



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

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**ECONOMIC DEVELOPMENT AUTHORITY MEETING  
MUNICIPAL CENTER COUNCIL CHAMBERS  
DECEMBER 12, 2016  
IMMEDIATELY FOLLOWS THE REGULAR COUNCIL  
MEETING**

1. Call To Order

2. Roll Call

3. Adopt Agenda

4. EDA Consent Agenda Items

4.A. Previous Meeting Minutes

Documents:

[08-22-16 EDA MINS.PDF](#)

[10-24-16 EDA WS MINS.PDF](#)

[11-28-16 EDA WS MINS.PDF](#)

4.B. Municipal Tort Liability

Documents:

[EDA REPORT - MUNICIPAL TORT LIABILITY.PDF](#)

[RESOLUTION - EDA NON-WAIVER TORT LIMIT.PDF](#)

4.B.1. October 2016 Budget Report

Documents:

[OCTOBER 2016 EDA BUDGET REPORT.PDF](#)

5. Commissioner Comments

6. New Business

6.A. Proposed Amended Development Agreement With Sherman Associates

Documents:

[AMEND SHERMAN AGRMT.PDF](#)

6.B. PEBB Enterprises Preliminary Dev Agreement

Documents:

[PEBB ENTERPRISES PRELIN DEV AGMT.PDF](#)

7. Old Business

8. Adjourn

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*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](http://www.wspmn.gov) EOE/AA*

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**CITY OF WEST ST. PAUL  
ECONOMIC DEVELOPMENT AUTHORITY  
MEETING MINUTES  
August 22, 2016**

**1. Call to Order**

President David Meisinger opened the work session at 8:55 p.m.

**2. Roll Call**

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

Others: City Manager Matt Fulton, Executive Director/Community Development Director Jim Hartshorn, City Attorney Korine Land, Finance Director/Treasurer Joan Carlson and City Clerk/Secretary Chantal Doriott.

**3. Adopt Agenda**

Motion was made by Com. Iago and seconded by Com. Halverson to adopt the agenda as presented. All members present voted in favor. The motion carried.

**4. EDA Consent Agenda Items**

**4.A. Meeting Minutes – August 8, 2016 work session and regular meeting**

Motion was made by Com. Vitelli and seconded by Com. Iago to approve the consent agenda items as presented. All members present voted in favor. The motion carried.

**5. Commissioner Comments**

Commissioners Halverson and Armon reminded all to “Shop Robert”.

**6. New Business**

**6.A. Town Center I Preliminary Development**

Com. Halverson said there was a lot of information two weeks ago and having some time to consider the agreement she is in favor of entering into a preliminary development agreement with PEBB Enterprises. It does not mean the project is being approved. There is a lot that needs to be explored. We do need to consider the residents comments. She is not in favor of a tunnel or bridge that will cost taxpayers money.

Community Development Director Jim Hartshorn said PEBB Enterprises is interested in developing the 4.23 acre area known as the Town Center I area. Staff is still working with Maaco and Amoco. If the Board reconsiders and signs the preliminary development agreement, the Board should hold a closed session to discuss the purchase of the Amoco site.

Some discussion points include:

- 1) Project includes a 28,700 sq. ft. building for a Fresh Thyme store and 20,217 sq. ft. for other retail space and a sit-down restaurant in the 4.23 acre site.
- 2) The project estimated market value equals \$9.25 million dollars.
- 3) Approximately 72 full-time jobs would be created with average wages \$52,000 annually. These numbers do not include the additional retail/ restaurant portion of the project.
- 4) Approximately 33 part-time jobs would be created with average wages \$13,000 annually.
- 5) The average annual wages per store is \$32,500. For a total of approximately \$1.7 million annually.

