

# City of South St. Paul

## Economic Development Authority Agenda

Monday, March 22, 2021 – SPECIAL MEETING

6:45 P.M.



Please be advised that the regular meeting location is City Hall Council Chambers located at 125 3rd Ave. N., South St. Paul, but pursuant to Minn. Stat. 13D.021, under the current emergency declaration due to the COVID-19 health pandemic, some or all of the commissioners may participate in remote locations using Web-Ex. Any member of the public wishing to participate in the meeting may do so electronically by logging in as follows:

WebEx Meeting

For the Public

Join by phone: 1-312-535-8110

Access Code: 133 105 1285

**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. Termination of Sale and Development Agreement – Resolution 2021 - 9

**5. PUBLIC HEARING:**

A. Approval to sell EDA-owned Property at the northwest corner of Grand Avenue West and Concord Exchange North and to enter Development Agreement with SSP QOZB, LLC and the City of South St. Paul – Resolution 2021 - 10

**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,

A handwritten signature in black ink, appearing to read 'Ryan Garcia'.

Ryan Garcia, EDA Executive Director



**EDA Agenda Item Report**

Date: March 22, 2021

EDA Executive Director: \_\_\_\_\_

*g*

4-A &  
5-A

**Agenda Items:**

**Termination of Sale and Development Agreement, Resolution 2021 – 9 (Item 4-A)**

**Approval of a Development Agreement with SSP QOZB LLC and Authorizing Conveyance of Project Real Property, Resolution 2021-10 (Item 5-A)**

**Action to be considered:**

Through Consent, motion to approve Resolution 2021 – 9, terminating the sale of property and related development agreement for The Yards.

Following a Public Hearing, motion to approve Resolution 2021-10, authorizing the conveyance of real property and approving a development agreement with SSP QOZB LLC for “The Yards” development.

**Overview:**

In December 2020, the EDA approved a Development Agreement with SSP QOZB LLC which authorized the sale and development of EDA-owned property at the northwest corner of Concord Exchange and Grand Avenue, for “The Yards”. Since that time, the City Attorney, Staff, and the Developer’s team have continued to make minor revisions to the agreement as the project has come into focus. As such, we feel it is appropriate to clarify, in the public record, the agreements that govern this transformative redevelopment project.

**Summary of Key Provisions of the Agreement:**

This three-party agreement is between the EDA, the Developer, and the City and outlines the terms and conditions of the EDA’s sale of its property to the Developer for the redevelopment project. There are a number of things to highlight from this agreement:

- Developer is committed to construct:
  - 154 Unit Building (Phase I)
  - 109 Unit Building (Phase II)
  - Public street parking (angle) on the west side of Concord Exchange
  - Streetscape improvements consistent with City Concept plans prepared for the Hardman Triangle Redevelopment Plan and Concord Street Reconstruction, as follows:
    - West Side of Concord Exchange (abutting project – during Phase I & Phase II)
    - North Side of Grand Avenue (abutting project – during Phase I)
    - East side of Concord Exchange (from Grand Avenue through Post Office – during Phase II); note that this is outside the site and will be completed by the Developer at Developer’s expense

- Developer acquires title to all of the EDA for a total price of \$1,642,241, Phase One conveyed via warranty deed (at a price of \$334,241) and Phase Two conveyed via a contract for deed (with a “balloon” price of \$1,308,000 payable upon execution of the CFD/closing of Phase II financing).
- Closing for Phase One by April 30, 2021, Closing for Phase Two no later than August 15, 2023.
- Developer is required to remove and dispose of skyway structure
- Developer is obligated to commence construction on Phase I no later than June 1, 2021 and complete Phase I no later than December 31, 2022
- Developer is obligated to commence construction on Phase II no later than August 15, 2023 and complete Phase II no later than December 31, 2024
- Developer agrees to deposit additional \$5,000 for administrative/consulting fees (also in Pre-DA)
- At closing, EDA – Beard Purchase Agreement for “Nguyen Property” is terminated
- EDA/City agree to reduce Phase I impact fees (Phase I SAC and Park Fees) by \$500,000, to \$42,870
- Developer is obligated to escrow for stormwater and erosion control (\$17,210)
- Developer is obligated to escrow for Phase I of \$525,850, for Streetscaping and Skyway Removal
- Developer pays full Phase II SAC of \$270,865 at building permit
- Developer is obligated to escrow for Phase II of \$945,350, for Streetscaping and construction of public parking

**Funding Sources and other fiscal considerations:**

The Agreement provides for a total acquisition cost of \$1,642,241 for the property, payable as \$334,241 on or before April 30, 2021 and \$1,308,000 on or before August 15, 2023.

