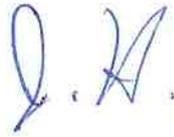


To: **EDA President and Board**  
 From: **Executive Director Jim Hartshorn**  
 Date: **August 31, 2020**



**Subject: Deposit Agreement between the Dakota County CDA and the City of West St. Paul and RPS Legacy, LLC**

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**BACKGROUND INFORMATION:**

As part of the Dominion/Kmart/Signal Bank redevelopment project, the current TIF district (administered by the Dakota County CDA) will need to be decertified. Before the CDA starts the decertification process, they require an initial deposit of \$7,500 to cover their legal fees. Staff made an agreement with RPS Legacy to cover half the deposit. Staff has received their half of the deposit for \$3,750.

**FISCAL IMPACT:**

		Amount
<b>Fund:</b>	EDA Fund	
<b>Department:</b>	EDA	
<b>Account:</b>	209-41121-40399	
		<b>\$7,500</b>

**STAFF RECOMMENDATION:**

Staff recommends approval of the attached Dakota County CDA Deposit Agreement for TIF Decertification and approve of \$3,750 to cover the EDA’s half of initial deposit.

**ATTACHMENTS:**

- Letter from Tony Schertler, Executive Director of the Dakota County CDA
- Dakota County CDA Deposit Agreement for TIF Decertification



1228 Town Centre Drive | Eagan, MN 55123  
PHONE 651-675-4400 | TDD/TTY 711  
www.dakotacda.org

August 12, 2020

Mr. Ryan Schroeder, City Administrator  
Mr. Jim Hartshorn, Community Development Director  
City of West St. Paul  
1616 Humboldt Avenue  
West St. Paul, MN 55118

Mr. Warren Pederson, Controller  
RPS Legacy, LLC  
2935 Country Drive, Suite 100  
Little Canada, MN 55117

***RE: Decertification of Dakota County CDA TIF District No. 10  
(Signal Hills, a redevelopment district)***

Dear Sirs,

On July 15, 2020, the Dakota County Community Development Agency (the CDA) received a letter dated July 14, 2020 from the City of West St. Paul (the City) requesting the decertification of the CDA's above-mentioned Tax Increment Financing (TIF) district. The CDA's TIF District No. 10 (the District) was certified in 1996 for the redevelopment of the Signal Hills Shopping Center, generally located southwest of the intersection of Butler Avenue and Robert Street South. The District is slated to decertify by December 31, 2022. In December 1999, the CDA, the City and the property owner, Signal Hills Company II, LLP, executed a Contract for Private Development (the Contract) that specified the terms of redevelopment project and requirements of each party necessary to ensure the success of the redevelopment project. The Contract, which was filed with the Dakota County Recorder's office in February 2000, states the agreement will terminate automatically on February 1, 2023 or the date the CDA makes the final payment on the Developer Note and the City Note, whichever comes first. The Contract does not address decertification before December 31, 2022.

Because the Contract does not address the early decertification request, the CDA will require that the Contract be amended, and the costs to amend the Contract will be the responsibility of the requesting parties, i.e. the City and/or the property owner. In order complete the Contract amendment, the CDA is willing to work with its consultants provided the attached Deposit Agreement is executed and the required Deposit is submitted to the CDA. Without an executed Deposit Agreement and Deposit, the CDA is not able to move forward. Once the Agreement is executed and the funds deposited, the CDA and its consultants will draft a Contract amendment for approval by all parties. The West St. Paul City Council and the Dakota County CDA Board of Commissioners must approve the Contract amendment. After that, the CDA will submit a decertification request to Dakota County.

Please let me know if you have questions about this letter or the Deposit Agreement. I can be reached at 651-675-4432.

Best regards,  
DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY



Tony Schertler, Executive Director

CC: Lisa Alfson, Director of Community and Economic Development

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY  
DEPOSIT AGREEMENT  
FOR TAX INCREMENT FINANCING DECERTIFICATION**

THIS AGREEMENT is made this 31 day of August, 2020, by CITY of WEST ST. Paul, a Local Government, and RAS, Legacy DeSoto, LLC, a MINNESOTA Limited Liability Company (together the "Applicants"), in favor of the Dakota County Community Development Agency, a public body corporate and politic and a political subdivision of the State of Minnesota (the "CDA").

