



**Economic Development Authority**  
1616 HUMBOLDT AVENUE, WEST ST. PAUL, MN 55118

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**WORK SESSION  
MUNICIPAL CENTER  
ADMINISTRATION CONFERENCE ROOM  
March 14, 2016  
4:30 p.m.**

1. Open Work Session

2. Roll Call

3. Agenda Items

3.A. Town Center I Discussion

Documents: [EDA MEMO - TOWN CENTER I.PDF](#)

3.B. 260 Marie Avenue Discussion

Documents: [EDA MEMO - 260 MARIE.PDF](#)

4. Adjourn

**TO:**  
**FROM:**  
**DATE:**

**EDA PRESIDENT AND BOARD**  
**EXECUTIVE DIRECTOR**  
**MARCH 14, 2016**



**City of West Saint Paul**

**SUBJECT:**

Town Center I Redevelopment.

**BACKGROUND INFORMATION:**

As you know, the EDA has a preliminary development agreement with Venture Pass Partners to redevelop the Town Center I area. Staff was recently informed by Dave Carland from Venture Pass Partners that the rising project costs are becoming too high and the project is no longer viable. *See attached letter.* He would prefer to be let out of the preliminary development agreement with the EDA before the termination date of April 30, 2016. He is willing to assign his purchase contract with Maaco to the EDA or another developer. He is also willing to stay involved and purchase Maaco and Aamco to help the EDA keep relocation costs down if the Board chooses to move forward on their own.

A breakdown in development costs include:

<b>Property</b>	<b>Original Assembly Costs (includes demo, relocation and soft costs)</b>	<b>Revised Costs</b>	<b>Cost Variance</b>	<b>Total Costs</b>
Granny's	\$ 528,579	N/A		\$528,579
Batteries Plus (two lots)	\$ 886,432	N/A		\$886,432
Aamco	\$ 700,000 \$ 200,000 (Lease)	\$	\$200,000	\$900,000 \$200,000
Car X	\$ 1,069,925 (EDA Purchased)			\$1,069,925
Maaco (two lots)	\$ 920,000 \$ 380,000 (EDA grant)	\$ 970,000	\$ 50,000	\$970,000 \$380,000
Blockbuster (two lots)	\$ 1,176,568 (EDA Purchased)	N/a		\$1,176,568
<b>TOTAL</b>	<b>\$ 5,861,504</b>		<b>\$250,000</b>	<b>\$6,111,504</b>

Total Project Costs = \$6,111,504

\*CDA Grants - \$ 500,000  
**\$5,611,504**

Options:

1. The EDA purchase Maaco and Aamco properties. With this option, the EDA would control three parcels including Car X (1.4 acres) on the corner of Wentworth and Robert Street. The EDA could send out Requests for Proposals (RFP's) to solicit development projects. The Board may want to delay sending the RFP's until the Cunningham study is approved. The study can then be included with the RFP's. The RFP's can be requested for just the 1.4 acre site or the entire 4.2 acre site.
2. Pay the owner of Maaco \$15,000 per our agreement with him and then do nothing else. With this option the site would remain as is.

		Amount
Fund:	TBD	TBD
Department:		
Account:		

**STAFF RECOMMENDATION:**

Review options and direct staff.

**ATTACHMENTS:**

- Letter from Dave Carland, Venture Pass Partners
- Map showing 1.4 acre site
- Map showing 4.2 acre site

## Jim Hartshorn

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**From:** Dave Carland <DCarland@VENTUREPASS.NET>  
**Sent:** Tuesday, March 08, 2016 7:15 PM  
**To:** Jim Hartshorn  
**Subject:** Town Center Redevelopment

Jim, unfortunately we have had two additional setbacks in our efforts to facilitate redevelopment of the property at the northwest quadrant of Wentworth Avenue and Robert Street.

**Maaco Property.** Chuck Liesenfeld finally executed a purchase contract with Venture Pass Partners but is now at an apparent impasse with the land seller for the relocation. In his last e-mail Chuck indicated that “the deal is not going to work” and that he has spent money in excess of the relocation assistance allotted to him by the City. Our agreement with him is contingent upon his successful relocation so we can’t acquire his property if he does not pursue the relocation.

**Aamco Property.** The landowner Walt Whitney has been more reasonable to work with but his price has gone up \$200,000 from our initial discussions in 2014. In addition he now has a tenant that wants significant compensation to give up his lease rights.

