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 Annual Meeting Minutes of January 21, 2019
   B. Approval of Proposal for Geotechnical Consulting Services – Concord Exchange North Redevelopment Sites

5. GENERAL BUSINESS:
   A. Authorization to Execute a Preliminary Development Agreement with Beard Group, Inc.

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,

[Signature]
Ryan Garcia, EDA Executive Director

This meeting is being taped by Town Square Television (NDC4).
Replays can be viewed on Government Channel 19.
Replay Times – Friday following Meeting at 1:00 p.m. & 7:00 p.m.
651-451-7834
1. CALL TO ORDER

Chair Francis called the meeting to order at 7:34 PM.

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 amended agenda.

Motion carried 7 ayes / 0 nays

4. CONSENT

A. EDA Special Meeting Minutes of December 16, 2019
B. Approval of Satisfaction of Mortgage, Resolution 2020-1

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

Motion carried 7 ayes / 0 nays

5. GENERAL BUSINESS

A. Election of Officers

Commissioner Seaberg Nominated Joe Forester for Vice President. President Francis called for further nominations and hearing none, called for a motion on the nomination.
Motion/Second: Commissioner Dewey moved and Commissioner Seaberg seconded approval of the nomination of Joe Forester as Vice President.

Motion carried 7 ayes/0 nays

B. Redevelopment Grant Application – Resolution 2020-2

Mr. Garcia discussed the Redevelopment Grant program made available for qualified redevelopment activities from the Minnesota Department of Employment and Economic Development. Mr. Garcia discussed the applicability of the grant funds for the acquisition and redevelopment activities at EDA-owned property at 135 Grand Avenue East.

Motion/Second: Commissioner Flatley moved and Commissioner Forester seconded approval of Resolution 2020-2.

Motion carried 7 ayes/0 nays.

6. FUTURE FOLLOW-UP ITEMS

There were none.

7. ADJOURNMENT

Motion/Second: Commissioner Forester moved and Commissioner Flatley seconded the motion to adjourn the meeting at 7:42 PM.

Approved: March 2, 2020

Renee Schmitt
Renee Schmitt, Secretary
**Agenda Item: Approval of Proposal for Geotechnical Consulting Services with Braun Intertec**

**Action to be considered:**
Motion to authorize executive director to accept a proposal and authorize geotechnical analysis at select sites on the west side of Concord Exchange North, generally between Veterans Memorial Drive and 245 Concord Exchange North.

**Overview:**
In February 2020, the EDA was awarded a $60,000 Livable Communities Act Pre-Development Grant for certain activities related to proposed redevelopment concepts on Concord Exchange North. Among the activities eligible for Grant Assistance is geotechnical assessments for the proposed development sites. Staff solicited proposals from Terracon and Braun Intertec for these services, and is recommending acceptance of the Braun Intertec proposal for a total contract sum not to exceed $29,410.

It should be noted that Braun is also completing environmental assessments for these sites through a technical assistance award between the City and the Minnesota Pollution Control Agency. These assessments are completed at no cost to the EDA or City.

**Funding Sources and other fiscal considerations:**
The LCDA-Pre-Development grant will fund up to $15,600 of geotechnical costs. The remainder of costs – totaling $13,810 - will be paid by the developers.
**Agenda Item:** Authorization to Execute a Preliminary Development Agreement with Beard Group, Inc.

**Action to be considered:**
Motion to authorize the executive director and president of the EDA to execute a preliminary development agreement with Beard Group, Inc. for the proposed “Grand Avenue Gateway” residential project.

**Overview:**
Staff has engaged Beard Group, Inc. [https://beardgroupinc.com/](https://beardgroupinc.com/) to contemplate a dramatic redevelopment of a 4-acre site at the northwest corner of Grand Avenue East and Concord Exchange North. Beard’s proposed concept seeks to transform the site, which is currently developed with a large surface parking lot (owned by the EDA) and an underutilized commercial building (privately owned) that has been plagued by high vacancies and a lack of investment for years. Beard’s vision aligns closely to the mixed-use, walkable, livable vision for this area as identified in numerous City plans over the past 25 years: they propose adding nearly 200 units of market-rate housing at the 4-acre site in a two-phase development program. Given the challenges of the site, including acquisition and demolition of an existing, blighted commercial building and surface parking facility and geotechnical and slope issues, for the project to be economically viable we anticipate the necessity of utilizing a creative funding approach involving Tax Increment Financing and the leveraging of state and regional grant programs.