WHEREAS, the Applicants have requested the decertification of CDA Tax Increment Financing (TIF) District Number 10 (Signal Hills); and

WHEREAS, the CDA requires reimbursement for all CDA costs related to the decertification, and further requires a deposit to cover the CDA's anticipated costs;

NOW, THEREFORE, the CDA and the Applicants agree as follows:

1. Initial Deposit. The Executive Director of the CDA has determined that the amount of the initial deposit to cover the anticipated costs related to decertification of the TIF District shall be \$7,500.00. The Applicants acknowledge and agree that the CDA shall commence to process the decertification request at such time as this Agreement is executed by the Applicants and the cash required for the initial deposit is paid to the CDA.

2. Additional Deposits. From time to time, if in the discretion of the CDA there is deemed to be an inadequate balance in the deposit account to pay all of the costs anticipated to be incurred by the CDA, the CDA will notify the Applicants of the need for additional deposits. Additional deposits shall be made in \$1,500 increments. The Applicants agree to make such additional deposit(s) within ten (10) days of receipt of such notice. For purposes hereof, notice

shall be deemed received upon deposit of the notice in the U.S. Mail, postage paid, addressed as follows:

Jim Hawthorn CITY of West St. Paul EDA 1616 Humboldt Ave West St. Paul MN 55118	Warren Pederson, Controller RPS Legacy Desoto LLC a Minnesota Limited Liability Company 2935 Country Drive Suite 100 Little Canada, MN 55117
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3. Use of Deposited Funds. The CDA may draw upon the deposit to pay the costs it incurs in connection with the decertification request. The CDA shall determine all of its costs, including both administrative and consulting services, at the rates normally charged by the CDA or its consultants at the time the costs are incurred.

4. Conditions of Deposit. The following conditions shall apply to the account contemplated under this Agreement.

a. Payment shall be made to the CDA's consultants, including but not limited to engineering, financial, legal and planning, in the amounts actually billed to the CDA, according to the consulting rates in effect at that time. Such consulting services or costs shall reasonably and necessarily relate to the subject matter of the request as determined by the CDA.

b. The CDA may reimburse itself from the deposit account for all costs and expenses incurred by the CDA in connection with the review of the decertification request and the implementation and enforcement of this Agreement.

c. The CDA shall not be responsible for paying any interest on the money deposited under this Agreement.

5. Disbursement of Deposit Account. Upon (i) decertification of the TIF district by the CDA or Dakota County, (ii) withdrawal of the request, or (iii) denial of the decertification, the

deposit account shall be applied to pay the CDA's costs related to the application, and any balance remaining in the deposit account after payment of such costs shall be refunded to the Applicants.

6. Accounting. If there has been activity in the account, the CDA will provide an accounting of all expenses charged against the account when requested by the Applicants, but in no event more often than monthly.

7. Enforcement. In the event of breach of any terms of this Agreement by the Applicants, including, but not limited to the failure to make additional deposits or payments when required by the CDA, the CDA may cease processing any application submitted by the Applicants. The Applicants agree to indemnify and hold the CDA harmless from any liability, claim, action or suit by or any obligation to the Applicants arising from or in connection the CDA exercising or enforcing the terms and conditions of this Agreement. The Applicants shall pay all costs and expenses, including reasonable attorney fees and suit costs, incurred by the CDA arising from or in connection with the CDA enforcing any terms and conditions of this Agreement.

8. No Representation or Warranty. The Applicants acknowledge that the CDA makes no representation or warranty that the decertification request will be approved.

9. Severability. If any portion of this Agreement is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this Agreement.

10. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of Minnesota.

IN WITNESS WHEREOF, the undersigned has executed this Agreement.

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF MINNESOTA    )  
                                  ) ss.  
COUNTY OF DAKOTA    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_\_, by \_\_\_\_\_, the \_\_\_\_\_  
of \_\_\_\_\_, a \_\_\_\_\_, on  
behalf of the \_\_\_\_\_.

IN WITNESS WHEREOF, the undersigned has executed this Agreement.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF DAKOTA    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_\_, by \_\_\_\_\_, the \_\_\_\_\_  
of \_\_\_\_\_, a \_\_\_\_\_, on  
behalf of the \_\_\_\_\_.

\_\_\_\_\_