TO: EDA President and Board Members

FROM: Jim Hartshorn, Executive Director

DATE: August 17, 2020

City of West St. Paul

SUBJECT: **Jameson's Irish Bar and Bella Room (former Cherokee Tavern) – Business Subsidy Request**

BACKGROUND INFORMATION:

Brian Rubenzer, owner of Jameson's Irish Bar and Bella Room, is requesting approval of a Redevelopment Grant (Forgivable Loan) to help with the costs associated with interior and exterior improvements. He recently announced that they are changing the name of the former Cherokee Tavern to Jameson's Irish Bar and Bella Room.

The project includes remodeling and dividing the bar area into bar/restaurant and an event space. They are also restoring the historic interior, adding an interior arch wall, exterior repair of rotten wood and missing bricks, exterior paint, adding new awning and signage. They are also adding a new entrance door and refurbishing the floors. The renovations will provide more efficient bar/restaurant space and expand the catering operation.

Total cost of the project is $60,000. The goals for the Business Subsidy are to secure timely development and maintain the property as a commercial building for at least five years.

The project meets the criteria of the program in the following ways:

- Promotes the economic and commercial redevelopment of the City.
- Attract, retain, rehabilitate and preserve commercial facilities
- Affords maximum opportunities, consistent with the needs of the City as a whole, for the redevelopment of the area by private enterprise.

No formal zoning approvals are required, as the improvements are mostly interior. However, building permits are still required.

FISCAL IMPACT:

		Amount
Fund:	**Business Subsidy**	
Department:	**EDA**	
Account:	**209-41121-40495**	**$25,000**

STAFF RECOMMENDATION:
Staff recommends approval of a $25,000 Redevelopment Grant (forgivable loan).

ATTACHMENTS:

1. Business Subsidy Application
2. Letter Requesting Subsidy
3. Forgivable Loan Agreement
4. Pictures of the areas to be remodeled
5. Construction Proposals

CITY OF WEST ST. PAUL

BUSINESS SUBSIDY APPLICATION

Name of Applicant (individual or corporation): Jamo's Tavern

Business Address: 886 Smith Ave S City: WSP Rent or Own? Own

Phone: Business (651) 457-2729 Cell Home: (651) 755-4198 Fax: (___)_____

Owner of Project Site (if different): _____

Business Organization: Sole Proprietor____ Partnership____ Corp. ____ LLC X

Names of Partners or Shareholders:
Brian Rubenzer

Product or Service:
Restaurant | Bar

No. of Employees (incl. Owners) 14 No. of Employees Projected 24

Wage rates $13 - $20 Projected Wage Rate for new employees $10 - $20

Description of Proposed Project
Dividing the space into 2 spaces. 1 being a bar/restaurant, 1 being an event space. New name(s) and concept. Restore historic interior. Smaller, more efficient bar/restaurant and expand catering operation

Participating Lender:_____ Loan Officer: _____ Phone: _____

Uses of Funds:

Types of Expenditure	Cost
Arch Wall	$ 25K
Exterior door	$10K
Walls	$3K
Retractable barn doors	$5K
Refurbish Bar	$7K
New Awning	$2.5K
Refurbish floor	$4.5K
Paint	$3K
Total Uses	$ Approx $60K

City of West St. Paul
Business Subsidy Application
Page Two

Scheduled Project Start Date: 8/10/20 Project Completion Date: 9/25/20

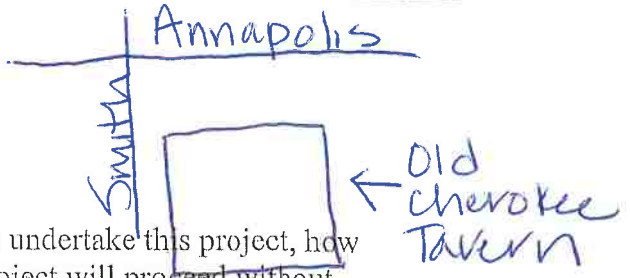
Sources of Funds:

	Source Amt.	Pct. Rate	Term	Collateral	Payment
Personal Equity	$		N/A	N/A	N/A
Business Equity	$35K				
Bank:					
Bank:					
Other:					
West St. Paul EDA	$25K				
Total Sources	$ 60 K	100%			

All loans (if applicable) made under this program require collateral at least equal to the amount of the Loan. Please provide details on collateral which will be offered, its market value, and the source of the valuation.

No loans - Checking Account

Please include the following with your application:



____ A map showing the location of the project.

____ A statement indicating why the funds are necessary to undertake this project, how proposal meets business subsidy criteria, and if the project will proceed without assistance.

