



# South St. Paul

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**EDA WORKSESSION AGENDA**  
SSP City Hall  
125 3<sup>rd</sup> Avenue North

Monday, June 11, 2018  
Immediately following  
6:30 PM - HRA Annual Meeting

AGENDA:

1. Progress Plus Update
2. Economic Development Advisory Board Vacancy
3. EDA-Managed Parking Lot Leases – Update/Discussion



City Advisory Board or Commission Application - Submission #4694

Date Submitted: 5/17/2018

Application for Appointment to City Advisory Board or Commission

One of the highest ideals of citizenship is personal involvement in the democratic process. City Advisory Boards and Commissions provide participation in issues concerning the community and its residents. We welcome your application to serve on a City Advisory Board or Commission. Please furnish complete information to assist us in giving your application full consideration. Additional information, which further qualifies you, may be attached to this application.

Select the Advisory Board or Commission applying for\*

Check all that apply

- Airport Advisory Commission\*
- Library Board
- Central Square Board
- NCD4
- Charter Commission
- Parks & Recreation Advisory Commission
- Civil Service Commission
- Planning Commission
- Economic Development Commission
- LMRWMO

\*If applying for the Airport Advisory Commission, please indicate your association with Fleming Field Airport

Check all that apply

- Airport Tenant's Association
- Airport Neighbor - SSP Resident
- Airport User - Hangar Owner
- Airport Non-Profit Organization
- Airport User - Aircraft Owner and Hangar Renter
- Airport Business Community
- Airport Neighbor - IGH Resident

Top Choice\*

Economic Development Commission

List which Advisory Board or Commission you are most interested in serving on.

Personal Information

First Name\*

Joshua

Last Name\*

Dormady

**Address1\***

433 3rd Avenue South

**Address2**

**City\***

South St. Paul

**State\***

MN

**Zip\***

55075

**Phone Number\***

651-245-3064

**Email Address\***

jd51d@aol.com

**Employer\***

Fastenal

**Occupation\***

Sales

**Qualifications**

Please answer the following questions.

**Do you have any special qualifications that you feel would help you be effective on a board or commission (i.e. work experience, education, volunteer experience, etc.)?**

I am currently Vice Chair on the Parks and Recreations Commission and I have an understanding of commission processes.

**List two or three goals that you would like to see accomplished during your service.**

Bring in more business  
Grow our relationships with existing businesses  
Help plan future build sites for businesses

**What is your primary interest in serving on a City of SSP Advisory Board or Commission?**

I think that we need a sales minded individual on this commission to get out and sell our community and the benefits of having their business in our city.

**Organization Membership Information**

**Are you currently serving on other Boards, Commissions, or Committees?\***

- Yes
- No

**If yes, which**

Parks and Recreation

**Have you served on a Board, Commission, or Committee before?\***

- Yes
- No

**If yes, which**

Parks and Recreation

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**Consent to Release Private Data**

If appointed to an Advisory Board or Commission, I authorize the City of South St. Paul to release the following private data upon request made to the City. You must list at least one phone number or email address to be made public.

**Phone Number**

**Business Phone Number**

**Personal Email Address**

jd51d@aol.com

**Business Email Address**

I also authorize the City of South St. Paul to release such authorized private data referenced above to members of the general public, City staff, Mayor and City Council members. This authorization shall be modified or cancelled only upon written notice to the City of South St. Paul, 125 3rd Ave. N., South St. Paul, MN 55075. I agree to relinquish and waive all claims that may arise against the City, its agents or employees for releasing any and all authorized data referenced above relating to this agreement.

By submitting your application electronically, you have agreed to all terms listed above.



City of  
**SOUTH ST. PAUL**  
Minnesota

### APPLICATION FOR APPOINTMENT TO CITY ADVISORY BOARD OR COMMISSION

One of the highest ideals of citizenship is personal involvement in the democratic process. City Advisory Boards and Commissions provide participation in issues concerning the community and its residents. We welcome your application to serve on a City Board or Commission.

Please furnish complete information to assist us in giving your application full consideration. Additional information, which further qualifies you, may be attached to this application.