Comments:

- Com. Bellows best faith in proceeding with a preliminary development agreement – there is no assurance with any landowners. Attorney Land said this agreement intends to give PEBB the exclusive rights to this area for a successful redevelopment project.
- Com. Iago is in favor.
- Com. Iago asked Com. Halverson to repeat what she said about the tunnel. Com. Halverson said it doesn't preclude them looking elsewhere but the County can't use this site for a tunnel.
- Does the County know that their plan is null with this preliminary approval? Manager Fulton said this site should not be on the County's plan. Com. Napier said the County project is totally separate from this. The County could come back with other sites.
- Com. Bellows said he understands the two uses – the PEBB plan and County's plan are mutually exclusive. Does this mean an at grade separated site? Does anyone have any knowledge of a separated site? Com. Napier said there were 3 plans - alternate potential, grade separated sites, across Town Center I. Common courtesy says we should let the County know we adopted this preliminary agreement. Com. Bellows said if the potential is there for a grade-separated crossing and they are still pressing they ought to know if they are looking at any other sites. Com. Napier said there was no approval. Staff can tell the County not to show the tunnel in Town Center 2, said Com. Vitelli.
- Com. Armon supports this as long as there is agreement from PEBB that this is preliminary.
- Com. Halverson said to Director Hartshorn - the investment will be clarified. Director Hartshorn mentioned the developer will come back with a development agreement showing the cost versus benefit.

Motion was made by Com. Iago and seconded by Com. Vitelli to approve the preliminary development agreement with PEBB Enterprises. All members present voted in favor. The motion carried.

Commissioner Iago said during the November 8, 2010 meeting, in which the council approved a consulting agreement with SRF to study in part a separated grade trail crossing, it was stated that

they are not recommending a tunnel. Com. Vitelli said this was not during an EDA meeting. The Council and County did a study on a separated grade study and the results of which can be reviewed. There was a discussion on this and it took over six months. The report came out June 11, 2010. President Meisinger added that the summary of the report indicated a tunnel should not be placed on the Blockbuster location. This report is on the City website. Taxpayer dollars have been used for this consideration.

Motion was made by Com. Bellows and seconded by Com. Halverson to close the meeting pursuant to Minn. State Statute 13D.03(3)(c). All members present voted in favor. The motion carried.

Executive Director Hartshorn gave an overview of purchase of potential property for future redevelopment.

Motion was made by Com. Halverson and seconded by Com. Napier to open the meeting. All members present voted in favor. The motion carried.

A Letter of Intent will be prepared by Director Hartshorn and City Attorney Land.

## **7. Old Business**

There was no old business to discuss.

## **8. Adjourn**

Motion was made by Com. Napier and seconded by Com. Halverson to adjourn the EDA meeting at 9:25 p.m. All members present voted in favor. The motion carried.

[Chantal Doriott](#)

Chantal Doriott  
City Clerk/Secretary  
City of West St. Paul

**CITY OF WEST ST. PAUL  
ECONOMIC DEVELOPMENT AUTHORITY  
WORK SESSION MINUTES  
October 24, 2016**

1. Open the Work Session

President David Meisinger opened the work session at 5:20 p.m.

2. Roll Call

Present: President David Meisinger and Commissioners Ed Iago, Jay Bellows, Dave Napier, Jenny Halverson and Pat Armon. Commissioner Dick Vitelli had an excused absence.

Others: City Manager Matt Fulton, Executive Director/Community Development Director Jim Hartshorn, City Attorney Korine Land, Finance Director/Treasurer Joan Carlson and City Clerk/Secretary Chantal Doriott. Stacie Kvilvang from Ehlers and Associates was also in attendance.

3. Agenda Items

3.A. Economic Development Redevelopment Financing Tools - Presentation by Stacie Kvilvang, Ehlers and Associates

Ms. Kvilvang gave a detailed presentation on Tax Increment Financing, Abatement which is attached to these minutes.

EDA Commissioners made a few comments as did Ms. Kvilvang.

- Are there any books, articles, or any written materials available? Ms. Kvilvang will be happy to supply the TIF statute with Commissioners.
- Any questions can be answered by Ms. Kvilvang.
- Of course there have been some city project failures and this information will be emailed to Commissioners. There is always risk involved, but it is rare, for projects to fail.
- Many projects are fairly large and take years to implement. Samples of projects that are scaled down to the land size in West St. Paul will be forwarded via email to Commissioners.
- Commissioners are interested in seeing a variety of options for what could happen in West St. Paul. Examples of projects for mixed areas would be welcome.