The Agreement provides that the developer will finance improvements to public infrastructure, including the widening of Concord Exchange, reconstructing sidewalks, and installation of new streetscape elements, as a part of their project. Escrows are required for these and other infrastructure improvements.

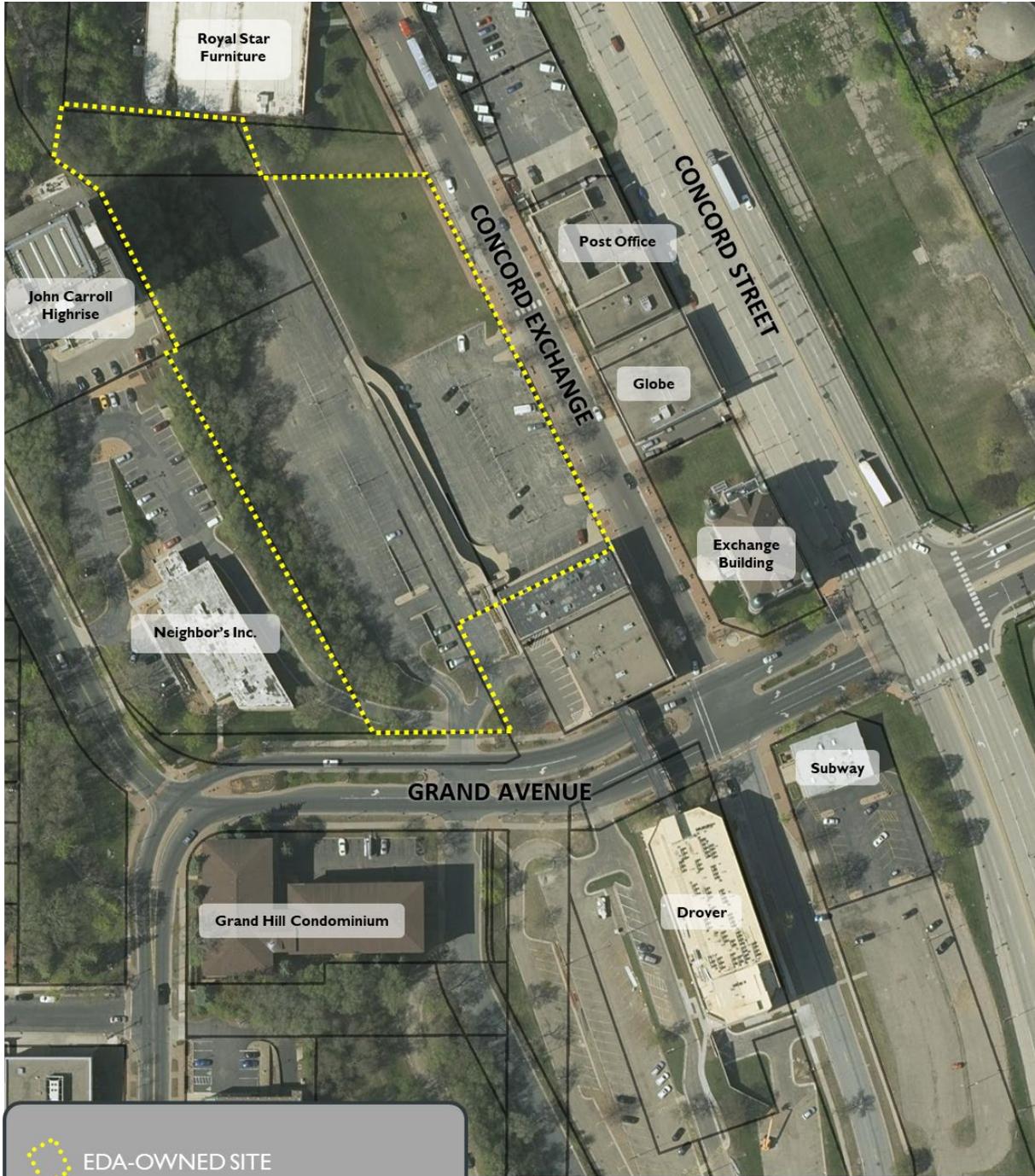
The Agreement provides for a reduction in impact fees (SAC and Fee In Lieu of Parkland).

