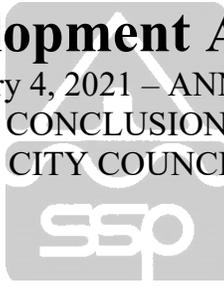


City of South St. Paul

Economic Development Authority Agenda

Monday, January 4, 2021 – ANNUAL MEETING
IMMEDIATELY FOLLOWING THE CONCLUSION OF THE 7:00 P.M. MEETING OF THE
CITY COUNCIL



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 Special Meeting Minutes of December 21, 2020

B. Approval of Mortgage Satisfaction – Resolution 2021 – 2

C. Approval of Mortgage Satisfaction – Resolution 2021 – 3

5. GENERAL BUSINESS:

A. Election of Officers

B. Redevelopment Grant Application – Resolution 2021 – 1

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

Special Meeting
December 21, 2020
City Council Chambers – South St. Paul City Hall

1. CALL TO ORDER

The Special Meeting of the South St. Paul Economic Development Authority was held on December 21, 2020 in the South St. Paul City Council Chambers, and was also open via WebEx, pursuant to **Minn. Stat. 13D.021**. President Francis called the meeting to order at 6:15 p.m.

2. ROLL CALL

Members Present: President Francis, Commissioners Flatley, Hansen, Seaberg, Forester, and Dewey. Commissioner Kaliszewski attended via WebEx, pursuant to Minn. Stat. 13D.021.

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

3. AGENDA

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

Motion carried 7 ayes / 0 nays

4. CONSENT

A. EDA Meeting Minutes of December 7, 2020

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

Motion carried 7 ayes / 0 nays

5. PUBLIC HEARINGS

A. Approval of a Development Agreement with SSP QOZB LLC and Authorizing Conveyance of Project Real Property, Resolution 2020-21

Mr. Garcia made a brief presentation to outline the key terms and provisions of the sale and development of EDA-owned property at the northwest corner of Concord Exchange North and Grand Avenue West, for “The Yards” redevelopment project.

President Francis Opened the Public Hearing at 6:27 p.m. and called for any member of the public wishing to speak to the topic at hand.

Mr. Garcia noted and entered into the record that there was one public comment received via email, from Vincent Ruiz-Ponce. Mr. Ponce’s comments are perhaps more germane to the City Council’s consideration of a planned unit development, site plan, and conditional use permit for the project, but the EDA may consider them as well. Mr Ponce provided the following comments:

1. Mr. Ruiz-Ponce requests that the City Council does not waive or permit flexibility from the CGMU Zoning District’s architectural provisions as found in the zoning ordinance (Sec. 118-125(h)). Mr. Ponce’s opinion is that the proposed architecture does “not fit the look of the area and will not stand up to the test of time”.
2. Mr. Ruiz-Ponce suggests that vertical mixed-use development “be considered” and that the Council “push for this”. Mr. Ruiz-Ponce is of the opinion that the existing retail and service mix in the immediate area are not enough to “make this a destination to come and live”. Mr. Ponce also expressed his opinion that a vertical mixed-use development would “broaden(s) the tax base”.

Following successive calls for public testimony that went unanswered, President Francis closed the public hearing at 6:31 p.m.

Commissioner Seaberg requested follow-up to the Contract Payment to secure the Contract for Deed for Phase 2, which Mr. Garcia referred back to future follow-up as he didn’t recall that information at the meeting.

Motion/Second: Commissioner Kaliszewski moved and Commissioner Flatley seconded the Motion to approve Resolution 2020-21.

Motion carried 7 ayes / 0 nays

6. GENERAL BUSINESS

- A. Approval of a Development Agreement with SSP QOZB LLC and Authorizing Conveyance of Project Real Property, Resolution 2020-21
- i. Modifying the Tax Increment Financing Plan for Concord Street Tax Increment Financing District No. 2 to Eliminate Parcels from the District, Resolution 2020-22
 - ii. Adopting a Modification to the Redevelopment Plan for the Concord Street Redevelopment Project Area and a Tax Increment Financing Plan for the Grand Avenue Gateway Tax Increment Financing District, Resolution 2020-23

- iii. Approval of a Tax Increment Financing Agreement with SSP QOZB LLC and SSP SPE I LLC for “The Yards” Residential Development Project (Phase I), Resolution 2020-24
- iv. Authorizing Interfund Loan for Advance of Certain Costs in Connection With Grand Avenue Gateway Tax Increment Financing District, Resolution 2020-25

Mr. Garcia made a brief presentation to in overview of the various actions that the EDA was being asked to take in relation to the proposed Grand Avenue Tax Increment Finance (TIF) District. Commissioner Seaberg noted that the proposed actions, including creation of a Redevelopment TIF and entering a development agreement for the Yards Phase One, were consistent with the EDA’s TIF Policies, and having been independently vetted by Ehlers Associates offered reasonable assurance of success in meeting the spirit and intent of adopted policy for the City. Mr. Seaberg also noted the importance of the site’s location within a Federally designated Opportunity Zone and extended the EDA’s gratitude for the partnership of Dakota County, the State of Minnesota, and the Federal Government in this program. Commissioner Forester highlighted the significant contribution of equity to The Yards Phase One project in particular as a symbol of the importance of private-public partnerships in meeting the EDA’s redevelopment goals.