Beard and EDA Staff have negotiated a preliminary development agreement that will frame our public-private partnership through its early stages. This agreement would be an important first step in our collaboration by defining each party’s roles and expectations as we work towards a definitive development plan and ultimately the formal, legally binding agreements needed to deliver that development.

**Funding Sources and other fiscal considerations:**
Any costs incurred by the EDA at this stage are anticipated to be reimbursable through a LCDA Pre-Development grant from the Metropolitan Council. Should development proceed with Beard Group, a comprehensive development agreement, including any amounts, terms and conditions related to public financial assistance for the development, will be prepared and presented for public approval in accordance with statutory and policy guidance.
THE SOUTHERN ECONOMIC DEVELOPMENT AUTHORITY,
The City of St. Paul
AND
THE BEARD GROUP, INC.

PRELIMINARY DEVELOPMENT AGREEMENT

THIS AGREEMENT, dated as of ______________, 2020, by and between the South St. Paul Economic Development Authority, a public body corporate and politic under the laws of Minnesota (the “EDA”), the City of South St. Paul, a Minnesota municipal corporation (the “City”), and The Beard Group, Inc., a Minnesota corporation (the “Developer”):

WITNESSETH:

WHEREAS, the EDA desires to promote development of certain property either owned by the EDA, or that the EDA is interested in acquiring, all located in the City of South St. Paul, State of Minnesota, which property is described and depicted on Exhibit A attached hereto (the “Property”); and

WHEREAS, the Developer, or a special purpose entity (or entities) to be formed by the Developer for the purpose of completing this project, has submitted or is in the process of submitting a proposal (“Proposal”) for a two phase development of the Property. The first phase will consist of a market rate apartment building (“Phase 1”), and the second phase will consist of a second market rate apartment building (“Phase 2”, together with Phase 1 will be collectively, the “Development”), which proposal is attached hereto as Exhibit B; and

WHEREAS, the EDA and Developer are interested in discussing and further planning for the Developer’s proposal for the Development; and

WHEREAS, Developer has indicated to the EDA that it will seek financial assistance from the City and/or the EDA to make the Development feasible; and

WHEREAS, the City or the EDA will need to determine if various studies, as may be determined to be reasonably necessary, should be conducted, including without limitation an environmental impact or related study, an infrastructure feasibility study, an economic impact study, and any other required analysis of the Development (the “Studies”) and will need to determine that the proposed Development of the Property will have a positive impact on the City; and

WHEREAS, the City and the EDA are willing to discuss with Developer available financial assistance, grants, gifts or loans for the Development; and

WHEREAS, various land use, zoning, and subdivision issues and actions related to the Development and the Property are required to be approved by the City in order to facilitate the Development by the Developer; and
WHEREAS, the EDA agrees to cooperate with the Developer to review and process various land use, zoning, and subdivision issues and actions related to the Development and the Property in order to facilitate the Development by the Developer; and

WHEREAS, the EDA is willing to consider and Developer is desirous to undertake the Development if (i) a satisfactory agreement can be reached regarding EDA’s commitment for public costs necessary for the Development; (ii) satisfactory mortgage and equity financing, or adequate cash resources for the Development can be secured by Developer; and (iii) the feasibility and soundness of the Development and other necessary preconditions have been determined to the satisfaction of the parties.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

1. **Future Negotiations.**

The parties agree to continue negotiations in an attempt to formulate a definitive plan for review and approval of all land use, zoning and subdivision approvals and any necessary development agreements or contracts based on the following:

   (a) Developer’s Proposal, which shows the scope of each phase of the proposed Development in its latest form as of the date of this Agreement, together with any changes or modifications required by City or EDA;

   (b) Mutually satisfactory development agreements or contracts to be negotiated and agreed upon in accordance with negotiations contemplated by this Agreement; and

   (c) Other terms and conditions of this Agreement.

