

City of South St. Paul

Economic Development Authority Agenda

Monday, July 12, 2021 – Special Meeting
6:45 P.M. – Training Room – South St. Paul City Hall



1. CALL TO ORDER:

2. ROLL CALL:

3. AGENDA:

- A. Approval of Agenda*
- Action – Motion to Approve*
- Action – Motion to Approve as Amended*

4. CONSENT AGENDA:

All items listed on the Consent Agenda are items, which are considered to be routine by the Economic Development Authority and will be approved by one motion. There will be no separate discussion of these items unless a Commissioner or citizen so requests, in which event the item will be removed from the consent agenda and considered at the end of the Consent Agenda.

- A. EDA Meeting Minutes of June 7, 2021

5. GENERAL BUSINESS:

- A. First Amendment to a Purchase Agreement with Beck Properties of Minnesota (285 Hardman Avenue South)

6. ITEMS FOR FUTURE FOLLOW-UP:

General communications of the President and Commissioners are provided and may be considered for inclusion on a future agenda. There will be no discussion or decisions made related to these items at this meeting.

7. ADJOURNMENT:

Respectfully Submitted,

Ryan Garcia, EDA Executive Director

MINUTES OF
THE ECONOMIC DEVELOPMENT AUTHORITY
CITY OF SOUTH ST. PAUL
DAKOTA COUNTY, MINNESOTA

Regular Meeting
June 7, 2021
City Council Chambers – South St. Paul City Hall

1. CALL TO ORDER

The Regular Meeting of the South St. Paul Economic Development Authority was held on June 7, 2021 in the South St. Paul City Council Chambers. President Francis called the meeting to order at 8:34 p.m.

2. ROLL CALL

Members Present: President Francis, Commissioners Bakken, Dewey, Seaberg, Podgorski, and Kaliszewski.

Commissioner Hansen was absent.

Staff Present: EDA Executive Director Ryan Garcia, City Administrator Joel Hanson, City Planner Michael Healy and Legal Counsel Peter Mikhail.

3. AGENDA

Motion/Second: Commissioner Kaliszewski moved and Commissioner Dewey seconded approval of the agenda.

Motion carried 6 ayes / 0 nays

4. CONSENT

- A. EDA Meeting Minutes of May 3, 2021
- B. Approval of Satisfaction of Mortgage #1012, Resolution 2021 - 16
- C. Approval of Satisfaction of Mortgage #1057, Resolution 2021 - 17

Motion/Second: Commissioner Dewey moved and Commissioner Bakken seconded approval of the consent agenda.

Motion carried 6 ayes / 0 nays

5. GENERAL BUSINESS

- A. Hardman Triangle Update
 - i. Approval of Proposal for TIF Analysis Services – LHB, Inc.
 - ii. 135 Grand Avenue East
 - iii. 2022 Bonding Bill

Mr. Garcia provided an overview of the scope of work proposed by LHB, Inc. for Redevelopment TIF analysis in the Hardman Triangle.

Motion/ Second: Commissioner Seaberg moved and Commissioner Podgorski seconded a motion to authorize the Executive Director to accept a proposal for TIF Analysis Services from LHB, Inc. at a cost not to exceed \$7,900.

Motion carried 6 ayes / 0 nays

The board confirmed that the preferred approach with the disposition of a vacant building at 135 Grand Avenue East is to prepare the building for demolition in the Winter of 2021/2022 by terminating utility services. The board requested a No Trespassing sign be placed at the property.

The board acknowledged continued support for working with the Legislative Delegation on a 2022 Bonding Request for assistance with design and pre-design costs for new meat-processing sites and facilities.

6. FUTURE FOLLOW-UP

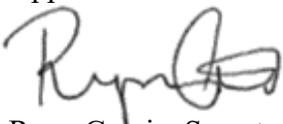
Commissioner Seaberg requested consideration at a future board meeting of potential business funding assistance programs for properties along Concord Street North. Mr. Garcia committed to placing a discussion on the next worksession agenda.

7. ADJOURNMENT

Motion/ Second: Commissioner Kaliszewski moved and Commissioner Podgorski seconded the motion to adjourn the meeting at 8:56 p.m.

Motion carried 6 ayes / 0 nays

Approved:



Ryan Garcia, Secretary



EDA Agenda Item Report

Date: July 12, 2021

EDA Executive Director:

5-A

Agenda Item: First Amendment to Purchase Agreement with Beck Properties of Minnesota (285 Hardman Avenue South)

Action to be considered:

Approve the First Amendment to Purchase Agreement and development agreement with Beck Properties of Minnesota, LLC.

Overview:

Background

On May 3, 2021 the EDA approved a Purchase and Development Agreement with Beck Properties of Minnesota LLC for the construction of a 28,800 square foot office/warehouse building at the EDA-owned property at 285 Hardman Avenue. This property is an approximately 2.2-acre (93,000 square foot) vacant Light Industrial-zoned lot located at the southeast corner of the Hardman Avenue - Hardman Court intersection. The property has been under the ownership of the HRA/EDA for several years, and the HRA previously prepared this site and adjacent sites for development by conducting environmental testing, cleanup, and monitoring, installation of the public road and utilities, land subdivision, and installation of regional stormwater facilities, among other things. The proposed purchaser envisions expanding their existing South St. Paul footprint for their traffic engineering firm (Beck & Co. Engineering – “BCE”) to this location. The proposal would see BCE occupy approximately 25% of the building with office space for their team of engineers, software engineers, and technicians and 75% of the building would be dedicated to garage space, (they have a fleet of specially outfitted passenger trucks/SUVs), manufacturing, parts and equipment storage. The facility would allow BCE to relocate the bulk of their operations from a smaller space (approximately 3,000 square feet) currently owned and occupied by Beck Properties at 101 Bridgepoint Way, Suite 120. BCE has clearly outgrown the Bridgepoint Way facility.