The historic bar is a staple in the community. This is a space people can use for room rentals for many celebrations and events. Occupancy is [redacted] 190 in the event space.

Additional information may be requested as needed. The City of West St. Paul reserves the right to approve or deny applications for the Business Subsidies Program.

I certify that the above information, and any additional information enclosed herein, is true and correct to the best of my knowledge.

Signature of Applicant: _____ Date: 8/10/2020

Submit to: Jim Hartshorn, Community Development Director
City of West St. Paul
1616 Humboldt Avenue
West St. Paul, MN 55118

For further information or clarification, call (651) 552-4140.

The funds are necessary in order to get everything complete in a timely manner. Without this grant from the city we would have to slowly pick away at these projects which will delay our opening. We would have to put off renovating the event space that can hold two separate groups or one large group of 190 people. With the demand for event space rising due to all the canceled events this year. We want to be ready to start marketing and booking events.

Jobs, revenue and taxes will be generated quicker with this grant. We want to do it the right way this time. This grant could not come at a better time. When we remodeled the Cherokee Tavern in 2017/2018, we spent $80k and did not ask for any assistance at that time. Seems fair to help us out this time. We are converting Cherokee Tavern into- Jameson's Irish Bar and the Bella Room. We have already received attention from the press and people are watching to see how we pull this off. Would be great to get your support and help us create a space our neighbors can use for special occasions and events. The Irish bar will be tastefully done. Clients will have the option to rent the entire space including the bar.

We can't get this project done without the city grant, thanks for listening

Brian Rubenzer

BUSINESS SUBSIDY AGREEMENT

THIS AGREEMENT ("Agreement") made this ____ day of _____, 2020, by and between the West St. Paul Economic Development Authority, a Minnesota public body corporate and politic, 1616 Humboldt Ave., West St. Paul, Minnesota 55118 ("EDA") and BM Properties LLC d/b/a Jamo's Tavern LLC, a Minnesota limited liability company, 886 Smith Avenue, West St. Paul, Minnesota 55118 ("Jamo's").

RECITALS

WHEREAS, the City of West St. Paul ("City") has long desired to improve the function and appearance of its community through economic development, and has invested substantial resources toward that goal; and

WHEREAS, the West St. Paul City Council established the EDA in July 1999 in order to advance these objectives; and

WHEREAS, the EDA adopted criteria for awarding business subsidies, pursuant to the Business Subsidies Act, Minn. Stat., Sections 116J.993 to 116J.995 ("Business Subsidy Act"); and

WHEREAS, Jamo's owns the property located in West St. Paul legally described as:

Parcel 1: The Southerly 29 feet of Lot 2, Peter's Subdivision, Dakota County, with property identification number 42-57000-00-021; and

Parcel 2: Lot 3, Peter's Subdivision, Dakota County, with property identification number 42-57000-00-030; and

Parcel 3: Lot 4, Peter's Subdivision, Dakota County, with property identification number 42-5700-00-040; and

Parcel 4: That property described as follows except the Easterly 90 feet thereof; and except the Northerly 51 feet of the Westerly 26.66 feet thereof; Lot 1 and the North 30 feet of Lot 2, Block 1, John E. Blomquist Subdivision, Dakota County, Minnesota and Commencing at a point on the North line of Lot 2, Smith's Out Lots, West St Paul, Dakota County, Minnesota, 133.34 feet East of the Northwest corner of Lot 1, Peter's Subdivision; thence south parallel with the West line of said Lot 2 (as platted in Book "C" of Plats, page 6) 120 feet; thence East parallel with the North line of said lot 2, 38.88 feet; thence North parallel with the West line of said Lot 2 (as platted in Book "C" of Plats, page 6) 120 feet to the North line of said Lot 2; thence West 38.88 feet to the point of beginning, with property identification number 42-14400-01-022; and

Parcel 5: West ½ of Lot 7, William M. Bole's Re-Arrangement of Block No. 54, Banning and Olivier's Addition to West St. Paul, Ramsey County, Minnesota, with property identification number 072822330178,

("the Property"); and

WHEREAS, Jamo's has proposed exterior and interior upgrades to the restaurant, as more further described in the Business Subsidy Application (the "Project"), for a use that is consistent with the terms and conditions of this Agreement and is seeking a business subsidy ("Business Subsidy") from the EDA in the amount of twenty five thousand dollars ($25,000); and

WHEREAS, the EDA believes the proposed Project would be desirable for the City; and

WHEREAS, the Project meets all criteria for awarding a Business Subsidy established by the EDA Policy on Business Subsidies and due to the estimated cost of the Project, it is not financially feasible without public assistance.