4. Adjourn

Motion was made by Com. Halverson and seconded by Com. Armon to adjourn the EDA work session at 6:20 p.m.

Chantal Doriott

Chantal Doriott  
City Clerk/Secretary  
City of West St. Paul

**CITY OF WEST ST. PAUL  
ECONOMIC DEVELOPMENT AUTHORITY  
WORK SESSION MINUTES  
November 28, 2016**

1. Open the Work Session

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

2. Roll Call

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

Others: City Manager Matt Fulton, Assistant City Manager Sherrie Le, Executive Director/Community Development Director Jim Hartshorn, City Attorney Korine Land, Finance Director/Treasurer Joan Carlson and City Clerk/Secretary Chantal Doriott.

3. Agenda Items

Approved with one addition: If time permits there will be an update on the Sherman property (3.B.)

3.A. Town Center I Redevelopment Update

Executive Director Jim Hartshorn gave an update on Town Center I Redevelopment Options 1 and 2:

Option I

- 28,700 sq. ft. grocer / 20,217 restaurant and retail

Option 2

- 28,700 sq. ft. grocer / 20,788 retail and 17,110 sq. ft. restaurant and retail

Executive Director Hartshorn reviewed each option in detail including costs and issues unique to each option. Director Hartshorn also made the following comments:

- The Renaissance Plan contemplates a vision that incorporates both sides of the road. The City Council has not finalized a vision.
- Currently we do not have a Performa from developers to determine their expended rate of return.
- Dakota County will not complete the River to River Crossing study until February. Revenue issues related to the tunnel scenario from County land acquisition resources.

Potential loss of \$250,000 of Dakota County RIF Grant proceeds if the Blockbuster site is not used for a separated grade crossing. Director Hartshorn is getting clarification on this.

- The County should have the study done February 1 and they plan on attending the 2<sup>nd</sup> meeting in January.
- Com. Iago asked why didn't we see this sooner? Manager Fulton said there were unanswered questions and with Director Hartshorn on vacation, to lessen confusion, staff waited until now until when there was more information available.
- With a project of this magnitude, where is PEBB? It would be nice to be able to ask them questions directly. Right now the layout is not so important but getting an extension is preferred. PEBB must have a number in mind and Com. Iago would like to have PEBB present for a face-to-face discussion. Director Hartshorn said they were invited but after discussing the invite with Manager Fulton and Director Carlson it was decided we needed hard numbers.
- The two options being considered were submitted by PEBB. If we went with Option 2 the design may change slightly. Com. Bellows thinks it might violate some of the Robert Street Renaissance Code update.
- Director Hartshorn believes the Renaissance Plan should be adopted before final consideration of either option.
- Com. Vitelli said we are not making a decision tonight other than extending the preliminary development agreement to March 2017. Director Hartshorn said that is correct.
- Basically \$2.2 million is what we have at the table; we have not guaranteed them anything at this time.
- Manager Fulton wants to make sure Commissioners understand there could be a gap of \$3,771,400 for Option 1 or \$4,671,400 for Option 2. TIF was discussed to show how both options leave a significant financial gap. Director Hartshorn and Manager Fulton gave additional information such as adding density. Tax abatement is also a worthwhile option to fill the gap.
- Com. Halverson is concerned because of other projects we have been working on that need funding. Com. Halverson would like to know exactly what this will cost the taxpayers.
- Director Hartshorn explained why PEBB needs to know how much the city is willing to invest. The question tonight is - are you willing to extend this agreement until March 2017.
- Has anyone approached us about other redevelopment? Director Hartshorn said Luigi Bernardi did quite a while ago but not recently.
- Com. Napier supports an extension.
- Com. Bellows said this is a preliminary agreement and it might have viability and keep options open. He is in favor of an extension.
- Let's work with PEBB until we know the cost.
- Com. Iago is not in favor because PEBB will be spending time and money acquiring property and there are so many unknowns. What will we approve? He would like PEBB to come here and answer questions in person.
- Are there any locations to place Amoco? Director Hartshorn said staff has reviewed a few sites and there is interest on all sides. At this point PEBB just wants to buy them out.

