City of North St. Paul
Economic Development Authority
Special Meeting Minutes

January 11, 2022
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 – Attended via ZOOM – Non-voting member and not present in closed portion of meeting

Kevin Fuller, Vice Chair - Here
Don Jensen, Treasurer - Here
Tom Schifsky - Here
Archie Vickerman - Here
Terry Furlong, Mayor/Council Representative – Here
Tim Cole, Council Representative - Here
Brett Garry, Business Association Representative – Here

STAFF
John Stark, Executive Director - Here
Lisa Ritchie, EDA Admin. Assistant - Here

Adopt Agenda

Tom Schifsky made a motion to adopt the agenda and it was seconded by Archie Vickerman. Motion carried to adopt the agenda with all present voting AYE. Motion carried.

Approval of Minutes

Archie Vickerman made a motion to approve the December 14th and December 20th meeting minutes which was seconded by Tom Schifsky the with all present voting aye more soon. To prove the meeting minutes.

Meeting Open to the Public

Representatives from JB Vang were in attendance to present a proposal for the city owner parcel at 2395 Margaret Street.

Public Hearings

None

Authority Business & Action Items

A. Development interest in city-owned parcels at 2395 Margaret

Representatives (Jackson & Justin) from JB Vang were in attendance to present a development proposal for the city owned parcel at 2395 Margaret Street. Robert had previously met with them as they had expressed interest in the property is city-owned across the street, and talked thru a couple of concepts on the plan. Robert stated: "On the initial plan that they presented, I just gave him some a little bit of feedback on where the city was headed, not necessary specifically to that property, but on some key issues related to the city at large and redevelopment downtown.

JB Vang has since revised their plan and would like to get some thoughts, comments and feedback on how things fit. Justin started the presentation introducing JB Vang, their history and where they are at now. He spoke of a few projects they currently have in the pipeline.

They are interested in the proposed property as the size fits their niche. They are a smaller developer specializing in 50 -100 units per building. They want to ensure the City of North St. Paul is on board with them before they get too far down the road.

Jackson then presented the plans. They are proposing a mixed use building with retail and residential living use included. The site plans included 30 stalls of structured parking on ground level. 52 surface stalls of parking (82 total parking); Ground level plans included: Commercial space (approx. 2000 sq ft), a community room, office space and a fitness room. These are subject to change but they will have some common areas for the residents. The layout on floors 2 through 4 would be studios and one-bedroom apartments with the possibility of some units being 2 bedrooms.

Jackson provided estimated apartment sizes and costs to rent. He then opened it up for questions and/or comments.

Terry Furlong stated, “Previously a similar project had been presented but was declined as the exterior wasn’t a good fit for what we are looking for.” He noted the appearance of the building will be very important in the decision to approve. Jackson inquired if we still have the Downtown Design Manual?

Lisa Ritchie stated that we do still have it. It isn’t a document that has been adopted by resolution but should be used as a guide.

Jackson stated they haven’t done a deep dive into what the outside will look like yet.

Terry stated the Planning Commission has now inherited the responsibility of the FKA: Design Review Commission.

Justin quickly reviewed some possibilities for the exterior and stated he is confident they would be able to meet that concern, it is just a matter of working thru the exterior façade will be finished with an architect. He noted one thing they would need to work thru is the curb-cut to the North Saint Paul surface parking lot to exit out of their site. A few other items that may be of interest/concern were mentioned by Jackson but he stated those things can be worked out. It was noted that in previous conversations with Robert, a coffeeshop would be a recommendation for the retail space.

Terry indicated if that were to be a coffeeshop, it should be a drive-thru.

Kevin suggested an “Anytime Fitness” for the location.

John Stark stated he was seeing this for the first time and has some questions too. He asked if they were going to apply for tax credits?

Justin stated he hadn't touched on that yet, but this is not an actual my-tech deal so this would not a tax credit deal. This is a …affordable housing. It is not going to be a luxury high-end market rate complex, it is going to be comparable of a newly developed apartment comparable to what is down the street. John inquired if they were going to apply for MN Housing or other public funds?

Jackson stated they are not… adding, they will need to do some sort of creative financing such a TIF or some other source of financing.

John stated "On a site like this, for a housing project, the EDA has the ability to do Tax Incentive Financing" but only in certain kinds of districts such as an economic development district or redevelopment district. Adding; we would need to work with the Housing Redevelopment Authority if the housing TIF were to be considered. There are other public ways the EDA could get involved.

Jackson stated the numbers could be worked through.

Terry Furlong stated the studio apartments in the new Sentinel Building were the first to be rented.

Justin concurred that is what he has also heard as they are the most affordable.