NOW THEREFORE, for good and valuable consideration, the receipt of which is acknowledged, and in consideration of the covenants and agreements made herein, Jamo's and the EDA hereby agree as follows:

AGREEMENT

1. The Business Subsidy comprises of a forgivable loan in an amount up to twenty five thousand dollars ($25,000). The forgivable loan shall be due and payable to Jamo's in a lump sum following receipt by the EDA of invoices for work performed following completion of the Project.

2. The public purposes of the Business Subsidy are as follows:

    a. Promote the economic and commercial redevelopment of the City;

    b. Preserve the local tax base and improve the general economy and vitality of the City;

    c. Promote the health, safety and welfare of the residents of the City;

    d. Remove, prevent or reduce blight, blighting factors or the cause of blight in the City;

    e. Attract, retain, rehabilitate and preserve commercial facilities;

    f. Eliminate or improve structurally substandard buildings;

    g. Promote private investment in a blighted or economically depressed area, which can be expected to stimulate additional investment;

    h. Afford maximum opportunities, consistent with the needs of the City as a whole, for the redevelopment of the area by private enterprise.

3. The goals for the Business Subsidy are to secure timely development and maintain the Property as a commercial building for at least five (5) years.

4. Jamo's will construct the Project pursuant to all approvals or licenses required by the City, with a completion date of September 30, 2020 ("Completion Date").

5. Upon completion of the Project Jamo's, its tenants, permitted successors or assigns, will continuously occupy the Property for at least five (5) years, except in the event of unforeseeable casualty, in which event, Jamo's shall rebuild and reopen as soon as commercially reasonable.

6. If Jamo's complies with the terms and conditions of this Agreement, the Business Subsidy will be forgiven five (5) years after the Completion Date. If Jamo's does not comply with the terms and conditions of this Agreement, Jamo's shall pay back a portion of the Business Subsidy on a prorated basis, with interest, based on the portion of the five-year operation period elapsed as of the date of default.

7. Jamo's must submit to the EDA a written report regarding Business Subsidy goals and results by no later than March 1st of each year, commencing March 1, 2021 and continuing until the later of the date that the goals are met; or thirty (30) days after expiration of the five-year period; or if the goals are not met, then the date the Business Subsidy is repaid. The report must comply with Section 116J.994 subd. 7 of the Business Subsidy Act. The EDA will provide information to Jamo's regarding the required forms. If Jamo's fails to timely file any report required under this section, the EDA will send Jamo's a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, Jamo's fails to provide a report, Jamo's must pay the EDA a penalty of $100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this section is $1,000.

8. The parties agree that this Agreement shall be construed pursuant to Minnesota law and any disputes shall be venued in Dakota County, Minnesota.

9. Notices to the parties shall be sent as follows:

If to EDA:	West St. Paul EDA Attn: Executive Director 1616 Humboldt Ave. West St. Paul, MN 55118
If to Jamo's:	BM Properties LLC Attn: Brian Rubenzer 886 Smith Avenue South West St. Paul, MN 55118

10. This Agreement shall not be assigned without the prior written consent of the other party, which shall not be unreasonably withheld.

11. This Agreement shall only be amended by written agreement approved by both parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their authorized representatives as of the date first written above.

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WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

_____

David J. Napier
Its: President

_____

James Hartshorn
Its: Executive Director

STATE OF MINNESOTA)
)ss
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020, by David J. Napier and James Hartshorn, the President and Executive Director, respectively, of the City of West St. Paul Economic Development Authority, a Minnesota public body corporate and politic existing under the Constitution and laws of Minnesota, on behalf of the EDA.

