

**City of West St. Paul  
Economic Development Authority Work Session Minutes  
August 17, 2020**

**1. Call to Order**

President Napier called the meeting to order at 8:12 p.m.

**2. Roll Call**

Present: President Dave Napier  
Commissioners Wendy Berry, Lisa Eng-Sarne,  
Anthony Fernandez, John Justen, Bob Pace and Dick Vitelli

Absent: None

Also Present: City Manager Ryan Schroeder  
City Attorney Kori Land  
Community Development & Executive Director Jim Hartshorn  
City Clerk/EDA Secretary Shirley Buecksler

Motion was made by Commissioner Vitelli and seconded by Commissioner Pace to approve the agenda, as presented.

Vote: 7 ayes / 0 nays. Motion carried.

**3. Agenda Items**

**A. Town Center I Discussion**

Jeff Cook Developer and Owner of Roers Companies, and Alex Duvall of Duvall Companies addressed the Commission.

Mr. Cook said they have properties across the Midwest and close to 5,000 units in their portfolio. A number of those are mixed use projects, and what they've seen in mainly North Dakota, Minnesota and Iowa is their mixed use components with retail are drastically underperforming. A lot of it has been imposed by the Cities to encourage more mixed use space, but at least 50% are nail salons, chiropractic clinics, and retail items which isn't very activating. Across the board, developing partners are seeing similar situations and are left with vacant retail space for several years. Roers would like to reduce the retail space from 5,000 to 1,700 square feet for this project.

Commissioner Pace asked for renditions and photos of what it may look like. Mr. Cook said they have some but the retail is focused on the corner of Robert and Wentworth. It's just a downscale of it, he said.

Commissioner Pace asked if they are putting more units in, since the retail space will be smaller. Mr. Cook said two to four additional units will be added to create some of that walk-up active use, but centered on more housing which is needed at this time.

Commissioner Justen said what sold him on this project was the fact that it did have retail. As a small retailer, he understands that developers believe retail is going away and everything is going online, but he can speak to the fact that it's not true. There is a lot of retail in that area and not much vacancy, which makes it a heartache to lose retail space here. The reduction of retail is a big stepping stone for him and he is not pleased moving forward with the reduction.

Commissioner Vitelli questioned the number of units in the building. Mr. Cook said there are 187 units. Commissioner Vitelli asked if there has been any more discussion with Granny Donuts. Mr. Duvall said Granny Donuts is reluctant to sell and not interested in occupying space within the 1,700 square feet.

Commissioner Vitelli said this is not a deal breaker for him but would have liked to see something similar to a brew pub that will bring people to the area.

Mr. Cook said 1,700 square feet is a traditional route for fast casual restaurants, coffee shops and fits well with their use.

Mr. Duvall said when they spoke with Granny Donuts, initially, they did not indicate an interest in occupying the project, if we had come to some type of deal with them. Mr. Duvall said they feel retail activation be an amenity for the project and they share the heartburn.

Commissioner Vitelli said it's our job to do this thing right and leaving that building next to this project is not doing it right.

Commissioner Fernandez said he is willing to move this forward. It's economics and this is not unique to this development, this city or this state. It's all around the country. A restaurant is a subsection of the project and we need to do something to improve this area. We may be limited, but we need to move forward on it.

President Napier said it's called Town Center I for a reason. It is probably the most attractive intersection we have in our city. When you look at the two restaurants that came forward in the last couple of weeks, one is putting \$450,000 into their restaurant because they need more room. We do not have a huge variety of places to go in our city. That's why they're investing. This next one just came forward to put \$60,000 into their business. He feels there is a need and that there is an opportunity for Town Center I because it's a showcase of our community. It's the intersection that draws many people and we have the ability to do it right.

President Napier asked if the brew pub backed out? Mr. Duvall said it's more like they didn't materialize. We gave them ample time to put something forward but it didn't happen.

Commissioner Vitelli suggested they talk to Granny's again and come back to discuss with the Commission. Mr. Cook said they have sweetened the offer with them but no negotiations have worked, thus far.

Commissioner Berry said she doesn't think the Commission is married to the distillery or brew pub idea. She is looking for more recent information from Staff on the project, especially regarding Tax Increment Financing.

Commissioner Justen asked when the Commission received the memo regarding TIF funding because he doesn't recall it, either. He doesn't want to hear about TIF proposals from the local press blogger first, he wants the Commission to be hearing about it first.

In reference to Commissioner Berry's comment, Mr. Duvall said they spoke with some people and explored what other opportunities there might be, but they're running into the same thing.

Commissioner Justen clarified that this is not a project that is going to be up six months from now. He realizes that right now we are dealing with COVID. It will not be going on in three or four years, so his worry are decisions are being made that every business is concerned and not over-extending themselves right now. Six months from now, he expects his business to be at a totally different place than he is right now. So limiting a retail space when we are not seeing possibilities, seems short-sighted when he believes there will eventually be a turnaround. Now is not the time to make a decision about the ability to fill retail spaces. On top of that, the big selling point for him, especially since we are looking at multiple other complexes that have absolutely no retail, he has heard from the community that they like mixed use. 5,000 seems like a fairly minimal amount of retail, just a few storefronts or a large one. It's going to be very hard for him to get past that.

Commissioner Pace said the President cited a couple of restaurants that are putting money into their businesses and he personally knows those two are unique, monetarily, and you aren't even remotely in their frame. He agreed with Commissioner Justen that we all had our hearts set on not just a brew pub, but a sit-down casual restaurant or bar. If this is built and left to sit vacant for two years, is that going to be a deal breaker? As a business owner, we are declared essential and we're hurting, everyone is hurting, so he can understand where they're coming from. He would love it if they build it and leave it sit vacant until we find the right business to go in there. As far as Granny Donuts is concerned, he would not expect Roers to put money into that place. As a Commissioner, he wouldn't want to hold this over their head as a deal breaker and doesn't want to hinder this project for that.

Commissioner Eng-Sarne read supporting articles recently and is not surprised by this development change. Other articles stating that Cities are requiring ground level mixed use are doing so at a fault right now and those are sitting vacant for years. This is prior to COVID and we should probably think of COVID and the economic effects of it lasting longer than COVID will last. This change does not break the deal for her.

Commissioner Fernandez said we have more restaurants and bars in West St. Paul. Carbone's is right behind this project. We may not get a new built out restaurants, but we have other places and we can work on those. He is in favor of moving forward. Commissioner Vitelli agreed.

Executive Director Hartshorn said Staff will bring this back on August 31, 2020.

Commissioner Berry asked Attorney Land about the dog park and if it is public use. Attorney Land said the dog park is intended to be open to the public, with the parking lot having dedicated parking space for the dog park.

#### **4. Adjourn**

Motion was made by Commissioner Fernandez and seconded by Commissioner Pace to adjourn the meeting at 8:34 p.m.

All members present voted aye. Motion carried.

David J. Napier  
President  
City of West St. Paul