



Economic Development Authority

1616 HUMBOLDT AVENUE, WEST ST. PAUL, MN 55118

ECONOMIC DEVELOPMENT AUTHORITY MEETING

MUNICIPAL CENTER LOBBY CONFERENCE ROOM

APRIL 23, 2018

4:30 P.M.

1. Call To Order

2. Roll Call

3. Adopt Agenda

4. EDA Consent Agenda Items

4.A. Previous Meeting Minutes

Documents:

[MINUTES - EDA 4-09-18.PDF](#)

5. Commissioner Comments

6. New Business

7. Old Business

7.A. Propose City Council Call For A Public Hearing To Establish Of TIF 1-5 - DARTS

Documents:

[EDA MEMO - DARTS TIF 1-5.PDF](#)

[RESOLUTION - CALL FOR PUBLIC HEARING, TIF NO. 1-5.PDF](#)

[RESOLUTION - CALL FOR PUBLIC HEARING, ADOPTION OF TIF PLAN.PDF](#)

[RESOLUTION - SUPPORTING USE OF TAX INCREMENT FINANCING.PDF](#)

[SCHEDULE OF EVENTS.PDF](#)

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 Minutes
April 9, 2018 at 4:30 p.m.**

1. Call to Order

President Halverson called the meeting to order at 4:30 p.m.

2. Roll Call

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

Absent: None

Also Present: Executive Director Hartshorn
City Manager Ryan Schroeder
City Attorney Kori Land
City Clerk/Secretary Shirley Buecksler

3. Adopt the Agenda

Motion was made by Commissioner Vitelli and seconded by Commissioner Napier to adopt the agenda, as presented.

All members present voted aye. Motion carried.

4. EDA Consent Agenda Items

A. Financial Information Through March 31, 2018

B. Previous Meeting Minutes

- March 26, 2018 Regular Meeting Minutes

Motion was made by Commissioner Napier and seconded by Commissioner Vitelli to approve the Consent Agenda, as presented.

All members present voted aye. Motion carried.

5. Commissioner Comments

Commissioners offered no comment at this time.

6. New Business

A. Business Subsidy Request – 68 Moreland Avenue

Executive Director Hartshorn provided an overview. Last fall, the Board supported a concept plan for a climate controlled storage business located at 68 Moreland Avenue. At that meeting, Staff mentioned that there would be considerable site cleanup and demolition costs. The developer (if they received all necessary approvals) will request a business subsidy for \$25,000 to help with the site improvement costs. The redevelopment grant is actually a forgivable loan, which is prorated for five years. In other words, if the Applicant sells the business before five years, then they will be required to pay a portion of the forgivable loan back. If the grant is approved, Staff will have the EDA Attorney proceed with a Business Subsidy Agreement.

The developer received two demolition bids including:

1. Kamish Excavating - \$62,000
2. Frattalone - \$63,900

Project components include:

- Purchase of the 68 Moreland Avenue property
- Site cleanup and building demolition
- Construction of a three-level, 51,900 sq. ft., climate-controlled storage facility
- The current market value is \$149,000 and generates \$4,308 in annual taxes
- The new market value will generate \$3.5 million and generate approximately \$49,000 in annual tax revenue
- The site was recently rezoned to I-1 Light Industrial, with a Planned Development component

The project meets the Business Subsidy Policy requirements with the following components:

- Eliminates blight and represents a significant investment in the area
- Increases the City's tax base
- Provides a business or service that is underserved in the City
- Enhances the value of surrounding properties and possibly stimulate additional capital investment in the area

Hartshorn added that cold storage is one of the top growing businesses in Minnesota because many people are moving into smaller homes and need a place for storage. Staff recommends approval of a \$25,000 redevelopment grant for partial site cleanup and demolition costs, contingent upon approvals from the Building Official.

Commissioner Vitelli asked if this is the same owner. Hartshorn said no; Joe Sullivan sold to a new owner who will own the building and business.

Commissioner Iago asked when the subsidy will be paid. Hartshorn said the subsidy will be paid after the project is complete and they are issued a Certificate of Occupancy.

Commissioner Iago asked if there is an estimated timetable as to when construction will begin.

Russell Zellmer, Vice President of Langer Construction, addressed the Board and said completion is estimated to be March 1, 2019.

