

City of South St. Paul
Economic Development Authority Agenda

Monday, March 7, 2016
following City Council Meeting
Council Chambers

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 Minutes of February 16, 2016

5. PUBLIC HEARINGS:

6. GENERAL BUSINESS:

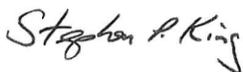
A. Approve amended assignment of development contract from SSP Homes to Mitchell A. and Kayla J. Millner regarding 119 19th Avenue South.

B. Status of 131 – 7th Avenue North

C. Reorganization process update – verbal only

7. ADJOURNMENT:

Respectfully Submitted,



Stephen P. King, EDA Executive Director

MINUTES OF THE ECONOMIC DEVELOPMENT AUTHORITY
CITY OF SOUTH ST. PAUL
DAKOTA COUNTY, MINNESOTA

Regular Meeting
February 16, 2016
City of South St. Paul, Council Chambers

1. CALL TO ORDER

Chair Beth Baumann called the meeting to order at 7:45 p.m.

2. ROLL CALL

Members Present: Chair Baumann and Commissioners Flatley, Niederkorn, Podgorski, Rothecker, Seaberg

Members Absent: Commissioner Hansen

Staff Present: Shelly Anderson, Assistant to Administrator, Christy Wilcox, Secretary, City Attorney, Kori Land

3. AGENDA

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

Motion carried 7 ayes/0 nays

4. CONSENT AGENDA

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

A. EDA Minutes of February 1, 2016

Motion carried 7 ayes/0 nays

5. PUBLIC HEARINGS

There were no public hearings.

6. GENERAL BUSINESS

A. Moved/Seconded: Commissioner Seaberg moved and Commissioner Podgorski seconded the approval of Amendment No. 3 to Purchase Agreement with Interstate Partners.

Motion carried 7 ayes/0 nays

B. Moved/Seconded: Commissioner Rothecker moved and Commissioner Niederkorn seconded approving the 2016 Progress Plus scope of services and proposed work plan.

Motion carried 7 ayes/0 nays

7. ADJOURNMENT

Motion/Second: Commissioner Niederkorn moved and Commissioner Seaberg seconded the motion to adjourn the meeting at 7:52 p.m.

Approved: March 7, 2016

Christy Wilcox, Secretary



EDA Agenda Item Report

6-A

Date March 7, 2016

EDA Executive Director: SPK

Agenda Item: Approve amended assignment of development contract from SSP Homes to Mitchell and Kayla Milner regarding 119 19th Avenue South

Action to be considered:

Motion to approve amended assignment

Overview:

As a part of the Rediscover South St. Paul program, the South St. Paul HRA entered a Contract for Private Redevelopment for property located at 119 – 19th Avenue South on March 10, 2015. The Rediscover purchaser was South St. Paul Homes, LLC. The contract was recorded on March 23, 2015. The purchaser, however, did not proceed with redevelopment on the site.

On March 16, 2015, the City formed the Economic Development Authority. As part of the City Council meeting of December 21, 2015, the City Council authorized the transfer of HRA projects, programs and staff to the EDA. As part of the EDA Board meeting of January 19, 2016, the EDA Board authorized and accepted an assignment of the rights and obligations held by the South St. Paul HRA with regard to the reacquisition of 119 19th Avenue South.

New buyers have been found for the property (Mitchell A. Millner and Kayla J. Millner). On February 25, 2016, South St. Paul Homes, LLC sold, transferred and conveyed 119 19th Avenue South to the Millners. The EDA Board now needs to approve an assignment and assumption agreement, which enables the Millners to ‘step into the shoes’ of South St. Paul Homes. Parties to the agreement include the HRA, the EDA, South St. Paul Homes, LLC, and Mitchell A. Miller and Kayla J. Millner.

Attached is an assignment and assumption agreement prepared by Kenneth Rohlf, legal counsel for the HRA and EDA.

Funding Sources and other fiscal considerations: N/A

**ASSIGNMENT AND ASSUMPTION AGREEMENT
AND AMENDMENT TO CONTRACT FOR PRIVATE REDEVELOPMENT**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is made as of this **7th day of March, 2016**, by and between the **Housing and Redevelopment Authority in and for the City of South St. Paul**, a public body corporate and politic under the laws of the State of Minnesota, (hereinafter "**City Assignor**"), the **South St. Paul Economic Development Authority**, a public body corporate and politic organized and existing under the laws of the State of Minnesota (hereinafter "**City Assignee**"), **South St. Paul Homes, LLC** (hereinafter referred to as the "**Redeveloper Assignor**") and **Mitchell A. Millner and Kayla J. Millner**, husband and wife, (hereinafter referred to as the "**Redeveloper Assignee**").

RECITALS

- A. On March 10, 2015, the City Assignor and the Redeveloper Assignor entered into a Contract for Private Redevelopment for real property located at 119 – 19th Avenue South, South St. Paul, Minnesota and legally described on Exhibit A, attached hereto and incorporated herein by reference ("**Property**").
- B. On March 23, 2015, the Contract for Private Redevelopment for the Property between the City Assignor and the Redeveloper Assignor was recorded with the Dakota County Recorder's Office as Document Number 3057707.
- C. On March 16, 2015, the City of South St. Paul formed the South St. Paul Economic Development Authority ("**City Assignee**"), a public body corporate and politic organized and existing under the laws of the State of Minnesota with the powers contained in Minn. Stat. Section 469.001 through 469.047 and Minn. Stat. Section 469.090 through 469.1082.
- D. On February 25, 2016, Redeveloper Assignor sold, transferred and conveyed the Property to the Redeveloper Assignee.