The Development Agreement acknowledges a separate, standalone Tax Increment Finance Agreement that provides Pay-As-You-Go Tax Increment Financing to the developer, an item that was approved in December 2020.

**Attachments:**

Orientation Map  
 Development Agreement  
 Resolution 2021 – 9  
 Resolution 2021 – 10

# ORIENTATION MAP



**SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY  
DAKOTA COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. 2021 – 9**

**A RESOLUTION TERMINATING THE SALE OF PROPERTY TO  
SSP QOZB LLC, SSP SPE I LLC AND SSP SPE II LLC FOR REDEVELOPMENT  
PURPOSES AND TERMINATING AND CANCELLING THE RELATED  
DEVELOPMENT AGREEMENT**

**WHEREAS**, on December 21, 2020, the South St. Paul Economic Development Authority (“EDA”) adopted Resolution No. 2020-21 approving the Development Agreement with SSP QOZB LLC, SSP SPE I LLC and SSP SPE II LLC (collectively “Developer”) and authorizing the conveyance of real properties from the EDA to the Developer; and

**WHEREAS**, on January 19, 2021, a title issue with one of the properties was resolved and the EDA adopted Resolution No. 2021-5 approving the sale of the specific property to Developer pursuant to the Development Agreement; and

**WHEREAS**, the properties identified in Resolution No. 2020-21 and Resolution 2021-5 are collectively referred to as the Property; and

**WHEREAS**, several terms of the original Development Agreement have been changed, including the modification of certain parcels in the project, the bifurcation of the closings on the sale of the property for the different phases, as well as other modifications, therefore, a new Development Agreement is warranted; and

**WHEREAS**, parties mutually desire to terminate and cancel the sale and Development Agreement; and

**WHEREAS**, by separate resolution the parties desire to approve a new sale and Development Agreement.

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners of the South St. Paul Economic Development Authority as follows:

1. The sale of the Property to Developer is hereby terminated.
2. The Development Agreement is hereby terminated and canceled.

Adopted this 22<sup>nd</sup> day of March, 2021.

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James P. Francis, President

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Ryan D. Garcia, Executive Director

**SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY  
DAKOTA COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. 2020 – 10**

**A RESOLUTION APPROVING THE SALE OF PROPERTY TO SSP QOZB LLC,  
SSP SPE I LLC AND SSP SPE II LLC FOR REDEVELOPMENT PURPOSES  
AND APPROVING THE RELATED DEVELOPMENT AGREEMENT**

**WHEREAS**, the South St. Paul Economic Development Authority (“EDA”) desires to sell the properties legally described on Exhibit A (“EDA Property”); and

**WHEREAS**, SSP QOZB LLC, SSP SPE I LLC and SSP SPE II LLC (collectively “Developer”) desires to develop the EDA Property and the property legally described on Exhibit B (“Developer Property”), pursuant to a Development Agreement by and between the EDA, the City of South St. Paul and Developer (“Development Agreement”) for the purpose of development of market rate multi-family residential housing and related improvements; and

**WHEREAS**, the Development Agreement describes and articulates the sale of the EDA Property and the Developer agrees to accept these terms of the sale; and

**WHEREAS**, on March 22, 2021, the EDA held a public hearing on the sale of the EDA Property and the EDA considered all of the information presented at the public hearing.

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners of the South St. Paul Economic Development Authority as follows:

1. The sale of the EDA Property to Developer is in the public interest of the City and its people, furthers its general plan of economic development and furthers the aims and purposes of Minn. Stat. Sections 469.090 to 469.108; and the appropriate officials are authorized to take such action so as to effectuate such sale.
2. The EDA approves the Development Agreement, subject to minor modification as approved by the City Attorney and the appropriate officials are authorized to take such action as to effectuate its execution and implementation.

Adopted this 22<sup>nd</sup> day of March, 2021.

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James P. Francis, President

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Ryan D. Garcia, Executive Director

**EXHIBIT A**  
**LEGAL DESCRIPTION OF EDA PROPERTY**

Parcel 1 (PID: 36-72850-04-181)

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18, Block 4, The Stockyards Rearrangement of Blocks one, two, three, four, five, six, seven, eight, nine, ten, eleven and twelve of South St. Paul, according to the plat thereof now on file and of record in the office of the County Recorder.