Commissioner Napier said this is less than we were going to commit to the previous project and said it's a good idea to move forward.

Commissioner Bellows commented that this meeting should have been held in the Council Chambers on camera.

President Halverson said it made sense to have the meeting earlier so people attending the meeting wouldn't need to wait.

Commissioner Iago agreed that these meetings should be televised and that he would like to see the schedule go back to having the work session beforehand.

Schroeder stated that the Board had no issues with the project, according to the September 11, 2017 minutes, so Staff didn't see it as a controversial item.

Commissioner Pace asked if it is mandatory that EDA meetings be held after Council meetings. President Halverson answered and said it is not mandatory nor is it required that EDA meetings be televised.

Commissioner Pace agreed that people attending the meetings should not have to wait.

Commissioner Vitelli commented that it could be stated at the beginning of the Council meeting what decisions are made and what is awarded.

Schroeder said many EDA meetings have also been held at the end of Council meetings.

Motion was made by Commissioner Vitelli and seconded by Commissioner Pace to approve the \$25,000 redevelopment grant (forgivable loan) for partial site cleanup and demolition costs 68 Moreland Avenue.

All members present voted aye. Motion carried.

7. Old Business

None.

8. Adjourn

Motion was made by Commissioner Vitelli and seconded by Commissioner Napier to adjourn the meeting at 4:42 p.m.

All members present voted aye. Motion carried.

Jenny Halverson
President
City of West St. Paul EDA

TO: EDA PRESIDENT AND BOARD
FROM: EXECUTIVE DIRECTOR
DATE: APRIL 23, 2018



City of West Saint Paul

SUBJECT:

Request City Council to call for a Public Hearing on June 11, 2018 to modify the Redevelopment plan and propose establishment of Tax Increment Financing District 1-5.

BACKGROUND INFORMATION:

On March 26, the Board supported a concept plan presented by Patrick Ostrom, from Real Estate Equities that included a 174-unit affordable senior housing complex. The project is located at 1645 Martholer Lane, on three acres, owned by DARTS. A financial analysis was presented by Jason Aarsvold, Ehlers Associates that explained why a TIF district (pay-as-you-go) is needed to fill a financial gap in the project.

The first step in creating a TIF district starts with a request by the EDA Board and City Council to hold a public hearing at the Council meeting on June 11. Attached are EDA/Council Resolutions calling for the public hearing. Council Resolution 18-51 giving preliminary support of using TIF for this project.

The project would also need to go through the site review process, including a zoning change and amendment to the comp plan.

		Amount
Fund:	EDA Fund	
Department:	Community Development	
Account:	EDA Fund	None

STAFF RECOMMENDATION:

Staff recommends approval of the attached EDA Resolution calling for a public hearing at the Council meeting on June 11, 2018. The attached Council Resolution will need to be approved at the Council meeting on June 11, 2018.

ATTACHMENTS:

- EDA Resolution 18-04
- Council Resolution 18-50
- Council Resolution 18-51
- Schedule of Events

**CITY OF WEST ST. PAUL
DAKOTA COUNTY, MINNESOTA**

**ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 18-04**

**RESOLUTION REQUESTING THE CITY COUNCIL OF
THE CITY OF WEST ST. PAUL CALL FOR A PUBLIC HEARING ON THE
MODIFICATION TO THE REDEVELOPMENT PLAN FOR THE
SOUTH ROBERT STREET REDEVELOPMENT PROJECT AND THE
ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-5
(A HOUSING DISTRICT)**

BE IT RESOLVED by the Board of Commissioners (The “Board”) of the West St. Paul Economic Development Authority (the “EDA”), as follows:

WHEREAS, the City Council (the “Council”) of the City of West St. Paul, Minnesota (the “City”) established the South Robert Street Redevelopment Project, pursuant to Minnesota Statutes Sections 469.174 to 469.1794, inclusive, as amended, in an effort to encourage the development and redevelopment of certain designated areas within the City; and

WHEREAS, the EDA is proposing a modification to the Redevelopment Plan for the South Robert Street Redevelopment Project and the establishment of Tax Increment Financing District No. 1-5 (a housing district) pursuant to, and in accordance with, Minnesota Statutes Sections 469.090 to 469.1082, and Sections 469.174 to 469.1794, inclusive, as amended;

