

**City of West St. Paul
Economic Development Authority Minutes
April 13, 2020**

1. Call to Order

President Napier called the meeting to order at 7:00 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 Amanda Johnson
Executive Director Jim Hartshorn
Finance Director Char Stark
City Clerk/Secretary Shirley Buecksler

3. Adopt the Agenda

Motion was made by Commissioner Vitelli and seconded by Commissioner Berry to adopt the agenda, as presented.

Vote: 6 ayes / 0 nays. Motion carried.

4. EDA Consent Agenda Items

Motion was made by Commissioner Pace and seconded by Commissioner Berry to approve the following items on the Consent Agenda, as presented:

- A. Minutes of February 10, 2020
 - EDA Work Session
- B. Minutes of February 10, 2020
 - Regular EDA Meeting
- C. Minutes of March 9, 2020
 - EDA Work Session
- D. Financial Statement Through December 31, 2019
- E. Financial Statement Through February 29, 2020

Vote: 6 ayes / 0 nays. Motion carried.

5. Commissioner Comments

President Napier said this is a tough time for our businesses and the ones we work so hard to support.

Commissioner Vitelli commented on this morning's newspaper article that quoted our City Manager. This impact is going to affect our sales tax revenue. We will have to plan for that. We have a plan not to pay off the future bond; however, Commissioner Vitelli said he would prefer incoming coming in. So that residents are aware, this will affect our budget.

Commissioner Justen said these are tough times and we need to help out our local businesses. He referred to his earlier comments from this evening's City Council meeting:

As a small business owner who is shut down for an extended period of time, Commissioner Justen wanted to reach out to other small business owners and their employees to let them know that he could not be more attentive to this situation and said that he understands what you're going through. My sympathy is with you.

For the good of everyone, Commissioner Justen said there are two ways to support local businesses:

- 1) Observe social distancing. The better we do at this, the sooner we flatten this thing, and the sooner we will be able to open. There is no guarantee that we will open on May 4. Every small business lives by how much they have in the bank and their day-to-day business activities. We are closed because we are trying to keep people safe. But the longer we are closed because of people's behavior, the more small businesses you're going to see coming out of this in worse and worse shape. Please observe social distancing not only for yourselves, your relatives, the elderly, the immuno-compromised, but also because this is the only way you will see our bars, restaurants and small businesses back.
- 2) If you are a small business and you are still open, I ask you to take a serious look if you are essential. I see the need to keep things going but, at the same time, if you are not essential and you stay out there, it may just make this longer for us and make these rules more strict. If you are questioning if you should be open, then you should be closed, he said.

6. Public Hearings

There were no Public Hearings.

7. New Business

A. Loan Servicing Agreement – Community Reinvestment Fund

In March, the EDA Board entered into a Loan Administrator Agreement with Neighborworks Home Partners to administer a new Housing Improvement Loan program.

However, Executive Director Hartshorn said they do not actually service these loans. Staff recommends approval of the Loan Servicing Agreement with Community Reinvestment Fund, Inc. to service the housing rehab loans.

Motion was made by Commissioner Fernandez and seconded by Commissioner Vitelli to approve the Loan Servicing Agreement with Community Reinvestment Fund, Inc.

Vote: 6 ayes / 0 nays. Motion carried.

8. Old Business

A. Extension of the Oppidan Development Agreement

On July 8, 2019, the EDA entered into a Development Agreement with KTJ339, LLC (aka Oppidan) to construct a multi-family apartment building at the former Thompson Oaks golf course, with a construction cost of \$27,202,946. Within the Development Agreement was the requirement that the real estate closing occur on or before April 1, 2020, that construction plans be submitted by that same date, and that construction commence by June 1, 2020 with completion by December 31, 2021.

Recently, KTJ has requested two extensions on the closing dates and construction starts, primarily due to COVID impacts upon other agency approvals and financing commitment uncertainties. Staff has granted those relatively minor extension requests.

KTJ, again due to the uncertainties created by the COVID pandemic, has requested an additional extension. Of note is that the developer has conducted all other requirements within the development approvals to this point in time. Construction plans have been submitted, and it is anticipated that all approvals of those plans will be in hand prior to the end of April.

The request is that the real estate closing be extended to September 1, 2020. It would be anticipated that a construction start would occur closing on the heels of the property exchange and that project completion could still occur within the initial deadline dates. On that point, this is a pay as you go abatement project. Hence, the City would not anticipate negative financial impacts should 100% completion not be complete by that date.

Motion was made by Commissioner Fernandez and seconded by Commissioner Berry to grant the extension request to KTJ339, LLC to September 1, 2020.

Vote: 6 ayes / 0 nays. Motion carried.

9. Adjourn

Motion was made by Commissioner Justen and seconded by Commissioner Fernandez to adjourn the meeting at 7:10 p.m.

All members present voted aye. Motion carried.

David J. Napier
President
City of West St. Paul