- Commissioners were encouraged to send questions and comments to Director Hartshorn.

### 3.B. Sherman Property (Addition)

Attorney Land said there is a purchase agreement and they are looking for certification from us. She believes the closing will be held soon.

Director Hartshorn will try to have a more detailed update on the Sherman property and email Commissioners with his weekly update.

### 4. Adjourn

The EDA work session adjourned at 5:03 p.m.

Chantal Doriott

Chantal Doriott  
City Clerk/Secretary  
City of West St. Paul

**TO:** EDA President and Board  
**FROM:** Finance Director  
**DATE:** December 12, 2016  
**SUBJECT:** Non-Waiver of Statutory Limit on Municipal Tort Liability



City of West St. Paul

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**BACKGROUND INFORMATION:**

The renewal of the EDA’s property and liability insurance coverage provides an opportunity to waive the statutory limit on municipal tort liability established by M.S. 466.04. By not waiving the limit, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000.

If the EDA were to waive the limit and not purchase excess liability coverage, a single claimant could potentially recover up to \$2,000,000 on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.

If the EDA were to waive the statutory tort limits and purchase excess liability coverage, a single claimant could potentially recover up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

**FISCAL IMPACT:**

There is no immediate fiscal impact to the EDA. Rather, the EDA’s liability in the event of a tort claim is protected by this provision within the policy.

		Amount
<b>Fund:</b>		
<b>Department:</b>		
<b>Account:</b>		

**STAFF RECOMMENDATION:**

Staff recommends that the EDA Board continue to rely upon the statutory limits established by M.S. 466.04 to limit loss exposure and that Board approve of the attached resolution.

**City of West St Paul  
Economic Development Authority**

**Resolution 16-XX**

**Resolution Approving Non-Waiver of Statutory Tort Liability Limits**

WHEREAS, the Economic Development Authority(EDA) of West St. Paul is renewing its Property and Liability Insurance coverage with the League of Minnesota Cities Insurance Trust (LMCIT); and,

WHEREAS, the EDA's Municipal Tort Liability is covered under Minnesota Statute 466.04, which limits the amount that the EDA would be obligated to pay out in the event of a claim under which the limit would apply; and

WHEREAS, the EDA must decide whether or not to waive the statutory tort liability limits to the extent of the coverage purchased.

NOW, BE IT RESOLVED, that the EDA does not waive the monetary limits on Municipal Tort Liability established by Minnesota Statutes 466.04.

Adopted by the West St Paul Economic Development Authority this 12<sup>th</sup> day of December 2016.

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David Meisinger, President

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Chantal M. Doriott, City Clerk