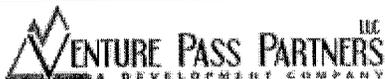
Even if we are able to turn these two transaction around, we still need to negotiate purchases with Batteries Plus and Granny Doughnuts.

When I appeared before the EDA last September I expressed my concerns regarding the economic viability of the redevelopment given the escalating property owner expectations. Things have gotten worse to the point where I don’t believe this project is a good use of City resources or likely to be profitable for Venture Pass.

We are willing to assign our purchase contract with Chuck Liesenfeld to the City or even another developer but I’m not sure it has any value without a commitment from the seller to move forward with its relocation. It should also be noted that if a continuous center median is installed on Wentworth between Robert Street and Livingston this season then the Aamco and Maaco properties are have limited utility without a connection to Livingston.

We are also willing to meet with any City Staff or elected officials to further discuss options for the redevelopment.

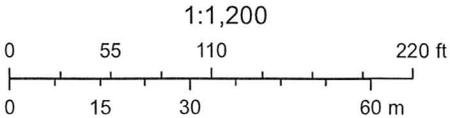
David Carland  
Venture Pass Partners, LLC  
19620 Waterford Court  
Shorewood, MN 55331  
(o) 952.473.1210  
(c) 612.963.9107  
[dcarland@venturepass.net](mailto:dcarland@venturepass.net)



