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

March 8, 2022
3:00 PM

https://us02web.zoom.us/rec/share/eoSdxDrzmJQBSjL_45Za8o0OTdlnn6UN4cjPAL936K_QVCr7RExRd6CkZZpHXNmQ.YSEGxvghVZMVWR06?startTime=1646772870000

I. Call to Order

Robert Dew Called the meeting to order at 3:00 PM

II. Roll Call

Robert Dew, Chair - Here
Kevin Fuller, Vice Chair - Absent
Don Jensen, Treasurer - Here
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

<u>STAFF</u>
Lisa Ritchie, EDA Admin. Assistant

A. Attending via ZOOM

None

III. Adopt Agenda

Archie Vickerman made a motion to adopt the agenda and it was seconded by Tom Schifsky.

Motion carried to adopt the agenda with all present voting AYE. Motion carried.

IV. Approval of Minutes

B. Meeting Minutes from 11/30/2021
Minutes not attached in packet. Tabled for next meeting.

V. Meeting Open to the Public

Note: This is a courtesy extended to persons wishing to address the committee who are not on the agenda. A completed public comment form should be presented to the Arts and Culture Commission Committee Secretary prior to the meeting; presentationswill be limited to 3 minutes. This session will be limited to 15 minutes.

Attendee: None

VI. Commission Business, Action Items & Recommendations

C. Consideration of a proposal from Port Consulting for conducting Due Diligence on behalf of the EDA associated with a pending Purchase Agreement related to 2509, 2515 & 2517 7th Avenue E

Summary:
John Stark stated due to the city's staff being spread thin, the decision was made to contract with the Port Authority execute the due diligence of all of the things a developer would look at when considering the development of a property. The Port Consulting would manage the project but contract the work with an environmental and engineering firms. They obtained 3 bids and ultimately chose to work with WSB. The total of all associated costs for this project, including Port Consulting fees, WSB fees and the building assessment fees art approximately $67,970.
Robert Dew doesn't think the building assessment is necessary as it will be a complete demolition. John stated one of the proposals that is being considered does include a rehab of a portion of the building so the assessment would be necessary. Robert inquired about how much we could take on without assuming all of the costs? He thinks it stated it makes sense to have a follow-up discussion and get this moving forward. Robert then stated there is another thing to know before a decision can be made on this action item. In a previous meeting it was agreed to convert the Letter of Intent into a purchase agreement. The Port consulted with our attorney and was stated there were two issues of concern. John stated it is privileged information so didn't get into details but added one of the things that were brought up would "at best" slow the purchase process down and at worst, would required the EDA to do things differently. There is joint workshop planned in a few hours with the City Council, Chair and Vice Chairs of the EDA and Planning Commissions to discuss the proposals. One of the things that may come out of that workshop is that the EDA is told to keep doing what they are doing, purchase the property first, find a developer second or the other possible outcome of the meeting could be to recommend one of the developers work directly with the owners of the property which would remove the EDA from the purchasing process. In this case, it would need the EDA wouldn't need to do the due diligence, the developer would. Per Robert, It is the EDA's goal in this project have to control over what goes in down there. If the EDA is able to

advise one of the two potential developers to work with the owner directly, the goal would have been met. Kevin Fuller stated he would like the EDA to spend some money to find out if there are any hazardous materials in the building which could bog the process down if we just advised one of the developers to move forward. Terry stated they had talked to the owners previously and advised them to do the due diligence but they didn't take any action.

John stated that in his conversations with the Port Authority, they would recommend doing the phase 1 and would strongly recommend a phase 2 and because of the way was used. Adding, so therefore I would advocate for doing both the phase 1 and phase 2 the thing that the building of the way it was used would require the phase 2 would lead to a phase 2 so therefore I would advocate doing the phase 1 and phase 2 secondly my final is if we did this to diligence the developer would eventually if they were needing public assistance with compass of the development agreement and we have these reports and we done that they essentially would've had it done anyways and they would reimburse us for those.

