



Economic Development Authority

1616 HUMBOLDT AVENUE, WEST ST. PAUL, MN 55118

ECONOMIC DEVELOPMENT AUTHORITY MEETING MUNICIPAL CENTER LOBBY CONFERENCE ROOM

April 10, 2017

5:00 p.m.

1. Call To Order
2. Roll Call
3. Adopt Agenda
4. EDA Consent Agenda Items
- 4.A. Previous Meeting Minutes
Documents:
 - [2-27-17 EDA MINS.PDF](#)
 - [03-13-17 WSP EDA MINUTES.PDF](#)
5. Commissioner Comments
6. Closed Meeting
Pursuant to Minn. Stat. 13D.05 subd. 3(c) to consider purchase/sale of real property at Lot 2 Langer Addition.
7. Consider Purchase Agreement With Owner Of Lot 2 Langer Addition
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*

1. Call to Order

President Jenny Halverson called the meeting to order at 7:45 p.m.

2. Roll Call

Present: President Jenny Halverson and Commissioners Ed Iago, Jay Bellows, Dave Napier, Dick Vitelli, Bob Pace and Anthony Fernandez.

Others: Interim City Manager Ryan Schroder, Executive Director/Community Development Director Jim Hartshorn, City Attorney Korine Land and City Clerk/Secretary Chantal Doriott.

3. Adopt Agenda

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

4. EDA Consent Agenda Items

4.A. Previous Meeting Minutes

4.B. Financial Report

Motion was made by Com. Napier and seconded by Com. Bellows to approve the January 23, 2017 EDA work session minutes and January 23, 2017 EDA regular meeting minutes and the December 2016 Finance Report all as presented. All Commissioners present voted in favor. Motion carried.

5. Commissioner Comments

Com. Napier said thanks to everyone for shopping and dining on Robert Street.

Com. Vitelli stated the EDA has attempted twice to meet with owners of Signal Hills, to no avail. EDA and staff will try to meet with them as soon as possible.

6. New Business

6.A. EDA Residential Lots Bldg. Plans Approval

Executive Director Jim Hartshorn gave an overview. The building plans have been submitted for 158 Haskell and 270 Annapolis (former EDA lots). The EDA entered into a development agreement with Mark Schroeder and Emmett Booker, to purchase the five remaining EDA residential lots last fall. One of the conditions include that the developers will present their plans to the EDA Board for approval before they start construction on the single-family homes in April 2017. The developer already has verbal agreements for purchase of both homes. Both homes will exceed the required \$180,000 minimum market value requirement.

Commissioners reviewed the site plans, the building footprint and the front elevations show what the homes will look like from the street. Staff believes the plans meet the minimum requirements of the housing redevelopment program. It should be noted, that the current Haskell plan does not meet the rear yard setback, (with the inclusion of a deck). Staff is currently working with the builder to possibly vacate an unused easement at the south end of the property.

Mr. Schroeder, 147 Winona Street, approached the bench to discuss the presentation. Commissioners reviewed a floor plan a little over 1,300 sq. ft. and a split-level. The foot print of the house is pretty much established. The considerations to make are the master bath or two full baths on the upper level. More than likely they are talking vinyl siding.

Com. Napier would like staff to review alleys and review vacations. Commissioners would like some ideas to vacate alleys in the city. Mr. Schroeder said this street was originally made to be a t-alley. In speaking with Public Works Director Beckwith he started the vacation process. Commissioners were in favor of the proposed home renderings.

Motion was made by Com. Vitelli and seconded by Com. Iago to approve building plans for single family homes located at 158 E. Haskell and 270 E. Annapolis. All Commissioners present voted in favor. The motion carried.

Vacate Alleyways

Motion was made by Com. Bellows and seconded by Com. Napier to direct staff to vacate the alley behind Haskell Street and look into other potential alley easements that could be vacated. All Commissioners present voted in favor. The motion carried.

7. Old Business

There was no old business to discuss.

