

City of South St. Paul

Economic Development Authority Agenda

Monday, June 7, 2021

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 Meeting Minutes of May 3, 2021
- B. Approval of Satisfaction of Mortgage #1012
- C. Approval of Satisfaction of Mortgage #1057

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

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
May 3, 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 May 3, 2021 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 8:09 p.m.

2. ROLL CALL

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

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 Seaberg moved and Commissioner Dewey seconded approval of the agenda.

Motion carried 7 ayes / 0 nays

4. CONSENT

A. EDA Meeting Minutes of April 5, 2021

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

Motion carried 7 ayes / 0 nays

5. GENERAL BUSINESS

- A. Approval to Sell Real Property at 285 Hardman Avenue South to Beck Properties of Minnesota LLC - Resolution 2021 – 15

Mr. Garcia provided a summary of the proposed acquisition by Beck Properties of Minnesota LLC of EDA-owned property at 285 Hardman Avenue South. The Developer proposes acquiring the property for \$245,000 and constructing a 28,800 square foot office building for their transportation engineering services company. The key terms and provisions of the purchase and development agreement were reviewed. Commissioner Seaberg asked if it would be possible to allow the developer to begin soil surcharge prior to closing, and Mr. Garcia and Mr. Mikhail agreed that a separate agreement could be drafted to this effect.

Motion/ Second: Commissioner Hansen moved and Commissioner Bakken seconded a motion to Approve Resolution 2021 – 15.

Motion carried 7 ayes / 0 nays

6. GENERAL BUSINESS

- A. CLOSED SESSION: Developing or Considering Offers or Counter-offers for the Purchase of Real Property Located at 843 Hardman Avenue

President Francis requested a motion to close the meeting subject with Minn. Stats. 13D.05 Subd. 3 (c) (3) to develop or consider offers for the purchase of real property at 843 Hardman Avenue.

Motion/ Second: Commissioner Bakken moved and Commissioner Dewey seconded a motion to close the meeting.

Motion carried 7 ayes / 0 nays

Motion/ Second: Commissioner Hansen moved and Commissioner Seaberg seconded a motion to reopen the meeting.

Motion carried 7 ayes / 0 nays

7. FUTURE FOLLOW-UP

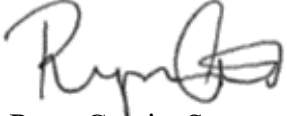
There were no items identified for future discussion.

8. ADJOURNMENT

Motion/ Second: Commissioner Hansen moved and Commissioner Seaberg seconded the motion to adjourn the meeting at 9:11 p.m.

Motion carried 7 ayes / 0 nays

Approved:

A handwritten signature in black ink, appearing to read "Ryan Garcia", written over a light blue horizontal line.

Ryan Garcia, Secretary



EDA Agenda Item Report

Date: June 7, 2021

EDA Executive Director: 

4-B

Agenda Item: Approval of Satisfaction of Mortgage – Applicant #1012

Action to be considered:

Motion to approve Resolution No. 2021-16

Overview:

Applicant #1012 received an HRA rehabilitation loan of \$15600.00 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. 2021-16, 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. 2021-16

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 #1012 in the amount of \$15,600.00;

WHEREAS, such mortgage recorded on November 3, 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 7 day of June 2021

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: June 7, 2021
(month/day/year)

THAT CERTAIN MORTGAGE owned by the undersigned, dated October 30, 2014, executed by _____
(month/day/year)

Laurie L. Nelson, 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 November 03, 2014, as Document Number 3037013 (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 June 7, 2021, 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: June 7, 2021

EDA Executive Director: 

4-C

Agenda Item: Approval of Satisfaction of Mortgage – Applicant #1057

Action to be considered:

Motion to approve Resolution No. 2021-17

Overview:

Applicant #1057 received an HRA rehabilitation loan of \$3,100.00 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. 2021-17, 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. 2021-17

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 #1057 in the amount of \$3,100.00;

WHEREAS, such mortgage recorded on October 17, 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 7 day of June 2021

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: June 7, 2021
(month/day/year)

THAT CERTAIN MORTGAGE owned by the undersigned, dated October 8, 2014, executed by _____
(month/day/year)

Dawn McLean and Paul Englund, 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 17, 2014, as Document Number 3034650 (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 June 7, 2021, 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



Agenda Item: Hardman Triangle Update

Action to be considered:

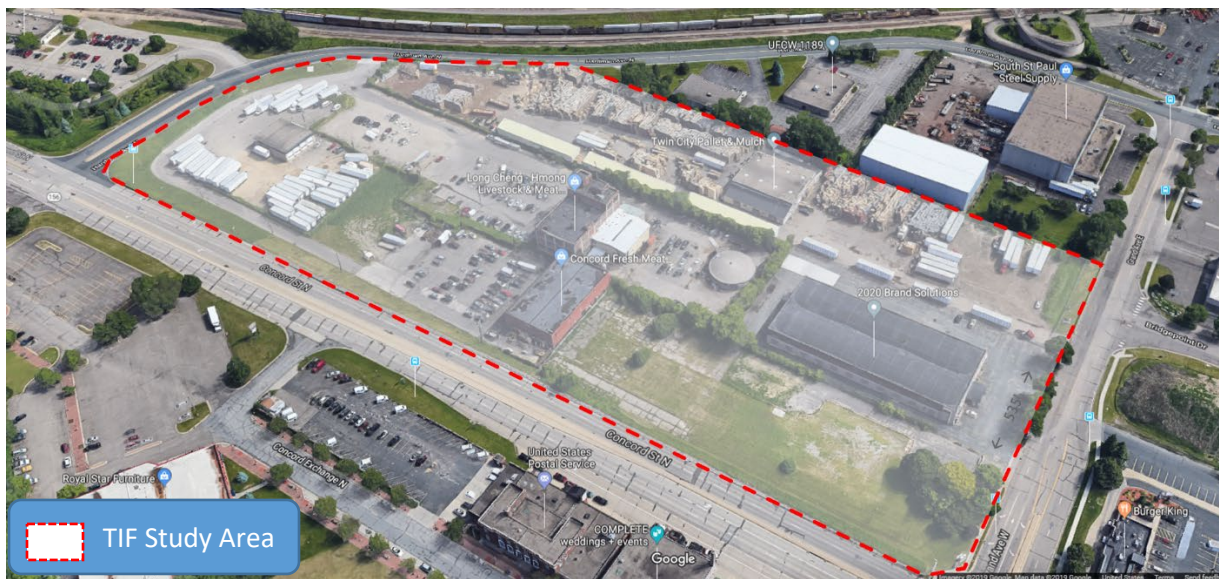
Staff is seeking to update the Council and confirm consensus on three topics related to the Hardman Triangle Redevelopment Initiative:

