



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

**ECONOMIC DEVELOPMENT AUTHORITY MEETING
MUNICIPAL CENTER COUNCIL CHAMBERS
April 25, 2016
IMMEDIATELY FOLLOWS THE CITY COUNCIL MEETING**

1. Call To Order

2. Roll Call

3. Adopt Agenda

4. Commissioner Comments

5. EDA Consent Agenda Items

5.A. March 2016 Budget Report

Documents:

[MARCH 2016 BUDGET TO ACTUAL REPORT.PDF](#)

5.B. EDA Meeting Minutes

Documents:

[3-14-16 EDA WORK SESSION \(FINAL\).PDF](#)

[3-28-16 EDA WORK SESSION \(FINAL\).PDF](#)

[3-28-16 EDA \(FINAL\).PDF](#)

6. New Business

6.A. Sherman Amended Development Agreement

See EDA Report from the 4:30 p.m. Work Session.

Development Agreement will be available for signatures at this meeting.

7. Old Business

8. Adjourn

*If you need an accommodation to participate in the meeting, please contact the ADA Coordinator at
651-552-4100, TDD 651-322-2323 at least 5 business days prior to the meeting
www.wspmn.gov EOE/AA*

City of West St Paul

Economic Development Authority

Income Statement

Through 03/31/2016

	2016 Budget	March Transactions	2016 YTD Actual	Budget - YTD Transactions	% used/ Rec'd
REVENUE					
Tax - Ad Valorem-Current	300,000.00	.00	.00	300,000.00	0%
Investment - Interest	10,000.00	.00	.00	10,000.00	0%
Other Interest Earnings	50,000.00	.00	.00	50,000.00	0%
Misc Revenue - All Other	6,000.00	3,000.00	3,000.00	3,000.00	50%
REVENUE TOTALS	\$366,000.00	\$3,000.00	\$3,000.00	\$363,000.00	1%
EXPENSE					
Salaries - Full Time Reg	121,000.00	8,942.40	29,558.74	91,441.26	24%
Contributions - PERA	9,100.00	670.68	2,216.91	6,883.09	24%
Contributions - FICA	9,250.00	615.80	2,056.03	7,193.97	22%
Contributions - Health In	13,200.00	1,306.31	3,918.93	9,281.07	30%
Contributions - OthGrpIns	330.00	26.75	80.25	249.75	24%
Supplies - Office	300.00	.00	.00	300.00	0%
Supplies - General	500.00	11.77	11.77	488.23	2%
Auditing Services	2,000.00	.00	.00	2,000.00	0%
Legal Fees	15,000.00	351.00	1,358.00	13,642.00	9%
Travel,Conference,Schools	5,000.00	399.46	490.18	4,509.82	10%
Advertising	5,000.00	.00	.00	5,000.00	0%
Postage	500.00	.71	.71	499.29	0%
Printing & Publishing	1,000.00	.00	.00	1,000.00	0%
Insurance - Gen Liability	1,500.00	.00	1,530.00	(30.00)	102%
Contractual - Misc Servic	74,125.00	37,554.00	49,639.00	24,486.00	67%
Subscriptions,Memberships	775.00	.00	250.00	525.00	32%
Misc Expenses	1,500.00	48.43	50.67	1,449.33	3%
Business Subsidy	175,000.00	3,340.04	3,340.04	171,659.96	2%
EXPENSE TOTALS	\$435,080.00	\$53,267.35	\$94,501.23	\$340,578.77	22%
REVENUE TOTALS	366,000.00	.00	3,000.00	363,000.00	1%
EXPENSE TOTALS	435,080.00	53,267.35	94,501.23	340,578.77	22%
NET	(\$69,080.00)	(\$53,267.35)	(\$91,501.23)	\$22,421.23	

Cash Balance:

12/31/2015	401,333
1/31/2016	385,692
2/29/2016	366,557
3/31/2016	306,590

City of West St, Paul
EDA Work Session
March 14, 2016

1. Open Work Session

President David Meisinger opened the EDA work session at 4:30 p.m.