- E. City Assignor wishes to assign, transfer and convey all of its rights, duties and obligations as a party to the Contract for Private Redevelopment for the Property to City Assignee and City Assignee desires to assume all of City Assignor's rights, duties and obligations thereunder.
- F. Redeveloper Assignor wishes to assign, transfer and convey all of its rights, duties and obligations as a party to the Contract for Private Redevelopment for the Property to Redeveloper Assignee and Redeveloper Assignee desires to assume all of Redeveloper Assignor's rights, duties and obligations thereunder.
- G. The City Assignee and the Redeveloper Assignee understand that the Redeveloper Assignee will submit to the City of South St. Paul new Construction Plans for the new Minimum Improvements to be constructed on the Property. Notwithstanding the foregoing sentence, the City Assignee and the Redeveloper Assignee understand and agree that the Redeveloper Assignee shall, in all events, complete the construction of the new Minimum Improvements prior to February 25, 2017.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein, the undersigned agree as follows:

1. By executing and delivering this Agreement, City Assignor assigns, transfers and conveys all of its rights, duties and obligations as a party to the Contract for Private Redevelopment for the Property to City Assignee and City Assignee assumes all of City Assignor's rights, duties and obligations thereunder.
2. By executing and delivering this Agreement, Redeveloper Assignor assigns, transfers and conveys all of its rights, duties and obligations as a party to the Contract for Private Redevelopment for the Property to Redeveloper Assignee and Redeveloper Assignee assumes all of Redeveloper Assignor's rights, duties and obligations thereunder.
3. The City Assignee and the Redeveloper Assignee agree that the Redeveloper Assignee shall submit to the City of South St. Paul new Construction Plans for the new Minimum Improvements to be constructed on the Property.
4. The City Assignee and the Redeveloper Assignee agree that, in all events, the Redeveloper Assignee shall complete the construction of the new Minimum Improvements prior to February 25, 2017.
5. The City Assignee and the Redeveloper Assignee agree that all other terms and provisions contained within the Contract for Private Development shall remain the same.

IN WITNESS WHEREOF, the undersigned have caused this Assignment and Assumption of Contracts to be executed as of the date first above written.

CITY ASSIGNOR:

Housing and Redevelopment Authority in and for the City of South St. Paul, a public body corporate and politic under the laws of the State of Minnesota

By: _____
Name: Stephen P. King
Its: Executive Director

CITY ASSIGNEE:

South St. Paul Economic Development Authority, a public body corporate and politic organized and existing under the laws of the State of Minnesota

By: _____
Name: Beth Baumann
Its: President

By: _____
Name: Stephen P. King
Its: Executive Director

REDEVELOPER ASSIGNOR:

South St. Paul Homes, LLC, a Minnesota limited liability company

By: _____
Name: William S. Purdy
Its: Chief Manager

REDEVELOPER ASSIGNEE:

By: _____
Name: Mitchell A. Millner

By: _____
Name: Kayla J. Millner

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

Lots 25 and 26, Block 1, Oak View Addition to South St. Paul, Dakota County, Minnesota, together with that part of the vacated alley adjacent thereto, which accrued thereto, by reason of the vacation thereof, AND together with that part of vacated Nineteenth Avenue South adjacent thereto, which accrued thereto, by reason of the vacation thereof, AND together with an easement over that part of the Westerly One-Half (W1/2) of Nineteenth Avenue South, South St. Paul, Minnesota, now vacated lying between the Northerly boundary of Lot Five (5) and the Southerly boundary of Lot Eight (8), Block Two (2), Oak View Addition to South St. Paul, extending easterly for street purposes.



EDA Agenda Item Report

March 7, 2016

EDA Executive Director: SPK

6-B

Agenda Item: Status of 131 – 7th Avenue North

Action to be considered: Discuss the purchase of 131 – 7th Avenue North

Overview:

All of the properties on 7th Avenue North between Marie and 2nd Street North were acquired by the South St. Paul HRA with the exception of 131 – 7th Avenue North. We have been in negotiations with the owner, Kathy Wiebusch, since March 2015.

The property was appraised by Larry Danich in March 2015 with a value of \$40,000. Offers were made and rejected between May and August of 2015. The last offer of \$84,000 was made in August 2015. Due to personal difficulties, Ms. Wiebusch was unable to accept the offer and we have not been in contact until I received an email on February 29, 2016.

Ms. Wiebusch will sell the property for \$107,000. I let her know that I could get the \$84,000 approved but not \$107,000.

This is the last building on the 7th Avenue North block. We currently have \$71,000 remaining in the DEED Special Grant which could be used to purchase the property. Ms. Wiebusch stated that she will put the property on the market if we do not purchase it for her price.

Funding Sources and other fiscal considerations: DEED Special Grant