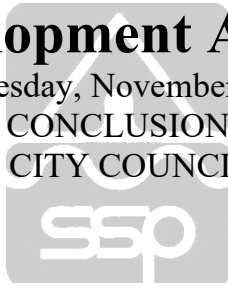


City of South St. Paul

Economic Development Authority Agenda

Wednesday, November 2, 2020

IMMEDIATELY FOLLOWING THE CONCLUSION OF THE 7:00 P.M. MEETING OF THE
CITY COUNCIL



1. CALL TO ORDER:

2. ROLL CALL:

3. AGENDA:

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 October 5, 2020

5. GENERAL BUSINESS:

A. Approval of 3rd Amendment to a Purchase Agreement with JBL Properties, LLC

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
October 5, 2020
City Council Chambers – South St. Paul City Hall

1. CALL TO ORDER

President Francis called the meeting to order at 7:30 p.m.

2. ROLL CALL

Members Present: President Francis, Commissioners Flatley, Hansen, Seaberg, Forester, Kaliszewski and Dewey.

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

3. AGENDA

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

Motion carried 7 ayes / 0 nays

4. CONSENT

- A. EDA Meeting Minutes of September 8, 2020
- B. Approval of Subordination Agreement – Resolution 2020-17
- C. Approval of Mortgage Satisfaction - Resolution 2020-18

Motion/Second: Commissioner Forester moved and Commissioner Flatley seconded approval of the consent agenda.

Motion carried 7 ayes / 0 nays

5. PUBLIC HEARINGS

- A. Approval to Convey Real Property at 200 Concord Exchange South – Resolution 2020-14

Mr. Garcia provided a summary of the proposal by Thomas Nguyen to acquire and renovate the EDA-owned property at 200 Concord Exchange South for occupancy by his mortgage office. The property has been vacant since 2010.

President Francis opened the public hearing at 7:34 p.m. and called for public comment. None was received and the public hearing was closed at 7:36 p.m.

Motion/Second: Commissioner Dewey moved and Commissioner Kaliszewski seconded approval Resolution 2020-14, approving and authorizing the conveyance of real property at 200 Concord Exchange South to Thomas Nguyen subject to terms of a purchase agreement.

Motion carried 7 ayes / 0 nays

6. GENERAL BUSINESS

- A. Authorizing an Application for the Minnesota Department of Employment and Economic Development’s Contamination Cleanup Program for the Redevelopment of 201 – 205 Concord Exchange North, Resolution 2020-15
- B. Authorizing an Application for the Metropolitan Council’s Tax Base Revitalization Account for the Redevelopment of 201 – 205 Concord Exchange North, Resolution 2020-16

Mr. Garcia advised that Items 6-A and 6-B were related to the redevelopment of the property at 201 – 205 Concord Exchange (“The Yards” residential project). The Met Council and DEED offer funds for the cleanup of brownfields sites and the EDA is applying on behalf of the developer, Beard Group, for these funds. Up to 88% of the eligible cleanup costs totaling an estimated \$850,000 may be funded through these programs. The developer would pay any required matching costs.

Motion/Second: Commissioner Hansen moved and Commissioner Flatley seconded approval of Resolutions 2020-15 and 2020-16.

Motion carried 7 ayes / 0 nays

- C. Approval of Lease Agreement with JBL Properties, LLC / Twin City Pallet Company - 139 Grand Avenue East

Mr. Garcia summarized a proposed leaseback agreement for property at 139 Grand Avenue. The EDA will close on acquisition of the property in October 2020 and lease the property back to the seller, who is the current occupant, for a period not to exceed 26 months.

Motion/Second: Commissioner Seaberg moved and Commissioner Forester seconded approval of Resolution 2020-19, approving and authorizing a lease agreement with JBL Properties/Twin City Pallet Co., subject to minor revisions by the City Attorney.

Motion carried 7 ayes / 0 nays

D. Authorization to Execute a Preliminary Development Agreement with DRS Investment VIII LLC

Mr. Garcia presented the preliminary development agreement for the Concord Flats project at the northwest corner of Concord Exchange North and Veterans Memorial Drive with DRS Investment VIII LLC. The project clarifies pre-development due diligence steps and cost-sharing and establishes timelines to advance to a more formal development agreement and process. Mr. Garcia clarified that the agreement and the anticipated Tax Increment Finance district for the project would not include the Drover or a vacant EDA-owned property at the northeast corner of Veterans Memorial Drive and Concord Exchange.