# City of West St Paul

## Economic Development Authority

### Income Statement

Through 10/31/2016

	2016 Budget	Current Transactions	2016 YTD Actual	Budget - YTD Transactions	% used/ Rec'd
<b>REVENUE</b>					
Tax - Ad Valorem-Current	300,000.00	.00	150,000.00	150,000.00	50%
Investment - Interest	10,000.00	583.00	3,736.00	6,264.00	37%
Other Interest Earnings	50,000.00	.00	.00	50,000.00	0%
Misc Revenue - All Other	6,000.00	.00	30,660.00	(24,660.00)	511%
<b>REVENUE TOTALS</b>	<b>\$366,000.00</b>	<b>\$583.00</b>	<b>\$184,396.00</b>	<b>\$181,604.00</b>	<b>50%</b>
<b>EXPENSE</b>					
Salaries - Full Time Reg	121,000.00	8,942.40	101,097.94	19,902.06	84%
Contributions - PERA	9,100.00	670.68	7,582.35	1,517.65	83%
Contributions - FICA	9,250.00	615.81	7,020.66	2,229.34	76%
Contributions - Health In	13,200.00	1,306.31	13,063.10	136.90	99%
Contributions - OthGrpIns	330.00	26.75	267.50	62.50	81%
Supplies - Office	300.00	.00	.00	300.00	0%
Supplies - General	500.00	.00	11.77	488.23	2%
Auditing Services	2,000.00	.00	2,000.00	.00	100%
Legal Fees	15,000.00	2,188.50	13,947.20	1,052.80	93%
Travel,Conference,Schools	5,000.00	71.28	2,340.25	2,659.75	47%
Advertising	5,000.00	.00	.00	5,000.00	0%
Postage	500.00	27.96	31.43	468.57	6%
Printing & Publishing	1,000.00	.00	.00	1,000.00	0%
Insurance - Gen Liability	1,500.00	.00	1,530.00	(30.00)	102%
Utility Charges	.00	.00	482.19	(482.19)	na
Contractual - Misc Servic	74,125.00	2,890.00	143,377.09	(69,252.09)	193%
Subscriptions,Memberships	775.00	.00	664.00	111.00	86%
Misc Expenses	1,500.00	52.34	283.60	1,216.40	19%
Business Subsidy	175,000.00	.00	34,446.54	140,553.46	20%
<b>EXPENSE TOTALS</b>	<b>\$435,080.00</b>	<b>\$16,792.03</b>	<b>\$328,145.62</b>	<b>\$106,934.38</b>	<b>75%</b>
<b>REVENUE TOTALS</b>	<b>366,000.00</b>	<b>583.00</b>	<b>184,396.00</b>	<b>181,604.00</b>	<b>50%</b>
<b>EXPENSE TOTALS</b>	<b>435,080.00</b>	<b>16,792.03</b>	<b>328,145.62</b>	<b>106,934.38</b>	<b>75%</b>
<b>NET</b>	<b>(\$69,080.00)</b>	<b>(\$16,209.03)</b>	<b>(\$143,749.62)</b>	<b>\$74,669.62</b>	

Cash Balance:

12/31/2015	401,333
1/31/2016	385,692
2/29/2016	366,557
3/31/2016	316,084
4/30/2016	279,260
5/31/2016	266,945
6/30/2016	385,244
7/31/2016	347,241
8/31/2016	299,681
9/30/2016	279,440
10/31/2016	343,104

## EDA Account Detail

### 209-41121 40399 Contractual Services

<i>Invoice Number</i>	<i>Vendor</i>	<i>Description</i>	<i>Date</i>	<i>Check #</i>	<i>Dist. Amount</i>
3411	HAUGO GEO TECHNICAL SERVICES, LLC	DRILLING/GEOTECHNICLA RPT - THOMPSON OAKS	01/08/2016	120997	10,090.00
69897	EHLERS & ASSOCIATES	TIF ADMIN SERVICES	02/10/2016	121200	1,840.00
1650	GREATER MSP	2016 ANNUAL INVESTMENT	02/03/2016	121213	10,000.00
70047	EHLERS & ASSOCIATES	TIF ADMINISTRATION SERVICES	03/10/2016	121356	805.00
42499	CARL BOLANDER & SONS	DEMO OF 1010 DODD ROAD	03/11/2016	121337	24,909.00
022116	DAKOTA COUNTY CDA	2016 OPEN TO BUSINESS PARTICIPATION	03/21/2016	121530	5,000.00
4 2016	CYNTHIA HOLZMER	EDA/OPEN COUNCIL/CITY COUNCIL MTG MINUTES	03/24/2016	121539	40.00
70283	EHLERS & ASSOCIATES	TIF ADMINISTRATION SERVICES	04/12/2016	121620	2,587.50
5	CYNTHIA HOLZMER	MINUTES- EDA/COUNCIL	04/19/2016	121634	125.63
42604	CARL BOLANDER & SONS	DEMO OF 1010 DODD ROAD	05/24/2016	121977	4,605.00
70447	EHLERS & ASSOCIATES	BUSINESS SUBSIDY REPORTS	05/10/2016	121998	215.00
70448	EHLERS & ASSOCIATES	TIF ADMINISTRATION SERVICES	05/10/2016	121998	1,840.00
16	METZEN APPRAISALS	APPRAISAL OF THOMPSON OAKS GC/YMCA	04/06/2016	122045	12,000.00
70684	EHLERS & ASSOCIATES	TIF ADMINISTRATION SERVICES	06/10/2016	122130	2,415.00
060916	STEVEN WALL APPRAISALS SERVICES	APPRAISAL RPT - TRADE FIXTURES MAACO	06/09/2016	122251	4,500.00
06/10/16	US BANK CARDMEMBER SERVICES	CREDIT CARD - 05/13-6/10/16	06/10/2016	946	29.10
21213	DAKOTA COUNTY FINANCIAL SERV	2016 GIS SUPPORT SERVICES	06/17/2016	122296	22,549.00
70898	EHLERS & ASSOCIATES	TIF estimates for Redevelopment	07/08/2016	122302	1,495.00
4009160	SAVATREE	TREE REMOVAL SERVICES	07/18/2016	122485	486.00
42716	T.C. ENTERPRISES	FINAL RELOCATION EXPENSES	04/27/2016	122544	34,352.85
71570	EHLERS & ASSOCIATES	TIF estimates for Town Center 1	09/12/2016	122834	575.00
B71624	BRAUN INTERTEC CORP	Phase I Environmental	10/10/2016	122965	2,200.00
71850	EHLERS & ASSOCIATES	TIF estimates for Town Center 1	10/24/2016	123089	690.00
Total					143,349.08

