



ECONOMIC DEVELOPMENT AUTHORITY

1616 HUMBOLDT AVENUE, WEST ST. PAUL, MN 55118

ECONOMIC DEVELOPMENT AUTHORITY MEETING

MUNICIPAL CENTER COUNCIL CHAMBERS

MONDAY, OCTOBER 14, 2019

IMMEDIATELY FOLLOWING THE REGULAR COUNCIL MEETING

1. Call To Order
2. Roll Call
3. Adopt Agenda
4. EDA Consent Agenda Items
5. Commissioner Comments
6. Public Hearing
7. New Business
 - 7.A. Preliminary Development Agreement Between The City Of West St. Paul And Oppidan Documents:

REPORT - PRELIMINARY DEVELOPMENT AGREEMENT BETWEEN THE CITY OF WEST ST. PAUL EDA AND OPPIDAN.PDF
PREDEVELOPMENT AGREEMENT OPPIDAN II.PDF
 - 7.B. Closed Session Pursuant To Minnesota Statute 13D.05 Subd. 3(C) To Discuss A Purchase Offer For Land Located South Of Crawford Drive.
8. Old Business
9. Adjourn

If you need an accommodation to participate in the meeting, please contact the ADA Coordinator at 651-552-4108, TDD 651-322-2323 at least 5 business days prior to the meeting

www.wspmn.gov EOE/AA

To: **EDA President and Board**
 From: **Jim Hartshorn, Executive Director**
 Date: **October 14, 2019**

Preliminary Development Agreement Between the City of West St. Paul EDA and Oppidan

BACKGROUND INFORMATION:

On July 8, 2019 the EDA approved a development agreement with Oppidan to develop a 153 unit multi-family housing development on approximately 5 acres on the west side of the former Thompson Oaks golf course. This project is on the October 15 Planning Commission agenda with a recommendation intended to be forwarded to the October 28, 2019 Council agenda for consideration.

As part of the development review of the Thompson Oaks property, it has been intended that the middle of the parcel be developed as a wetland reclamation project and as part of the River to River regional railway corridor. Further, that the eastern portion of the property be developed as a townhome development. These two development concepts overlap in that a portion of the property allocated toward future townhomes is anticipated to be located on poor soils. As a result of these soils, the County and City have been working jointly to plan how best to reclaim a portion of the area as drainage way and wetland and to create an expanded development area adjacent to Oakdale Avenue.

In order to accomplish the above overlapping goals, Oppidan has agreed to take a lead role on the soils project in order to accomplish an expanded development opportunity along Oakdale Avenue.

Enclosed is a preliminary development agreement setting forth the rights and responsibilities of the parties as it relates to the reclamation project and the Oakdale development parcel. The agreement indemnifies the developer against costs outside of the development parcel as well as reclamation costs should the development project not receive development entitlements.

FISCAL IMPACT:

		Amount
Fund:		
Department:		
Account:		

STAFF RECOMMENDATION:

Staff recommends approval of the attached Preliminary Development Agreement.

ATTACHMENTS:

Preliminary Development Agreement

**WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY
AND
OPPIDAN INVESTMENT COMPANY
PRELIMINARY DEVELOPMENT AGREEMENT**

THIS PRELIMINARY DEVELOPMENT AGREEMENT (“Agreement”), dated this ____ day of _____, 2019, by and between the West St. Paul Economic Development Authority, a public body corporate and politic under the laws of Minnesota (“EDA”) and Oppidan Investment Company, a Minnesota corporation, or a special purpose entity to be formed thereby for the purpose of completing the Development defined below (“Developer”):

WITNESSETH:

WHEREAS, the EDA desires to promote development of certain property located in the City of West St. Paul identified as:

Outlot A, Thompson Oaks Subdivision

and depicted on **Exhibit A**, a copy of which is attached (the “Property”); and

WHEREAS, Developer will submit a proposal for the development of an approximately 20-40 unit townhome development and related uses, to be located on a portion of the Property (the “Development”); and

WHEREAS, EDA and Developer are interested in discussing and planning for the Development of the Property; and

WHEREAS, the EDA is working with Dakota County on a wetland reclamation project that includes a portion of the Property that may overlap with property needed for the Development; and

WHEREAS, the wetland reclamation project may require cleanup of contaminated site materials to allow for the facilitation of a trail segment for the County, as well as for construction of the Development; and

