

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

**Regular Meeting
January 9, 2017
City of South St. Paul Training Room**

1. CALL TO ORDER

Chair Francis called the meeting to order at 6:35 p.m.

2. ROLL CALL

Members Present: Chair Francis, Commissioners Hansen, Seaberg, Podgorski, Forester and Flatley (arrived at 6:40 p.m.).

Members Absent: Commissioner Rothecker

Staff Present: EDA Executive Director Ryan Garcia, City Administrator Stephen King, Housing Director Branna Lindell, Secretary Edie Kleinboehl, City Planner, Peter Hellegers

3. AGENDA

Legal Counsel stated items 6E. and 6F. cannot be discussed in the Closed Session due to the fact the property is HRA-owned and recommended striking the items.

Motion/Second: Commissioner Hansen moved and Commissioner Seaberg moved to strike Closed Session items 6E. and 6F. from the agenda.

Motion carried 5 ayes/0 nays

Legal Counsel recommended the agenda be amended adding items:

6E. Discussion/Direction in response to developer interest in property in the vicinity of Veterans Memorial Drive and Concord Exchange N.

6F. Discussion/Direction in response to developer interest in property in the vicinity of Grand Ave. and Bridgepoint Drive

Motion/Second: Commissioner Seaberg moved and Commissioner Hansen seconded amending the agenda with the addition of the above items.

Motion carried 5 ayes/0 nays

4. CONSENT

A. EDA Minutes of December 12, 2016

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

Motion carried 5 ayes/0 nays

5. PUBLIC HEARING

There were no public hearings.

6. GENERAL BUSINESS

A. Authorize Executive Director to submit an application for the 2017 Dakota County Redevelopment Incentive Grant Program

Motion/Second: Chair Francis moved and Commissioner Hansen seconded submitting a 2017 Redevelopment Incentive Grant Application to the Dakota County Community Development Agency for 425 Concord Street South.

Motion carried 6 ayes/0 nays

B. Approve Amendment No. 1 to Purchase Agreement with MidWestOne Bank for 900 Southview Boulevard, 920 Southview Boulevard and 145 – 10th Avenue South

Moton/Second: Commissioner Podgorski moved and Commissioner Seaberg seconded the motion to approve Amendment No. 1 to the Purchase Agreement with MidWestOne Bank extending the environmental review period until February 28, 2017, the buyer obtaining all governmental approvals on or before February 28, 2017 and extends the closing date to no later than March 31, 2017.

Motion carried 6 ayes/0 nays

C. Approve EDA Resolution No. 2017-1, Removing Property from the Concord Street Tax Increment Financing District No. 2

Mr. Garcia reported the developer of the proposed FedEx distribution facility is interested in combining the two tax parcels at 843 Hardman Avenue (one of which is in the Concord Street Tax Increment Financing District No. 2) for a 270,000 s.f. building.

Combining the parcels would result in the creation of a new PID number necessitating removal of Parcel 36-83200-01-020 from the Concord Street TIF District No. 2. Discussion ensued regarding Fed Ex's January 15th deadline in obtaining a response from the Army Corp of Engineers regarding releasing the flowage easement and the implications if the Corp does not approve releasing the easement.

Commissioner Hansen withdrew her motion to adopt Resolution 2017-1 due to the fact approval is contingent upon the development moving forward.

Further discussion ensued regarding whether removal of the parcel could be undone in the event the developer does not get a satisfactory response from the Army Corps of Engineers and decides not to proceed with the project.

Motion/Second: Commissioner Hansen moved and Commissioner Podgorski seconded the motion to continue the matter to the January 23rd meeting.

CLOSED SESSION

Motion/Second: Chair Francis moved and Commissioner Podgorski seconded the motion to enter into a Closed Session for the purpose of:

- D. Developing or considering offers or counteroffers for the sale of EDA-owned property located at 425 Concord Street South

Motion/Second: Commissioner Hansen moved and Commissioner Podgorski seconded the motion to open the meeting.

- E. Discussion/Direction in response to developer interest in property in the vicinity of Veterans Memorial Drive and Concord Exchange N.

Mr. Garcia reported that TEAM Properties, a St. Louis Park-based commercial real estate developer, expressed interest in developing the subject property for a 70,000 square foot mixed-use multi-tenant building; however, to facilitate a successful development is interested in purchasing the parking area surrounding the building owned by the HRA. Discussion ensued regarding the existing parking lease that surrounds the building, with the Executive Director facilitating discussion related to the EDA's options in responding to the interest.

It was the consensus to retain the property south of Subway and pursue Option C authorizing the Executive Director to negotiate toward the sale of 161 N. Concord Exchange including engaging the buyer in negotiations for the sale of the HRA-owned property surrounding 161 N. Concord Exchange.

- F. Discussion/Direction in response to developer interest in property in the vicinity of Grand Ave. and Bridgepoint Drive

Discussion ensued regarding 3 potential sites, each owned by the HRA, in the vicinity of Grand Avenue and Bridgepoint Drive for a 6,500 square foot full service sit-down restaurant and the EDA's support for the proposed use at each site.

It was the consensus to pursue Site B at 100 Bridgepoint Curve, which would require a rezone from I-1 to General Business or in the alternative would require the developer to meet the requirements of 20% FAR in the I District.

- G. Discussion and Direction for EDA-owned property at 820 Southview Boulevard

Mr. Garcia reported Quick-Serv withdrew their interest in the purchase and renovation of the building. Discussion ensued regarding available options including: A) the marketability of the property in current condition, B) addressing core

infrastructure and market, C) solicit developer interest prior to rehabilitation and D) demolition.

It was the consensus to begin with soliciting developer interest to explore the redevelopment potential of the building.

H. Executive Director's Report

City Planner, Peter Hellegers provided an update of the following Planning Commission cases:

843 Hardman Avenue South (Scannell/FedEx) – The Planning Commission approved Scannell's request for a CUP for exterior storage of trucks, combining existing parcels in the development, and a Planned Unit Development. Security (barbed wired) fencing was addressed but was not included in the hearing notices. The item of the security fence would require that matter be handled at another meeting.

Discussion ensued regarding whether or not the project will move forward if the Corp of Engineers refuses to modify or release the flowage easement. Staff was directed to prepare a resolution for the Council expressing support for the proposed project and urges the Army Corp of Engineers to identify solutions for the damaging effect the flowage easement has on this project or any future developments.

425 Concord (Rihm-Kenworth) – Planning Commission recommended approval of the CUP for exterior storage of trucks, automotive (truck) repair, and automotive (truck) sales, delay platting the property until after the expiration of the Concord Street Tax Increment Financing district (2024), approving a variance for total amount of signage and denial of a proposed variance for a pylon sign.

7. **ADJOURNMENT**

Motion/Second: Commissioner Hansen moved and Commissioner Podgorski seconded the motion to adjourn the meeting at 8:46 P.M.

Approved: February 13, 2017

Eddie Kleinboehl, Secretary