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MEMO

TO: Ryan Schroeder, West St. Paul City Manager
FROM: Kori Land, City Attorney
DATE: March 3, 2020
RE: Prevailing Wage Ordinance

City Code Section 33.03, the Prevailing Wage Ordinance, was adopted in 2007.¹ It requires that when the City or EDA provides certain types of financial assistance, a developer must pay prevailing wages when constructing that project. With a few exceptions, the types of financial assistance must be \$50,000 or more and be in the form of one of the following:

- (1) Grants;
- (2) Tax increment financing;
- (3) Revenue bonds or general obligation bonds;
- (4) Loans; or
- (5) Business subsidies.

Below is a history of projects approved from 2005-present:

1. Target²

Project: Demolition of existing Target building and construction of 175,000 sq. ft. new Target store
Year of assistance: 2005
Type of assistance: TIF
Amount of assistance: \$731,000

¹ See attached research memo and current ordinance.

² Agreement predates ordinance but TIF payments did not begin until Aug. 2007.

2. Lowes³

Project: Construction of new 150,000 sq. ft. retail store
Year of assistance: 2006
Type of assistance: TIF
Amount of assistance: \$400,000

3. Dakota County CDA – North Block

Project: Demolition assistance
Year of assistance: 2009
Type of assistance: Cash reimbursement for demolition of existing buildings
Amount of assistance: \$60,000
Note: No mention of prevailing wages and project is complete

4. United Growth – Panera Building

Project: Demolition of Pizza Hut and relocation of sewer drain
Year of assistance: 2009
Type of assistance: Cash reimbursement
Amount of assistance: \$45,000
Note: Under \$50,000 threshold so did not trigger Prevailing Wage Ord.

5. LA Fitness

Project: Demolition of Bowling Alley and construction of LA Fitness and commercial building
Year of assistance: 2013
Type of assistance: Loan
Amount of assistance: \$52,500
Note: No mention of prevailing wages and project is complete

6. 5-8 Club

Project: Rehabilitation of former restaurant
Year of assistance: 2013
Type of assistance: Business Subsidy
Amount of assistance: \$25,000
Note: Under \$50,000 threshold so did not trigger Prevailing Wage Ord.

7. Tapemark

Project: Purchase of equipment
Year of assistance: 2015
Type of assistance: MIF Loan

³ Agreement predates ordinance but TIF payments did not begin until Feb. 2009.

Amount of assistance: \$500,000

Note: State assistance so prevailing wages were already required

8. Burnett Building

Project: Demolition of Burnett Building

Year of assistance: 2015

Type of assistance: Business Subsidy

Amount of assistance: \$25,000

Note: Under \$50,000 threshold so did not trigger Prevailing Wage Ord.

9. Prime Design

Project: Expansion project, including rehabilitation of 1777 Oakdale Ave

Year of assistance: 2015

Type of assistance: Forgivable loan

Amount of assistance: \$15,000 + \$50,000 (in conjunction with \$500,000 MIF Grant)

Note: State Grants involved so agreement included provision requiring compliance with Prevailing Wage Ord.

10. Rooftop 252

Project: Demolition of Southview Athletic Club and construction of 3-story market rate apartment building

Year of assistance: 2016

Type of assistance: Forgivable loan (demolition assistance)

Amount of assistance: Not to exceed \$55,000

Note: No mention of prevailing wages and project is complete

11. HyVee

Project: Construction of grocery store

Year project was approved: 2018

Type of assistance: Cash upon completion of certain stages of the development

Amount of assistance: \$1,585,000

Note: Development Agreement fully executed. No mention of prevailing wages but cannot reopen the contract without giving additional consideration

12. DARTS

Project: Real Estate Equities Senior Housing

Year: 2018

Type of assistance: TIF Note

Amount of assistance: \$1,622,000

Note: No mention of prevailing wages but project is under construction and nearly complete

13. Town Center I

Project: Demolition and construction of 115-unit apartment building and retail/office building (Town Center I)

Year: Preliminary Development Agreement 2019

Type of assistance: Possible TIF

Amount of assistance: TBD

Note: No mention of prevailing wages and requirement may trigger request for additional financial assistance

14. Oppidan I

Project: 153-unit apartment building on portion of former Thompson Oaks Golf Course

Year project was approved: 2019

Type of assistance: Tax abatement, land purchase price reduction

Amount of assistance: not to exceed \$350,000

Note: Development Agreement fully executed. No mention of prevailing wages but cannot reopen the contract without giving additional consideration

15. Port of Beirut

Project: Interior and exterior upgrades to an existing restaurant

Year: 2019

Type of assistance: Business subsidy

Amount of assistance: \$25,000

Note: Under \$50,000 threshold so did not trigger Prevailing Wage Ord.

16. Oppidan II

Project: Up to 64 townhome development on portion of Thompson Oaks Golf Course

Year project was approved: Preliminary Development Agreement signed 2019

Type of assistance: Unknown – EDA agreed to reimburse developer for all costs related to wetland project.

Amount of assistance: TBD

Note: No mention of prevailing wages

17. Dominion

Project: 137-unit affordable non-age restricted apartment building and 232-unit affordable Senior apartment building at site of former Kmart/Signal Hills

Year project was approved: Under consideration in 2020

Type of assistance: TIF

Amount of assistance: \$3,640,000

Note: If prevailing wage ordinance is applied, it would increase the amount of the TIF request, which the project may not be able to support