Mr. Garcia suggested and Ms. Land confirmed that a single motion to encompass the separate actions and resolutions presented to the EDA was appropriate, unless the EDA wished to separate them.

Motion/Second: Commissioner Seaberg moved and Commissioner Forester seconded the Motion to approve Resolutions 2020-22, 2020-23, 2020-24, and 2020-25.

B. Amendment #1 to Purchase Agreement with Beard Group

Mr. Garcia noted that this item was being presented to clarify the timing of the termination of a purchase agreement for property at 201 – 205 Concord Exchange North. This Agreement will terminate at execution of the Development Agreement with SSP QOZB LLC, which will occur at closing of the EDA-owned property for “The Yards”.

Motion/Second: Commissioner Forester moved and Commissioner Flatley seconded the Motion to approve Amendment #1 to the Purchase Agreement.

7. FUTURE FOLLOW-UP

No follow-up items were introduced

8. ADJOURNMENT

Motion/Second: Commissioner Flatley moved and Commissioner Hansen seconded the motion to adjourn the meeting at 6:54 P.M.

Motion carried 7 ayes / 0 nays

Approved:

Renee Schmitt

Renee Schmitt, Secretary



EDA Agenda Item Report

Date: January 4, 2021

EDA Executive Director: 

4-B

Agenda Item: Approval of Satisfaction of Mortgage – Applicant #851

Action to be considered:

Motion to approve Resolution No. 2021-02

Overview:

Applicant #851 received an HRA rehabilitation loan of \$25,000.00 in 2007, with a mortgage recorded at that time. The mortgagee recently paid back the loan in full, thus satisfying the mortgage. Therefore, the EDA is advised to approve Resolution No. 2021-02, which will authorize the designated officers of the City's Housing and Redevelopment Authority to execute all necessary documentation required to record the Satisfaction of Mortgage.

Funding Sources and other fiscal considerations: N/A

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2021-02

WHEREAS, the City Council transferred all administration of the South St. Paul Housing and Redevelopment Authority (HRA) programs to the South St. Paul Economic Development Authority (“EDA”) by City Council Resolution 2015-197; and

WHEREAS, one of those programs was a rehabilitation loan program, for which there are several outstanding loans; and

WHEREAS, the South St. Paul Housing and Redevelopment Authority of the City of South St. Paul, Minnesota issued a mortgage to Applicant #851 in the amount of \$25,000.00;

WHEREAS, such mortgage recorded on October 04, 2007 in Dakota County has been satisfied in full by the applicant;

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of South St. Paul that:

1. The EDA shall secure the signatures of the appropriate representatives of the HRA to execute the required documents to satisfy the loan and mortgage.

Adopted this ____ day of _____.

President, James P. Francis

Executive Director, Ryan Garcia

(Top 3 inches reserved for recording data)

**MORTGAGE SATISFACTION
by Individual(s)**

**Minnesota Uniform Conveyancing Blanks
Form 20.5.1 (2011)**

DATE: January 4, 2021
(month/day/year)

THAT CERTAIN MORTGAGE owned by the undersigned, dated September 26, 2007, executed by _____
(month/day/year)

Pamela J. Behr, single person
(insert name of mortgagor)

as mortgagor, to Housing and Redevelopment Authority of the City of South St. Paul.
(insert name of original mortgagee)

as mortgagee, and recorded on October 04, 2007, as Document Number 2548340 (or in Book _____
(month/day/year)

of _____ Page _____), in the Office of the County Recorder Registrar of Titles of Dakota
(check the applicable boxes)

County, Minnesota, is with the indebtedness thereby secured, fully paid and satisfied.

(signature) Tom Seaberg, Chairman

(signature) Joe Kaliszewski, Secretary

State of Minnesota, County of Dakota

This instrument was acknowledged before me on _____, by Tom Seaberg, Chairperson and
(month/day/year)

Joe Kaliszewski, Secretary of the Housing and Redevelopment Authority of the City of South St. Paul

_____.

(Stamp)

(signature of notarial officer) **Debra M. Breitenfeldt**

Title (and Rank): _____

My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:
(insert name and address)

Housing and Redevelopment Authority
of the City of South St. Paul
125 Third Avenue North
South St. Paul, MN 55075
(651) 554-3270



EDA Agenda Item Report

Date: January 4, 2021

EDA Executive Director: 

4-C

Agenda Item: Approval of Satisfaction of Mortgage – Applicant #1044

Action to be considered:

Motion to approve Resolution No. 2021-03

Overview:

Applicant #1044 received an HRA rehabilitation loan of \$24,600.00 in 2014, with a mortgage recorded at that time. The mortgagee recently paid back the loan in full, thus satisfying the mortgage. Therefore, the EDA is advised to approve Resolution No. 2021-03, which will authorize the designated officers of the City's Housing and Redevelopment Authority to execute all necessary documentation required to record the Satisfaction of Mortgage.

