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

April 12, 2022
3:00 PM

I. Call to Order

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

II. Roll Call

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

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

III. Adopt Agenda

Robert made a motion to adopt the agenda. It was moved by Mayor Furlong and seconded by Archie.

IV. Approval of Minutes

A. Meeting Minutes from February 8th and March 8th EDA Meetings.

Don made a motion to approve the Feb 8th meeting minutes which was seconded by Tom.

All present voting aye. Minutes approved.

Tim made a motion to approve the March 8th meeting minutes which was seconded by Archie.

All present voting aye. Minutes approved.

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.

There wasn't anyone from the Public in attendance.

VI.

Commission Business, Action Items & Recommendations

A. Consideration of "Business Points" for Memorandum of Understanding with Jim LaValle and Basir Tareem related to the prospective redevelopment of the Lillie Building property.

John Stark stated, Since December 2021, the EDA has been involved in efforts to play a role in the eventual redevelopment of the properties located at 2509, 2515 & 2517 7th Avenue E. (the Lillie Building properties). At a Special Meeting of the EDA on March 22, 2022, the Board adopted a Motion to select the team of Jim LaValle and Basir Tareem as the "preferred developer", to cease negotiations for the purchase of the property in order for the developer to negotiate directly with the property owner and to direct staff to draft a "Preliminary Agreement" with the development team.
Since that time, the development team has negotiated a contingent Purchase Agreement with the property owner and has indicated their eagerness to move forward with their development proposal. EDA staff and staff from Port Consulting also met and decided that a "Memorandum of Understanding" (MOU) may contain the same terms and have all the benefits of a "Preliminary Development Agreement, " but would be a simpler and straighter forward document. EDA and Port Consulting Staff have drafted a set of "business points" that would serve as the basis for this MOU and have shared them with the Development Team in order to determine whether they would be amenable to the proposed terms. These business points are as follows:

North St. Paul EDA would agree to:

- Work exclusively with this developer on public participation in the development for a period of 8 months
- Work with our financial analysts (Baker Tilley) to conduct a preliminary analysis of the Tax Increment Financing (TIF) that could potentially be generated by the development
- Provide the results of any "due diligence" items that have been completed
- Provide a copy of the Housing Market Study (once complete)
- Provide information in the City's/EDA's possession relating to the property

The Development Team would agree to:

- As of April 6, 2022, it has entered into a contingent Purchase Agreement for the development property
- Provide the EDA or its consultants with a Pro-Forma and a Sources and Uses Statement for the development proposal
- Directly pay for, or reimburse the EDA for, all legal and consulting costs associated with preparing the Preliminary Agreement/MOU and a Development Agreement, preparing TIF estimates and providing any available "due diligence" results
- Reimburse the EDA for $______ in costs already incurred by Port Consulting in

assisting the EDA in relation to this project

 Host a community meeting to garner input on building design and further refine its architectural plans and renderings.

Both parties would jointly resolve to:

 Draft and enter into a Development Agreement by December 3, 2022 that clearly identifies:

1. The scope of the project
2. General building plans
3. Permit submission schedule
4. Construction schedule
5. Amount, type and timing of public financial assistance
6. Park dedication plans

The Recommended Action was as follows:

If there is EDA Board agreement on these business points, staff is recommending that The Board adopt a Resolution (attached) empowering the Chair and Executive Director to execute a Memorandum of Understanding containing these terms as well as any non-substantive language common to such documents.

John opened the discussion to the commissioners if they had any more to add. Robert stated the Housing Study that the EDA is doing is not site specific and wanted to be sure Jim understood this. Jim was fine with this as they do their own study that will satisfy the bank for lending purposes.

Terry inquired whether or not Jim LaValle has given any thought with taking the project to the corner. Jim would prefer to do so but wanted to pose the question to the EDA. Robert offered to help facilitate the conversation if needed.

John stated the developer should evaluate the feasibility of extending this project to the corner.

Robert made a motion to direct staff to negotiate the memorandum of understanding and picking up the key points and bringing that closure. Tim Cole moved it and Don Jensen seconded the motion. All in favor voted AYE. Motion carried unanimously.

B. Illustrations for development of 2579 7th Avenue

VII. **Concept A**: This concept removed the access from 7th creating a safer space for pedestrians on the 7th Ave. sidewalk. By doing this, you also gain two additional on street parking areas. There is a parking lot located on the north side with access off Seppala shown as one-way flow for up to 14 stalls. The parallel parking could be used for food trucks or other larger event vehicles. This concept creates the largest green space (125’x75’ or 9,375 s.f.) adjacent to the 7th Ave. sidewalk. Additional sidewalk areas, benches, plaza, etc. could be added to the green space but for now the 'green' areas are nonvehicle areas for flexible pedestrian use.

Concept B: Slightly different version of Concept A with the key difference being a larger parking area for up to 20 vehicles instead of 14. It is a two-way flow parking lot though the green space is reduced by about 15' in depth (125'x60' or 7,500 s.f.).

Concept C: Vehicle access is maintained both off 7th and Seppala by protecting existing driveway aprons. I have shown two opposing one-way lanes with angle parking. This option provides parking for up to 20 vehicles though you lose the 2 additional stalls in the street by keeping the drive aprons. The green space is oriented north and south with access to parking stalls and the sidewalk on 7th. The green space is smallest in this concept (50'x125' or 6,250 s.f.). With this concept keeping the drive aprons off 7th , you will still have come crossing traffic conflicts between pedestrians and vehicles along the sidewalk on 7th. These plans were reviewed and discussed by the EDA members. They also discussed their thoughts on how long this area would be used as green space which could play a factor in the decision on how much they would want to spend on this. The initial thought for this project was to make this space look better than it is now without spending a lot of money as it is intended to only be temporary, 3 – 5 years. Direction was given to staff to ask WSB to create a hybrid plan of Concepts A & B and provide preliminary costs. Staff was also asked to find out how this could be funded.

