

City of South St. Paul

Economic Development Authority Agenda

Monday, February 27, 2023 – SPECIAL MEETING

6:55 P.M.

Training Room – 125 Third Avenue North

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 January 3, 2023

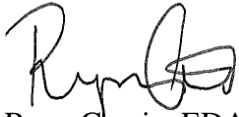
B. Approval of Amendment #3 to Development Agreement (Watson Trading, LLC – Asian Mart)

5. 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.

6. ADJOURNMENT:

Respectfully Submitted,



Ryan Garcia, EDA Executive Director

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

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

Regular Meeting
January 3, 2023

City Hall Council Chambers, 125 3rd Avenue North, South St. Paul, MN 55075

1. CALL TO ORDER

The Regular Meeting of the South St. Paul Economic Development Authority was held on 1/3/2023 in the Council Chambers of City Hall, 125 3rd Avenue North, South St. Paul. President Francis called the meeting to order at 7:30 PM.

2. ROLL CALL

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

Members Absent: None

Staff Present: EDA Executive Director Ryan Garcia, City Clerk Deanna Werner, Assistant City Attorney Amanda Johnson

3. AGENDA

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

Motion carried 7 ayes / 0 nays

4. CONSENT

- A. EDA Meeting Minutes of December 5, 2022
- B. Approval of Amendment #1 to Purchase Agreement (DRS Investment VIII, LLC – the Vaquero)

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

Motion carried 7 ayes / 0 nays

5. GENERAL BUSINESS:

- A. Election of Officers

Nomination of Vice President: Seaberg, Kaliszewski/Hansen

Nomination of Treasurer: Clara Hilger, Seaberg/Hansen

Nomination of Secretary: Ryan Garcia, Kaliszewski/Bakken

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

Motion carried 7 ayes / 0 nays

5. 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.

6. ADJOURNMENT:

Motion/Second: Commissioner Bakken moved, and Commissioner Hansen seconded the motion to adjourn the meeting at 7:35 PM.

Motion carried 7 ayes / 0 nays

Approved:

Deanna Werner, City Clerk



EDA Agenda Item Report

Date: February 27, 2023

EDA Executive Director:

4-B

Agenda Item: Approval of Amendment #3 to Development Agreement with Watson Trading, LLC (Asian Mart)

Action to be considered:

Through Consent, motion to approve the Third Amendment to Development Agreement with Watson Trading, LLC.

Summary:

On July 5, 2022 the EDA approved a Purchase and Development Agreement with Watson Trading, LLC for the construction of a 7,500 square foot commercial building at the EDA-owned property on the west side of Concord Exchange South, immediately south of Stockyards Tavern & Chophouse. The Agreement identified a closing date of December 31, 2022, and obligated the Developer to commence construction by May 31, 2023 and complete construction no later than May 31, 2024.

Watson Trading LLC continues to progress through the predevelopment stage of this project, Council Approval of the Development Plan in December 2022 and construction financing through CorTrust Bank and MCCD through underwriting and poised for a closing in April. Nonetheless, we are about to blow past the Agreement's February 28, 2023 closing date to acquire the property from the EDA. As such, we are suggesting an adjustment to the closing date to be on or before March 31, 2023. Closing with DCA Title is currently scheduled for Friday, March 24, 2023. Staff is recommending approval of Amendment #2 as presented.

Funding Sources and other fiscal considerations:

The EDA-owned property has been property tax exempt for a number of years. The proposed development should be expected to generate a total market value for taxable purposes of between \$800,000 and \$1,000,000, which would result in a total annual property tax bill (in 2023 figures) of between \$23,000 and \$30,000. Proceeds from the sale, which is located within the Concord Street Tax Increment Finance District, can be used towards other eligible expenditures in the district.

ATTACHMENTS:

Orientation Map

Amendment #3 to Development Agreement

Property/Orientation Map



THIRD AMENDMENT TO DEVELOPMENT AGREEMENT

THIS THIRD AMENDMENT TO DEVELOPMENT AGREEMENT (this “Third Amendment”) is entered into as of _____, 2023 (the “Effective Date”), by and between the South St. Paul Economic Development Authority, a public body corporate and politic organized under the laws of Minnesota (“EDA”), and Watson Trading LLC, a Minnesota limited liability company (“Developer”).

RECITALS

Recital No. 1. EDA and Developer entered into a Contract for Private Development dated July 5, 2022 and recorded as Document No. _____ on _____ in the Dakota County Registrar of Titles’ Office and as Document No. _____ on _____ in the Dakota County Recorder’s Office, as amended by that certain First Amendment to Development Agreement dated September 6, 2022 and recorded as Document No. _____ on _____ in the Dakota County Registrar of Titles’ Office and as Document No. _____ on _____ in the Dakota County Recorder’s Office, as further amended by that certain Second Amendment to Development Agreement dated December 5, 2022 and recorded as Document No. _____ on _____ in the Dakota County Registrar of Titles’ Office and as Document No. _____ on _____ in the Dakota County Recorder’s Office (collectively “Development Agreement”) for the purchase and sale of the Property identified in the Development Agreement.

Recital No. 2. Developer has requested the Development Agreement be amended to extend the Closing Date.

Recital No. 3. EDA does not object to the extension.

NOW, THEREFORE, in consideration of the mutual promises and covenants of each to the other contained in this Third Amendment and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do covenant and agree as follows:

1. The entire Development Agreement is hereby incorporated into this Third Amendment, except as modified below.
2. Section 1(F) of the Development Agreement shall be removed and replaced in its entirety as follows:
 - F. “Closing” or “Closing Date” means on or before March 31, 2023, unless otherwise agreed to by the parties.
3. Except as provided above, the terms and provisions of the Development Agreement shall remain in full force and effect.
4. This Third Amendment and all disputes or controversies arising out of or relating to this Third Amendment or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of Minnesota, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of Minnesota.
5. Nothing contained herein shall be deemed a waiver by the EDA of any governmental immunity defenses, statutory or otherwise, or of the maximum liability limits provided by Minnesota Statutes, Chapter 466.
6. This Third Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by the parties and delivered to the other parties.
7. This Third Amendment shall not be amended, modified or supplemented, except by a written instrument signed by an authorized representative of each party.

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IN AGREEMENT, the parties hereto have hereunto set their hands as of the Effective Date.

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 _____, 2023 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

**DEVELOPER:
WATSON TRADING LLC**

By: _____
Watson Fong
Its President

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2023 by Watson Fong, the President of Watson Trading LLC, a Minnesota limited liability company, on behalf of said limited liability company.

Notary Public

**THIS INSTRUMENT WAS DRAFTED BY
AND AFTER RECORDING RETURN TO:**

LeVander, Gillen & Miller, P.A.
1305 Corporate Center Drive, Suite 300
Eagan, MN 55121
651-451-1831