2. **Statement of Intent.**

Although not conclusive or binding on either party, it is the intention of the parties that this Agreement: (a) documents the present understanding and commitments of the parties; (b) will allow the EDA and City to determine the amount of available financial assistance for the Development; (c) will allow the EDA to acquire the remaining portions of the Property not currently owned by the EDA; (d) will lead to negotiation and execution of a mutually satisfactory development agreements or contracts prior to the termination date of this Agreement; and (e) will lead to an appropriate land use, zoning, and subdivision application or applications. The development agreements or contracts (together with any other agreements entered into between the parties hereto contemporaneously therewith) when executed and any land use, zoning, and subdivision approvals, will supersede all obligations of the parties hereunder.

3. **Term; Duties.**

   (a) During the term of this Agreement, EDA and City agree to:
(i) Attempt to obtain site control over those portions of the Property not currently owned by the EDA, in particular those parcels identified on Exhibit A as Property 2 (“Site Control”).

(ii) Proceed to seek all necessary information with regard to the anticipated public costs, if any, associated with the Development.

(iii) Should negotiations be successful, enter into a development agreement with the Developer for Phase 1, and thereafter, if applicable, a development agreement for Phase 2 of the Development.

(b) During the term of this Agreement, Developer agrees to:

(i) Develop and submit its detailed proposal, including the plans and specifications, for development of each phase of the Development.

(ii) Conduct a due diligence review of the Property, including without limitation: title, survey, environmental (Phase I & Phase II reports), soils, and market studies, all of which must be acceptable to the Developer in its sole discretion.

(iii) Obtain approval by the EDA, City (including its Engineer, Planning and Inspection Department, and any other governing authority) for approval of the site plan, exterior elevations and finishes, and such other zoning approvals as may be required.

(iv) Obtain any other necessary governmental approval from any governing authority.

(v) Obtain financing on terms acceptable to Developer, including but not limited to financial assistance (such as pay-as-you-go TIF in a mutually agreeable amount), private loans and equity investment for each phase of the Development.

(vi) Should negotiations be successful, enter into a development agreement with the EDA for Phase 1, and thereafter, if applicable, a development agreement for Phase 2 of the Development.

4. Financial Assistance; TIF.

(a) EDA understands that the Developer is seeking financial assistance from the City or the EDA. During the term of this Agreement, Developer shall:

(i) Submit to EDA a design proposal to be reviewed by EDA showing the location, size, and nature of the proposed Development, including layouts, renderings, elevations, and other graphic or written explanations of the Development. The design proposal shall be accompanied by a proposed schedule for the starting and completion of each phase of the Development. Notwithstanding the foregoing, the EDA acknowledges that the Developer may elect to delay, or not to proceed with Phase 2 depending on the then current market conditions.
(ii) Submit an over-all cost estimate for the design and construction of Phase 1, and if applicable, a separate over-all cost estimate for Phase 2.

(iii) Submit a time schedule for each phase of the Development.

(iv) Undertake and obtain such other preliminary economic feasibility studies, income and expense projections, and such other economic information as Developer may desire to further confirm the economic feasibility and soundness of the Development.

(v) Submit to EDA the Developer’s financing plan showing that the proposed Development of Phase 1 is financially feasible, and if applicable, a separate financial plan for Phase 2.

(vi) Furnish satisfactory, financial data to EDA evidencing Developer’s ability to undertake each phase of the Development.

(vii) Furnish information in its possession or provide additional information to assist the City and EDA with determining the appropriate amount of financial assistance needed for the Development, including fully cooperating with the City or EDA’s financial consultants and legal counsel.

(b) Developer understands that the Tax Increment Financing sought for the proposed Development must comply with state statute and the EDA’s TIF policy. The EDA agrees in any development agreement or contract entered into as contemplated herein that the EDA will review and consider such financing as allowed by law, but no provision shall be construed as an affirmative approval of such financing until such time that a separate Tax Increment Financing agreement is entered into by both parties.

5. Feasibility.

It is expressly understood that execution and implementation of any development agreement or contract (together with any other agreements entered into between the parties hereto contemporaneously therewith) and any land use, zoning and subdivision approvals shall be subject to:

(a) A determination by the City and the EDA in their sole discretion that the undertakings are feasible based on (i) satisfaction of City Code requirements; (ii) the purposes and objectives of any development plan created or proposed for the Development; (iii) the Studies, if any; and (iv) the best interests of the City and the EDA.

