



Legislation Text

File #: RES 20-917, **Version:** 1

Resolution making certain findings with respect to buildings and improvements and authorizing the execution of a demolition and development agreement, District 13, Ward 1

WHEREAS, under Minnesota Statutes, Section 469.174, subd. 10(d), the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") is authorized to deem parcels as occupied by a structurally substandard building despite prior demolition or removal of the building, subject to certain terms and conditions as described in this resolution; and

WHEREAS, Snelling-Midway Redevelopment, LLC (or its affiliate, assignee or successor, the "Developer") is the owner of, or otherwise has control of and legal access to, certain property located in the area bordered by Snelling Avenue, University Avenue, Pascal Street and St. Anthony Avenue in the City of St. Paul, Minnesota (the "Redevelopment Area"), including without limitation the property operated as Big Top Wine & Spirits and identified as Parcel ID # 342923320005 and the property operated as the Midway Shopping Center and identified as Parcel ID # 342923320015 (collectively, the "Property"), which Property is included in the TIF Analysis Findings for 1544 & 1460-1536 University Avenue West, dated June 18, 2020, prepared by LHB, Inc. (the "LHB Report"); and

WHEREAS, the Developer intends to submit an application to the HRA for tax increment assistance in connection with a proposed development to be constructed by the Developer or its successors or assigns on the Property, which application will request that the HRA include the Property and other parcels in the Redevelopment Area in one or more redevelopment tax increment financing districts within the meaning of Minnesota Statutes, Section 469.174, subd. 10 (collectively, the "TIF District"); and

WHEREAS, for public safety and redevelopment reasons, the Developer wishes to demolish one or more of the substandard buildings currently located on the Property in connection with redevelopment of the Property and other parcels in the Redevelopment Area pursuant to the City's approved site plan and Master Plan (the "City's Approved Plans"), prior to the creation of the TIF District, and the HRA and the Developer wish to enter into a Demolition and Development Agreement to provide for the demolition of such buildings; and

WHEREAS, Minnesota Statutes, Section 469.174, subd. 10(d), provides, among other things that a parcel may be deemed to be occupied by a structurally substandard building and/or other qualifying building and by improvements if (1) the parcel was occupied by a substandard building or other qualifying building within three years of the filing of the request for certification of the parcel as part of the district with the county auditor; (2) the substandard buildings or other qualifying buildings were demolished or removed by the authority or the demolition or removal was financed by the authority or was done by a developer under a development agreement with the authority; and (3) the authority found by resolution before the demolition or removal that the parcel was occupied by a structurally substandard building or other qualifying building and that after demolition and clearance the authority intended to include the parcel within a district; and

WHEREAS, such findings and actions do not obligate the HRA to create a tax increment financing district but preserve the opportunity to do so.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners (the "Board") of the HRA, as follows:

- 1) The Board has received the LHB Report, documenting that there is one building on each of the parcels of the Property and, based on an inspection of the buildings, both of the buildings on the Property were determined to be substandard under the definition set forth in Minnesota Statutes, Sections 469.174, subdivision 10 ("Substandard Buildings"). Based on the LHB Report and other information available to the Board, the Board finds that the building currently on Parcel ID # 342923320005 and the building currently on Parcel ID #342923320015 are both structurally substandard to a degree requiring substantial renovation or clearance. The reasons and supporting facts for this determination are included in the LHB Report and on file with the Executive Director of the HRA.
- 2) After the date of approval of this resolution, the buildings on the Property may be demolished or removed by the HRA, or such demolition or removal may be financed by the HRA, or may be undertaken by the Developer pursuant to the Demolition and Development Agreement between the Developer and the HRA.
- 3) The Developer intends to demolish one or more of the Substandard Buildings on the Property in connection with a project it is developing on the Property and other parcels in the Redevelopment Area pursuant to the City's Approved Plans and the HRA intends to subsequently include the Property in one or more redevelopment TIF Districts, which, if established, shall be established and certification requested therefor from the Ramsey County auditor within 3 years after the date of building demolition on the Property.
- 4) Upon filing the request for certification of a new TIF District, the HRA will notify the Ramsey County auditor that the original tax capacity of the Property must be adjusted to reflect the greater of (a) the current net tax capacity of the parcel, or (b) the estimated market value of the parcel for the year in which a Substandard Building thereon was demolished or removed, but applying class rate for the current year, all in accordance with Minnesota Statutes, Section 469.174, subdivision 10(d).
- 5) The Chair or Commissioner, and the Executive Director of the HRA and the Director, Office of Financial Services of the City (the "Authorized Officers") are hereby authorized to execute, on behalf of the HRA, the Demolition and Development Agreement with the Developer in substantially the form on file with the Executive Director of the HRA to provide for the demolition of some or all of the buildings on the Property pursuant to the City's Approved Plans.
- 6) The Executive Director and HRA staff are hereby authorized and directed to take all actions necessary to implement this resolution.