

Economic Development Authority Special Meeting
March 22, 2022, Sandberg Room

Meeting called to order

Pledge of Allegiance

Roll Call

Members absent: Robert Dew, Kevin Fuller and Tim Cole

Members present: Don Jensen, Archie Vickerman, Tom Schifsky, Brett Garry

Staff present: Lisa Ritchie and John Stark

Executive Director Stark suggested that since both the chair and vice chair were absent that Archie Vickerman assume the roll as acting chair for this meeting.

Agenda adopted

Meeting Open to the Public

Current tenants at the Lilly building located at 2509, 2515 and 2517 7th Ave. E. expressed their disappointment that they were not informed about the building's pending purchase and the City's involvement. Both tenants have been in business in North St. Paul for over 20 years. They asked the EDA what redevelopment funds or other support for the City was available to assist them. One of the businesses is a manufacturing company and the other is barber shop.

Authority Business and Action Items

Selection of a preferred development proposal for the Lillie Building site.

There are two developers interested in the building. Both have presented their plans in a public meeting with the EDA, City Council and Planning Commission. Executive Director Stark spoke about both of the plans including their estimated market value, how many stories, residential units, commercial area and assistance sought from the EDA.

The Executive Director and Port Consulting, the EDA's development consultant recommend the EDA move forward with the team of LaValle and Tareen due to their higher market value, increased residential units, and more experienced development team.

Executive Director Stark spoke briefly on tax increment financing and how the process works both for the EDA and the developers seeking the assistance.

Stark explained the EDA's option of the EDA pursuing a purchase agreement on the property, having Port Consulting pursue the purchase agreement, or having the developer negotiate their own purchase agreement. For the sake of time, it seems best to have the developer negotiate its own purchase agreement with the property owner.

Even though the developer would initiate the purchase agreement, the EDA would still have control over the project through the project's architectural design, EDA financial support any tax increment financing.

Tom Schifsky spoke in support of the two existing businesses located at the property and his belief the City should do something to help them relocate in the City. Stark will bring examples of the City of Richfield's Business Relocation program. There may also be funds available through the current EDA levy for assistance.

The EDA members discussed purchase agreement options, budgets and mock ups on the proposed development and financial assistance needs. Stark confirmed that Baker Tilly, the Cities financial consultant would do a complete financial analysis on the project and make a recommendation for the EDA's investment. Stark also mentioned the City would be protected by the "look back" period that provides a financial audit of all expenses pertaining to the financial investment for the TIF support.

Stark suggested the EDA move forward incrementally with the developer to get a better feel for how they will work with the EDA.

The EDA made the following motions:

A motion to have the Lavelle Group move forward with a purchase agreement with the Lilly's broker. Jensen abstained from the vote.

A motion for Port Consulting and/or the City's legal counsel to draft a "Preliminary Development Agreement" for consideration by the EDA at a later meeting. Jensen abstained from the vote.

A motion to direct staff to request the City Council establish an Interfund Loan in the amount of \$200,000 for the expenditure of funds on ITF Eligible Expenses to be repaid later by TIF proceeds. Jensen abstained from the vote

Since this was a special meeting, all of the other agenda items will be move to a future meeting agenda.

Meeting adjourned at 4:23 p.m.