Part of the above being registered land, legally described on Certificate of Title No. 168742 as follows: Lots 5 and 6, Block 4, The Stockyards Rearrangement of Blocks one, two, three, four, five, six, seven, eight, nine, ten, eleven and twelve of South St. Paul.

Part of the above being registered land, legally described on Certificate of Title No. 168743 as follows: Lots 8, Block 4, The Stockyards Rearrangement of Blocks one, two, three, four, five, six, seven, eight, nine, ten, eleven and twelve of South St. Paul.

(Abstract and Torrens)

Parcel 3 (PID: 36-72850-05-041)

Lots 1, 2, 3, and 4, Block 5, The Stockyards Rearrangement of Blocks One, Two, Three, Four, Five, Six, Seven, Eight, Nine, Ten, Eleven and Twelve, of South St. Paul

Except that part within: That part of Union Addition and Stockyards Rearrangement of Blocks One, Two, Three, Four, Five, Six, Seven, Eight, Nine, Ten, Eleven and Twelve of South St. Paul, according to the recorded plats thereof, Dakota County, Minnesota, described as follows:

Beginning at the southwest corner of Lot 7, Block 9 of said Stockyards Rearrangement; thence North 26 degrees 34 minutes 14 seconds West along the southwesterly line of said Block 9, a distance of 276.01 feet to the angle point in the westerly line of Lot 1 of said Block 9; thence bearing North along the west line of said Lot 1 and along the westerly line of Lots 55, 56, 57, 58 and 59, Block 3 of said Union Addition a distance of 158.88 feet to the angle point in the westerly line of said Lot 59; thence North 26 degrees 38 minutes 50 seconds West along the southwesterly line of said Block 3, Union Addition a distance of 112.00 feet; thence North 63 degrees 21 minutes 10 seconds East a distance of 214.00 feet; thence South 22 degrees 49 minutes 14 seconds East a distance of 125.93 feet; thence South 45 degrees 10 minutes 46 seconds West a distance of 79.48 feet; thence South 2 degrees 10 minutes 46 seconds West a distance of 50.12 feet; thence South 15 degrees 49 minutes 14 seconds East; a distance of 55.34; thence South 33 degrees 49 minutes 14 seconds East a distance of 59.54 feet; thence South 53 degrees 34 minutes 14 seconds East a distance of 56.64 feet; thence South 26 degrees 34 minutes 14 seconds East parallel with the northeasterly line of Block 5, Stockyards Rearrangement, to its intersection with the southeasterly line of Lot 4 of said Block 5; thence South 63 degrees 25 minutes 46 seconds West along the southeasterly line of said Lot 4, Block 5 and along the Southeasterly extension of said southeasterly line of Lot 4, Block 5 and along the southeasterly line of Lot 7, Block 9 of said Stockyards

Rearrangement a distance of 200.00 feet to the point of beginning Dakota County, Minnesota, together with those parts of vacated Pitt Street accruing thereto by virtue of the vacations thereof.

(Abstract Property)

Parcel 4 (PID: 36-72850-05-164)

Those parts of Lots 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15, Block 5, Stockyards Rearrangement of Blocks one, two, three, four, five, six, seven, eight, nine, ten, eleven and twelve of South St. Paul, according to the recorded plat thereof, Dakota County, Minnesota lying northeasterly and northerly of the following described line:

commencing at the most southwesterly corner of Lot 7, Block 9 said Stockyards Rearrangement of Blocks one, two, three, four, five, six, seven, eight, nine, ten, eleven and twelve of South St. Paul; thence North 63 degrees 25 minutes 46 seconds East, assumed bearing, along the southerly line of said Lot 7, Block 9 and the northerly line of said Lot 5, Block 5, and their extensions, a distance of 190.00 feet, to the point of beginning of the line to be described; thence South 29 degrees 25 minutes 53 seconds East a distance of 320.43 feet to the northeasterly corner of Lot 16, said Block 5; thence South 26 degrees 34 minutes 14 seconds East, along the northeasterly line of said Lot 16 a distance of 101.21 feet, more or less, to an intersection with a line 34.00 feet northerly of measured at right angles to and parallel with, the southerly line of said Lot 16, Block 5; thence North 89 degrees 22 minutes 16 seconds East, along the easterly extension of said parallel line, a distance of 133.40 feet, to the easterly line of said Lot 13, Block 5 and there terminating, together with those parts of vacated Pitt Street accruing thereto by virtue of the vacations thereof.