WHEREAS, grants are available through the Department of Employment and Economic Development and Met Council to fund contaminated site cleanup projects, but redevelopment must be a component of the grant; and

WHEREAS, Developer and EDA are willing to collaborate with acquiring grants needed to accomplish the wetland reclamation project, which includes at least a portion of the property upon which Developer desires to construct the Development, with the EDA reimbursement for costs incurred as part of the wetland reclamation project that are outside the portion of the Property necessary for the Development; and

WHEREAS, EDA is willing to consider, and Developer is desirous to undertake the Development if:

- (i) A satisfactory agreement can be reached regarding the Developer's and EDA's obligations with respect to the Development;
- (ii) Satisfactory mortgage and equity financing, or adequate cash resources for the Development can be secured by Developer; and
- (iii) The feasibility and soundness of the Development, including soil conditions and reclamations, and other necessary preconditions have been determined to the satisfaction of the parties.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

1. Future Negotiations. The parties agree to continue negotiations in an attempt to formulate a definitive plan for a mutually satisfactory development agreement.

2. Statement of Intent. Although not conclusive or binding on either party, it is the intention of the parties that this Agreement: (a) documents the present understanding of the parties; and (b) is intended to lead to execution of a mutually satisfactory development agreement prior to the termination date of this Agreement. The development agreement (together with any other agreements entered into between the parties hereto contemporaneously therewith) when executed, will supersede all obligations of the parties hereunder.

3. Term; Duties.

(a) During the term of this Agreement, EDA agrees to:

- (i) Seek all necessary information with regard to the anticipated public costs, if any, associated with the Development.
- (ii) Assist with any and all grant applications and submissions for the wetland reclamation project.
- (iii) Reimburse Developer for costs incurred as part of the wetland reclamation project that are outside the portion of the Property necessary for the Development.

(b) During the term of this Agreement, Developer agrees to:

- (i) Apply for grant funding for the wetland reclamation project and work with the EDA and County on any submissions necessary, including attending meetings with the EDA, potential grantors and County.
- (ii) Develop and submit plans and specifications, and planning applications necessary for the Development for the Property.
- (iii) Conduct a due diligence review of the Property, including without limitation, which must be acceptable to the Developer in its sole

discretion: title, survey, environmental, soil conditions, and market studies.

(iv) Seek to secure financing on terms acceptable to Developer in its sole discretion.

(v) Should negotiations be successful, enter into a development agreement with the EDA for the Development.

4. Feasibility.

It is expressly understood that execution and implementation of any development agreement (together with any other agreements entered into between the parties hereto contemporaneously therewith) shall be subject to:

(a) A determination by EDA in its sole discretion that its undertakings are feasible based on (i) satisfaction of City Code requirements; (ii) the purposes and objectives of any development plan created or proposed for the Development; and (iii) the best interests of City.

(b) A determination by Developer that the Development is feasible and in the best interests of Developer.

5. Effective Date; Expiration. Unless otherwise extended by mutual agreement of the parties this Agreement is effective from the date hereof through October 31, 2020; provided, however, this Agreement will automatically be extended to April 30, 2021. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

6. Termination. Either party may terminate this agreement (with or without cause) by providing 30 days written notice to the other party.

7. Sole Developer. Developer is designated as sole developer of the Development of the Property during the term of this Agreement. The EDA agrees not to market the Property or to entertain, make, accept, negotiate, or otherwise pursue any other offers for sale or purchase of any portion of the Property, unless otherwise agreed to by the parties in writing, until this Agreement expires or is terminated.

8. Severability. If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the Agreement.

9. Notice. Notice or demand or other communication between or among the parties shall be sufficiently given if sent by mail, postage prepaid, return receipt requested, delivered personally or sent via email:

(a) As to EDA: West St. Paul EDA
Attn: Jim Hartshorn, Executive Director
1616 Humboldt Avenue
West St. Paul, MN 55118

(b) As to Developer: Oppidan Investment Company
400 Water Street, Suite 200
Excelsior, MN 55331

10. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

12. Incorporation. The Recitals set forth in the preamble to this Agreement and the Exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Developer and the EDA have caused this Agreement to be duly executed as of the day and year first above written.

DEVELOPER:
OPPIDAN INVESTMENT COMPANY

By: _____
_____, President

EDA:
WEST ST. PAUL EDA

By: _____
David J. Napier, President

By: _____
James Hartshorn, Executive Director

