

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: April 20, 2009
Item No.: 12.a

Department Approval



City Manager Approval



Item Description: Set Public Hearing Date for Potential Establishment of Har Mar Apartments Tax Increment Financing District (TIF District 18)

1.0 BACKGROUND

1.1 On March 11, 2009, Aeon, the owners of the Har Mar Apartments, submitted a formal request to the City for the consideration to establish a housing tax increment financing (TIF) district on their parcel. The purpose of this request is to create a funding source to fill the projected financial gap in the second phase of their initiative to revitalize this aging apartment complex. As proposed, Aeon would construct a new 48-unit apartment building consisting of a combination of affordable two- and three-bedroom units.

1.2 Aeon is seeking a wide variety of funding sources to assist them with their revitalization effort. In late-June 2009, they will be applying to Minnesota Housing for housing tax credits to finance a significant portion of this project. In order to bolster their application, Aeon would like to demonstrate that other sources of funding are available to this project, such as TIF.

1.3 In order to create a TIF district, the City must follow the process that is prescribed in Minnesota Statute 569.175. For a housing TIF district, cities must notify the applicable county commissioner of its intention to hold a public hearing 30 days prior to publication of the hearing (§569.175, Subd. 2a) and provide the county and school district a copy of the proposed tax increment financing plan 30 days prior to the public hearing. To accomplish these required tasks and have the district created prior to the submission of Aeon's tax credit application, the City Council is being requested to set a public hearing date at this meeting. See Attachment A: Process Timeline to review the required tasks and milestones.

1.4 The setting of the public hearing date is the first step in this process and does not obligate the City Council to approving the creation of a TIF district.

2.0 POLICY OBJECTIVE

2.1 By setting a public hearing date to consider the creation of TIF District 18 prior to Aeon's tax credit application for their Phase 2 project, the City will potentially help the developer leverage additional resources to this project.

3.0 BUDGET IMPLICATIONS

3.1 The City has received the required TIF application fee from Aeon to pay for staff and consulting costs associated with the analysis and planning required to create a TIF

31 district. If costs exceed the initial fee, staff will request an additional deposit to complete
32 the work.

33 3.2 By setting a public hearing date for the establishment of TIF District 18, the City Council
34 is not obligating itself to either creating a TIF district for this project or agreeing to any
35 future financing for Aeon's Phase II project. As required by statute, the TIF plan will
36 provide a discussion on the economic and fiscal impacts of the proposed TIF district.

37 **4.0 STAFF RECOMMENDATION**

38 4.1 Staff recommends that the City Council set a public hearing date of June 15, 2009.
39 Setting this date does not obligate the Council to approve the district.

40 **5.0 REQUESTED COUNCIL ACTION**

41 5.1 By resolution, set June 15, 2009, as the public hearing date to consider establishing TIF
42 District 18.

Prepared by: Jamie Radel, Economic Development Associate

Attachments: A: Process Timeline
B: Draft Resolution

City of Roseville, Minnesota

**Timeline for
Creation of Proposed Tax Increment
Financing (Housing) District No. 18**

Proposed Time Schedule

March – May 2009	Review of project components	City/Atty/Springsted
Monday, April 20, 2009 @ 6:00 pm	Council calls for public hearing to be held June 15 (resolution provided by Briggs & Morgan)	City/Atty
Prior to Tuesday, April 28, 2009	County Commissioner <u>receives</u> notification letter 30 days prior to publication of public hearing notice (arrangements made by Springsted)	Springsted
On/Before Monday, May 11, 2009	County and School District <u>receive</u> impact letters & draft TIF plan 30 days prior to public hearing (arrangements made by Springsted)	Atty/Springsted
Tuesday, May 19, 2009 @ 6:00 pm	HRA Review of TIF Documents	HRA/Atty/Springsted
Monday, June 1, 2009 Deadline: Fri., May 22	Publication of Notice of Public Hearing in Roseville Review (arrangements made by Springsted) 10-30 days prior to public hearing	Springsted
Monday, June 15, 2009 @ 6:00 pm	City Council holds public hearing, and adopts resolution establishing TIF District and approving Development Agreement (TIF documents provided by Springsted) (Resolution and Development Agreement provided by Briggs & Morgan)	City/Atty/Springsted
After June 15, 2009	Request for District Certification and State Filing	Springsted

1 **EXTRACT OF MINUTES OF MEETING**
2 **OF THE**
3 **CITY COUNCIL OF THE CITY OF ROSEVILLE**

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5 * * * * *

6
7 Pursuant to due call and notice thereof, a regular meeting of the City Council of the City
8 of Roseville, County of Ramsey, Minnesota was duly held on the 20 day of April, 2009,
9 at 6:00 p.m.

