



**City of North St. Paul
Economic Development Authority
Regular Meeting Minutes**

November 9, 2021

3:00 PM

The Economic Development Authority meeting was conducted at 3:00 p.m. The meeting location is the Sandberg Room at City Hall, located at 2400 Margaret St., North St. Paul.

Call to Order

Roll Call

Robert Dew, Chair - Here
Kevin Fuller, Vice Chair - Here
Don Jensen, Treasurer - Absent
Tom Schifsky - Here
Archie Vickerman - Here
Terry Furlong, Mayor/Council Representative - Here
Tim Cole, Council Representative - Here
Brian Frandle, Executive Director - Here
Brett Garry, Business Association Representative – Absent

STAFF

Lisa Ritchie, EDA Admin. Assistant

I. Adopt Agenda

- II.** Archie Vickerman made a motion to adopt the agenda and it was seconded by Terry Furlong. Motion carried to adopt the agenda with all present voting AYE. Motion carried.

III. Meeting Minutes

Terry Furlong made a motion to approve the October 12 meeting minutes which was seconded by Tom Schifsky the with all present voting aye more soon. To prove the meeting minutes.

IV. Meeting Open to the Public

There was no one from the public in attendance.

V. Public Hearings

VI. Authority Business & Action Items

- A.** Follow-up on St. Paul Port Authority discussions
Per Robert Dew; A number weeks ago we met with the St. Paul Port Authority and discussed how we can achieve our goals. The EDA goals and other goals of the city. The Port Authority explained to the EDA that they have robust services that they can offer municipalities and sometimes private entities through their state authority. At the same time there were discussions on how the EDA can gain control of the Lillie building

so they could be guided to be something that they would like it to be rather than something that is undesirable.

Robert stated he himself, the mayor and the city manager Brian Frandle all had two separate meetings with the Port Authority, which ultimately led to them requesting a proposal from them. The board consulting group essentially acts like a consultant to private developers. Per Robert, with EDA, the St. Paul Port Authority could be a staff supplement being is that we don't currently have staff to support the EDA. And even if we did, we may not have the right expertise. A proposal was requested to represent what the EDA wants to accomplish with the Lillie building. Even though we didn't fully know what we do want to accomplish, other than we have a seller and we have property that is in the middle of downtown. We want to do the right thing there. The St. Paul Port Authority provided a proposal which had been distributed via email earlier in the day to all of the EDA commissioners.

When asked if the EDA should gain control of the Lillie building the Port Authority stated "yes" they should. If they want to have any control over what happens they should review their options for gaining control of the building. The Port Authority presented a number of ways that the EDA could go about that. They also discussed the potential pluses and minuses in doing so. The discussions continued and got into more specific about what would an engagement look like. Whether the EDA takes control of it or we help broker something with a private party are the things that the Port Authority can help us with. They can present options to help make the best decision on the parcel. They can help with getting grants for hazardous removal from the building.

Any party can get grants to clean up the property but only the Port Authority or a municipality can get a grant to clean up hazardous material so that would be one reason to gain control. Robert stated: Another reason they pointed out was if we had control of the property and there were shortfalls in a proposed developments financing package, we would have the ability to abate the taxes for a period of time which would reduce holding.

The St. Paul Port Authority brought forth this proposal which will provide representation and staff assistance for us for a couple of months. Robert stated before he gets into the details of that is going to throw a curveball.

Literally the day before they were scheduled to have their follow-up meeting with the Port to define the scope of services, a local developer, John Pesca, had contacted the city. The mayor and Robert Dew met with him. The reason John was inquiring on the Lillie building is because he had purchased the coffee loft building on the corner back in January and has plans for improvement. He has already done some improvements such as; replacing the roof and has plans on doing quite a bit more. In addition to that he thinks it would make sense for him to gain control of the small brick building and the Lillie building. During the meeting, John explained his ideas for redevelopment, which included some retail space, some parking and some market rate apartments up on top. The conversation that was had with John gave more value in the sense that we can have someone in hand that would like to do something. There are choices and decisions to be made and Robert thinks the engagement with the Port makes sense and would like to move forward. He asked Terry Furlong if he had any more comments, Terry had stepped out momentarily so Brian Frandle told Robert that he had covered everything very well.