Funding Sources and other fiscal considerations: N/A

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2021-03

WHEREAS, the City Council transferred all administration of the South St. Paul Housing and Redevelopment Authority (HRA) programs to the South St. Paul Economic Development Authority (“EDA”) by City Council Resolution 2015-197; and

WHEREAS, one of those programs was a rehabilitation loan program, for which there are several outstanding loans; and

WHEREAS, the South St. Paul Housing and Redevelopment Authority of the City of South St. Paul, Minnesota issued a mortgage to Applicant #1044 in the amount of \$24,600.00;

WHEREAS, such mortgage recorded on August 20, 2014 in Dakota County has been satisfied in full by the applicant;

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of South St. Paul that:

1. The EDA shall secure the signatures of the appropriate representatives of the HRA to execute the required documents to satisfy the loan and mortgage.

Adopted this ____ day of _____.

President, James P. Francis

Executive Director, Ryan Garcia

(Top 3 inches reserved for recording data)

**MORTGAGE SATISFACTION
by Individual(s)**

**Minnesota Uniform Conveyancing Blanks
Form 20.5.1 (2011)**

DATE: January 4, 2021
(month/day/year)

THAT CERTAIN MORTGAGE owned by the undersigned, dated August 21, 2014, executed by _____
(month/day/year)

Amanda Velure, a single person
(insert name of mortgagor)

as mortgagor, to Housing and Redevelopment Authority of the City of South St. Paul
(insert name of original mortgagee)

as mortgagee, and recorded on August 20, 2014, as Document Number T734925 (or in Book _____
(month/day/year)

of _____ Page _____), in the Office of the County Recorder Registrar of Titles of Dakota
(check the applicable boxes)

County, Minnesota, is with the indebtedness thereby secured, fully paid and satisfied.

(signature) Tom Seaberg, Chairperson

(signature) Joe Kaliszewski, Secretary

State of Minnesota, County of Dakota

This instrument was acknowledged before me on _____, by Tom Seaberg, Chairperson and
(month/day/year)
Joe Kaliszewski, Secretary of the Housing and Redevelopment Authority of the City of South St. Paul

(Stamp)

(signature of notarial officer) **Debra M. Breitenfeldt**

Title (and Rank): _____

My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:
(insert name and address)

Housing and Redevelopment Authority
of the City of South St. Paul
125 Third Avenue North
South St. Paul, MN 55075
(651) 554-3270



EDA Agenda Item Report

Date: January 4, 2021

EDA Executive Director:

5-A

Agenda Item: Election of Officers.

Action to be considered:

Motion to elect officers.

Overview:

All members of the EDA are considered Commissioners and are members of the EDA Board. Per its Bylaws, the EDA Board has the following officers, which must be elected on an annual basis:

President

Vice-President (Currently vacant – former Commissioner Forester)

Treasurer

Assistant Treasurer (Currently vacant – unofficially Clara Hilger as Finance Director)

Secretary (Currently Renee Vought, Deputy City Clerk)

The President and Treasurer positions are to be held by the Mayor (Bylaws Sections 2.2 and 2.4). The Secretary and Assistant Treasurer positions need not be held by a commissioner (Bylaws Section 2.1). The Bylaws (Section 2.5) also suggest that the Assistant Treasurer of the Board “may be” the City’s Finance Director.

Staff recommends that the board call for appointment/nomination of Vice President, Secretary (currently Deputy City Clerk Renee Vought) and Assistant Treasurer (currently vacant) offices, in keeping with the EDA’s bylaws.

- *Vice President* – This office was most recently held by former Commissioner Joe Forester, whose council (and EDA) term ended at the end of 2020.
- *Secretary* - Renee has not been attending EDA meetings, and this seems to work just fine while keeping Staffing levels manageable at evening meetings. It would appear to make sense for the Executive Director to also serve as Secretary of the Authority for 2021, unless the board would prefer to have a commissioner hold this role. Generally, the Secretary is responsible for keeping and retaining minutes and other records of the EDA.
- *Assistant Treasurer* – This office was previously held by former Finance Director Michelle Pietrick, and at last year’s Annual Meeting we agreed to keep the office “vacant” until her replacement was hired. Clara Hilger has been retained as the City’s Finance Director and in a de facto sense has been serving in the Assistant Treasurer capacity since Michelle’s departure. It would seem to make sense to formally nominate/appoint Clara.