### 209-41121 40495 Business Subsidy

<i>Invoice Number</i>	<i>Vendor</i>	<i>Description</i>	<i>Date</i>	<i>Check #</i>	<i>Dist. Amount</i>
2016 Prop Tax	Dakota County	2016 Property Taxes	3/28/2016	121351	3,340.04
042616	Liesenfeld Properties, LLC	Maaco - soft expenses	4/26/2016	121699	15,000.00
081116	Cherokee Tavern	Commercial Exterior Grant	8/22/2016	122567	10,000.00
090716	Gerherts, Joe	Sign Replacement Grant	9/7/2016	122844	6,106.50
Total					34,446.54

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

**EDA PRESIDENT AND BOARD**  
**EXECUTIVE DIRECTOR**  
**DECEMBER 12, 2016**



**City of West Saint Paul**

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**SUBJECT:**

Proposed Amended Development Agreement with Sherman Associates.

**BACKGROUND INFORMATION:**

Some of the items that were part of the last agreement with Sherman will not be completed by the end of the year. As a result, Sherman will be requesting another extension. A representative from Sherman Associates will be present to answer questions Monday night. One component of the agreement states that Sherman will be required to deposit \$20,000. Staff will be able access the funds in order to finish the two items (listed below) if Sherman does not complete the work by June 30, 2017.

Items that were not finished this year include:

1. Parking lot overlay and lighting installation
2. Fencing around the site

Items that were finished include:

1. Broken windows were replaced
2. Doors have been replaced
3. Roof flashing is complete
4. Landscaping is complete

**EXPENSES:**

		Amount
Fund:		
Department:		
Account:	N/A	N/A

**STAFF RECOMMENDATION:**

Staff recommends approving the attached Seventh Development Agreement with Sherman Associates.

**ATTACHMENTS**

1. Seventh Amended Development Agreement between the EDA and Sherman Associates

**SEVENTH AMENDED  
DEVELOPMENT AGREEMENT  
BY AND BETWEEN  
ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WEST ST. PAUL  
AND  
HOMES OF EMERSON HILL LLC**

**THIS AGREEMENT** is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between the Economic Development Authority of the City of West St. Paul, Minnesota, a public body corporate and politic organized and existing under the Constitution and laws of Minnesota, and Homes of Emerson Hill LLC, a Minnesota limited liability company.

