City of South St. Paul
Economic Development Authority Agenda
Monday, June 1, 2020
IMMEDIATELY FOLLOWING THE CONCLUSION OF THE 7:00 P.M. MEETING OF THE
CITY COUNCIL

Please be advised that the regular meeting location is City Hall Council Chambers located at 125
3rd Ave. N., South St. Paul, but pursuant to Minn. Stat. 13D.021, under the current emergency
declaration due to the COVID-19 health pandemic, some or all of the commissioners may
participate in remote locations using Web-Ex. Please be advised that City Hall is closed to the
public, therefore, any member of the public wishing to monitor the meeting may do so electronically
by logging in as follows:

WebEx Meeting
For the Public
Join by phone: 1-312-535-8110
Access Code: 133 941 3305

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 May 4, 2020

5. GENERAL BUSINESS:
   A. Approval of Amendment #1 to Development Agreement – 121 Hardman Court
   B. Review and action on a proposed fence in the Wilson Heights Subdivision

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:

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
Respectfully Submitted,

Ryan Garcia, EDA Executive Director
MINUTES OF
THE ECONOMIC DEVELOPMENT AUTHORITY
CITY OF SOUTH ST. PAUL
DAKOTA COUNTY, MINNESOTA

Regular Meeting
May 4, 2020
WebEx Meeting Due to COVID-19 Pandemic

1. CALL TO ORDER

President Francis called the meeting to order at 8:11PM.

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 Seaberg moved and Commissioner Hansen seconded approval of the agenda.

Motion carried 7 ayes / 0 nays

4. CONSENT

A. EDA Meeting Minutes of April 6, 2020
B. Approval of Satisfaction of Mortgage – Resolution 2020 – 5
C. Approval of Satisfaction of Mortgage – Resolution 2020 – 6
D. Approval of Satisfaction of Mortgage – Resolution 2020 – 7

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

Motion carried 7 ayes / 0 nays

5. PUBLIC HEARINGS

A. Approval to Convey Project Real Property at 121 Hardman Court – Resolution 2020-8
Mr. Garcia presented an overview of the Purchase and Development Agreement, which proposes the acquisition of EDA-owned property for the purposes of light industrial office-warehouse development. President Francis opened the public hearing at 8:25 PM, and after successive calls for public comment went unanswered, closed the public hearing.

Motion/Second: Commissioner Kaliszewski moved and Commissioner Hansen seconded a motion to approve Resolution 2020-8.

Motion carried 7 ayes/0 nays

6. GENERAL BUSINESS

A. Acceptance of Proposal and Approval to Award Contract for Sprinkler Head Project at the John Carroll (300 Grand Avenue West) and Nan McKay (200 Marie Avenue) Highrises.

Mr. Garcia reported that three proposals were received for the sprinkler head replacement project, with the lowest responsible bidder being Dynamic Fire Protection with a total bid cost of $136,525.

Motion/Second: Commissioner Hansen moved and Commissioner Forester seconded a motion to approve award of contract for Sprinkler Head Replacement Project to Dynamic Fire Protection.

Motion carried 7 ayes/0 nays

B. Acceptance of Proposal and Approval to Award Contract for Parking Lot Repaving Project at the John Carroll (300 Grand Avenue West) and Nan McKay (200 Marie Avenue) Highrises

Mr. Garcia reported that two proposals were received for the parking lot repaving project, with the lowest responsible bidder being Asphalt & Concrete, Inc. (ACI) with a total bid cost of $120,000.

Motion/Second: Commissioner Kaliszewski moved and Commissioner Flatley seconded a motion to approve award of contract for the Parking Lot Repaving Project to Asphalt & Concrete, Inc.

Motion carried 7 ayes/0 nays

C. Approval of an Amendment to Lease Agreement – 135 Grand Avenue East

Mr. Garcia provided a summary of a proposed lease amendment with MLCV/2020 Brands for property at 135 Grand Avenue East.

Motion/Second: Commissioner Forester moved and Commissioner Hansen seconded approval of an amendment to lease agreement for EDA-owned property at 135 Grand Avenue East.