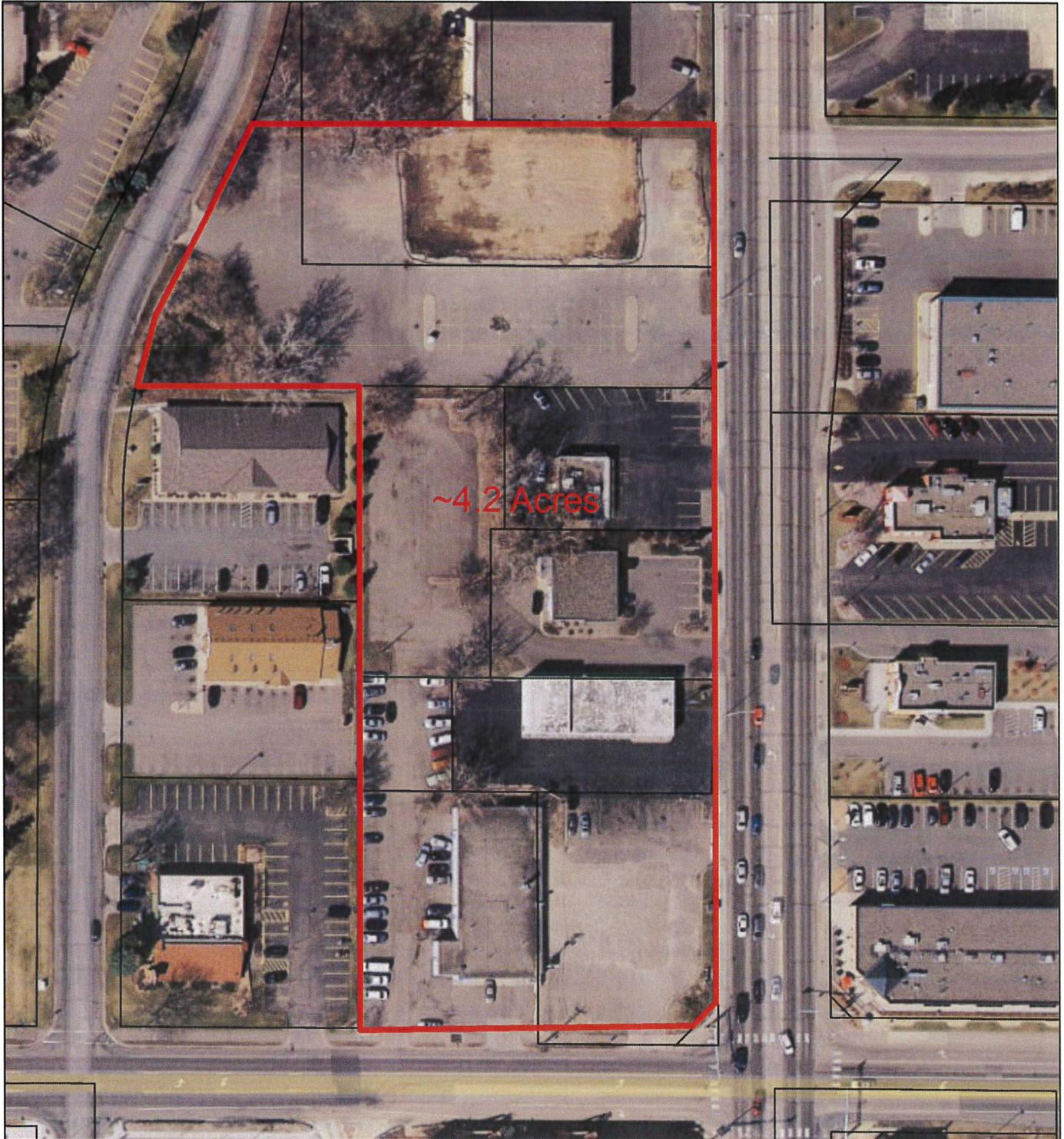
# Dakota County, MN



March 8, 2016



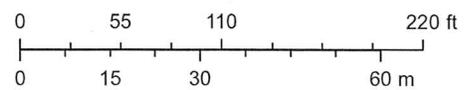
# Dakota County, MN



~4.2 Acres

March 8, 2016

1:1,200



**TO: EDA PRESIDENT AND BOARD**  
**FROM: EXECUTIVE DIRECTOR**  
**DATE: MARCH 14, 2016**



**City of West Saint Paul**

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**SUBJECT:**

Consider purchasing 260 Marie Avenue East.

**BACKGROUND INFORMATION:**

As you know, staff negotiated a purchase offer with Mark Cemenski, owner of the subject property for \$255,000. Mr. Cemenski paid \$295,000 in August 2013. The site includes two lots. The property is currently listed for \$395,000. The current land value is \$298.60, which includes both lots.

The redevelopment plan would include purchasing the property, demolishing the building, and leasing the vacant site to Eureka Construction, Inc., to use for a staging area for the Robert Street Improvement project.

Matt Fulton recently negotiated a lease with Eureka for \$10,000 for the entire five months.

In 2017, staff will market the site to developers. The marketing plan would include: utilizing various sources and organizations like DEED, Greater MSP, MLS, EDA web site and direct contact with developers.

Braun Intertec Corporation recently completed a preliminary geotechnical evaluation and found that there were no immediate environmental concerns, (no buried tanks and asbestos was already removed).

If the land was developed to the maximum amount allowed per zoning code, a developer could build an approximately 15,000 square foot building. This would generate a new market value of approximately \$2.25 million and generate approximately \$30,000 per year in tax base, (depending on type of building.)

**EXPENSES:**

Purchase Bldg/Site	\$255,000
Demolition	\$ 95,000
Taxes (one Year)	\$ 12,000 – tax exempt after one year
Soft Costs (Envir/Legal)	<u>\$ 10,000</u>
<b>Total</b>	<b>\$372,000</b>

**REVENUES:**

Land Sale Proceeds      \$283,000 (high end) \$3.25 sq/ft x 87,120 (sq/ft of parcel)  
                                     \$196,000 (low end) \$2.25 sq/ft x 87,120 (sq/ft of parcel)  
                                     (*\$4.27 sq/ft to break even on site assembly*)

Lease Revenue              \$10,000 total (includes April – October)

Tax Base Generation      \$30,000 per year – if developed to maximum retail/office

Possible Grant Funds      If a project develops it might qualify for grant funds from  
                                     various sources – depending on project