**WHEREAS**, the EDA and Developer entered into a Development Agreement on September 28, 2004, which was amended as the First Amended and Restated Development Agreement on August 22, 2005, amended as the Second Amended and Restated Development Agreement on May 30, 2008, amended as the Third Amended and Restated Development Agreement on October 5, 2009, amended as the Fourth Amended and Restated Development Agreement on February 6, 2012, amended as the Fifth Amended and Restated Development Agreement on October 1, 2012 and the Sixth Amended and Restated Development Agreement on April 25, 2016 (“Development Agreement”); and

**WHEREAS**, the EDA and Developer desire to amend the Development Agreement to acknowledge the completion of Phase I improvements and to extend the completion of construction for the Phase II remaining improvements (defined in Exhibit B as “Remaining Improvements”), as well as to include other terms and conditions related thereto; and

**WHEREAS**, in exchange for the amendment and extension to the Development Agreement, Developer has agreed to deposit \$20,000 with the City to be held in escrow and if the Remaining Improvements are not completed by the date contained in this extension, the City shall be allowed to complete the Remaining Improvements and reimburse itself with the escrow amount on deposit.

**NOW, THEREFORE**, in consideration of the premises and the mutual obligations of the parties hereto, the parties recite and agree as follows:

## **I. Completion of Phase I Improvements**

EDA and Developer acknowledge and agree that Phase I improvements are complete and a Certificate of Completion has been executed by the EDA and delivered to Developer. With the exception of the TIF Agreement, all rights and obligations pursuant to the Phase I Improvements are discharged.

## **II. Extension of Phase II Improvements**

Exhibit B is hereby deleted and replaced in its entirety as follows:

Phase I:

Completed

Phase II:

Construction of a commercial building with a total square footage of approximately 9,000 square feet, whose uses comply with the B5 zoning district, and with an estimated market value for tax purposes of approximately \$1,350,000; subject to the provisions of Section 4.1A of the Development Agreement.

Begin Construction Phase II(a): February 28, 2013  
Completion Date: June 30, 2017

Developer hereby acknowledges that the parking lot and fencing, as required in the approved site plan, are not complete ("Remaining Improvements") as of the date of this Agreement and cannot be completed by the previous Completion Date of December 31, 2016. The Developer agrees to complete the Remaining Improvements by June 30, 2017. Failure to complete construction of these Remaining Improvements by the new Completion Date shall result in the EDA's ability to enter onto the Development Property and complete the Remaining Improvements on behalf of the Developer in accordance with the approved site plan.

Developer agrees to deposit \$20,000 with the EDA upon execution of this Agreement, which will be held in escrow ("Escrow Funds"). The Escrow Funds shall only be used by the EDA if Developer fails to complete construction of the Remaining Improvements by the Completion Date and shall only be used for the EDA's actual expenses to complete the Remaining Improvements, an itemized invoice of such costs shall be provided to Developer. In such event, Developer hereby agrees to grant EDA, its consultants, contractors and employees a right of entry to complete the Remaining Improvements. If the Escrow Funds are insufficient to cover the costs of constructing of the Remaining Improvements, Developer shall be sent an invoice for the balance and shall pay such invoice within 30 days of its receipt. If the Escrow Funds exceed the costs of constructing the Remaining Improvements, any balance shall be returned to Developer within 30 days after all invoices have been paid.

CITY OF WEST ST. PAUL  
ECONOMIC DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
David Meisinger  
Its President

By \_\_\_\_\_  
James Hartshorn  
Its Executive Director

STATE OF MINNESOTA            )  
  )ss  
COUNTY OF DAKOTA            )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by David Meisinger and James Hartshorn, the President and Executive Director, respectively, of the City of West St. Paul Economic Development Authority, a Minnesota municipal corporation and political subdivision organized and existing under the Constitution and laws of Minnesota, on behalf of the EDA.

\_\_\_\_\_  
Notary Public

HOMES OF EMERSON HILL LLC

By \_\_\_\_\_  
George E. Sherman  
Its President & Chief Manager

STATE OF MINNESOTA            )  
  )ss  
COUNTY OF HENNEPIN        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by George E. Sherman, President and Chief Manager of Homes of Emerson Hill LLC, a Minnesota limited liability company, on behalf of the limited liability company.