8. Adjourn

Motion was made by Com. Bellows and seconded by Com. Iago to adjourn the EDA meeting at 8:00 p.m. All Commissioners present voted in favor. The motion carried.

Chantal Doriott

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

1. Open Work Session

President Jenny Halverson opened the work session at 5:00 p.m.

2. Roll Call

Present: President Jenny Halverson and Commissioners John Bellows, Anthony Fernandez, Ed Iago, Dave Napier, Bob Pace and Dick Vitelli.

Others present: Interim City Manager Ryan Schroeder, Assistant City Manager Sherrie Le, Executive Director/Community Development Director Jim Hartshorn, Finance Director/Treasurer Joan Carlson and Recording Secretary Shirley Buecksler.

3. Agenda Items

A. CDA Strategic Plan/North Gateway Discussion

Tony Schertler, Executive Director, Dakota County Community Development Agency (CDA), provided a presentation. Also present were Lisa Alfson, Director of Community and Economic Development, and Matt Smith, County Manager.

Mr. Schertler gave an overview of the CDA:

- Their plan is to visit every city in the county over nine months.
- The CDA is a very unique, combined agency in the housing industry that manages public housing developments on behalf of the Federal government for disabled and senior residents.
- They manage a voucher program, develop senior housing and tax credit housing.
- They manage a portfolio of over 128 housing properties, with an operating budget of \$61M and \$398M in assets. They have been building up their portfolio since 1992.
- The CDA works with cities to make sure that spend-down occurs and assists in identifying redevelopment or affordable housing challenges.
- They have two senior housing communities in West St. Paul (101 units).
- \$782,000 has been awarded in redevelopment incentive grants to West St. Paul.

- The CDA is not occupying the private housing sector but take tax exempt financing and use those credits to pass onto the customer so their rents are lower. The CDA is not competing with the private market but trying to provide affordable housing.
- The CDA's prime mission is affordable housing but they also have resources and skill sets for land use plans. They are trying to bring tools to reposition properties. For example, the CDA redeveloped the Valley Ridge site at County Road 5 and Burnsville Parkway in Burnsville. The CDA picked up a lot of land, developed senior housing on the site, and sold the surplus land to the private market.

Mr. Schertler provided a chart showing which cities have accessed funding from the CDA through the distribution from 2006 to 2016. For example, West St. Paul received 8%, South St. Paul 14% and Burnsville 22%.

Ms. Alfson introduced the North Gateway site. She said the CDA has been involved with the cities since the mid-1980's to clear out the commercial properties that were in this area. She said the area is pretty thin and small, in terms of area. Ms. Alfson said a market study was completed in February of 2015, and that the best use for this site is multi-family and some retail. The CDA is currently looking at finalizing the easements and they have a draft RFP that they will bring to the CDA Board and to the EDA, possibly by early summer.

Matt Smith said the county has a set of tools to bring to the table. From the county's perspective, Mr. Smith said the county can bring the following tools:

- Support a skilled workforce
- Reliable services and attractive amenities
- Competitive, stable rates
- Infrastructure (fiber communications and transportation)

Mr. Smith said the county tax rate is the lowest of any county in the metro area. He said it has also been the lowest per capita for the past two years now, as well.

Mr. Schertler said the CDA is working with a (income) challenged population, so part of the CDA's strategic plan is to be ready to either downsize or adjust their mission. He listed some of the challenges and changes:

- Diminishing or decreasing federal funding
- Landlord participation
- Community support for affordable housing
- Aging cities and housing stock
- Changing workforce demographics
- Senior population tsunami

- Increased need for CDA programs – waiting lists growing

Big questions:

- Should the CDA continue to grow their housing stock and programs?
- What should be the CDA's role going forward with economic development?
- How does the CDA best address housing needs for the hard-to-house population?