John referred back to the plans to get more info on the proposed parking and it being on surface level rather than underground.

Jackson stated that he learned it wouldn't be a good idea to go underground given the conditions of the soil and the water table. Therefore, it would be more like a podium parking.

John also inquired about the proposed AMI, is that where they feel that is where the market will be?

Jackson stated he has done preliminary market studies and this area and surrounding areas is where is the rents are at.

Robert asked permission to make a few comments and stated, "As far as the exterior goes, we want to make sure we are not looking at horizontal vinyl siding. He would also like to see a larger retail space which could come out of the proposed parking. He recommended a shared parking agreement with access to the space. He would like to see closer to 4000 sq. ft. He also had a question about what type of residents this would draw in terms of demographics (i.e.: students, young people just moving out of the house etc.)

Jackson stated they are in the preliminary stages and if they get the go ahead on this, they will do market studies. Generally speaking though, being as there are a number of studio apartments proposed, they are thinking it will be millennials and younger working-class people. They are seeing a lot of that in St. Paul and Minneapolis.

Robert stated, "In concept, it is an appropriate use for the site. Again, they will not be able to shortcut any of the architectural components. He isn't sure what the EDA can provide other than say its great at this point without an understanding of that the exchange is. The new city manager has a lot of experience in this regard. He isn't sure what the next steps are for JB Vang.

Jackson stated, "The blessing from the EDA is going to help the new city manager know they are on board." Just having the EDA's go ahead would be the first step. Justin agreed, this is all give and take, back and forth. They don't want to pursue something that that is potentially in a vacuum. Even a hand shake formality; indicating we are looking at pursuing something and knowing there is potential a TIF conversation that may need to come to the table. JB Vang is willing to continue the dialog and hopes the city is as well so they can keep moving forward. They would ultimately like to come to a development agreement or purchase agreement before they spend money with an architect.

Per Justin, they can't do studies or work with an architect until they have a contract.

Robert stated what is being proposed is consistent with our redevelopment master plan and our zoning. The EDA and other commissions have had conversations about what's next for our city. We want our residents being able to get their coffee, lunch and dinner in town if possible. Therefore, we need to be cognizant of that when making decisions about any new developments. He added they have had conversations with others in the food & beverage industry that are interested in town so maybe we can marry the parties. By enlarge as long as we can get the aesthetics and the size right, he is in support of it.

Terry stated the green space behind there is owned by Gary. He had looked at developing at one time but isn't anymore so he may be willing to sell some of his property.

The EDA members visually reviewed the plan and conversed on possible options.

Jackson stated they would be very interested in having the conversation about the potential to gain more space.

Robert offered to make a call to find out if Gary is interested in selling.

John stated a meeting as such is more for JB Vang to make decisions rather than the EDA. Their decision is, "have they heard anything from you that would keep them from pursuing this and spend money on analysis and the architecture side.

John would like to find out what the EDA has invested and what their expectation is to get out of the land. He would like to find out JB Vang's financing needs are if there is a financing gap. If there is a gap, they will start to figure out if/how the city can help fill that gap. John also has questions about the site plan and parking. Stating, "After we've had these discussions, we can dome back one more time. "

John likes to do these agreements incrementally, starting with a preliminary agreement.

Tom Schifsky cautioned that there is a big pip running thru the property. There was some discussion around this pipe and the need to be aware of it.

Robert stated he didn't think the proposed building was positioned over any utilities. Utility plans could be pulled to ensure it will not be an issue.

Justin stated he thinks this is something worth continuing the dialog on and work with the City Manager, John Stark and work on next steps.

B. Update on Redevelopment Master Plan Review

Robert stated the RMP committee reviewed progress on the plan. The committee is working on the RMP and making updates on it. The original intent was to get more definition around what it should be. It is a refinement of the comp plan. We want to get alignment amongst the EDA, Planning, HRA and Council of what the vision should be. Being as there has been significant growth since the last housing study was done, in 2011, Robert thinks it's important to have a new study done and suggests EDA funds are used to pay for the study. Don Jensen confirmed Robert is correct and has covered what up to date what the committee is doing.

Robert suggested to Kevin (being as he is chair of today's meeting) the EDA should get a proposal(s) for a broader downtown district, non-site-specific housing study for North Saint Paul. If we can get those proposals, we can take-action at the following meeting.

Kevin asked who would do such a study. Robert stated he had always used Maxfield's.

John suggested checking with the developers of the Sentinel. Lisa indicated there was not a study on file for that. John stated they most likely did their own private study and haven't shared it with us.

Robert suggested at this point for staff to obtain a proposal to be reviewed at the next meeting.