\_\_\_\_\_  
Notary Public

**TO: EDA PRESIDENT AND BOARD**  
**FROM: EXECUTIVE DIRECTOR**  
**DATE: DECEMBER 12, 2016**



**City of West Saint Paul**

**SUBJECT:**

PEBB Enterprises Preliminary Development Agreement.

**BACKGROUND INFORMATION:**

As you know, the Board entered into a preliminary development agreement with PEBB Enterprises to develop the 4.23 acre site known as the Town Center I area. The preliminary development agreement states that PEBB Enterprises has until the end of this year to enter into a development agreement. PEBB has recently taken over the negotiations with the property owners to secure the 9 parcels in the project area. The project also includes negotiating with Grannies and Batteries Plus to work them into the project They are also working on proposals regarding the business lease agreements with Aamco and Maaco.

At the last EDA Work Session, the agreed to extend the preliminary development agreement to March 31, 2017. The amended agreement requires approval at a regular EDA meeting. Attached is a copy of the First Amended Preliminary Development Agreement.

**EXPENSES:**

		Amount
Fund:		
Department:		
Account:	N/A	N/A

**STAFF RECOMMENDATION:**

Staff recommends approving the First Amended Preliminary Development to March 31, 2017.

**ATTACHMENTS**

1. First Amended Preliminary Development Agreement

**FIRST AMENDED  
PRELIMINARY DEVELOPMENT AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of December, 2016, by and between the West St. Paul Economic Development Authority (the "EDA"), a corporate body public and politic, 1616 Humboldt Avenue, West St. Paul, Minnesota 55118, and PEBB Enterprises, LLC a Florida limited liability company (the "Developer") 7900 Glades Road, Suite 600, Boca Raton, FL 33434.

**WITNESSETH:**

**WHEREAS**, the EDA and Developer entered into a Preliminary Development Agreement ("PDA") for the consideration of redevelopment project ("the Project") on August 22, 2016; and

**WHEREAS**, the PDA contemplated that the EDA and Developer would enter into a Development Agreement on or before December 31, 2016 or the PDA would terminate; and

**WHEREAS**, EDA and Developer have been diligently working on the Project and preparing the Development Agreement; and

**WHEREAS**, additional time is needed to finalize the project and the Developer has requested a reasonable extension of the PDA to March 31, 2017.

**NOW, THEREFORE**, in consideration of the covenants and obligations of the parties hereto, the EDA and the Developer hereby agree as follows:

**Amendment to Section 13 of the Preliminary Development Agreement.**

Section 13 of the Predevelopment Development Agreement is hereby deleted in its entirety and replaced with the following:

Section 13. Termination. This Agreement shall be effective until March 31, 2017. If for any reason a Development Agreement has not been entered into by the parties by such date or any mutually approved extension thereof, this Agreement shall be null and void and neither party shall have any liability or obligations to the other, except as provided in Section 9 regarding EDA costs incurred prior to the termination of this Agreement.

This agreement may be terminated by the EDA as to all or a portion of the Redevelopment Property upon the giving of written notice to the Developer that the Developer is not diligently pursuing its required activities under this Agreement. Developer shall have a reasonable time, but in no event less than 30 days to effect a cure of such default, or to demonstrate that it is diligently pursuing such cure. The EDA may also terminate this agreement for the failure of the Developer to make any payment due in accordance with Section 9 if such payment is not made within 15 days of notice requesting payment.

This Agreement may be terminated by Developer as set forth in Section 7.

**IN WITNESS WHEREOF**, the EDA has caused this Agreement to be duly executed in its name and behalf and the Developer has caused this Agreement to be duly executed in its name and behalf on or as of the date first above written.

**WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY**

By \_\_\_\_\_  
David Meisinger, President

By \_\_\_\_\_  
James Hartshorn, Executive Director

Date \_\_\_\_\_

**PEBB ENTERPRISES, LLC**

By \_\_\_\_\_

Its: \_\_\_\_\_

Date \_\_\_\_\_