#### APPLICANT INFORMATION

Name: <u>Greg Handwerk</u>	Date: <u>5-8-2018</u>
Address: <u>148 - 17<sup>th</sup> AVE S.</u>	City/State/Zip: <u>SSP, MN 55075</u>
Employer: <u>Transport America</u>	Occupation: <u>VP of Business Development</u>
Phone: <u>651-592-5152</u>	E-mail: <u>hgreg@comcast.net</u>

#### BOARD/COMMISSION

Please rank in order the boards/commissions on which you would like to serve (leave blank any on which you do not wish to serve):

- |  |   |
|--|---|
| <u>6</u> Airport Advisory Commission*        | <u>8</u> Library Board (Resident)                                     |
| <u>2</u> Central Square Board                | <u>9</u> NDC4 (Northern Dakota County Cable Communication Commission) |
| <u>5</u> Charter Commission (Resident)       | <u>4</u> Parks & Recreation Advisory Commission (Resident)            |
| <u>7</u> Civil Service Commission (Resident) | <u>1</u> Planning Commission  |
| <u>3</u> Economic Development Commission     |   |

\* If applying for the Airport Advisory Commission, please indicate your association with Fleming Field Airport (check all that apply):

- |   |  |
|---|--|
| <input type="checkbox"/> Fleming Field Airport Tenant's Association | <input type="checkbox"/> Fleming Field Airport Business Community        |
| <input type="checkbox"/> Airport User - Hangar Owner                | <input type="checkbox"/> Airport User - Aircraft Owner and Hangar Renter |
| <input type="checkbox"/> Airport Neighbor - IGH Resident            | <input checked="" type="checkbox"/> Airport Neighbor - SSP Resident      |
| <input type="checkbox"/> Airport Non-Profit Organization            |  |

#### QUALIFICATIONS - Please answer the following questions:

Do you have any special qualifications that you feel would help you be effective on a board or commission (i.e. work experience, education, volunteer experience, etc.)?

Extensive experience with financial P&L statements  
Building relationships w/ employees & customers  
Leading people for 20+ years

List two or three goals that you would like to see accomplished during your service.

Give back to SSP and keep the City great  
Get involved in the future of SSP  
Help to keep our city be safe, strong, growing

What is your primary interest in serving on a board or commission?

Give back to SSP. The town I was born and raised in!

**CONSENT TO RELEASE PRIVATE DATA**

If appointed to an Advisory Board or Commission, I authorize the City of South St. Paul to release the following private data upon request made to the City (check all that apply). You must choose at least one phone number or e-mail address to be made public.

- Home Telephone Number 651-450-6079
- Work Telephone Number \_\_\_\_\_
- Cellular Phone Number 651-592-5152
- Home Email Address \_\_\_\_\_
- Work Email Address \_\_\_\_\_

I also authorize the City of South St. Paul to release such authorized private data referenced above to members of the general public, City staff, Mayor, and City Council members.

This authorization shall be modified or cancelled only upon written notice to the City of South St. Paul, Administration Department.

I agree to relinquish and waive all claims that may arise against the City, its agents or employees for releasing any and all authorized data referenced above relating to this agreement.

*My Handwritten Signature*  
Applicant Signature

5.23.18  
Date

**Return Application to:** City of South St. Paul  
Administration Department  
125 3<sup>rd</sup> Avenue North  
South St. Paul, MN 55075

This application will be kept on file for one year; after that time a new application must be filed.

The City of South St. Paul does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its services, programs, or activities. Upon request, accommodation will be provided to allow individuals with disabilities to participate in all City of South St. Paul services, programs, and activities.

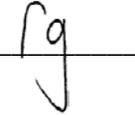
The City of South St. Paul does not discriminate on the basis of race, color, creed, religion, national origin, sex, sexual orientation, disability, age, marital status or status with regard to public assistance in employment or the provision of services.