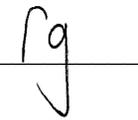
Funding Sources and other fiscal considerations:

N/A



EDA Agenda Item Report

Date: January 4, 2021

EDA Executive Director: 

5-B

Agenda Item: Redevelopment Grant Application – Resolution 2021 - 1

Action to be considered:

Motion to approve Resolution 2021-1, Authorizing an Application to the Minnesota Department of Employment and Economic Development's Redevelopment Grant Program.

Overview:

The State of Minnesota, through its Department of Employment and Economic Development (DEED), administers a Redevelopment Grant Program which helps communities with the costs of redeveloping blighted industrial, residential, or commercial sites and putting land back into productive use. Through the program, grants pay up to half of redevelopment costs for a qualifying site, with a 50-percent local match. Eligible applicants are cities, counties, port authorities, housing and redevelopment authorities, and economic development authorities.

Grants can pay for land acquisition, demolition, asbestos abatement, infrastructure improvements, soil stabilization when in-fill is required, ponding or other environmental infrastructure, including remedial activities at sites where a subsequent redevelopment will occur.

Staff is currently working on an application for this program, which is due February 1. If awarded, we would utilize the grant funding to offset developer costs associated with demolition, soil stabilization, and asbestos abatement activities at the Yards Site (northwest corner of Concord Exchange and Grand Avenue). In 2020, the City and Developer collaborated on two separate applications to the Metropolitan Council for funding assistance with these activities, both of which were unsuccessful. As such, there remains a funding gap of approximately \$400,000 for the project that the developer is seeking assistance to fill.

DEED will award Redevelopment grants to projects that provide the highest return in public benefits for the public costs incurred and meet all of the statutory requirements. In order to evaluate the applications for public benefits with respect to the costs incurred, the law specifies priorities that DEED must consider, which include:

1. The need for redevelopment in conjunction with contamination remediation needs. Maximum = 15 points.
2. The redevelopment project meets current tax increment financing requirements for a redevelopment district and tax increments will contribute to the project. Maximum = 25 points.
3. The redevelopment potential within the municipality. Maximum = 90 points.
4. The proximity to public transit if located in the metropolitan area. Maximum = 5 points.
5. Multi-jurisdictional projects that take into account the need for affordable housing, transportation, and environmental impact. Maximum = 15 points (5 points each).

Staff's opinion is that the Yards project is an extremely strong candidate for the DEED Redevelopment Grant Program based upon the above criteria. We believe that applying for these funds is well worth the commitment of staff resources to prepare the application materials. We anticipate receiving notification of funding awards by late-March 2021, which would seem to align quite well with the Yards commencement schedule.

Funding Sources and other fiscal considerations:

The Yards project has a dynamic stack of funding sources, including Developer Cash and Land Equity, Investor (Opportunity Zone) equity, traditional lender financing, Tax Increment Financing, and DEED Contamination and Cleanup Grant funding. Staff proposes applying for approximately \$400,000 in DEED Redevelopment Grant funding to fill a remaining gap in the project. If our application is unsuccessful, it is possible that the EDA will be asked by the developer to make concessions on the Land Sale. The Developer is currently under contract to purchase the EDA Property for approximately \$1.6 Million.

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2021-1

**RESOLUTION AUTHORIZING AN APPLICATION TO THE MINNESOTA
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT'S
REDEVELOPMENT GRANT PROGRAM**

BE IT RESOLVED that the South St. Paul Economic Development Authority (Applicant) act as the legal sponsor for a project known as "The Yards" (the "Project") contained in the Redevelopment Grant Program Application to be submitted on or before February 1, 2021, and that President James P. Francis (Authorized Official) is hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of the Applicant.

BE IT FURTHER RESOLVED that the South St. Paul Economic Development Authority has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate Project administration.

BE IT FURTHER RESOLVED that the sources and amounts of the local match identified in the application ARE COMMITTED to the Project identified.

BE IT FURTHER RESOLVED that if the Project fails to substantially provide the public benefits listed in the application within five years from the date of the grant award, the South St. Paul Economic Development Authority may be required to repay 100 percent of the awarded grant per Minn. Stat. § 116J.575 Subd. 4;

BE IT FURTHER RESOLVED that the South St. Paul Economic Development Authority has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the South St. Paul Economic Development Authority may enter into an agreement with the State of Minnesota for the Project, and that the South St. Paul Economic Development Authority certifies that it will comply with all applicable laws and regulations as stated in all contract agreements.

NOW, THEREFORE BE IT RESOLVED that President James P. Francis is hereby authorized to execute such agreements as are necessary to implement the Project on behalf of the applicant.

Adopted this 4th day of January, 2021.

President, James P. Francis

Executive Director, Ryan Garcia