C. Update on SPPA activities

Robert stated the SPPA is working on the Lilly Building and the former Ground Round site. They have only done preliminary work on the Ground Round and have nothing to report back on at this point.

Robert has been dealing with the Port Authority but in the near future, that will be handed over to John Stark.

Robert stated he told SPPA that he would like to get them on the agenda (next month) so they can be introduced to the entire EDA.

D. Closed Session to discuss purchase of 2515 - 2517 7th Ave East parcel of land

Closed Session

The meeting was closed a permitted by section 13D.05, subdivision 3 (c) to consider offers relating the Economic Development Authorities' possible purchase of the building located at 2515 – 2517 7th Ave East parcel of land.

Open Meeting resumed 4:02

VIII. Executive Director Report

John Stark introduced himself as the new City Manager and EDA Executive Director. Community Development has been his specialty for the past 28 years. Prior to becoming the

City Manager for North Saint Paul, he was with the city of Richfield, where he was the Community Development Director. He was Richfield's EDA Executive Director as well as their HRA Executive Director for 14 years. Prior to that he was the Community Development Director and HRA Executive Director for Roseville, and before that, he did other Community Development related things. Even with as much experience that John brings to the City of North Saint Paul, he admits there are still new things to be learned. He stated that he plans on taking an active role going forward.

John is recommending changes be made to the EDA agenda going forward. This includes memorandums being added to the Business and Action Items. He stated he noticed there have been 2 closed sessions in a row and that it's very rare to have closed sessions. He recommends legal counsel (Soren Mattick) be present at all closed sessions going forward. Per John, "There a lot of programs the EDA did in the past, and some other programs he is familiar with that may come forward in the upcoming months." John plans to bring these programs to the EDA for consideration.

John would like to seek some grant funding. Being as that is a time-consuming process, resources will need to be devoted to make that happen. He stated it takes money to make money and we can find more ways for the EDA to have more funding sources but we will need to devote some resources.

John is excited about the work that has been done in the community and thinks there are opportunities to make more things happen to make North St. Paul really thrive and is excited to be here.

IX. Treasurer's Report

Don confirmed there is money to do the housing study and indicated we have a decent size cash balance ($483,400.11 is the exact cash amount). There is also $49,248.22 Land listed as an asset but Don stated he doesn't know what that land is.

Robert stated the group indicated they want to meet with finance to discuss the financials.

John asked Robert if he would like this to be addressed during an EDA meeting with the entire group.

Robert's reply was just the treasurer and chair but anybody is welcome. John stated he would set that up.

X. Chair Report

Robert welcomed John and stated he is thankful he is on board. He asked that between now and the next meeting, he would like everyone to think about how active they would like the EDA to be. He wants to be sure everyone is in alignment. He would also like Terry to bring back feedback from the Council as well.

Robert mentioned the EDA has had discussion about hiring a full-time staff member and stated he had talked to John about this.

John will access and will decide what is best.
Robert needs a copy of the financial report in order to prepare the annual report to the

council. Robert will prepare the report and circle it thru the EDA for feedback before it is presented to council.

XI. Mayor Report

Terry welcomed John and excited to have him on board.

Robert inquired about the status of the new proposed restaurant in the Sentinel.

Terry stated he spoke to the owner and the design team starting on the build out plan. The hope is for early to late spring but it all depends on the plan.

Robert briefly filled John in on the “Forgivable” loan that has been issued to the new restaurant owner. The funds haven’t been provided yet as there is some criteria that needs to be met before doing so.

XII. Reports from EDA Members

Kevin stated he would like to comment on what had been proposed by JBVang representatives today. he stated the city is poised to have some really cool things happen to it but we need to be very careful about just grabbing at things to fill spots. He thinks JB Vang is capable but feels a really big developer will come in the near future. Kevin thinks they will come in and purchase several properties to develop something. He wants to be cautious to put something in the way of what wasn’t planned for. He recommends finding the best fit for what we put in and make sure it is in the best interest of the downtown area.

John stated the only time he has regretted developments he has done is when we aimed too low.

Tim confirmed the city used to be in a position where they needed to grab what they could but is no longer in that position. He thinks we can/should be very selective. This is one point in time where the city has leverage from a development stand point and we should use that leverage appropriately.

Terry stated another piece to the puzzle is the Community Center and the city plans to hold on to it.

Tim added between the Community Center and the VFW, we have a big space to fill.

XIII. Reports from Staff

None

XIV. Adjournment

Archie Vickerman made a motion to adjourn the open meeting and Don Jensen seconded the motion. All in favor voting AYE. Meeting adjourned at 4:43 PM