_____

Notary Public

BM PROPERTIES LLC

_____

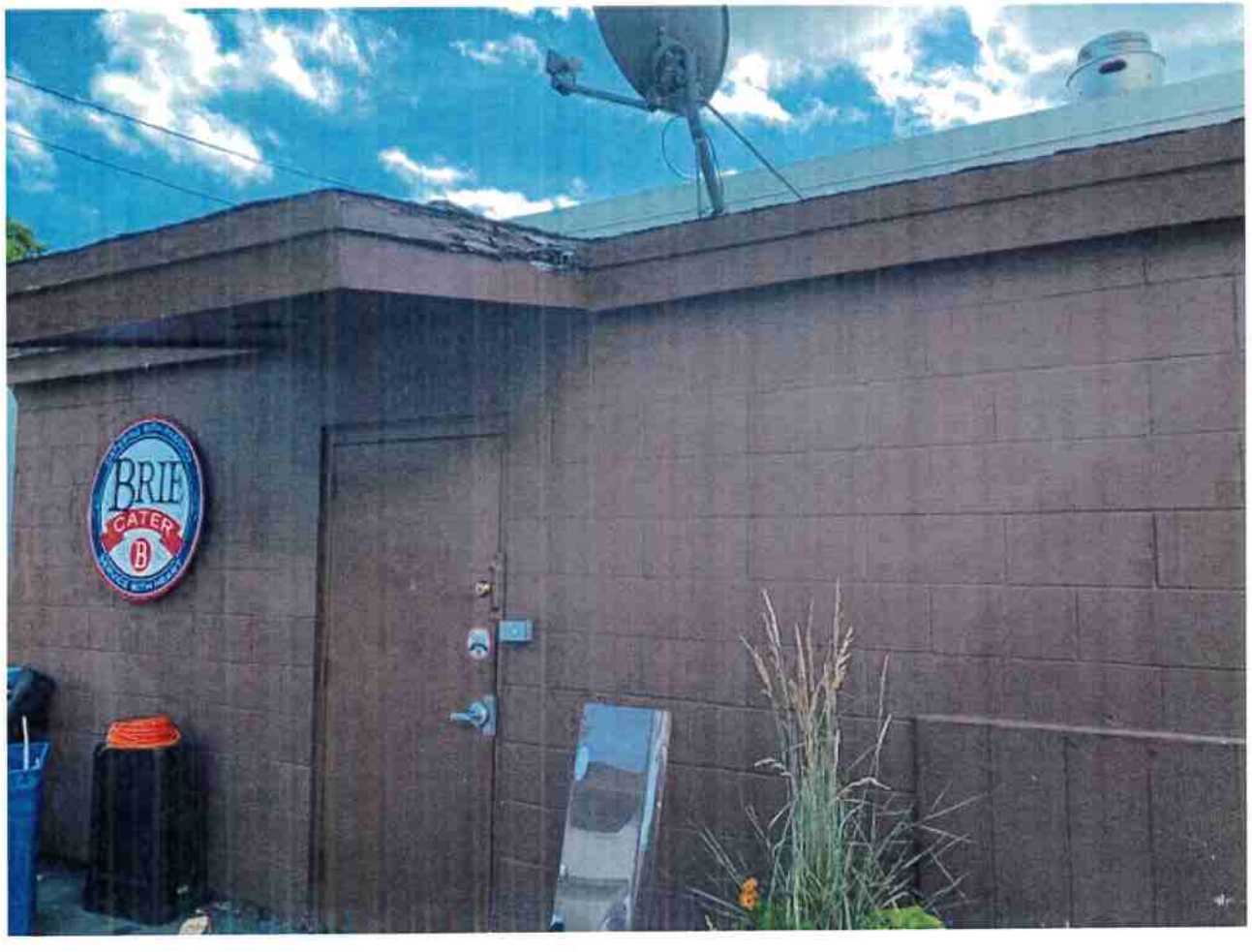
Name: Brian Rubenzer
Its: Chief Executive Officer

STATE OF MINNESOTA)
)ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2020, by Brian Rubenzer, the Chief Executive Officer of BM Properties LLC, and that the foregoing instrument was executed on behalf of the company and he acknowledged the instrument to be the free act and deed of said company.