(b) A determination by Developer that each phase of the Development is feasible and in the best interests of Developer.

6. Costs; Escrow.

Developer shall be solely responsible for all costs incurred by Developer. In addition, upon the full execution of this Agreement, the Developer will reimburse the EDA and the City the sum
of $5,000 per quarter up to $25,000 to be used for their Administrative Costs (as defined below) for its evaluation of the Developer’s proposal. Once the EDA or City obtains Site Control of Property 2 on Exhibit A, the Developer will submit an escrow to the EDA in the total amount of $50,000 less any Administrative Cost reimbursements payments previously paid by Developer as provided above. If this Agreement is terminated, the EDA and the City shall refund the balance, if any, of the reimbursement payments and/or escrow, to the extent actual Administrative Costs for services rendered to the date of termination are less than the amounts already paid by Developer. For the purposes of this Agreement, the term “Administrative Costs” means out of pocket costs incurred by the EDA or the City, together with staff and consultants (including engineering, surveys, legal, financial adviser, acquisition specialist, relocation consultant, environmental analysis, environmental advisor, planning advisor, etc.), all attributable to or incurred in connection with the review of the development agreement, Development or other related contracts or agreements (together with any other agreements entered into between the parties hereto contemporaneously therewith), the negotiation and preparation of the definitive development agreement or agreements, and other documents and agreements in connection with the Development. Any application or escrow fees generally collected by the City for planning applications such as the Developer may file in relation to the Development will be collected separately pursuant to the City’s applicable ordinances.

7. **Effective Date; Expiration.**

This Agreement is effective from the date hereof through December 31, 2022. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

8. **Termination.**

This Agreement may be terminated upon fourteen (14) days written notice by EDA to Developer, or Developer to EDA, if:

(a) An essential precondition to the execution of a contract cannot be met; or

(b) If, in the respective sole discretion of the City, EDA or Developer, an impasse has been reached in the negotiation or implementation of any material term or condition of this Agreement.

9. **Sole Developer.**

Developer is designated as sole developer of the Development of the Property during the term of this Agreement. The EDA agrees not to market the Property or to make, accept, negotiate, or otherwise pursue any other offers for sale or purchase of the Development portion of the Property until this Agreement expires or is terminated pursuant to Section 7 herein. Developer acknowledges and accepts that neither the City nor the EDA owns, or controls Property 2 on Exhibit A and the owner of that property may convey its property to any third party without the approval or consent of the City or EDA.
10. **Severability.**

If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the Agreement.

11. **Breach; Waiver.**

In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach.

12. **Notice.**

Notice or demand or other communication between or among the parties shall be sufficiently given if sent by mail, postage prepaid, return receipt requested or delivered personally:

(a) As to EDA: Economic Development Authority of the City of South St. Paul
125 3rd Avenue N
South St. Paul, MN 55075
Attn: ______________

(b) As to Developer: The Beard Group, Inc.
750 Second St. NE
Hopkins, MN 55343
Attn: William H. Beard

13. **Counterparts.**

This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

14. **Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

15. **Incorporation.**

The Recitals set forth in the preamble to this Agreement and the Exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.
IN WITNESS WHEREOF, the Developer has caused this Agreement to be duly executed in its name and behalf and the EDA has caused this Agreement to be duly executed in its name and behalf as of the day and year first above written.

DEVELOPER:

THE BEARD GROUP, INC.

By: ____________________________

Its: ____________________________
EDA:

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF SOUTH ST. PAUL

By: __________________________
President James P. Francis

By: __________________________
Executive Director Ryan Garcia

CITY:

CITY OF SOUTH ST. PAUL

By: __________________________
Mayor James P. Francis

By: __________________________
City Clerk Christy Wilcox
EXHIBIT A

DESCRIPTION/DEPICTION OF PROPERTY

PROPERTY 1:
Properties owned by the EDA: 36-72850-05-041, 36-72850-04-181, and 36-72850-05-164

PROPERTY 2:
EDA will seek to acquire / obtain site control: 36-72850-04-200 and 36-72850-04-240
EXHIBIT B
DEVELOPMENT PROPOSAL