Robert stated the proposal received from the Port Authority has a document missing. It is one page that documents the scope of what they will do. Per Robert, the Port will represent the city to the sellers, the seller's broker and any potential developers etc. They will access the problems, tell us what the options are and recommend courses of action. Robert stated he would like to vote today, on the proposal put forth. The proposal will take the EDA thru 2 months of effort. It is broken down into hourly rates.

The proposed total is \$8925 – a fixed fee proposal for the scope. Robert would like to (after any discussion) finalize the agreement to engage with the Port Authority representing the city of the potential transaction. Robert opened it up for comments/questions/discussion. Kevin Fuller asked how the city would feel about putting an addition on to Reflex Medical at the Lilly building location? Robert stated that he thinks that is potentially in the cards that we should throw it in the pot. He feels we are better positioned to make decisions when we have expertise behind us. St. Paul Port Authority has the ability and staff to access from all perspectives, not just what does it look like, what does it do to the tax base, what are the costs to the city, what does it add to the vitality of the city? Therefore, Robert wants to get the support to help the EDA especially because there is an emergence of interest down there. Kevin Fuller stated he doesn't think \$8900 is outrageous to get the ball rolling. Archie stated he thinks it "behooves us to move forward with the Port Authority rather than thinking we can do it ourselves. Archie is in favor of moving forward and agrees with Kevin on the cost. He added he also thinks it is a good investment...If nothing else, it will be a good learning tool for down the road if we should come across this again. Robert added, it is an expenditure out of the EDA budget, which has roughly \$80K per year in the budget for a full-time employee.

Robert made a motion for the EDA to authorize himself to complete the negotiations with the Port Authority on a final representation agreement not to exceed the amount in the proposal. Archie Vickerman seconded the motion. Tim Cole inquired if the amount should be padded a bit as the hourly rates were itemized and rather than having to go back to the EDA for a motion to go over a bit, it may make sense to set a little bit higher dollar amount. Robert agreed there may be some additional costs that arise. Robert restated the motion, the EDA Chair authorized to conclude negotiations with the St. Paul Port Authority on the agreement on the stated amount of \$8925 with an additional authorization of up to \$5000 for additional services without requiring further vote by the EDA. Archie Vickerman seconded the motion. All in favor voting "Aye". Motion passed unanimously.

Robert asked Kevin Fuller if he was serious about acquiring the property and Kevin confirmed, adding he needs to do something in the next 12 to 24 months. He had hopes of acquiring the neighboring church property, which doesn't seem to be happening. Therefore, he is considering moving a division across the street. He prefers not to do that because he also doesn't want to leave the city. Robert stated he will get this information in the Pod when he starts to have the discussion with the Port Authority.

Debrief on the joint EDA and Planning Commission meeting:

- Parking improvement was discussed at length. What it should be/what it shouldn't be, what options there may be, making a connection off of 7th to handle the bike/pedestrian traffic and everything else. They discussed the process of the design, how it will get developed and finalized. Robert felt the meeting was productive. He stated everyone is aware that there are a lot of interested parties on this. Therefore, it shouldn't be breezing thru any commission or authority for approval unless all interested parties have had their say in the matter.
- They discussed the Redevelopment Master Plan Review, stating that will be meeting soon.
- The EDA informed the Planning Commission of the EDA's interest in the Lillie Building and the buildings down to the corner.
- The North Saint Paul Arts Council did a presentation to introduce themselves and spoke of their mission and what they hope to bring to the city.

VII. Executive director report

None

VIII. Treasurer's report

A. Financials – N/A

IX. Chair report

Robert Dew asked for an update on the new city manager. It was noted that we are down to 4 finalists and the estimated date to have the city manager in place is mid-December.

X. Mayor report

None

XI. Reports from EDA members

None

XII. Staff report

None

XIII. Adjournment

Meeting adjourned at 3:43 PM