



Legislation Text

File #: RES 23-1393, **Version:** 1

Resolution approving the execution of a development and loan agreement under tax increment financing spending plan authority, for a project located at 678 Snelling Ave N; and approving an HRA budget amendment, District 11, Ward 4

WHEREAS, Minnesota Statutes, Section 469.176, subdivision 4n (“Subd. 4n”) authorizes the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “HRA”) to spend available tax increment from any existing tax increment financing district (“Available TIF”), notwithstanding any other law to the contrary, to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of construction or substantial rehabilitation of buildings and ancillary facilities, if the following conditions exist:

- (1) Such assistance will create or retain jobs in the State of Minnesota (the “State”), including construction jobs;
- (2) Construction commences before December 31, 2025;
- (3) The construction would not have commenced before December 31, 2025 without the assistance;
- (4) Available TIF under the spending plan is spent by December 31, 2025; and
- (5) The City Council (the “Council”) of the City of Saint Paul, Minnesota (the “City”) approves a written spending plan (after a duly noticed public hearing) that specifically authorizes the HRA to take such actions; and

WHEREAS, the HRA and the Council have heretofore adopted a spending plan and adopted a Supplement to the Spending Plan on February 22, 2023 (collectively the “Spending Plan”) pursuant Subd. 4n, which authorizes the use of Available TIF to provide improvements, loans or assistance for private development that satisfies the criteria listed above and as further described in the Spending Plan (“Qualified Projects,” singularly, a “Qualified Project”); and

WHEREAS, the Spending Plan expressly authorizes Available TIF assistance to Qualified Projects that advance private development of underutilized, privately-owned redevelopment sites within the City; and

WHEREAS, African Economic Development Solutions, a Minnesota nonprofit corporation, has proposed the substantial rehabilitation and remodeling of an existing building located at 678 Snelling Avenue N in the City to provide a grocery market, micro-retail spaces, a museum/community room, and offices for African Economic Development Solutions (the “Development”); and

WHEREAS, Little Africa Plaza, LLC, a Minnesota limited liability company (the “Developer”) was formed in 2020 with AEDS as its sole member, for purposes of acquiring, renovating, and operating the building located at 678 Snelling Ave N; and

WHEREAS, the Developer has submitted an application to the HRA for \$1,832,997 of financial assistance and requested that the HRA cause to be prepared a Development and Loan Agreement (the “Development Agreement”) between the HRA and the Developer setting forth the terms and conditions under which the HRA

will provide Available TIF assistance (the “Available TIF Loan”) to the Developer, a copy of which is on file with the Executive Director of the HRA; and

WHEREAS, the Saint Paul City Council adopted Council File #09-584 on the use of Project Labor Agreements (“PLA”) for projects involving \$250,000 or more of City money; and

WHEREAS, the Department of Planning and Economic Development sent a written “Notice and Request for Recommendation on the Use of a PLA” to interested parties on August 15, 2023, with one response received; and

WHEREAS, the Saint Paul Building and Construction Trades Council recommended a PLA for the Development listing length of project, multi-craft, safety, and dollar amount as reasons they recommend a PLA for this Development; and

WHEREAS, in considering the criteria for evaluating PLA as outlined in CF #09-584, the use of a PLA will ensure timely completion of the Development;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “Board”) as follows:

Section 1. Findings for the Use of Available TIF.

1.01 The Board hereby finds that the Development is a Qualified Project because:

(a) the Development will create and retain jobs in the State, including the creation of approximately 9 permanent full-time jobs and 34 construction jobs;

(b) construction on the Development will commence in 2023 and requires financial assistance to commence in this timeframe;

(c) the construction would not have commenced before December 31, 2025, without the Available TIF Loan, and there is significant need for the project to begin before January 8, 2024, to avoid orders for the building to be razed due to prolonged vacancy; and

(d) the Available TIF for this Development will be spent under the Spending Plan by December 31, 2025.

1.02 The Board further finds that the Available TIF Loan meets the Spending Plan goal of advancing private development of underutilized, privately-owned redevelopment sites, such as those that have remained vacant for significant periods of time, and that this building has been vacant since 2016 and is facing demolition orders unless it can begin rehabilitation immediately, and is authorized pursuant to the Spending Plan and Subd. 4n.

Section 2. Approval and Execution of Documents.

2.01 Approval of Development Documents. The Board hereby approves the Development Agreement, which includes authorization of the Available TIF Loan in a principal amount of up to \$1,832,997, in substantially the form on file with the Executive Director, together with any related documents necessary in connection therewith, including, without limitation, all documents, exhibits, certifications or consents referenced in or attached to the Development Agreement including any subordinations, assignments or consents necessary in connection with the Developer’s financing (collectively, the “Development Documents”).

2.02 Execution of Documents. The Chair or any Commissioner and Executive Director of the HRA and the Director, Office of Financial Services of the City (the “Authorized Officers”) are hereby authorized in their discretion and at such time, if any, as they may deem appropriate, to execute, on behalf of the HRA, the Development Documents and to carry out, on behalf of the HRA, directly or through one or more appointed designees, the HRA’s obligations thereunder when all conditions precedent thereto have been satisfied. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Saint Paul City Attorney to the HRA, the appropriate HRA staff person(s) or by the Authorized Officers authorized herein to execute or accept, as the case may be, said documents prior to their execution; and said Authorized Officers or staff members are hereby authorized to approve said changes on behalf of the HRA. The execution of any instrument by the Authorized Officers shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This Resolution shall not constitute an offer and the Development Documents shall not be effective until the date of execution thereof as provided herein. In the event of absence or disability of any of the Authorized Officers, any of the Development Documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any member of the Board or any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the Saint Paul City Attorney to the HRA, may act in their behalf. The electronic signature of a party to the Development Documents, including all acknowledgements, authorizations, directions, waivers and consents thereto (or any amendment or supplement thereto) shall be as valid as an original signature of such party and shall be effective to bind such party to the Development Documents. Any electronically signed Development Documents shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

2.03 Future Amendments. The authority to approve, execute and deliver future amendments to the Development Documents entered into by the HRA and consents required under the Development Documents is hereby delegated to the Authorized Officers of the HRA, subject to the following conditions: (a) such amendments or consents do not materially adversely affect the interests of the HRA; (b) such amendments or consents do not contravene or violate any policy of the HRA, and (c) such amendments or consents are acceptable in form and substance to the Saint Paul City Attorney to the HRA or the counsel retained by the HRA to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Authorized Officers of the HRA shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the event of absence or disability of the Authorized Officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any member of the Board or any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the Saint Paul City Attorney to the HRA, may act in their behalf.

Section 3. Approval of the use of a PLA. The Board approves the use of a Project Labor Agreement (PLA) as outlined in Council File #09-584 for this Development.

Section 4. Approval of an HRA Budget Amendment. The Board hereby approves the HRA budget as set forth in the attached Financial Analysis.