2. Roll Call

Present: President David Meisinger and Commissioners Pat Armon, John Bellows, Jenny Halverson, Ed Iago, Dave Napier and Dick Vitelli.

Others: City Manager Matt Fulton, Assistant City Manager Sherrie Le, Finance Director Joan Carlson, City Planner Ben Boike, Community Development Director Jim Hartshorn, City Attorney Korine Land and Recording Secretary Cindy Holzmer.

3. Agenda Items

3.A. Town Center I Discussion

Executive Director Jim Hartshorn presented to the Commission that City 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. Mr. Carland 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.

The Commission's options would be to either do nothing or go back to the owners and tell them to take or leave the EDA's offer and if they won't take then the EDA will leave it. Exec. Dir. Hartshorn is looking for direction.

Comments:

- President Meisinger has talked to Dave Langer and he thinks Maaco is trying to play us for additional money. Aamco got wind of what Maaco is making and is playing the same game. Dave Carland thinks Maaco and Aamco will accept our offers.
 - Aamco is going to a new franchise and is leaving.
 - Maaco is going to a new site (relocation to 68 Moreland).
- Com. Iago asked how many times has Maaco jumped the price? Exec. Dir. Hartshorn stated 3 or 4 times. Com. Iago stated that Aamco is jumping the price because Maaco is. He finds it irritating that the businesses have the City by the throat.
- There is nothing to go in there right now. Com. Iago is opposed to that.
- Granny's and Batteries Plus has not been talked to recently. Pres. Meisinger stated they can be worked into any project.
- Com. Vitelli doesn't want to see Maaco sign a new lease so they can back out of the deal with the City. He is willing to go another \$15,000 because he doesn't want to see it fall apart.
- Pres. Meisinger agrees with Com. Vitelli and would like to give Maaco and Aamco a deadline until March 31, 2016 to sign the documents and if they won't then we are out.

- Com. Halverson wants to go another 15,000.
- Exec. Dir. Hartshorn explained that Maaco is still helpful, if we don't get Aamco, but it's ideal to get Aamco.
- Com. Iago stated that we need to give Mr. Carland hard numbers.
- Com. Bellows would be willing to have a special meeting.
- Com. Halverson asked what if we tell Aamco that we are not offering \$200,000 and see what they say. Don't say it's a do or die and see what happens.

The Commission agreed with offering another \$15,000 to Maaco and giving them until March 31, 2016 to accept the offer, with or without Mr. Carland, tell Aamco no to their \$200,000 counter and then come back for special meeting if can't reach a deal.

3.B. 260 Marie Avenue Discussion

Exec. Dir. Hartshorn asked the Commission to consider purchasing 260 Marie Avenue for \$372,000 (includes demolition).

Comments:

- Com. Bellows asked what happened to Fusion Zone.
- Exec. Dir. Hartshorn responded that Fusion Zone is still an option.
- The property would have to be rezoned for Fusion Zone.
- Fusion Zone could be rejected based on zoning.
- Com. Armon asked what Eureka Construction's plans were.
 - Exec. Dir. Hartshorn was unsure.
 - Com. Bellows asked Exec. Dir. Hartshorn to find out.
- Pres. Meisinger stated that you can't fit a Sky zone in that location.
- Exec. Dir. Hartshorn stated that the Developer informed him that Fusion Zone is very similar to a Sky Zone.
- Com. Napier stated that we need to focus resources on Maaco.
- Com. Bellows is against it, without getting more information.
- Com. Armon would like to know what Fusion Zone plans on doing there.
- Pres. Meisinger asked Exec. Dir. Hartshorn to bring more information back to the Commission and to find out if Eureka Construction plans on and/or where they are relocating.

4. Adjourn

The EDA work session adjourned at 4:57 p.m.

Cindy Holzmer

Cindy Holzmer
Recording Secretary
City of West St. Paul

**City of West St. Paul
EDA Work Session
March 28, 2016**

1. Open Work Session

President David Meisinger opened the EDA work session at 4:30 p.m.

2. Roll Call

Present: President David Meisinger and Commissioners John Bellows, Jenny Halverson, Ed Iago and Dave Napier.