(Abstract Property)

Parcel 5 (intentionally deleted)

Parcel 6 (part of PID: 36-80100-03-239)

Those parts of Lots 51 through 54, inclusive, Block 3, Union Addition to South St. Paul, Dakota Co., Minn., and that part of vacated Pitt Street, all according to the recorded plat thereof, Dakota County, Minnesota, described as follows, lying northeasterly of the hereinafter described Line A;

Commencing at the southeasterly corner of Lot 24, Block 4, Stockyards Rearrangement of Blocks One, Two, Three, Four, Five, Six, Seven, Eight, Nine, Ten, Eleven and Twelve of South St Paul; thence North 26 degrees 57 minutes 50 seconds West bearing assumed, along the northeasterly lines of said Block 4, Stockyards Rearrangement and of Block 2, said Union Addition, distance of 815.00 feet; thence North 86 degrees 57 minutes 50 seconds West, a distance of 230.76 feet, thence South 3 degrees 02 minutes 10 seconds West, a distance of 186.00 feet to the point of beginning of the land to be described; thence South 86 degrees 57 minutes 50 seconds East, to the center line of vacated Pitt Street; thence South along said center line to the south line of said Union Addition; thence westerly along said south line to the intersection with a line that bears South 3 degrees 02 minutes 10 seconds West from the point of beginning, thence North 3 degrees 02 minutes 10 seconds East to the point of beginning.

Line A;

Commencing at the most southwesterly corner of Lot 7, Block 9, said Stockyards Rearrangement of Blocks One, Two, Three, Four, Five, Six, Seven, Eight, Nine, Ten, Eleven and Twelve of South St. Paul; thence North 26 degrees 34 minutes 14 seconds West along the southwesterly line of said Block 9 a distance of 276.01 feet to the angle point in the westerly line of Lot 1 of said Block 9; thence bearing North along the west line of said Lot 1, Block 9 and along the westerly line of Lots 55, 56, 57, 58 and 59, Block , said Union Addition, a distance of 158.88 feet to the angle point in the westerly line of said Block 3; thence North 26 degrees 38 minutes 50 seconds West along the southwesterly line of said Block 3, Union Addition, a distance of 112.00 feet, thence North 63 degrees 21 minutes 10 seconds East, a distance of 214.00 feet, thence South 22 degrees 49 minutes 14 seconds East, a distance of 125.93 feet, thence South 45 degrees 10 minutes 46 seconds West, a distance of 79.48 feet, thence South 2 degrees 10 minutes 46 seconds West, a distance of 50.12 feet, thence South 15 degrees 49 minutes 14 seconds East, a distance of 55.54 feet, thence South 33 degrees 49 minutes 14 seconds East, a distance of 59.54 feet to the point of beginning of the line to be described; thence South 53 degrees 34 minutes 14 seconds East, a distance of 56.64 feet and said Line A there terminating.

(Abstract and Torrens)

Registered land being evidenced by Certificate of Title No. 180610.

**EXHIBIT B**  
**LEGAL DESCRIPTION OF DEVELOPER PROPERTY**

Parcel 2 (PIDs: 36-72850-04-200 and 36-72850-04-240)

Lots 19, 20, 21, 22, 23, and 24, Block 4, The Stockyards Rearrangement of Blocks one, two, three, four, five, six, seven, eight, nine, ten, eleven and twelve of South St. Paul, according to the plat thereof now on file and of record in the office of the County Recorder.

Also that part of Concord Exchange North (formerly known as Concord Street), as dedicated in The Stockyards Rearrangement of Blocks one, two, three, four, five, six, seven, eight, nine, ten, eleven and twelve of South St. Paul according to the recorded plat thereof, adjoining Lots 19, 20 and 21, Block 4, The Stockyards Rearrangement of Block one, two, three, four, five, six, seven, eight, nine, ten, eleven and twelve of South St. Paul, described as beginning at the most Northerly corner of said Lot 19; thence Northeasterly along the extension of the Northwesterly line of said Lot 19, a distance of 0.81 feet; thence Southeasterly parallel with the Northeasterly line of said Lots 19, 20 and 21 a distance of 50.50 feet; thence Southwesterly at right angles a distance of 0.81 feet to the Northeasterly line of said Lot 21; thence Northwesterly along said Northeasterly line of said Lots 19, 20 and 21 to the point of beginning.

Dakota County, Minnesota

(Abstract Property)