

**CITY OF WEST ST. PAUL
ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
August 8, 2016**

1. Call to Order

President David Meisinger opened the work session at 8:40 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. Napier and seconded by Com. Armon to adopt the agenda as presented. All members present voted in favor. The motion carried.

4. EDA Consent Agenda Items

- 4.A. Meeting Minutes – July 11 work session and July 11 and 25 regular meeting
- 4.B. June 2016 Budget Report

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

5. Commissioner Comments

Commissioner Jenny Halverson, President Meisinger and Commissioner Dave Napier all said “Shop Robert”.

6. New Business

6.A. EDA Lots - Public Hearing to Discuss Purchase Offer

Executive Director Jim Hartshorn gave an overview. Staff received a proposal from Mr. Mark Schroeder to purchase the remaining five EDA lots.

Development components include:

- The purchase price is \$104,900.
- The developer must submit construction plans for each property to the EDA for approval before construction can commence.
- The minimum home valuation for each home must meet or exceed \$205,000, unless approved by the EDA.
- All homes are built following the minimum improvements as stated in Exhibit B of the Development Agreement.
- The developer commences construction on the first home by December 31, 2016
- The developer must complete construction on one property per year with the exception of 848 Allen Avenue, which may be completed on a construction schedule approved by the EDA
- The developer must complete construction on all properties by December 31, 2021.
- Approval of Variance for 158 Haskell Street (the lot size is short by 226 sf).

The purchase and sales attachment shows that all of the lots were purchased from 2009 to 2011. Almost all of the homes were over 60 years old, vacant, blighted foreclosed and were purchased under market value from a bank. The average tax value for house valued between low to mid \$200's is about \$2,500 per year.

Mr. Schroeder, Winona Street, spoke on behalf of his offer to purchase five EDA lots. He sees a great potential in this project. He is excited but would like to make sure the 3 lots would be capped \$180,000 for minimum sale requirement. He would like to push the start date from December 2016 to April of 2017.

Public hearing opened at 8:47 p.m.

No one wished to speak.

Public hearing closed at 8:47 p.m.

Motion was made by Com. Napier and seconded by Com. Armon to approve the purchase agreement with a minimum of three properties to be valued at \$180,000 and recommend that the variance for 158 Haskell be put forth to the City Council. April 1, 2017 will be the first home required completion date. The Annapolis Street, Dodd Road and Haskell Street properties will have a minimum valuation of \$180,000. The Deppe Street and Allen properties will be valued at \$205,000 minimum. Motion was amended by Com. Napier and seconded by Com. Armon to have the EDA act as the applicant, prior to closing, in regards to consideration of the variance. All members present voted in favor. The motion carried.

6.B. 260 Marie Avenue - Business Subsidy Request

Executive Director Jim Hartshorn gave an overview. On May 23rd the Board reviewed a Concept Plan from James, Dan and Noah Tilsen, the owners of Westview Park Apartments. The Board requested that they hold a neighborhood meeting and present the neighbors' comments to the Board at a future meeting.

The project involves purchasing 260 Marie Avenue, demolishing the building and constructing a new estimated \$8 million dollar, three-story, 58-unit market rate apartment facility. The current tax value equals \$10,000. The new estimated tax value would generate \$150,000 annually.

The applicant is requesting \$49,450 to cover half of the demolition costs. The subsidy would be contingent on all City approvals, including rezoning and site plan approval. Bolander and Sons Company submitted the lowest bid totaling \$98,900 (see attached bids). The subject area would also need to be rezoned from 1-1 Industrial to R-4 multi-family. The Planning Commission would hear the rezoning on September 20 and the issue would come back to Council on September 26.

Motion was made by Com. Vitelli and seconded by Com. Iago to approve a subsidy payment of \$55,000.00 for demolition of 260 Marie Avenue. All members present voted in favor. The motion carried.

6.C. Consider Bid for Phase I and II Environmental Studies - 68 Moreland Avenue

Executive Director Jim Hartshorn gave an overview of a proposal to conduct a Phase I and possibly a Phase II Environmental Study of 68 Moreland Avenue. Staff has been in the pursuit of acquiring the Maaco property for redevelopment efforts in Town Center 1. A key component in acquiring the site is the relocation of Maaco to 68 Moreland. Staff has become aware of potential environmental issues at 68 Moreland and therefore is recommending some investigation. The owner of the property has given his permission to conduct an environmental study on his property. Staff will apply for grants from the CDA to complete the study which will take approximately four weeks. Staff is also requesting to spend up to \$15,000 if needed to complete the phase II study. The phase II on the golf course was \$14,000. A Braun Intertec proposal was reviewed. The cost of phase II has not yet been determined.