Commissioners Pat Armon and Dick Vitelli had excused absences.

Others: City Manager Matt Fulton, Assistant City Manager Sherrie Le, Finance Director Joan Carlson, City Planner Ben Boike, Community Development Director Jim Hartshorn, City Attorney Korine Land and Recording Secretary Cindy Holzmer.

3. Agenda Items

Item 3C will be discussed before 3B.

3.A. Emerson Park Commercial Building Discussion

Comm. Dev. Direc. Jim Hartshorn presented that Sherman Associates is in default as the second building was never constructed and the Minimum Assessment Agreement was never recorded. The TIF District is still in good shape.

City Staff is in the process of negotiating the deficiency. Staff will work out real numbers as to what the present value is of the property and what penalty would make the City whole.

Comments:

- Pres. Meisinger stated that we need to wait for present value because he doesn't want to fight with George Sherman.
- Comm. Dev. Direc. Hartshorn doesn't want to see the City go under the principal amount.
- Pres. Meisinger asked that Stacie get them a number and then go from there.
- Comm. Dev. Direc. Hartshorn stated there is about a \$51,000 TIF deficiency. Once the City receives that, then the City will be whole on that.
- Comm. Iago inquired about the other project with George Sherman.
- Comm. Dev. Direc. Hartshorn stated he no longer has that developer on board. George Sherman is in limbo and just has to develop/build. They have extended the project so he can develop next season.
- Comm. Iago stated that he is not concerned that George Sherman is going to try to take advantage.

- Comm. Dev. Direc. Hartshorn stated that it is a townhome market right now.

3.C. Town Center II Concept Plan Review

Dave Carland from Venture Pass presented three different plans for one retail and two restaurant uses. The area that would be developed would be from Party City to Ideal Credit Union.

Plan 1 and Plan 2 would require a variance. In all plans, they would close 5 curb cuts down to 2. The Robert Street plan currently shows the 5 curb cuts.

Comments:

- Comm. Halverson stated Plan 3 seems like a compromise as this allows a little more traffic flow. She doesn't like the idea of parking in front.
- Pres. Meisinger agrees with Plan 3 and Plan 2. He doesn't have a problem with a variance. If building were along the sidewalk, then you would be able to see Rib Shack, a little bit back would look better.

Comm. Dev. Direc. Hartshorn asked the Commission which option they would be in favor of. Commissioners gave a head nod that they would approve Plan 3.

Pres. Meisinger asked if the Commission cared which building went where. Comm. Halverson stated she liked how they were in Plan 3. Dave Carland stated one restaurant didn't sign on to that Plan so he would have to convince them of the location. Pres. Meisinger asked Dave Carland to keep the Commission in the loop.

3.B. Town Center I Discussion

Comm. Dev. Direc. Hartshorn presented the issues arising with the Maaco and Aamco properties. Dave Carland has agreed to stay with the project. Developer/broker fees for Dave Carland are \$25,000. The City does have the money for the Maaco property, but not the Aamco property. Staff is looking for input to move forward. If the Commission does want to move forward, we'll have to act quickly and bring back or move to EDA Meeting after City Council Meeting.

Dave Carland informed the Commission that he can't buy and own Maaco without having a project so he would like the City to buy it. The City should have the ability to take it to whomever.

Comments:

- Comm. Bellows stated that he doesn't want to hire a new developer.
- Comm. Halverson asked how they buy Aamco. Comm. Dev. Direc. Hartshorn stated possibly through a tax abatement, but will come back with a plan.
- Comm. Dev. Direc. Hartshorn stated we will find another developer to complete a project. We are hoping to get most of the money back that we invested into the project through increased valuation.