_____

Notary Public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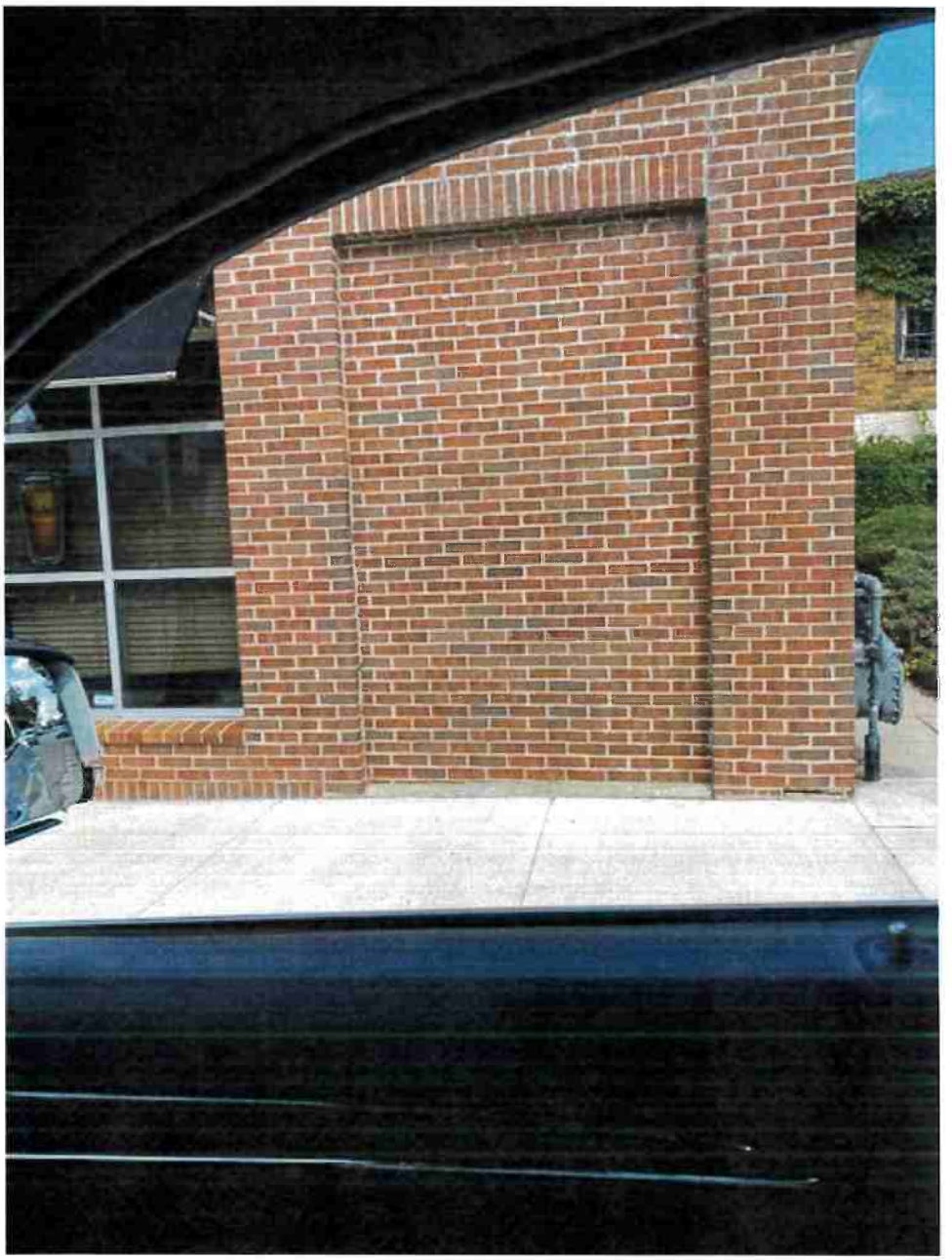