Motion carried 7 ayes/0 nays
D. Approval of a Purchase Agreement with JBL Properties, LLC for Real Property located at 139 Grand Avenue East

Mr. Garcia provided a summary of a proposed purchase agreement with JBL Properties for property at 139 Grand Avenue East. The purchase for the purposes of fostering redevelopment consistent with the City’s Comprehensive Plan and the Hardman Triangle Redevelopment Plan is proposed to close by June 30, 2020 at an acquisition cost of $1,630,000. A 90-day contingency period is provided for due diligence.

Commissioners expressed the importance of the agreement including provisions relating to environmental conditions of the property that would be attributable to the property owner’s existing business, and the resulting impacts on property value.

Commissioners inquired about the existing business’ timeline to vacate the property, and a desire to see the property “cleaned up” by the existing business. Mr. Garcia noted that although it had been approximately one year since any code violation investigations had been conducted, at that time the property was not found to be in violation of any approvals or existing codes or ordinances.

Motion/Second: Commissioner Seaberg moved and Commissioner Flatley seconded approval to enter into a purchase agreement with JBL Properties LLC for the acquisition of real property at 139 Grand Avenue East, subject to minor modifications to the agreement by legal counsel.

Motion carried 7 ayes/0 nays

E. Discussion: Temporary Use of EDA-owned Property during the North Concord Street Reconstruction Project

Mr. Garcia advised that during the course of the Concord Street reconstruction project in 2021 – 2022, impacts to properties in the vicinity of the Waterous Street and Concord Street intersection might be minimized if adjacent EDA-owned property were allowed to be utilized for temporary parking/storage of vehicles. Mr. Mikhail clarified that no formal action was requested at this time, but that the Commission’s input and general consensus that this approach would be acceptable was sufficient at this time. More formal action may be requested at a future meeting.

7. FUTURE FOLLOW-UP ITEMS

Commissioner Flatley requested an update on a previously discussed taproom development. Mr. Garcia relayed that the business was still active in pursuing a location in South St. Paul.

8. ADJOURNMENT

Motion/Second: Commissioner Dewey moved and Commissioner Hansen seconded the motion to adjourn the meeting at 9:22 PM.
Motion carried 7 ayes/0 nays

Approved: June 1, 2020

Renee Schmitt
Renee Schmitt, Secretary
Agenda Item: Approval of Amendment #1 to Development Agreement - 121 Hardman Court

Action to be considered:
Motion to approve Amendment #1 To Development Agreement with AVM Group, LLC, subject to minor modifications by legal counsel.

Overview:
Background
At the May 5 meeting of the Economic Development Authority (EDA), the EDA considered and approved entering a purchase and development agreement for the acquisition and development of vacant EDA-owned property at 121 Hardman Court. The buyer, AVM Construction proposes constructing an approximately 21,000 square foot office-warehouse building that would house their construction company, AVM Construction, in approximately 1/3 of the building. In addition, the developer proposes offering the balance of the building for additional light industrial tenants.

The Developer has submitted application materials for the City’s Plan Commission, and the project will be considered at a June 3 public hearing. As a component of their submittal, it has been determined that the existing stormwater pond (on the west edge of the site, straddling the property line) will require modification to meet the City’s current stormwater standards. Unfortunately, when the site was initially platted and the ponds were initially installed, the City utilized a different stormwater standard in the design and construction of the ponds.

The Developer has agreed to make the needed modifications to “right-size” the pond to accommodate industrial development at both 121 Hardman Court AND 285 Hardman Avenue (which will remain in EDA ownership). However, to do so, the project will require additional earth work and modification to the existing pond easement – scope items that were not apparent at the time of the initial offer to purchase. As discussed at the May 26 Council Worksession, Staff is proposing an amendment to the Development Agreement which would reduce the purchase price commensurate to the additional site costs for expanding the stormwater management area. The Developer received two quotes for the work and based upon the low quote we are proposing a reduction in purchase price from $210,000 to $173,000.

Funding Sources and other fiscal considerations:
City costs for the environmental mitigation measures are proposed to be derived from the City’s closing proceeds.
FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (this “First Amendment”) is made, entered into and effective this _____ day of ______________, 2020, by and between the South St. Paul Economic Development Authority, a public body corporate and politic organized under the laws of Minnesota (“EDA”), and AVM Group LLC, a Minnesota limited liability company (“Buyer”).

RECITALS

WHEREAS, the EDA and Buyer entered into a Development Agreement on May 5, 2020 (“Development Agreement”) for the purchase and sale of real property identified in the Development Agreement.