VIII. Executive Director Report – John Stark

A. Entertaining at least one additional proposal for 2395 Margaret Street North.

At the January 5, 2022 EDA Meeting developers from the development company JB Vang presented a proposal for the development of the EDA owned property at 2395 Margaret St. N. with a four-story 69-unit apartment complex with 2,000 sq. ft. of commercial space. That development team continues to express interest in developing the site. Since that time, other developers have inquired about potential redevelopment sites in North St. Paul and at least one has expressed an interest in this particular site. In accordance with "best practices," staff is recommending that the EDA consider at least one competing proposal before selecting a preferred alternative.

B. Information on the Richfield Displaced Business Grant

At the March 22 Special EDA Meeting, two businesses that are currently operating in the Lillie Building attended the meeting to share their concern that they might be displaced without sufficient funds to relocate. Executive Director Stark shared his opinion that every project is different and some projects may trigger the requirement to meet the Federal Uniform Relocation Act while others do not; this is usually a determination made by attorneys.

In the event, however, that a City is not legally obligated to provide relocation assistance to displaced businesses, they may do so voluntarily. While I was the Executive Director of the Richfield EDA and HRA, those bodies approved a program called the Displaced Business Grant. I am attaching the Staff Memo recommending creation of that grant in Richfield for consideration by the EDA Board of whether they would like to consider a similar program in North St. Paul. Two issues that you might want to consider are:

1) whether the funds should be restricted to businesses that
relocate within North St. Paul's border

2) the maximum amount that each business could receive (the amount in the Richfield program was driven as much by budget constraints as anything else).

There was discussion on the possibility of the Business Association getting the word out that space is needed for the companies currently located at the Lillie Building. The general consensus was that the biggest issue was leasing a space at a comparable price to what is currently being paid.

Brett Garry summed up their big ask was to give as much notice as possible and keep the lines of communication open. Terry stated they are asking a lot of things that should be answered by the current owner rather than the EDA.

IX. Treasurer Report

Don inquired if whether or not we paid for the Housing Study yet? Robert stated the EDA has made commitments to some funding. They should have a list of those commitments as well as any expensed that have been paid for.
Don stated that he will get in touch with Dan on a regular to basis. Lisa stated the financials should be included on the packet every month.

X. Chair Report

Robert stated there are a number of things getting lost. Policy attendance follow-up is one item. Another item is the old Ground Round site. The Port Authority was asked to see we could obtain that property. Another item was getting a left-hand turn lane on McKnight.
Lisa stated it will improve when more staff is hired. John stated they should discuss how the EDA might want to continue using the Port Authority.
Robert stated there are also old programs that should be revisited. Robert agreed that when there is more staff involved, things should improve. He asked the EDA to give some thought to items that should get on a list for topics of discussion.
Lisa summed up:

- Policy Attendance

- FKA: Ground Round site
- Left turn on McKnight
- Mac's Dinette status
- Old Programs such as the Downtown Façade improvement; NCCD – Open to Business (if they are still in business)
- Status of MN Dot and Hwy 36 on a regular basis
- Initiatives or issues update
- River of God Church – Reflex Medical

Terry stated that he and John had met with Kevin to discuss Reflex Medical expanding. Kevin stated they had talked with the church in the past but it wasn't moving forward. Terry said the church (pastor or board) should be addressed by the EDA / City Manager and/or Mayor. John searched the internet but couldn't get any information on who/how the church is governed. Robert wants to move the ball as Reflex Medical is a valuable company to the city and we want to keep him here. The conversation should be with a board as the single person conversation is not going anywhere.
He will not be available to make the next meeting or the Joint EDA/Planning meeting on June 10th so Don Jensen will be to be the Chair.

XI. Mayor Report

Terry got an email from Brandon, things are coming together nicely. There have not been any issues with sourcing so far. They are on target for June 24th. Brandon invited the mayor and the EDA to walk to new restaurant in the upcoming weeks. John added to the report on Mac's Dinette. There were some fence issues relating to alcohol. Our ordinance is pretty restricting so John asked WSB (planning team)to see if there are ways look at our ordinance and look for ways we can meet the spirit of the intent without requiring a 6 ft fence.

XII. EDA Members Report

Tim stated there is a meeting coming up to discuss the Community Center and posed a question to the EDA inquiring whether or not they would be interested in taking over, being the landlord and moving the ball forward on? Robert stated there are certain properties the EDA can and cannot hold but he has always encouraged the city to put it in the EDA's hands. The EDA would look out for the best use of the property. They could manage the tenant just as good as the Council can. John stated, If the city council decides it should be a development site, we would want to then put it in the hands of the EDA. If it is decided to be a community center again with community programming, it should be city run. It if is being a landlord, either party could handle it.
Tim confirmed the workshop will be coming up in a few weeks and wanted to know where the EDA stands on it. John stated it is a very complicated matter.

Archie handed out information received from Soren (City Attorney) regarding topics covered during the meeting for the City Manager, City Attorney and Commission Chairs.

Brent stated there was a Business Association meeting held earlier in the day. Morgan Dawley (City Engineer) presented the 7^{th} Street Project.

XIII. Staff Report

None

XIV. Adjournment

Robert made a motion to adjourn the meeting. Tim moved it and Don seconded the

Motion. All in favor voted AYE. Meeting adjourned at 4:50.