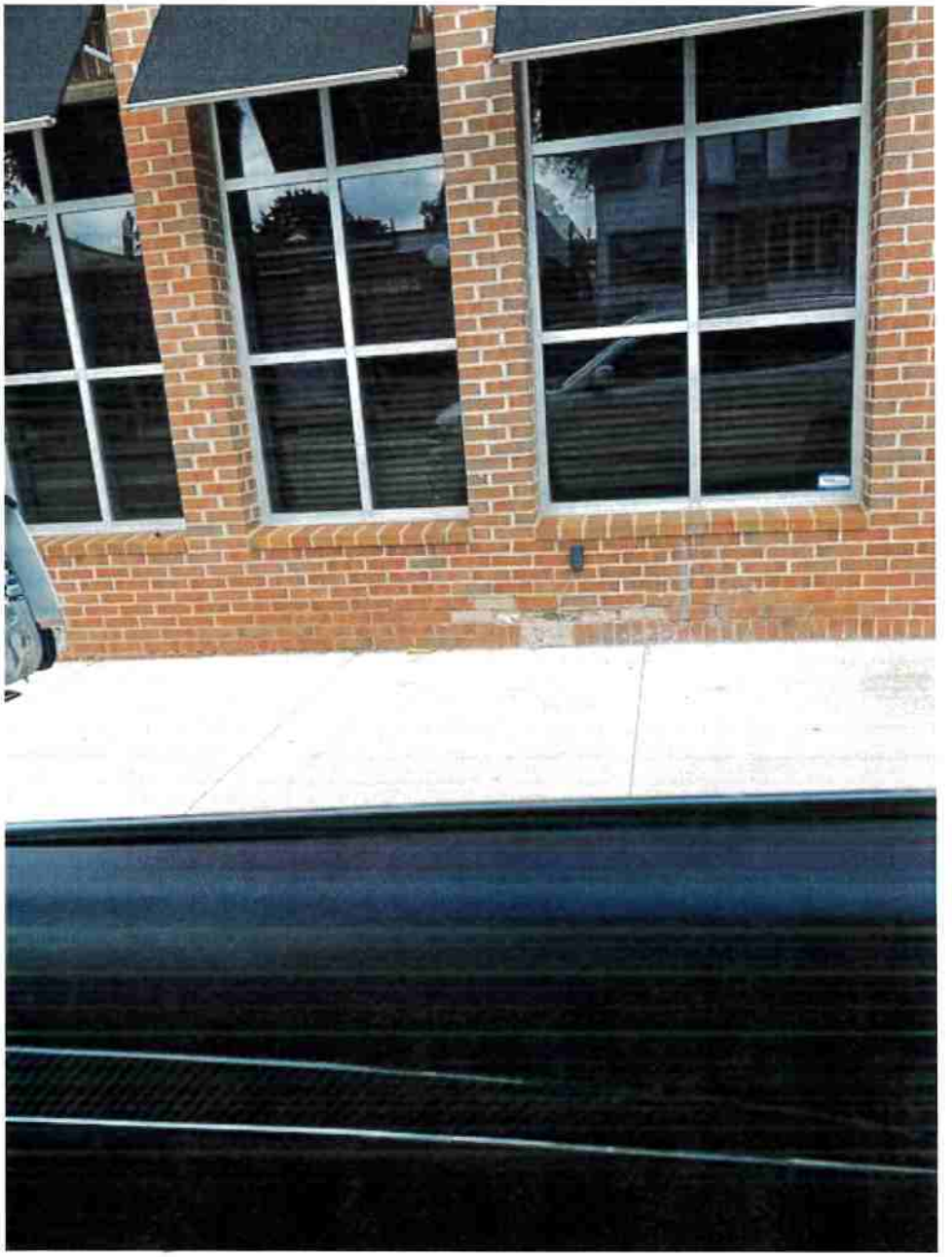

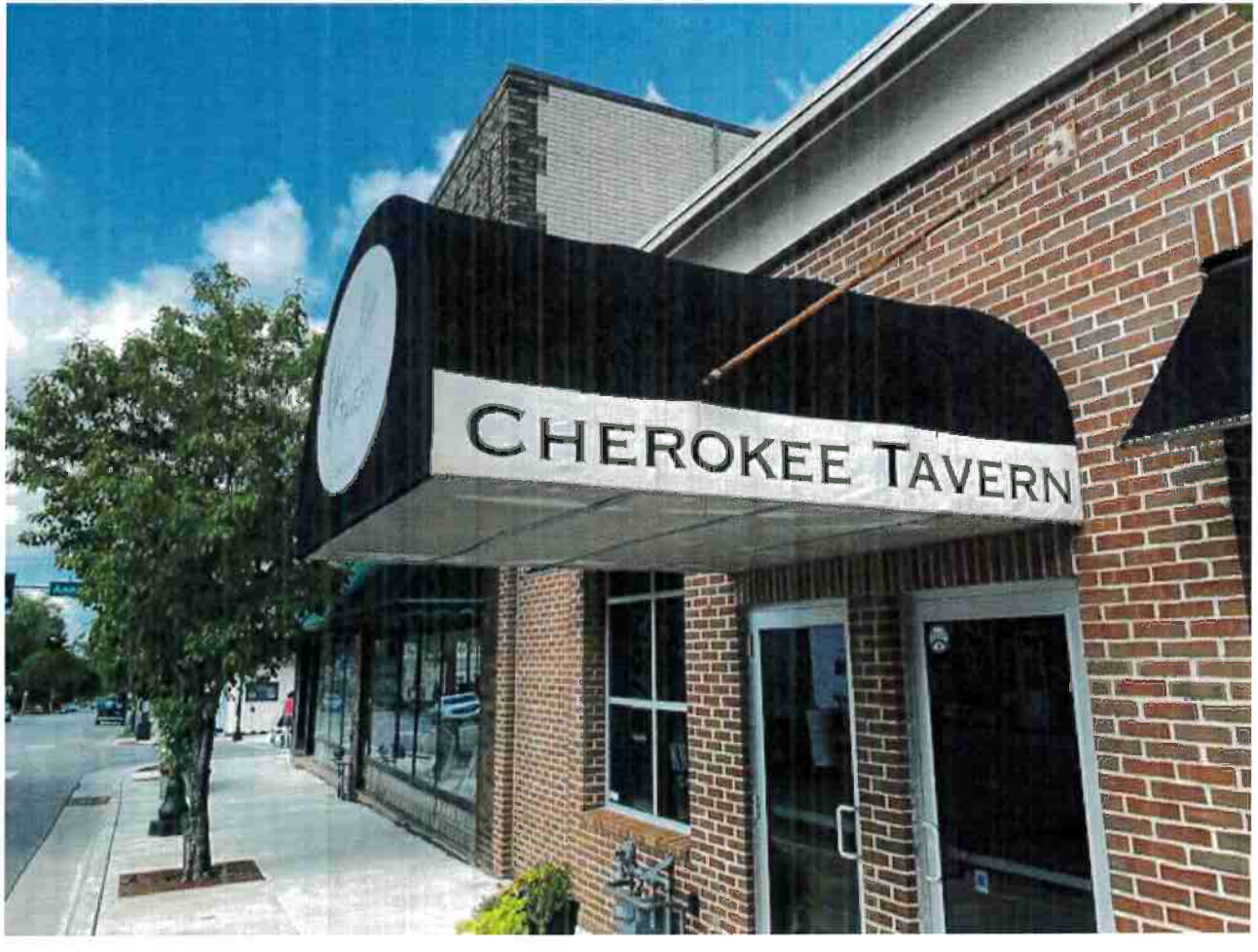
CHEROKEE TAVERN

ACME AWNING

www.AcmeAwning.com

Date: August 7, 2020

3206 Bloomington Ave
Minneapolis, MN 55407
612-722-2731
Fax: 612-722-2930
greg@acmeawning.com

TO Jameson's Irish Bar
Brian Rubenzer
651-755-4798

WORK SITE 886 Smith Ave
West St Paul

QUANTITY	DESCRIPTION	LINE TOTAL
	Acme Awning fabricates the highest quality awnings in the Twin Cities. Providing the best value long-term we only use the highest quality materials in the industry. **16-Gauge Steel Framing** - Acme frames can be recanvased multiple times over their 50+ year lifespan **Sunbrella Canvas** - industry leader in acrylic Marine and Awning canvas. **3M Vinyl Graphics** - adhered with heat and pressure to provide the longest lasting Exterior canvas graphics on the market.	
	Scope of Work: Fabricate and install one (1) welded frame stationary half barrel canopy canvas cover. Graphics to mimic existing included.	
1	**Traditional Style Awning**: new steel frame and canvas cover	$2,485.00
1	**Front Crown Graphics**: customer supplied logo	Inc.
2	**Valance Graphics**: words	Inc.
1	**Canvas:** Sunbrella (color/pattern cust choice)	Inc.
	Frame: use existing	
	Permits Extra	
	50% Deposit Required. Please allow 3-4 weeks for installation	
	TOTAL	$2,485.00

1. We hereby propose to furnish the materials and perform the labor necessary for completion of description above.
2. Any alteration or deviation from the above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance upon above work. Workmen's Compensation and Public Liability insurance on and above work to be taken out by Acme Awning.
3. All material is guaranteed to be as specified, above work to be performed in accordance with the drawings and specifications submitted and completed in a substantial workmanlike manner.
4. This proposal may be withdrawn by us if not accepted within 30 days.