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. The EDA hereby requests that the Council call for a Public Hearing on June 11, 2018 to consider the proposed adoption of a Modification to the Redevelopment Plan for the South Robert Street Redevelopment Project (the “Redevelopment Plan Modification”) and the proposed adoption of a Tax Increment Financing Plan (the “TIF Plan”) for Tax Increment Financing District No. 105, a housing tax increment financing district (the Redevelopment Plan Modification and the TIF Plan are referred to collectively herein as the “Plans”) and cause notice of said Public Hearing to be given as required by law.
2. The EDA directs the Executive Director to transmit copies of the Plans to the Planning Commission of the City and requests the Planning Commission’s written opinion indicating whether the proposed Plans are in accordance with the Comprehensive Plan of the City, prior to the date of the Public Hearing.
3. The Executive Director of the EDA is hereby directed to submit a copy of the Plans to the Council for its approval.
4. The EDA directs the Executive Director to transmit the Plans to the County and the School District(s) in which TIF District 1-5 is proposed to be located no later than May 11, 2018.
5. Staff and Consultants are authorized and directed to take all steps necessary to prepare the Plans and related documents and to undertake other actions necessary to bring the Plans before the Council.

PASSED AND DULY ADOPTED by the Economic Development Authority of the City of West St. Paul, Minnesota, this 23rd day of April 2018.

ECONOMIC DEVELOPMENT AUTHORITY
CITY OF WEST ST. PAUL

President Jenny Halverson

ATTEST:

Shirley R Buecksler
Secretary/City Clerk

**CITY OF WEST ST. PAUL
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 18-50

**RESOLUTION CALLING FOR A PUBLIC HEARING BY THE CITY COUNCIL
ON THE PROPOSED ADOPTION OF A MODIFICATION TO
THE REDEVELOPMENT PLAN FOR THE
SOUTH ROBERT STREET REDEVELOPMENT PROJECT AND THE
PROPOSED ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT
NO. 1-5 (A HOUSING DISTRICT) THEREIN AND THE
ADOPTION OF THE TAX INCREMENT FINANCING PLAN THEREFOR**

BE IT RESOLVED by the City Council (the “Council”) for the City of West St. Paul, Minnesota (the “City”), as follows:

SECTION 1. PUBLIC HEARING. This Council shall meet on June 11, 2018 at approximately 6:30 p.m. to hold a Public Hearing on the proposed adoption of a Modification to the Redevelopment Plan for the South Robert Street Redevelopment Project (the “Redevelopment Plan Modification”) and the proposed adoption of a Tax Increment Financing Plan (the “TIF Plan”) for Tax Increment Financing District No. 1-5, a housing tax increment financing district, therefor (the Redevelopment Plan Modification and the TIF Plan are referred to collectively herein as the “Plans”) all pursuant to and in accordance with Minnesota Statutes, Sections 469.090 to 469.1082, and Sections 469.174 to 469.1794, inclusive, as amended, in an effort to encourage the development and redevelopment of certain designated areas within the City; and

SECTION 2. NOTICE OF PUBLIC HEARING, FILING OF PLANS. City Staff is authorized and directed to work with Ehlers & Associates, Inc. to prepare the Plans and to forward documents to the appropriate taxing jurisdictions including Dakota County and the West St. Paul-Mendota Heights-Eagan School District No. 197. The City Clerk is authorized and directed to cause such notice of the hearing, together with an appropriate map as required by law, to be published at least once in the official newspaper of the City not later than ten (10), nor more than thirty (30), days prior to June 11, 2018 and to place a copy of the Plans on file in the City Clerk’s Office at City Hall and to make such copy available for inspection by the public.

Adopted by the City Council of the City of West St. Paul, Minnesota, this 23rd day of April 2018.