Com. Iago wants to get a commitment from Maaco. Director Hartshorn said Maaco is not going to pay for the soil clean-up. Com. Vitelli believes there are grant funds available for clean-up and is in favor of moving forward with the studies. Com. Armon is interested in searching for grant funds.

Motion was made by Com. Vitelli and seconded by Com. Napier to approve the Phase I Environmental Study and if needed Phase II Environmental Study for the property located at 68 Moreland Avenue. Coms. Halverson, Vitelli, Iago, Bellows and President Meisinger voted in favor. Coms. Armon and Iago voted no. The motion carried.

Commissioners will address a potential purchase of the Amoco building later in the meeting.

Com. Vitelli left the meeting.

6.D. Town Center I - Preliminary Development Agreement with PEBB Enterprises

Executive Director Jim Hartshorn explained that the preliminary agreement is pending the outcome of the Renaissance Plan review and county tunnel discussion. Unfortunately the

Cunningham Group did not have time to review the Renaissance Plan during the work session this evening.

Com. Napier wants to make sure the developer knows we are considering the Greenway Trail and Renaissance Plan. By saying you aren't committing – you are leading them down a certain path. He is concerned at this point.

Com. Bellows is concerned and entering now could be misleading to the developer. He is very concerned about the potential costs and upheaval a trail across Robert Street. It puts a couple of potential projects at risk. We will continue to have this reputation because we don't have our act together. He can't support this.

Com. Halverson disagrees with Com. Bellows and is not in support of the agreement being presented because she would like community input on allowing for a tunnel. We also need to consider the Cunningham Group Renaissance Plan (which was tabled from the work session this evening due to time). As a city we will also be spending considerable dollars on the potential project.

Com. Armon said there are too many unknowns and a lot of projects going on already. There is also the tunnel issue. He believes it is premature to consider this preliminary agreement.

Com. Bellows said it is not premature to consider this preliminary agreement since we have been looking at this for well over a year. This is driving businesses away and putting in a tunnel that can cost upwards of \$2 million ... we are not looking at future growth. This tunnel will not gain access to Robert Street and provides no access to businesses. It's an effort to try and force a greenway, park-path experience across the most valuable commercial property along Robert Street at this present time. He is not in support. The option of this tunnel will kill this project.

Com. Iago said the developer held up a sketch and all of us saw this and everyone agreed to move forward and here we are again, not ready to move forward. This damages our reputation. We should have told him at that time what we didn't like.

Com. Halverson said she does not support the tunnel if there is financial hardship to the residents. She believes the trail would have access to Robert Street.

Attorney Land offered information on a ballot question for the upcoming election and will look into this further.

Com. Napier said we need more information on the tunnel before we can make a decision and we need community support. He is not in favor of approving the preliminary development agreement at this time. He also commented on the fact that staff and Council did not complete the strategic planning and did not come up with a shared vision for this city. That is a valuable tool for all of us to use. We need a work session to get a shared vision.

Com. Bellows said the plans shown by the County today are G, H and I which shows you how many reiterations we have reviewed so far. There was also a petition of over 50 residents who

were opposed to the tunnel and it was presented at a previous council meeting. Also, the PAC members are not in support of the plan. We don't need the Cuningham Group present the plan, we know the plan. We can't keep pushing things off to tomorrow. That leads to an empty yesterday and developers who will not want to work with us. We need to act like a responsible Council.

There was no consensus to approve a preliminary agreement with PEBB at this time. Director Hartshorn mentioned that a preliminary development agreement does not bind the EDA to anything other than they will work exclusively with one developer instead of going out for RFP's. At this stage the project has many questions and a preliminary development agreement allows for time to research those questions and to bring back for final approval in six months.

Motion was made by Com. and seconded by Com. to approve and adopt Resolution No. 16-03 approving the division and replacement of a tax increment financing note. All members present voted in favor. The motion carried.

7. Old Business and Other Items

Potential Purchase Order of Amoco

Director Hartshorn said the property owner of Amoco is requesting a commitment to purchase his building and to buy out the lease. The owner would like to negotiate this week. President Meisinger said unfortunately, there is not enough support at this time.

8. Adjourn

Motion was made by Com. Iago and seconded by Com. Napier to adjourn the EDA meeting at 9:40 p.m. all members present voted in favor. The motion carried.

[Chantal Doriott](#)

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