5. **Retention of Title: Acme Awning Company owns the awnings until full payment is received.**

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date:_____Signature:_____

Thank you for your business! Greg

SUNBRELLA SHADE COLLECTION
ONLINE SHOWROOM

Sunbrella offers a wide selection of solid and patterned fabrics for your awning project. To view the fabric options online, visit:

https://www.sunbrella.com/browse-fabrics/fabrics-by-use/shade-sails-awnings-pergolas

Important: On the left side of the page, use the Filter to select the proper application. Please select "Awnings/Pergolas" to view the fabrics that are suitable for your awning needs. If this filter is not used, fabrics that are not suitable will be included in the showroom.

Narrow your selection to 3-4 samples using the website. Simply send us the color name(s) (i.e., Burgundy) and we will mail you samples free of charge.

Most of the colors and patterns shown on the website are the same price. A few specialty canvases are an upcharge. If you view the showroom without filtering for awnings, please note that not all specialty canvases are suitable for all applications; hopefully the descriptions below will help navigate the choices for you.

1) Difference between 46", 60", and 80" is determined by our cutters/sewers. There is no cost difference and there is no difference in the colors of different widths.

2) If "Alloy" is in the name, the canvas is not suitable for repelling water, ruling out most Awnings and Canopies. Canvas is designed for shade structures. Cost is typically +20% for recovers or +10% for completes (frame and cover).

3) If "Apex" is in the name it is sail shade canvas. **Not suitable for Awnings.**

4) If "Unity" is in the name, the canvas is made from 50% recycled materials. Cost is typically +30% for recovers or +15% for completes (frame and cover).