Comments and questions from the Commission:

- How does the CDA find sites? Mr. Schertler said that West St. Paul is a built city and finding sites is harder, so the cost will be higher. He said the CDA does market studies to assess what seniors want. He said that some parts of the county are less appealing to seniors. Ms. Alfson added that, even if the CDA doesn't own or build a specific property, the CDA has provided all of the financing through the CDA's bond allocation.
- Are land acquisition costs the big sticker? Mr. Schertler said yes.
- Does West St. Paul have a large amount of voucher properties? How does the City avoid an excessive concentration of voucher properties so that it doesn't change the nature of the neighborhood and become problematic? Mr. Schertler responded that he can provide for the Commission a disbursement of numbers from Burnsville. In regards to vouchers, he said the CDA had the same issues in St. Paul on the east side. Mr. Schertler said he is unsure what can be done about it, other than being aware of it.
- If we want people near work sites, how do we get more workforce housing in West St. Paul? Mr. Schertler agreed that West St. Paul would be a great location for a workforce housing project.
- In regards to the CDA's plan for the North Gateway discussion, does the CDA have anything to offer since the land has been vacant for so many years? Mr. Schertler replied that it is cleared and ready to go and they just need to put a for sale sign on it.
- Are there any easement issues to clarify and market it? Ms. Alfson said the CDA is thinking of market rate housing rather than affordable housing. She said the property across the street would be market rate, as well, and said the CDA will be going out for RFP after they figure out the easement agreements.
- Is it a long process to have the study looked at again? Mr. Schertler said that a study would be helpful if you're not sure if the market is going to be there. He said it may be helpful to see what a market rate developer would put there but that the market will indicate what it should be.
- Does the county have a goal to create an equal redevelopment spread across the city? Mr. Schertler responded that there is a concentration of

rent and income-restricted housing and that some cities may feel burdened by it. He said the CDA will take the lead from the city viewpoint.

- How does the first taxable housing venture (in Eagan) compare to other counties? Mr. Schertler gave examples including the Dorothy Day Center in downtown St. Paul and the St. Anthony Place in Midway and said that the CDA stepped in to be the public entity to own that. He said the preference is to have the non-profit manage it.

B. Town Center I Discussion

Executive Director Hartshorn said that staff has been working with PEBB Enterprises since the original developer declined the project due to rising project costs. PEBB's concept plan totals 48,000 square feet of retail space. Hartshorn said that the preliminary development with PEBB will become null and void after March 31, 2017. PEBB is looking for input regarding whether the EDA would support a \$4.5 million dollar gap. Hartshorn mentioned that he would never recommend that such subsidy. However, if the EDA feels differently, he said he can bring it to PEBB. Mr. Hartshorn has had informal talks with other developers and they didn't think retail alone would work or that the numbers would work. He said that the other developers recommended a mix of multi-family, retail, sit-down, along with space for other types of ideas. Hartshorn said, judging by the number from this developer, that the renaissance plan would be more realistic. He said his initial thoughts were that he would feel comfortable bringing the project back to this Board, if the subsidy includes only giving the two properties the EDA owns for \$1.00, to the developer. Hartshorn said he is looking for the Board's direction.

Comments and questions from the Commission:

- This is 33% of their project. Did they make progress with MAACO? Hartshorn said yes and that MAACO and Amoco are not out of line.
- Is there anyone else circling around? Schroeder said there are other interests. Hartshorn added that he has not formally talked with developers. There is a contractual obligation with the current developer that prevents him from formally talking to other developers for now.
- Does the \$4.5M include land? Hartshorn said yes.
- Unless they are coming in with name-brand things, it doesn't appear to be a serious offer. If the City says no, can marketing begin? Hartshorn said marketing could begin after March 31st.
- Will any other project coming forward have the same component? Hartshorn said probably not a grocer but a mixed use of residential, retail and restaurant.

- Several Commissioners said to reject their subsidy request and that the City should move on, unless the developer comes back with a brilliant idea by March 31st.

4. Adjourn

The EDA work session adjourned at 5:48 p.m.

Shirley Buecksler

Shirley Buecksler
Recording Secretary