The buyer has requested additional time to complete their submittal for Planning & Zoning Approvals, which in turn pushes out the time for closing on the property. As amended, the buyer has until December 31, 2021 to close on the property.

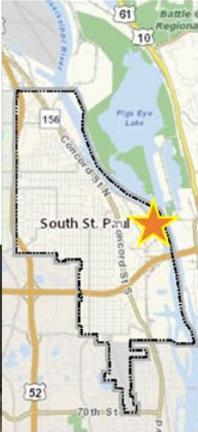
Funding Sources and other fiscal considerations:

The property is located within the Concord Street Tax Increment Finance District, thus closing proceeds will go to support other qualified redevelopment costs in this special legislation redevelopment district.

The EDA-owned property is currently exempt from property taxes, and has been for at least 25 years. Using existing comparable development as a barometer, it is estimated that the proposed office/warehouse development would generate over \$62,000 per year in total property tax payments beginning in Pay 2024 (assuming 2022 completion).

285 HARDMAN AVE. SOUTH

5-A
5.3.2021



 285 Hardman Ave. S.

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (this “First Amendment”) is entered into as of _____, 2021 (the “Effective Date”), by and between the South St. Paul Economic Development Authority, a public body corporate and politic organized under the laws of Minnesota (“EDA”), and Beck Properties of Minnesota, LLC, a Minnesota limited liability company (“Buyer”).

RECITALS

Recital No. 1. EDA and Buyer entered into a Development Agreement dated May 3, 2021 and recorded as Document No. _____ on _____ in the Dakota County Recorder’s Office (“Development Agreement”) for the purchase and sale of real property identified in the Development Agreement.

Recital No. 2. Buyer has requested the Development Agreement be amended to extend the Contingency Date.

Recital No. 3. EDA does not object to the extension.

NOW, THEREFORE, in consideration of the mutual promises and covenants of each to the other contained in this First Amendment and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do covenant and agree as follows:

1. The Development Agreement shall be amended as follows:
 - 1(E). “Closing Date” means on or before ~~November 1, 2021~~ December 31, 2021, unless otherwise agreed to by the parties.
 - 1(G). “Contingency Date” shall mean ~~ninety (90)~~ one-hundred eighty (180) days from the Effective Date.
 - 6.1(A)(12) On or before ~~sixty (60) days following the Effective Date~~ October 4, 2021, Buyer and Developer shall obtain, review and approve an ALTA Survey of the Property.
 - 6.1(C). As used in this Agreement, the “Contingency Date” shall mean ~~sixty (60)~~ one-hundred eighty (180) days from the Effective Date.
 7. **Closing.** The Closing shall occur on the Closing Date, unless otherwise agreed to by the parties, ~~but shall occur no later than thirty (30) days after the completion of the Buyer’s Due Diligence.~~ All documents and instruments required for the Closing shall be delivered to the Title Company at least one (1) business day prior to the Closing Date.
2. Except as provided for above, the terms and provisions of the Development Agreement shall remain in full force and effect.

3. This First Amendment and all disputes or controversies arising out of or relating to this First Amendment or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of Minnesota, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of Minnesota.
4. Nothing contained herein shall be deemed a waiver by the EDA of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by Buyer or its successors or assigns, shall be subject to any governmental immunity defenses of the EDA and the maximum liability limits provided by Minnesota Statutes, Chapter 466.
5. This First Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by the parties and delivered to the other parties.
6. This First Amendment shall not be amended, modified or supplemented, except by a written instrument signed by an authorized representative of each party.

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IN AGREEMENT, the parties hereto have hereunto set their hands as of the Effective Date.

**SOUTH ST. PAUL ECONOMIC
DEVELOPMENT AUTHORITY**

By _____
James P. Francis
Its President

By _____
Ryan Garcia
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021 by James P. Francis and Ryan Garcia, the President and Executive Director respectively, of the South St. Paul Economic Development Authority, a public body corporate and politic organized and existing under the Constitution and laws of Minnesota, on behalf of the EDA.

Notary Public

**BUYER:
BECK PROPERTIES OF MINNESOTA LLC**

By: _____
Name: Richard A. Beck, P.E.
Its: President

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021 by Richard A. Beck, P.E., the President of Beck Properties of Minnesota, LLC, a Minnesota limited liability company, on behalf of said limited liability company.

Notary Public

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4. Nothing contained herein shall be deemed a waiver by the EDA of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by Buyer or its successors or assigns, shall be subject to any governmental immunity defenses of the EDA and the maximum liability limits provided by Minnesota Statutes, Chapter 466.
5. This First Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by the parties and delivered to the other parties.
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**BUYER:
BECK PROPERTIES OF MINNESOTA LLC**

By: _____
Name: Richard A. Beck, P.E.
Its: President

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

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Notary Public