1. Authorization/Approval of a Proposal from LHB, Inc. to complete a TIF Analysis for the Hardman Triangle.
2. Discussion and direction on the approach to EDA-owned vacant building at 135 Grand Avenue East.
3. Discussion and direction on 2022 Bonding Bill and Hardman Triangle related Bonding Priorities.

Discussion:

LHB Proposal – TIF Analysis

Staff has received a proposal from LHB, Inc. to complete Redevelopment Tax Increment Finance District analysis for the area depicted in the map below.



LHB proposes conducting an assessment of the district for the 70% “coverage test” required by Statute, as well as assessing 3 of the 5 buildings within the proposed district for conditions meeting the statutory definition of “blight”. Upon completion of their assessment, LHB will prepare a report that would be filed at the time of Redevelopment TIF District Creation, if statutory provisions are found to be met within the district. LHB’s proposed fee for this service is **\$7,900**. LHB recently assisted the EDA with a similar study for the Grand Avenue Gateway Redevelopment TIF District and is considered the standard-bearer in the State of Minnesota for TIF District Creation Analysis. Staff requests the EDA’s authorization to accept LHB’s proposal and begin the work this summer. The EDA will recall that the TIF Analysis, if findings indicate that the statutory requirements for a Redevelopment TIF are met, is valid for up to three years following the EDA’s determination of blight (via resolution).

135 Grand Avenue East

In January 2021, the EDA came to a consensus that we should “hold off” on demolition of the EDA-owned building at 135 Grand Avenue East (2020 Brands), but to prepare for eventual demolition/redevelopment. As of June 1, 2021, the building is completely vacant. Staff is prepared to terminate utility services to the property upon confirmation from the EDA that this approach remains the preferred course of action. We have coordinated with Xcel and are in receipt of estimates from private excavation companies for utility cutoffs at the property, and anticipate that the total cost of these services will meet the City’s “Micro Purchase” threshold and thus not require formal council or board approval. Thus, if the EDA is in agreement that terminating utility services to the building is preferred, we will proceed with the lowest responsive and responsible proposal we receive for utility cutoffs. To be clear, this approach effectively commits the EDA to owning a vacant building and NOT seeking even short-term occupants/tenants, and likely signals demolition of the building in the future. Staff would suggest that we consider seeking demolition bids in the Winter of 2021 / 2022.

One thing to note – Staff has been approached by both the South St. Paul Police Department and South Metro Fire about the possibility of conducting training exercises in the 135 Grand Avenue Building. Unless the EDA has any concerns or objections to this, we would suggest this is a unique and good opportunity for partnership with those vital agencies.

2022 Bonding Bill

As discussed most recently at the May 24 Worksession, one of the Council’s identified priorities for the 2022 Bonding Bill is “The Hardman Triangle”. Staff continues to stress the wisdom in methodically advancing our repositioning and revitalization efforts for this key site, and creatively aligning potential funding sources is an important piece of the puzzle. For 2022 Bonding, the site is simply not “ripe” for a coherent Capital Bonding request directly for redevelopment purposes. The two biggest issues are that (a) there is not currently a committed, concrete development project designed and “ready to go” for the site, only a general concept and (b) to fully realize the vision of the Hardman Triangle Redevelopment Strategy, additional analysis and collaboration with existing private industrial development users in the Triangle is needed.

In collaboration with Reps. Franke and Hansen and the House Capital Investment Committee, Staff has determined that for 2022 the City’s most reasonable “Bonding Bill” request, while only tangentially related to the Hardman Triangle, should be a request for a General Fund Cash Appropriation (not GO Bonds). The request would be to provide assistance with predesign and design activities for new industrial facilities centered around food processing businesses owned by proprietors of Southeast Asian descent. The Capital Investment Committee’s recommended Equity Appropriations Bill (Article 3, House File No. 337-2) identifies an appropriation of \$1,000,000 for these purposes, and Rep. Hansen’s suggestion is that we follow this with a formal request for assistance in the 2022 Bonding Bill. While this funding, if awarded, would not directly impact the Hardman Triangle, it is understood that in order to reposition several of the currently privately-operated facilities in the Triangle new facilities would need to be identified. In this way, the 2022 Appropriation would help us advance the discussion on the Hardman Triangle.

Funding Sources and other fiscal considerations:

If authorized, the EDA has sufficient resources in its budget for professional services to undertake the LHB TIF Study. The 2020 Building is located within the Concord Street TIF District and demolition activities are an eligible redevelopment cost in this district.