plan, including to provide an impetus for private development of low and moderate income housing, to utilize existing potential in the Project Area, to eliminate blighting conditions identified therein and to accomplish the provision of public improvements and private developments contemplated by said Redevelopment Plan in the furtherance of the general welfare of the citizens of Saint Paul.

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

2.01 The Council hereby finds that the creation of the TIF District and adoption of the TIF Plan therefor, are intended and, in the judgment of the Council, the effect will be, to carry out the objectives of the Redevelopment Plan and to create an impetus for the construction of low and moderate income housing, and will otherwise promote certain public purposes and accomplish certain objectives as specified in the Redevelopment Plan and TIF Plan.

2.02 The Council hereby finds that the TIF District qualifies as a "housing district" within the

meaning of the TIF Act for the following reasons:

The District is, pursuant to Minnesota Statutes, Section 469.174, Subdivision 11, a “housing district” because it consists of a project or portions of a project or a portion of a project intended for occupancy, in part, by persons or families of low and moderate income as defined in Chapter 462A, Title II of the National Housing Act of 1934; the National Housing Act of 1959; the United States Housing Act of 1937, as amended; Title V of the Housing Act of 1949, as amended; and any other similar present or future federal, state or municipal legislation or the regulations promulgated under any of those acts. No more than 20% of the square footage of buildings that receive assistance from tax increments will consist of commercial, retail or other nonresidential uses.

The Development to be constructed in the TIF District will consist of approximately 99 units of rental housing. At least 40% of the units (i.e., 40 units) in the project that receive tax increment financing assistance will be rented to and occupied by individuals or families whose income is 60% or less of area median income.

The approximately 84,200 square foot building which comprises the Development includes approximately 5,600 square feet of ground level commercial space and does not include any other square footage intended for commercial, retail or other non-residential use; therefore, not more than 20% of the square footage of the building included in the Development is expected to be used for commercial, retail or other non-residential uses.

2.03 The Council hereby makes the following findings:

(a) The Council further finds that the proposed development, in the opinion of the Council, would not occur solely through private investment within the reasonably foreseeable future and, therefore, the use of tax increment financing is deemed necessary. The specific basis for such finding being:

The Development will result in the acquisition and construction of the Development which construction would not otherwise have been undertaken in the reasonably foreseeable future. 848 Payne, LLLP (the developer of the housing development) has represented that it could not proceed with the Development without tax increment assistance.

(b) The Council further finds that the TIF Plan conforms to the general plan for the development or redevelopment of the City as a whole. The specific basis for such finding being:

The TIF Plan will generally complement and serve to implement policies adopted in the City’s comprehensive plan. The Development contemplated is or will be in substantial accordance with the existing zoning or any permitted exception for the property. The Planning Commission reviewed the Redevelopment Plan and recommended that it be approved based on its finding that the Redevelopment Plan conforms to the general plan for development of the City as a whole and with the comprehensive plan of the City.

(c) The Council 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. The specific basis for such finding being:

The proposed Development to occur within the TIF District is primarily low and moderate income housing. The Development will increase the taxable market valuation of the

City. The available housing in the City will expand by approximately 99 rental units with the completion of the development contemplated by the TIF Plan.

(d) The City 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(a).

(e) The City elects to delay the receipt of the first increment until tax payable year 2021.

2.04 The provisions of this Section 2 are hereby incorporated by reference into and made a part of the TIF Plan.

Section 3. Creation of TIF District and Approval of TIF Plan.

3.01 The creation of the TIF District and the adoption of the TIF Plan therefor are hereby approved.

3.02 The staff of the HRA and the City and the HRA's and City's advisors and legal counsel are authorized and directed to proceed with the establishment of the Project Area and the TIF District and implementation of the Redevelopment Plan, the TIF Plan and this Resolution. The staff of the HRA and the City and the HRA's and City's advisors and legal counsel 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 to accomplish these actions.

3.03 Upon approval by the HRA, the staff is directed to submit the request to Ramsey County to certify the original tax capacity of the TIF District.