Administration Office • 125 3<sup>rd</sup> Avenue North • South St. Paul, MN 55075 • 651-554-3203 • Fax: 651-554-3201



## EDA Worksession Report

Date: June 11, 2018

EDA Executive Director: 

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### **Agenda Item: Parking Lot Leases –**

#### **Desired Outcomes:**

At the June 11 meeting, Staff will provide the EDA with an update on the status of several parking lot leases that were historically negotiated between the HRA and various lessees. Now managed by the EDA, we hope to accomplish the following at the meeting:

- Develop for the EDA a working knowledge of the parking lot leases under the body's control.
- Discuss potential and/or desire for higher and better uses at specific parking lot sites.
- Determine what, if any, changes or modifications the EDA needs or wants to pursue with respect to parking lot leases.

#### **Overview:**

The EDA owns several properties throughout the City that are used by various private parties for vehicular parking. In most cases, such arrangements are governed by lease agreements between the individual parties and the South St. Paul Housing and Redevelopment Authority (HRA). With the creation of the Economic Development Authority (EDA) and various other administrative changes, the leases have legally transferred to the EDA. In total, the EDA (HRA) is party to 7 different lease agreements with 9 unique private entities. Lease terms, rates, and provisions vary on a case-by-case basis.

While these parking arrangements do serve as a source of revenue for the EDA, by and large these revenues are merely enough to perform routine upkeep and maintenance of the parking areas the EDA owns. In certain cases, by providing leased parking the EDA is helping certain businesses/property owners to viably sustain their operations and minimizing the amount of land area consumed by surface parking. That said, Staff's opinion is that the EDA should strive for a long-term strategy that is more efficient and economically sustainable if we are to continue to provide leased parking for private entities.

#### **Summary of EDA-Owned Leased Parking Areas:**

The table on the next page and accompanying map (attached) are intended to provide the EDA with an understanding of the basic status and geographic scope of our leased parking facilities as of June 2018. A couple of items Staff feels are especially noteworthy:

- We have been unable to find any evidence that Globe Publishing and Valentino's ever exercised a lease extension upon the expiration of the original multi-party agreement in 2004. Both parties are current in payment (although historically both have had periods of delinquency), but effectively this means that we do not have a long-term, enforceable lease with either party and their parking rights could be terminated by either party without cause at any time.
- The only parking lot for which we are required to conduct any maintenance – such as snow and ice removal, lawn care, and striping - is the Valentino's/Globe/Nguyen lot on Concord Exchange north of Grand. The tenant is responsible for maintenance for the other lots listed in the table.
- In 2018, *total* expected revenues for the leased parking areas are about \$21,500. Based upon our maintenance expenses to date and projecting for June – December expenses, a best estimate for

2018 expenses is about \$20,000. While this indicates that revenues might very well be sufficient to cover expenses, a few things to note:

- First and most importantly, although total revenues are anticipated to be approximately \$21,000, only about \$16,000 of that total revenue is sourced from the leases at the Concord Exchange North parking “ramp” (“A” on the map/table), which is where all of the expenses are incurred. In other words, our maintenance obligation with respect to the “A” parking area is in part subsidized by about \$5,000 in rental income from the “B” – “G” parking areas.
- It appears that, with the exception of the Fury Motors lease, none of the lease rates have changed since at least 2013. Especially considering the above point and the potential to redevelop some of the other surface lots that are currently subsidizing maintenance of the “A” lot, Staff feels it is an appropriate time to consider increasing the lease rate for surface parking at the “A” lot (at a minimum).
- Our estimated expenses for 2018 includes the addition of a 20% contingency over June – December 2017 expenses. Other than that, there is no replacement reserve factored into the lease calculation.
- Overall, the Parking fund has a balance of about \$90,000. In the event that one of the EDA-owned lots requires something more than routine maintenance, this balance would likely be a first source of funds for such an event.