**Total**                              Dependent on the sale of the land

		Amount
Fund:	EDA Fund	
Department:	Comm. Dev.	
Account:	N/A	\$To be determined

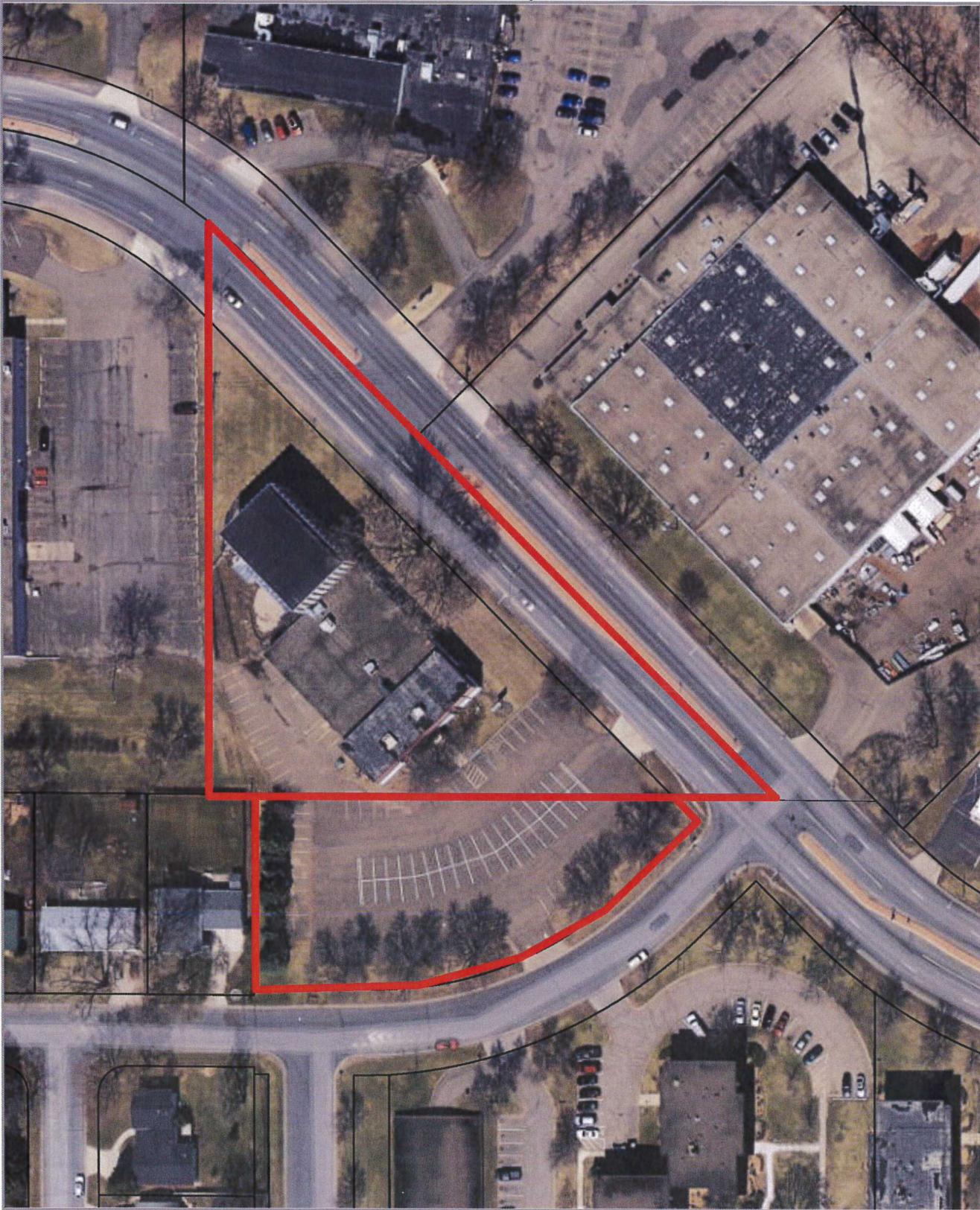
**STAFF RECOMMENDATION:**

Consider making a purchase offer for \$255,000 to purchase 260 Marie Avenue East.

**ATTACHMENTS:**

- Property Information

Dakota County, MN



1 420200083020 MARK CEMENSKY 260 MARIE AVE E	2 420290006032 MARK CEMENSKY
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*Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search, appraisal, survey, or for zoning verification.*

Map Scale  
1 inch = 100 feet

<b>Property Card</b>	Parcel ID Number 42-02000-83-020
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**Owner Information**

Fee Owner MARK CEMENSKY
Mailing Address 2343 SWAN DR  MENDOTA HEIGHTS MN 55120



**Property Address**

Address 260 MARIE AVE E
Municipality WEST ST PAUL

**Parcel Information**

Last Qualified Sale 08/30/2013	Total Acres 1.85
Sale Value \$168,900.00	R/W Acres 0.59569013
Uses COMMERCIAL-PREFERRED	Water Acres
	Plat SECTION 20 TWN 28 RANGE 22
	Lot and Block 20 28 22
	Tax Description PT OF SW 1/4 OF SE 1/4 BEG S LINE 166.82 FT E OF SW COR N PARR W LINE 332.71 FT TO S LINE MARIE AVE SE ON S LINE MARIE 471.25 FT TO S LINE W ON S LINE 328.83 FT TO BEG

**2015 Building Characteristics (payable 2016)\***

Building Type	Year Built 0	Bedrooms
Building Style	Foundation Sq Ft	Bathrooms
Frame	Above Grade Sq Ft	Garage Sq Ft
Multiple Buildings	Finished Sq Ft	Other Garage

