

**City of West St, Paul  
Economic Development Authority  
Work Session Minutes  
April 25, 2016 at 4:30 p.m.**

**1. Open Work Session**

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

**2. Roll Call**

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

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, Ehlers, Inc. Sr. Municipal Advisor, was also in attendance.

**3. Agenda Items**

**3.A. Sherman Associates Amended Development Agreement**

Executive Director Jim Hartshorn gave an overview of the EDA agreement with Sherman Associates to develop Phase II of their redevelopment project. Unfortunately, Sherman failed to complete certain items; therefore, Sherman is in default.

The main deficiency items include:

- The second commercial building was not constructed.
- The Minimum Assessment Agreement was not recorded.

Staff's proposal to correct the deficiencies includes:

- Sherman will record the Minimum Assessment Agreement by June 30, 2016.
- Sherman will re-plat and submit for lot combination for the commercial parcels (park dedication fees recommended to be waived. They did pay park dedication fees for phase I).
- EDA will deed EDA property to Sherman within thirty days after the first items are completed.
- Sherman will pay \$181,567 beginning on June 30, 2016 in \$10,000 monthly payments. The last payment will be due by December 31, 2017. This is an eighteen month repayment plan.
- Sherman does not need to build the second commercial building (Phase II) .
- If Sherman fails to record the MMA, then Sherman has to pay a deficiency of \$357,467.00.

If the Board approves of the proposal, staff will present it at the regular scheduled EDA meeting following the Council meeting this evening.

EDA members discussed parking at the clinic. When the clinic closes, parking will be open to the public. Sherman will work with the clinic. It's never perfect when you share parking but we will try to make it work. This gives us flexibility if we allow them to park on the north and we hope there are no issues. All trees are part of the plan; and pond on corner is part of the plan. Sherman said he expects this to be their maintenance cost. Broken windows and litter seems to be an issue. There is someone on staff all day; a maintenance person comes every day. There seems to be a disconnect with both properties. As soon as lights are on in this building there will be full time maintenance and he believes it will alleviate the issues. Sherman will get something out regarding parking. The proposal will reviewed and voted on at the EDA meeting this evening. Commissioners are good with provisions and thanked George Sherman for coming.

### **3.B. Discussion regarding potential redevelopment project at Thompson and Robert Street**

Executive Director Hartshorn said this is a spin off discussion from Town Center 1. Stacie Kvilvang added additional information and asked EDA Commissioners thoughtful questions. Additional information discussed.

Motion was made by Com. Napier and seconded by Com. Bellows to close the meeting pursuant to Minn. St. St. 13d.05 sub C3C to consider potential offers on the Maaco and Amoco properties.

Commissioners discussed the issue and will make a recommendation at the EDA meeting tonight held after the regular Council meeting.

Motion was made by Com. Napier and seconded by Com. Armon to open the meeting at 5:38 p.m. All members present voted in favor. The motion carried.

### **3.C. Town Center I Discussion**

At the last EDA Work Session, staff presented a letter from Dave Carland, the developer that stated his desire to no longer continue as the developer for the project. The current preliminary development agreement expires on April 30, 2016.

If the Board is interested in moving forward with the project, then the immediate priority is to secure 68 Moreland before it sells to another party. City Attorney Land and staff met with Chuck Liesenfeld, owner of the Maaco property to discuss the possibility of the EDA purchasing the Maaco site. Mr. Liesenfeld stated that he will only put money down to secure 68 Moreland after a Purchase Agreement has been agreed to and signed with the EDA.

The agreement the EDA made with Mr. Liesenfeld (December 1st) states that he will receive \$15,000 for soft costs after he closes on 68 Moreland. Since he has already spent approximately \$8,000 (soft costs) he is requesting that we pay him the \$15,000 upfront, which he will then use to secure 68 Moreland.

Staff recommends that if the Board is still interested in acquiring this property that the EDA enter into a purchase agreement with Mr. Liesenfeld. The purchase and relocation total is \$1.2 million. A purchase agreement could be ready for approval at the next EDA meeting on May 9.

Breakdown of funding sources:

TIF 1-1	\$1.1 million
EDA Fund	\$115,000
Total \$	\$1.215 million
CDA Grant	- \$250,000 (reimbursed after demolition of Maaco)
Final Total	\$965,000

**3.D. EDA Residential Lots Discussion**

Director Hartshorn gave an overview of 5 lots the EDA owns. President suggested combining 5 and offering a discount. Commissioners are in favor of having Executive Director Hartshorn will work with a local realtor to sell lots in combination(s) for a discount.

Com. Napier would like to see EDA updates in a different form. He suggested listing every current project we are working on, in chronological order, with updates. If no work is being done then no info should be provided. Executive Director Hartshorn will put something together for this week's review.

**4. Adjourn**

The EDA work session adjourned at 5:40 p.m.



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