Per Kevin Fuller we might find a better candidate in the process to put building in the spot if we do this due diligence.

Per Robert Dew, speaking of the phase 2, the only agreement that John and I suggested was the hazardous material

Where is phase 2 does get into more destructive and that would bias a little time to sort through the stuff. The hazardous material assessment does not get into nondestructive testing. If determined in the building a little bit Robert agrees it would have to be done by someone.

John stated he did speak with the folks at WSB and they are willing to take it in parts and pieces. The way John hears it is the EDA is moving towards a motion and meeting the way we wanted to do it is to direct staff to do a phase 1 and the expenses and gives them authority to staff to pull the trigger on phase 2 at the EDA's discretion as appropriate.

The reason John says this is because the seller has expressed some frustration with the speed that things are moving. John has told them that the decision-makers only meets once a month which slows things down. Kevin Fuller stated he didn't think they had any serious offers because of the due diligence required which could very quickly become extremely expensive John thinks the seller has refrained from marketing because of the process. Kevin Fuller said a developer can't really go in there and make an offer without knowing what's underneath it and what's in it.

Tim Cole stated that after looking at the WSB proposal and estimates being on that little bit on the high side would making it motion lock us into the proposal or would it give us the opportunity to seek additional estimates.

Per Robert Dew it was his intention to direct staff to negotiate.

Don Jensen stated that he is not certain that the asbestos is the only hazardous waste in the building. There was discussion on the printing process using lead which at some point in time most likely leached into the cement or even the ground.

Robert Dew stated, it's just identifying the materials so the proper steps may be taken to clean it up.

Robert made motion to direct staff to negotiate with the port on a reduced quote proposal that would include the phase 1 environmental site assessment and the asbestos assessment. Not to exceed $20,000. Archie moved it and Tom the seconded the motion. Terry Furlong asked if this needs to be approved by the seller. Per John it does not with the letter of intent but it would with the purchase agreement. John doesn't believe we have the authority and total purchase agreement is executed. Terry cautioned that without knowing what is going to happen tonight we need to make sure the steps are taken in the right order. Robert concurred that any of the steps that the motion stated could not be started before the purchase agreement is signed. And even if we are the party moving forward with the purchase agreement not only can we expect the motion to stall the purchase agreement and he doesn't think we should wait another month so that we could do is set a special meeting to further discuss and take further action. Kevin Fuller inquired if there was something they could do now to put a proposal together based on tonight's result?

If something happens tonight that would allow us to move forward that we would have to have a special meeting with the proposal a proposal together like that. . Robert stated they could, and restated the motion as: to direct staff to negotiate the balance of the proposed work to include the phase 2 and other assorted tasks at the discretion of the Executive Director up to $30,000. Moved by Kevin Fuller and seconded by Archie Vickerman all in favor voted aye and Don Jensen abstained.

Robert made another motion related to the letter of intent to approve a direct staff to negotiate a purchase agreement and executed as long as it's generally aligned with the letter of intent and the terms of the purchase agreement with the approval of the city attorney.

Motion: Authorize staff to negotiate a purchase agreement on the properties in accordance with the LOI. And with the approval of the city attorney. Moved by councilmember Cole and seconded by Archie Vickerman.

All in favor voted aye, no one objected, Don Jensen abstained.

D. Redevelopment Master Plan Update

Summary:

Robert Dew stated, the overall goal of the committee is to get the redevelopment master plan in line with the current 2040 comp plan.

Reviewing each of the areas the committee is looking at. Robert stated good progress is being made. There was discussion again about properties that are of concern, creating a footprint of properties that may have a higher better use in the future. It does not mean that any properties or existing businesses are being pushed out. We are not trying to take control of their properties just getting a long-term plan, the committee is on track for timing and hopes to present something to the public in June for review. There has been discussion about green space downtown and how it can be incorporated. Incorporating roundabouts into the streets plan is being discussed but nothing is definite yet, it is still in the works.

