Legislation Text

File #: RES PH 19-309, **Version:** 1

Approving the establishment of the Tax Increment Financing District (West Side Flats Phase III Apartments Project) (a housing district) in the Saint Paul Riverfront Redevelopment Project Area, and approving a Tax Increment Financing Plan therefor, District 3, Ward 2.

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") has heretofore established the Saint Paul Riverfront Redevelopment Project Area, as expanded (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 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 HRA has also heretofore established the Riverfront Renaissance Redevelopment Tax Increment Financing District ("Existing TIF District") within the Project Area; 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 City Council of the City of Saint Paul, Minnesota (the "Council") to approve the creation, within the Project Area, of the Tax Increment Financing District (West Side Flats Phase III Apartments 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 3 parcels of land that will be within the TIF District are all currently located within the Existing TIF District ("Three Parcels") and will need to be removed therefrom by action to be taken by the HRA Board of Commissioners ("HRA Board") before the TIF District will be established by this resolution; and

WHEREAS, the TIF District is being established to facilitate the acquisition and construction of an affordable housing development consisting of a building with approximately 82 rental housing units, underground parking and related amenities (the "Affordable Housing Development"). In addition, there will also be developed within the TIF District a housing development consisting of a building with approximately 174 market rate rental housing units, with underground parking (the "Market Rate Housing Development" and, together with the Affordable Housing Development, 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 TIF Plan, after duly published notice thereof; and

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

WHEREAS, the Council has considered the findings and determinations of the HRA respecting the 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. Findings for the Creation of the TIF District and Adoption of a TIF Plan therefor.

1.01 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 the TIF Plan.

1.02 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 Affordable Housing Development to be constructed in the TIF District will consist of approximately 82 units of rental housing. At least 40% of the units (i.e., 33 units) in the Affordable Housing Development will be rented to and occupied by individuals or families whose income is 60% or less of area median income.

The Affordable Housing Development, which is the only building receiving assistance from the TIF District, is not expected to be used for any 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.

1.03 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 affordable and market rate housing units which construction would not otherwise have been undertaken in the reasonably foreseeable future. WSF Phase III B Limited Partnership, a Minnesota limited partnership and the proposed developer of the Affordable Housing Development has represented that it could not proceed with the Affordable Housing 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.

(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 affordable and market rate housing. The Development will increase the taxable market valuation of the City. The available housing in the City will expand by approximately 256 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 2022.

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

Section 2. Creation of TIF District and Approval of TIF Plan.

2.01 Subject to the adoption of a resolution by the HRA Board to modify the Existing TIF District to remove the Three Parcels that will be included in the TIF District, the creation of the TIF District and the adoption of the TIF Plan therefor are hereby approved.

2.02 The Council hereby authorizes the staff of the HRA and the City and the HRA's and City's advisors and legal counsel to proceed with the establishment of the TIF District and implementation of the TIF Plan and this Resolution. The Council hereby authorizes the staff of the HRA and the City and the HRA's and City's advisors and legal counsel 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.

2.03 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.

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