Attest:

Jenny Halverson, Mayor

Shirley R Buecksler, City Clerk

**CITY OF WEST ST. PAUL
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 18-51

**SUPPORTING USE OF TAX INCREMENT FINANCING FOR
A RENTAL HOUSING DEVELOPMENT PROJECT**

WHEREAS, the City of West St. Paul, Minnesota (the “City”), has received a request to assist an entity to be formed by DARTS and Real Estate Equities (the “Developer”) with certain costs of construction of an approximately 174 unit multifamily senior rental housing development, including underground parking (the “Project”); and

WHEREAS, the Developer has requested that the City indicate its support of the use of tax increment financing for the Project.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of West St. Paul as follows:

The City supports the use of tax increment financing for the Project, in the amount of approximately \$1,622,000, payable over approximately 15 years, provided however, that authorization of tax increment financing for the Project is solely within the discretion of the City Council following all proceedings legally required pursuant to Minnesota Statutes 469.174 through 469.1794.

Adopted by the City Council of the City of West St. Paul, Minnesota, this 23rd day of April, 2018.

Attest:

Jenny Halverson, Mayor

Shirley R Buecksler, City Clerk

SCHEDULE OF EVENTS

WEST SAINT PAUL ECONOMIC DEVELOPMENT AUTHORITY AND THE CITY OF WEST SAINT PAUL

FOR THE PROPOSED MODIFICATION TO THE REDEVELOPMENT PLAN FOR THE SOUTH ROBERT STREET REDEVELOPMENT PROJECT

AND FOR THE PROPOSED ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-5 (a housing district)

(draft as of April 6, 2018)

- April 16, 2018 Project information, property identification numbers, and maps sent to Ehlers & Associates for drafting documentation. Ehlers confirms with the City whether building permits have been issued on the property to be included in the TIF District
- April 23, 2018 EDA requests that the City Council call for a public hearing on the modification to the Redevelopment Plan for the South Robert Street Redevelopment Project and the establishment of Tax Increment Financing District No. 1-5. (June 11th)
- April 23, 2018 City Council calls for public hearing on the modification to the Redevelopment Plan for the South Robert Street Redevelopment Project and the establishment of Tax Increment Financing District No. 1-5. (June 11th)
- April 27, 2018 Letter received by County Commissioner giving notice of potential redevelopment tax increment financing district (at least 30 days prior to publication of public hearing notice. [Ehlers will e-mail and mail April 27, 2018]
- April 27, 2018 Project information submitted to the County Board for review of county road impacts if necessary* (at least 45 days prior to public hearing). *The County Board, by law, has 45 days to review the TIF Plan to determine if any county roads will be impacted by the development.
- May 11, 2018 Fiscal/economic implications received by School Board Clerk and County Auditor (at least 30 days prior to public hearing). [Ehlers faxed & mailed on May 11, 2018]
- May 15, 2018 Planning Commission reviews the Plans to determine if they are in compliance with City's comprehensive plan.
- May 21, 2018 Ehlers reviews the Plans.



SCHEDULE OF EVENTS – PAGE TWO

**WEST SAINT PAUL ECONOMIC DEVELOPMENT AUTHORITY
AND THE
CITY OF WEST SAINT PAUL**

**FOR THE PROPOSED MODIFICATION TO THE REDEVELOPMENT PLAN
FOR THE SOUTH ROBERT STREET REDEVELOPMENT PROJECT**

**AND FOR THE PROPOSED ESTABLISHMENT
OF TAX INCREMENT FINANCING DISTRICT NO. 1-5
(a housing district)**

- May 27, 2018 Date of publication of hearing notice and map (at least 10 days but not more than 30 days prior to hearing). *[Ehlers will e-mail notice to the Lillie Suburban South West Review at legals@lillienews.com on or before May 23, 2018]*
- June 11, 2018 EDA considers the Plans.
- June 11, 2018 City Council holds public hearing at 6:30 P.M. on the modification to the Redevelopment Plan for the South Robert Street Redevelopment Project and the establishment of Tax Increment Financing District No. 1-5 and passes resolution approving the Plans. *[Council packet information sent on June 4, 2018]*
- _____ Ehlers & Associates files the Plans with the MN Department of Revenue, OSA and requests certification of the TIF District from Dakota County.

An action under subdivision 1, paragraph (a), contesting the validity of a determination by an authority under section 469.175, subdivision 3, must be commenced within the later of:

- (1) 180 days after the municipality's approval under section 469.175, subdivision 3; or
- (2) 90 days after the request for certification of the district is filed with the county auditor under section 469.177, subdivision 1.