10
11 The following members were present:

12
13 and the following were absent: .

14
15 Member introduced the following resolution and moved its adoption:

16
17
18 **RESOLUTION No. XXXXX**
19

20 **RESOLUTION CALLING PUBLIC HEARING ON THE**
21 **PROPOSED ESTABLISHMENT OF TAX INCREMENT**
22 **FINANCING (HOUSING) DISTRICT NO. 18 WITHIN**
23 **DEVELOPMENT DISTRICT NO. 1 AND THE PROPOSED**
24 **ADOPTION OF A TAX INCREMENT FINANCING PLAN**
25 **RELATING THERETO**

26 BE IT RESOLVED by the City Council (the "Council") of the City of Roseville,
27 Minnesota (the "City"), as follows:

28 1. Public Hearing. This Council shall meet on June 15, 2009, at
29 approximately 6:00 p.m., to hold a public hearing on the following matters: (a) the
30 proposed establishment of Tax Increment Financing (Housing) District No. 18 within
31 Development District No. 1, and (b) the proposed adoption of a Tax Increment Financing
32 Plan relating thereto, all pursuant to and in accordance with Minnesota Statutes, Sections
33 469.124 through 469.134, both inclusive, as amended and Minnesota Statutes, Sections
34 469.174 through 469.1799, both inclusive, as amended (collectively, the "Act").

35 2. Notice of Hearing; Filing of Program and Plan. The City Manager is
36 hereby authorized to cause a notice of the hearing, substantially in the form attached
37 hereto as Exhibit A, to be published as required by the Act and to place a copy of the
38 proposed Tax Increment Financing Plan on file in the Managers's Office at City Hall and
39 to make such copies available for inspection by the public.

40 The motion for the adoption of the foregoing resolution was duly seconded by Member
41

1 , and upon a vote being taken thereon, the following voted in favor thereof:

2

3 and the following voted against the same: none.

4

5 WHEREUPON said resolution was declared duly passed and adopted.

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Exhibit A

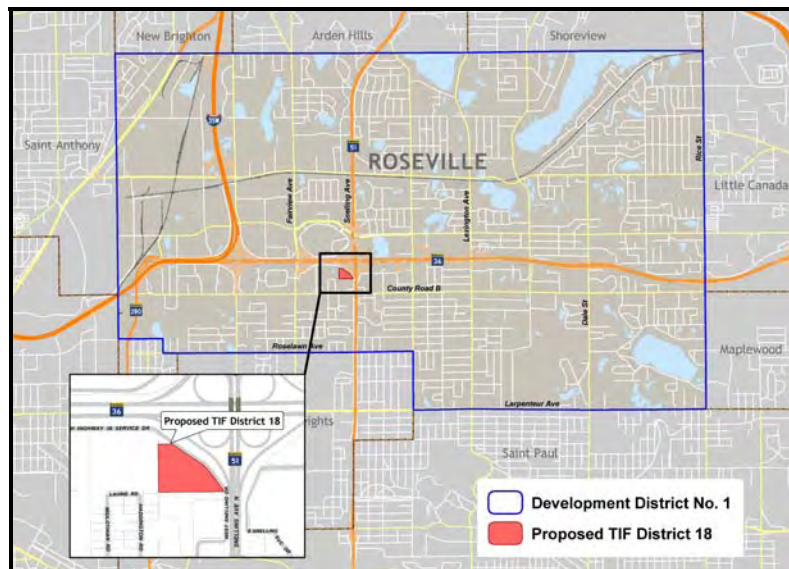
**CITY OF ROSEVILLE
COUNTY OF RAMSEY
STATE OF MINNESOTA**

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Roseville, Ramsey County, Minnesota, will hold a public hearing on Monday, June 15, 2009, at 6:00 p.m., at the City Hall, in the City of Roseville, Minnesota, relating to the proposed establishment of Tax Increment Financing (Housing) District No. 18 within Development District No. 1 and the proposed adoption of a Tax Increment Financing Plan therefore, pursuant to Minnesota Statutes, Section 469.174 through 469.1799, inclusive, as amended. Copies of the Tax Increment Financing Plan as proposed to be adopted will be on file and available for public inspection at the office of the City Administrator at City Hall.

Development District No. 1 is coterminous with the entire corporate boundaries of the City of Roseville. The property proposed to be included in Tax Increment Financing (Housing) District No. 18 is described in the Tax Increment Financing Plan on file in the office of the City Manager.

A map of Development District No. 1 and Tax Increment Financing (Housing) District No. 18 is set forth below:



All interested persons may appear at the hearing and present their views orally or in writing prior to the hearing.