Motion/Second: Commissioner Flatley moved and Commissioner Forester seconded approval of a preliminary development agreement with DRS Investment VIII LLC for the “Concord Flats” project.

Motion carried 7 ayes / 0 nays

7. FUTURE FOLLOW-UP

Mr. Garcia provided an update on the CARES Act small business development program. The City received 38 applications and 22 applicants were selected through a randomized lottery process.

Mr. Garcia notified the EDA that Vandalia Glassworks was expanding into the previously vacant space at the south end of their building.

8. ADJOURNMENT

TIME:

Motion/Second: Commissioner Seaberg moved and Commissioner Hanson seconded the motion to adjourn the meeting at 7:57 p.m.

Motion carried 7 ayes / 0 nays

Renee Schmitt

Renee Schmitt, Secretary



EDA Agenda Item Report

Date: November 2, 2020

EDA Executive Director: _____

rg

5-A

Agenda Item: Approval of Third Amendment to Purchase Agreement with JBL Properties LLC

Action to be considered:

Motion to approve the Third Amendment to Purchase Agreement with JBL Properties LLC.

Overview:

On May 5, 2020, a purchase agreement between the EDA and JBL Properties, LLC was executed to govern the EDA's acquisition of property at 139 Grand Avenue East (See Item 6-D at this link for more information:

https://www.southstpaul.org/AgendaCenter/ViewFile/Agenda/_05042020-896. The purchase agreement identified that closing was to take place on or before June 30, 2020. In addition, the purchase agreement provided the EDA with a 90-day contingency period within which to assess, among other things, environmental conditions at the site.

At the June 29, 2020 EDA Meeting, an Amendment to the Agreement was approved which allowed for an extension of the closing Date to August 31, 2020.

At the August 2, 2020 EDA Meeting, a Second Amendment to the Agreement was approved which allowed the EDA to exercise its ability to extend the due diligence period an additional 60 days, and extended the Closing Date to not later than October 31, 2020.

The Seller has requested that the EDA extend the Closing Date to not later than January 31, 2021. In exchange, the Seller will pay to the EDA \$3,000 (\$1,000 per month of extension). The Seller is utilizing a 1031 Exchange to acquire a replacement property, and will not be ready to close on a replacement property within 45 days of October 31, 2020 (which the tax code requires); thus they are seeking an extension with us to better align with the 1031 Code.

Funding Sources and other fiscal considerations:

The seller has agreed to pay the EDA \$3,000 for the extension to the PA.



 139 GRAND AVENUE EAST

THIRD AMENDMENT TO PURCHASE AGREEMENT

THIS THIRD AMENDMENT TO PURCHASE AGREEMENT (this “Agreement”) is entered into as of November 3, 2020 (the “Effective Date”), by and between the South St. Paul Economic Development Authority, a Minnesota public body corporate and politic (“EDA”), and JBL Properties, LLC, a Minnesota limited liability company (“Seller”).

RECITALS

Recital No. 1. EDA and Seller entered into a purchase agreement on May 6, 2020 (“Purchase Agreement”) for the purchase and sale of real property identified in the Purchase Agreement.

Recital No. 2. On or about June 29, 2020, Seller granted an extension of the closing date for Section 6 to occur on or before August 31, 2020, unless otherwise agreed to by the parties.

Recital No. 3. On or about August 3, 2020, Seller granted an extension of the closing date for Section 6 to occur on or before October 31, 2020, unless otherwise agreed to by the parties.

Recital No. 4. Seller has requested an extension of the closing date for Section 6 regarding the closing shall occur no later than January 31, 2021, unless otherwise agreed to by the parties and has agreed to pay the EDA \$3,000 as consideration for the extension, which does not change the purchase price of the Property.

Recital No. 5. EDA does not object to the amendment.

Recital No. 6. EDA does not object to an extension for the closing.

NOW, THEREFORE, EDA and Seller agree that the closing date for Section 6 regarding the closing shall occur no later than January 31, 2021, unless otherwise agreed to by the parties; and Seller shall pay the EDA \$3,000 in consideration for such extension, which shall be paid within 10 days of approval of this Agreement by the EDA.

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IN AGREEMENT, the parties hereto have hereunto set their hands as of the date hereinbefore first written.

SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY (EDA)

By: _____
James P. Francis

Its: President

By: _____
Ryan Garcia

Its: Executive Director

JBL PROPERTIES, LLC (SELLER)

By: _____

Name: _____

Its: _____