

**City of West St, Paul  
Economic Development Authority Work Shop Minutes  
July 11, 2016 at 4:30 p.m.**

**1. Open Work Session**

President David Meisinger opened the regular EDA meeting at 4:30 p.m.

**2. Roll Call**

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

Others: Executive Director/Community Development Director Jim Hartshorn, City Manager Matt Fulton, City Attorney Korine Land, Finance Director/Treasurer Joan Carlson and City Clerk/Secretary Chantal Doriott. Police Chief Manila Shaver arrived at 4:56 p.m.

**3. Agenda Items**

**A. Town Center I – Preliminary Development Agreement**

At the last EDA Work Session a few weeks ago, the Board reviewed a concept plan presented by representatives from PEBB Enterprises. They directed staff to move forward and negotiate with PEBB Enterprises to reach an agreement on project funding. The Board also directed the City Attorney to work with staff and PEBB Enterprises on a preliminary development agreement for the Board to discuss. The development includes Fresh Thyme grocer, a restaurant and other retail.

If the Board approves of the attached preliminary development agreement, then staff will add this item to the regular EDA Meeting Agenda for formal approval. This preliminary development agreement does not approve of any given project, but it does agree that the EDA will work with a specific developer for a specific amount of time to put together a project, including a funding plan.

**Comments:**

- Maaco meeting will happen this Wednesday and Director Hartshorn will meet with representatives from Langer Construction and the Maaco owner. There are some issues with construction item(s).
- Amoco has a price of \$800,000 and the site is worth \$560,000. The lease to Amoco is about \$150,000 annually.
- Granny's Donuts is ready to sell and came down to \$700,000. Director Hartshorn continues to negotiate with the owner. The property is worth \$240,000.
- Batteries Plus would like to be worked into the project.
- We have a half million dollars in grant funds from the County. We have TIF. Part of the development agreement will be project costs.
- Why doesn't the developer buy those properties and negotiate their own deals? Director Hartshorn said they are going to buy them but it will save us a quarter million. Director Hartshorn has a relationship with the owners through Venture Pass and they requested that he continue to work with the local businesses on the purchase and relocation issues.

- Maaco construction costs will be more if the project is pushed to 2017.
- Com. Halverson would like to wait and not have the developer invest a lot into this project quite yet. This feels very rushed.
- Com. Bellows doesn't understand what the problem is and would like to work with the developer. He is concerned about the County being only 50% done with the tunnel project. We have three developers who are independent and this is not a problem. We have heard from Town Center and PEBB. We are not obligating ourselves. Com. Bellows in favor.
- Com. Iago said 30 days ago we asked Director Hartshorn and Attorney Land to prepare what is before us. If we put hurdles in front of developers, this could put this deal in jeopardy. Let's move forward.
- Com. Halverson said we are binding ourselves to this particular developer. They will invest money and time in this project. So we are committing to that. She wants to be careful. Com. Iago said money and energy will be spent but either side can walk away so there is no reason to delay.
- PEBB folks understand this agreement and that there are hurdles until the end. The development agreement allows us to proceed in good faith. We should be consistent and do what we say we are going to do. Let's look at this option.
- Com. Halverson said there isn't a cohesive idea of what we want to see from PEBB and that's where we end up with problems. There is no direction for the developer right now. This worries her.
- PEBB is aware that the Renaissance Plan will be revealed soon. This is just an update to the existing plan. The update will be reviewed August 8.
- Com. Vitelli read from the preliminary agreement and he wonders why PEBB is not doing their own negotiations. Attorney Land explained that Director Hartshorn has worked very hard to build relationships and he continues negotiating and PEBB will sign the purchase agreement at closing. This is our standard preliminary development agreement.
- As for as our "wish list" - developers will come in and build what is feasible. We gave staff direction to do this so how can we stall it now?
- Manager Fulton said this project will impact other projects that you might consider. The Cunningham Plan is intended to try and bring in a new area to West St. Paul and this project will have an impact on that idea. From a planning standpoint, he suggests thinking about what the projects you consider important, because they are the community you are building. Cunningham will come in on August 8 to give you an update. There are big issues on the table that should have some Council discussion prior to committing to this agreement.
- Com. Bellows commented on all we are doing and that we do not have consensus on the Renaissance Plan. How long do we have to wait on that? We are pushing things back and planning is important and what is the market place going to deal with? The County said they would have something for us in July and now it's August. The Renaissance Plan has some serious opposition. What is the harm in entering to the agreement presented?
- Com. Armon is uncomfortable with the proposed.
- Com. Halverson said we owe it to our community and to this corridor because we have invested a lot of money. There needs to be much clearer direction, despite the tunnel or Renaissance Plan.
- President Meisinger said what do we need to look at? We have had two developers come in with plans and we were in favor and now we are saying we are not in favor. They think they fit and we say no, slow down. If not now, when? Com. Vitelli said two weeks when we hear from

the county and Cuningham on the Renaissance Plan. We have been working on this for a while. We have a developer who is ready to go.

- This shows that Council needs a shared vision. It makes good sense to review the Renaissance Plan update and this developer should understand that.
- Com. Iago doesn't believe that the people on the committee approved of the Renaissance Plan. There isn't consensus and that is a problem. It is clear to us that under this administration there will not be a tunnel so what are we waiting on?
- Manager Fulton said the big picture is very important. The Renaissance Plan will not have formal and complete consensus but you will see ideas and you will determine the future of Robert Street. Do you want two grocers across from each other? You don't want to shorten your opportunities. You have spent a lot of money on Robert Street and you should take time to review the opportunities. There are county funds to assist with parking due to the potential tunnel. More discussion about this project and the future will ensue in August.
- Com. Vitelli would like to discuss more about the tunnel and possible funds/grant dollars.
- August 8 the County will give the tunnel review.
- The PAC group modified the plan and will present this to Council. They were charged with a mission and they owe us a summary. Manager Fulton said they won't agree on all aspects of the plan. Have the PAC vote on each part of the package and come back with a consensus of the package.

EDA members would like Cuningham and the County to present findings on the Renaissance Plan and tunnel during the August 8 meeting. EDA would also like PAC members to be invited to allow an opportunity to hear a variety of voices.

#### **4. Adjourn**

The work session adjourned at 5:25 p.m.

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