**Miscellaneous Information**

School District 197	Watershed District LOWER MISSISSIPPI	Homestead NON HOMESTEAD	Green Acres	Ag Preserve	Open Space
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**Assessor Valuation**

	Taxable	Estimated
2015 Land Values (payable 2016)	\$185,300.00	\$185,300.00
2015 Building Values (payable 2016)*	\$3,900.00	\$3,900.00
2015 Total Values (payable 2016)*	\$189,200.00	\$189,200.00
2014 Total Values (payable 2015)*	\$189,200.00	\$189,200.00

**Property Tax Information**

Net Tax (payable 2015) \$6,204.12	Special Assessments (2015) \$9,231.80	Total Tax & Assessments (2015) \$15,435.92
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\* Manufactured Homes Payable the Same Year as Assessment.

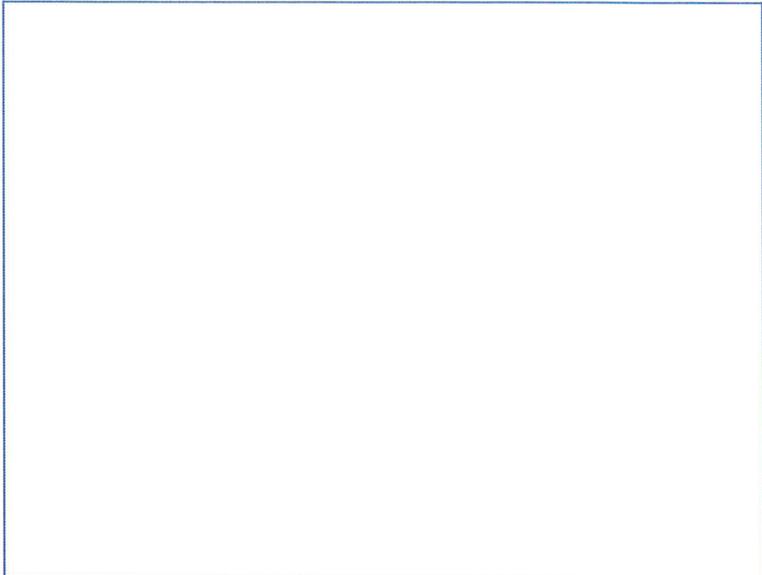
**Property Card**

**Parcel ID Number** 42-02000-83-020

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<b>Property Card</b>	Parcel ID Number 42-02900-06-032
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<b>Owner Information</b>
Fee Owner MARK CEMENSKY
Mailing Address 2343 SWAN DR  MENDOTA HEIGHTS MN 55120



<b>Property Address</b>
Address
Municipality WEST ST PAUL

<b>Parcel Information</b>	
Last Qualified Sale 08/30/2013	Total Acres 0.77
Sale Value \$101,100.00	R/W Acres
Uses COMMERCIAL	Water Acres
	Plat SECTION 29 TWN 28 RANGE 22
	Lot and Block 29 2822
	Tax Description PT OF NW 1/4 OF NE 1/4 BEG N LINE 198 FT E OF NW COR S ON E LINE OF A.E. REHNBERGS SOUTHVIEW ADD 135 FT TO N LINE KATHLEEN DR E 76.32 FT NE ON CUR 214.37 FT N 45D E 58.11 FT TO S LINE MARIE AVE N 45D W 20.00 FT TO N LINE W 297.65 FT TO BEG

<b>2015 Building Characteristics (payable 2016)*</b>		
Building Type	Year Built 0	Bedrooms
Building Style	Foundation Sq Ft	Bathrooms
Frame	Above Grade Sq Ft	Garage Sq Ft
Multiple Buildings	Finished Sq Ft	Other Garage

<b>Miscellaneous Information</b>					
School District 197	Watershed District LOWER MISSISSIPPI	Homestead NON HOMESTEAD	Green Acres	Ag Preserve	Open Space

<b>Assessor Valuation</b>		
	Taxable	Estimated
2015 Land Values (payable 2016)	\$113,300.00	\$113,300.00
2015 Building Values (payable 2016)*	\$0.00	\$0.00
2015 Total Values (payable 2016)*	\$113,300.00	\$113,300.00
2014 Total Values (payable 2015)*	\$113,300.00	\$113,300.00

<b>Property Tax Information</b>		
Net Tax (payable 2015) \$4,580.60	Special Assessments (2015) \$0.00	Total Tax & Assessments (2015) \$4,580.60

**Property Card**

Parcel ID Number 42-02900-06-032

\* Manufactured Homes Payable the Same Year as Assessment.

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