WHEREAS, the parties to the Development Agreement are the same parties in this First Amendment.

WHEREAS, the EDA and Buyer desire to amend certain provision of the Development Agreement including the Purchase Price.

NOW, THEREFORE, the EDA and Buyer hereto state, acknowledge and agree as follows:

Section 1. Amendment of Section 2.2. The purchase price to be paid by Buyer to EDA for the Property shall be Two Hundred Ten Thousand Dollars ($210,000.00) One Hundred Seventy-Three Thousand Dollars ($173,000) (the “Purchase Price”) payable as follows: (a) Ten Thousand and No/100 Dollars ($10,000.00), as earnest money, to be paid to DCA Title, Inc. (“Title”), at contract signing; and (b) the balance on the Closing Date subject to those adjustments, prorations and credits described in this Agreement, in cash or certified funds or by wire transfer pursuant to instructions from Seller.

Section 2. Amendment to Exhibit B. Exhibit B to the Development Agreement is hereby deleted and replaced in its entirety with the Exhibit B as attached hereto.

Section 3. Incorporation of First Amendment into Development Agreement. This First Amendment is hereby incorporated and made a part of the Development Agreement.

Section 4. Continuing Effect. The other terms and conditions of the Development Agreement remain in full force and effect.

[The remainder of this page was intentionally left blank.]
IN AGREEMENT, the parties hereto have hereunto set their hands as of the date hereinbefore first written.

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 __________, 2020 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:
AVM GROUP LLC

By:________________________________________
    Mike Klun
    Its: Vice President

STATE OF MINNESOTA       )
COUNTY OF HENNEPIN      ) ss.

The foregoing instrument was acknowledged before me this ___ day of __________________, 2020 by Mike Klun, the Vice President of AVM GROUP LLC, a Minnesota limited liability company, on behalf of said limited liability company.

________________________________________
Notary Public

This document was drafted by and after recording, please return to:

Korine L. Land, #262432
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
651-451-1831
EXHIBIT B
MINIMUM IMPROVEMENTS

To be inserted at Closing
**Agenda Item:** Review and action on a proposed fence in the Wilson Heights Subdivision

**Action to be considered:**
Review and approval or denial of a request by adjoining homeowners at 1445 and 1455 Stickney Avenue for the construction of fencing.

**Overview:**
Two homeowners are seeking approval for the construction of a fence in the Wilson Heights Subdivision, with property addresses at 1445 and 1455 Stickney Avenue. Per the terms of Restrictive Covenants established in 2003 at the time of platting for Wilson Heights, the South St. Paul HRA serves as the “Architectural Committee”. The Covenants provide that “No fence may be constructed unless reviewed and approved by the Architectural Committee”. Council Resolution 2015-197 transferred all “control, authority, and operation” of HRA programs and projects from the HRA to the EDA. Thus, the EDA is obligated to act as the “Architectural Committee” within the Wilson Heights Subdivision. In staff’s opinion, this is unconventional and should be discussed and considered at a future meeting.

The EDA (as “Architectural Committee”) is being asked to review and approve the construction of series of fences on two single-family residential properties located at 1445 and 1455 Stickney Avenue. Plans and cut sheets for the fencing have been provided. The Covenants provide no objective standards by which the Architectural Committee should review these requests, thus Staff’s opinion is that this is purely a “judgment call” for the EDA to make.

If the EDA approves the construction of these fence elements, a fence permit application would be processed through the City’s normal process. An application has been submitted, and it appears that in its current configuration the application would require a variance (they are proposing a privacy fence in the “front yard” of 1445 Stickney, which by code calls Wilson Avenue its “front yard” as that is the shorter side of this corner lot. Otherwise, the proposed fencing meets the City’s ordinance requirements for issuance of a fence permit.

**Funding Sources and other fiscal considerations:**
N/A.
with Swoop
Smooth Finish
Ideal for transitioning from low to high fence.

MAJESTIC™

Modern Beauty

Majestic’s flush top rail projects a clean, strong appearance. One of the most popular styles in the Montage line, it is available with arched walk gates that perfectly match this fence. You will find:

- 2-rail panels in 3', 3½', 4' and 5' heights
- 3-rail panels in 7' and 8' heights