- Comm. Halverson asked if they will exhaust the EDA funds if they buy Maaco. Comm. Dev. Direc. Hartshorn said they would.
- Comm. Napier would like to take care of Moreland property. Comm. Dev. Direc. Hartshorn stated Maaco is going to take care of that if the EDA purchases Maaco.
- Comm. Dev. Direc. Hartshorn stated that construction will happen next spring.
- Comm. Iago stated that he doesn't want to be in the development business when the Commission doesn't have a clue. When a professional developer says price is too high and wants to walk away from it, he doesn't feel comfortable. The Commission would have to bond for Aamco. They don't know what numbers look like from Stacie. To bring in another developer, we are going to have to give them most of the money and land in order to entice them. They are not going to pay us anywhere near what we have invested into it. Comm. Iago stated that the EDA should let Maaco sit, let Robert Street construction go forward and see how it impacts their business over the next 6 months.
- Dave Carland stated we have a purchase agreement with Maaco.
- Comm. Bellows asked if this was a viable project? Dave Carland stated with their tool chest, TIF and some patience, he thinks it will be and has no problem working on it.
- Comm. Bellows asked what the risk was if they left it be and let the properties continue their long-term leases. Dave Carland stated the owner is vindictive and would operate forever.
- Comm. Halverson stated that she hoped the Commission could think beyond what the corner is and what it means for the City.

Pres. Meisinger stated the Commission will continue discussion into the EDA Meeting.

4. Adjourn

The EDA work session adjourned at 5:33 p.m.

Cindy Holzmer

Cindy Holzmer
Recording Secretary
City of West St. Paul

City of West St. Paul
EDA
March 28, 2016

1. Call to Order

President David Meisinger called the meeting to order at 8:02 p.m.

2. Roll Call

Present: President David Meisinger and Commissioners John Bellows, Jenny Halverson, Ed Iago and Dave Napier.

Commissioners Pat Armon and Dick Vitelli had excused absences.

Others: City Manager Matt Fulton, Finance Director Joan Carlson, Community Development Director Jim Hartshorn, Attorney Korine Land and Recording Secretary Cindy Holzmer.

3. Adopt the Agenda

Motion made by Commissioner Napier and seconded by Commissioner Halverson to adopt the agenda. All members present voted aye. Motion carried.

4. EDA Consent Agenda Items

Motion was made by Commissioner Napier and seconded by Commissioner Iago to approve the consent agenda items as presented:

4.A. January 2016 Budget to Actual Report

4.B. February 2016 Budget to Actual Report

All members present voted aye. Motion passed.

5. Commissioner Comments

Comm. Napier encouraged residents to visit Robert Street businesses.

6. New Business

6.A. Consider Amendment to Agreement with Emerson Park Commercial Building

Comm. Dev. Direc. Jim Hartshorn presented a brief history, including that a TIF District was created and the property was rezoned to commercial. Sherman Associates is now in default as the second building was never constructed and the Minimum Assessment Agreement was never recorded. George Sherman is about \$51,000 short.

Pres. Meisinger asked City Attorney Land how enforceable any action was that they voted on tonight.

City Attorney Land stated that if they chose to do nothing, we could still go after him for the TIF deficiency. The balance of the TIF is for not building the second building. This would be a court action. If you chose to negotiate something, we could put into the Agreement and negotiate.

Comm. Iago recommend that Comm. Dev. Direc. Jim Hartshorn continue to negotiate with George Sherman and see what comes forward.

Pres. Meisinger stated that if we are going to take a lower number of \$139,000, he'd like to see the time shortened.

Pres. Meisinger stated we will wait for more information and hold off until the next meeting.

6.B. Consider Amendment to Development Agreement with Venture Pass Regarding Town Center 1

Comm. Dev. Direc. Hartshorn gave a brief update on the issues arising with the Maaco and Aamco properties. Dave Carland has agreed to stay with the project and his brokerage fees are \$25,000 per building. If the Commission amends the Development Agreement, Dave Carland would lose his exclusivity and the property would become the EDA's property.

Comm. Iago stated that they are missing two board members and a lot of numbers. Comm. Iago moved to continue this item until they have the full panel of members and the numbers back from Ehlers.

Comm. Napier second the motion. All members present voted aye. Motion carried.

7. Old Business

None.

8. Adjourn

Motion was made by Commissioner Iago and seconded by Commissioner Halverson to adjourn the meeting at 8:16 p.m. All members present voted aye. Motion carried.

David Meisinger
President
City of West St. Paul