Robert is confident that good things are coming out of this as the committee members are members of the EDA counsel and the planning commission. It is bringing everyone in alignment with the long-term plan.

E. Improvement to City owned vacant lot on 7th Ave between Sidewinders and Tattoo Shop

Summary:

Robert Dew stated, Something that came out of the redevelopment master plan review was the need for green space downtown. The property is currently earmarked for potential development in the interim it has potential to be green space. Per Robert the RMP review committee asked him to take back to the EDA is the idea to do something similar to what was done to the old City Hall site in the interim until it was sold. This is a good opportunity to create some connection between 7th Ave and Seppala. This is proposed to be temporary and not permanent. Per Don Jensen this is the largest space available for gathering during the car show or other events. Per Robert, we are talking about cleaning the space of and getting some green space. There was some discussion of the possibility of this area becoming a parklet. Robert school for the EDA is to approve the space and get some design estimates. Kevin Fuller suggestion was that if we are going to implement design standards we need to get the word out to all on seventh Avenue so they don't take their own initiative and adjuster buying. If we are going to do something in the city with property, we should wait until the guidelines are set so that can be communicated to all. Terry stated he thinks the ordinance only pertains to the bars downtown at this point as it was implemented to accommodate customers outside during COVID.

Motion: Robert Dew made a motion to direct staff to get a proposal for three designs that would incorporate some green space and parking for a temporary space within a $3500 budget. Motion moved by Archie Vickerman and Tim Cole seconded the motion. All in favor voting aye. Motion passed.

VII. Old Business

Summary:

Don Jensen inquired about the status of Mac's Diner. Robert due asked staff to bring an update on the status to the next meeting.

Tim Cole inquired about the status of the Ground Round and surrounding properties. Per Robert Dew, he had asked the Port to get a proposal to do some investigation to see if the EDA can get their hands on it. He thinks that fell off the agenda somewhere and would like to get the ball rolling on this again.

VIII. Executive Director Report

Summary:

- Update on the Development Concepts related to 2509, 2515 & 2517 7th Avenue E
  John passed out the development proposals that will be presented to at the joint workshop this evening. The purpose of the meeting is to get the other bodies involved. The EDA reviewed the proposals. John explained at high level the differences between the two proposals. Tom Schifsky pointed out The Sentinel is 4 stories where as one of the proposals is 5 stories. John assured there is a height restriction the developer would need to follow. John stated as far as the proposals go, one seems undersized and the other seems oversized.
- Update on the Housing Needs Assessment for the Downtown Area
  Per the EDA's request, John got a bit from Maxfield's to do a Housing Needs Assessment which came in at the exact dollar amount approved by the EDA so John signed the contract and the study has started.
  John would like to start a running list of available properties and asked for the EDA's input.
  He informed the EDA that he will be asking for a Community Development Director position. Understanding the EDA is in need of support as well and he intends a percent of the new hires budget/time will be allocated to the EDA.

IX. Treasurer Report

Summary: Nothing

X. Chair Report

Summary:

Nothing more to report but a request for the EDA to keep their eyes/ears open for a potential person to come on board with the EDA. John suggested considering gender or some other sort of diversity for the position.

XI. Mayor Report

Summary:

Tomorrow he will be doing a State of the City. He will introduce new hires and also give an update of the city.

XII. EDA Members Report

Summary:

Tom Schifsky inquired about a video that had been created about 4 or 5 years ago.
Robert stated he thought it is on the city website. Lisa stated she will follow up and ask for it to be posted if it isn't.

XIII. Staff Report

Summary:

Lisa informed the EDA there were a few (4-5) people who attended throughout the meeting via Zoom.

XIV. Adjournment

Tim Cole made a motion to adjourn. moved it and Archie Vickerman seconded the motion with all present voting aye. Meeting adjourned at 3:34 PM.