<b>Location (Map Symbol)</b>	<b>Land Area</b>	<b>Lessee</b>	<b>Monthly Amt</b>	<b>Exist Lease?</b>	<b>Maint?</b>	<b>Term</b>
Concord Exchange north of Grand (A)	3.25 Ac	Globe Publishing	\$ 160.00	N (expired)	City	thru 7/2004
Concord Exchange north of Grand (A)	3.25 Ac	Nguyen (201 Concord Ex.)	\$ 346.67	Y	City	thru 7/31/2034
Concord Exchange north of Grand (A)	3.25 Ac	Valentino's	\$ 826.67	N (expired)	City	thru 7/2004
Concord Exchange south of Grand (B)	2.25 Ac	DRS Investment (161 Concord Ex)	\$ 1.00	Y	Lessee	thru 6/30/2023
Concord Street south of Wentworth (C)	4 Ac	Concord Lanes	\$ -	Y	Lessee	100 Y (5/24/2078) with 50-year tenant option
Concord Exchange at Armour Ave (D)	1.6 Ac	Chicago Ray's	\$ 200.00	Y	Lessee	Month-Month (30)
Concord Street south of 494 (E)	1 Ac	Fury Motors	\$ 9.02	Y	Lessee	thru 7/31/2020
Concord Street south of Bryant Ave (F)	0.2 Ac	Showroom Auto	\$ 200.00	Y	Lessee	Month-Month (60)
Southview & 12th (G)	0.5 Ac	Kaposia Convenience	\$ 50.00	Y	Lessee	Month-Month (30)

### **Development Potential of Parking Lot Sites:**

As the map indicates, EDA-owned parking areas are concentrated near the Concord Street corridor. The sites provide essential and valuable space to nearby businesses that would otherwise have difficulty in meeting their parking needs on sites that are constrained by the bluff and the highway corridor. It is reasonable to expect that the EDA/City will always have a need to provide some public and/or leased parking along this corridor. However, Staff would suggest that a much more efficient (district/vertical/structured/shared) parking solution should be the long-term objective for this corridor. Given the physical constraints of the corridor, the City has taken steps to guide future development in a much more compact, mixed-use manner through its planning and mixed-use zoning initiatives in the past. We are beginning to see market interest in developing sites along the corridor in a manner consistent with these visions, including sites that are currently utilized for leased parking.

Sites A, B, and D have all been subject to recent development interest, generally for residential, mixed-use, and commercial development concepts. Although still somewhat exploratory in nature, we're working with three distinct and unrelated development groups to frame the development opportunity at each site. As these discussions advance to more well-defined development concepts, we anticipate the following will emerge as key considerations:

- Character/nature of land use – do City's plans and zoning align? What is City's vision for these sites (e.g., Grand Avenue Gateway Framework Plan)?
- City tools – what approaches/incentives are available to the City to facilitate development of any/all of these sites?
- Parking – infill development over what is today surface parking will simultaneously result in a loss in available off-street parking and an increase in the demand for off-street parking. Thus, we should begin to think about how to sustainably plan for those parking demands in other ways, such as encouraging/requiring/participating in the development of structured and underground parking, revisiting the City's parking ordinances, and encouraging and incentivizing developments that integrate alternative transportation accommodations.
- Title issues – from our preliminary research, we've discovered that the parking lot properties have especially messy title histories and issues that would need to be assessed and cleared up before sale/conveyance and development are possible. Getting an early jump on this should help to save time in the future, as development prospects gain momentum.

### **Funding Sources and other fiscal considerations:**

All parking revenues are pooled into a segregated "Parking" fund in the City's financial framework. Sites A – F are all located within the Concord Street No. 2 Tax Increment Finance District, and we are examining whether associated revenues and expenses need to be booked to the TIF fund.

Generally speaking, lease rates have not been adjusted in a number of years for these parking areas. Specifically for the "A" parking area, this is problematic because according to the original agreement, the HRA (now EDA) is required to prepare a budget annually and hold a meeting with the parking tenants to set each year's lease rates. It appears that this process has not happened in several years, and the issue is further complicated by the fact that – to our knowledge – neither Globe nor Valentino's have an active and enforceable lease.

Each of these properties are currently exempt from property taxes, and have been for decades. With a total acreage of over 10 acres, redevelopment of these sites with private mixed-use development would without a doubt have a significant and lasting impact on the City's property tax base.

### **Attachments:**

Orientation Map