19165 81st Place North • Maple Grove, MN 55311 • Phone: 612-801-6453

Cherokee Tavern

886 Smith Ave S
West St Paul, MN 55118

Print-date: 8-10-2020

Thank you for choosing Patrick Dorn Construction, Inc. The estimate is ready for your review.

If you would like to proceed with the project, check the Disclaimer box and click the Approve button at the bottom of the estimate. Once this is signed, it becomes the contract.

Price Breakdown

Code	Title	Description	Qty / Unit	Unit Price	Price
1010 - Building Permits		Estimated permit cost for project, actual permit cost will replace this budget number once the actual cost is established.	1	1,500.00	$1,500.00
1075 - Engineering Fees		Estimated structural engineering cost to engineer new masonry opening between large rooms.	1	2,500.00	$2,500.00
1115 - Draftsmen/Plans		Estimated cost to have permit drawings created for project.	1	2,500.00	$2,500.00
1215 - Dumpsters		One 30yd dumpster located in the rear parking lot for demolition debris for duration of project.	1	600.00	$600.00
1300 - Demolition		Labor and materials to demo openings in wall between large rooms and new exterior door location.	1	2,720.00	$2,720.00
1700 - General Labor		Estimated cost to investigate and raise door header if possible to rear dining room of bar area.	1	1,850.00	$1,850.00

3100 - Structural Steel	Estimated cost of steel beam and posts for new 12' wide opening between large rooms.	1	3,500.00	$3,500.00
4200 - Masonry Material	Estimated material cost to match existing brick as closely as possible to create new 12' wide arched opening between large rooms.	1	2,500.00	$2,500.00
4250 - Masonry Labor	Labor to construct new 12' wide masonry arched opening between large rooms. Final brick design to be determined.	1	8,500.00	$8,500.00
4300 - Exterior Doors	Labor and materials to create a new opening where existing exterior brick recess exists, installation of new aluminum storefront door and sidelight to match existing storefront units. Interior jambs of opening to be painted sheetrock.	1	4,725.00	$4,725.00
5300 - Painting—Interior	Labor and materials to paint new doors for "barn door wall" and paint back wall of bar and underbar cabinets.	1	3,500.00	$3,500.00
5351 - Shelving	Supply and install 3 sections of heavy glass shelving and required shel supports for back bar area. Shelf supports to be located where skinny mirror strips currently are located. Glass strips will be replaced with painted wood strip to match back bar and metal shelf support rail.	1	1,850.00	$1,850.00
5425 - Interior Doors	Labor and materials to create a wall of sliding barn doors to cover existing openings between new smaller restaurant space and event space to allow.	1	5,400.00	$5,400.00
5450 - Countertops	Black onyx granite overlay for approx 30' back bar length with 3" dropped apron.	1	5,300.00	$5,300.00
5890 - Special Finishes	Labor and materials to sand and re-finish bar top with epoxy pour finish.	1	5,200.00	$5,200.00
3230 - Framing Labor and Materials	Labor and materials to build new wall to create hallway to kitchen from bar area and close off kitchen entrance from event space	1	1,840.00	$1,840.00

5100 - Drywall	labor and materials to drywall, tape and sand new wall.	1	1,425.00	$1,425.00
1040 - Contractor Fee and Gen'l Cond.		0.1	55,410.00	$5,541.00

Total Price: $60,951.00

Construction Terms and Conditions

The Contractor mentioned in the content below refers to Patrick Dorn Construction, Inc. The Owner mentioned refers to the customer entering into contract with the Contractor. Once the contract is signed, the following Terms and Conditions apply.

A. AGREEMENT. The Purchase Order, these Terms and Conditions, any special conditions, Owner's Policies, Design Standards and Insurance Requirements (together, the "Agreement") along with Drawings, Specifications, addenda issued before issuance of the Agreement and any subsequently executed Change Order (together with the Agreement, the "Agreement Documents") shall govern the relationship between the parties for the construction project described in the Agreement. Per the Minn. Stat. §326B.809 and §326B.87, the contract will include the scope of work, description of materials or list of features, price or description of how the price was calculated, signature from the customer and contractor, the contractor's license number, and performance guidelines (as applicable). A copy will be provided to the Owner once signed.
B. EXECUTION OF THE WORK. Contractor shall furnish all labor, material, services, tools, equipment, and fixtures necessary to perform and complete in a good and workmanlike manner the Work described in the Agreement. All Work shall be done in accordance with, all laws, ordinances, building codes, rules and regulations applying to the Work, including, but not limited to, the Americans with Disabilities Act, environmental regulations and the Occupational Safety and Health Act of 1970, as amended. Contractor shall have control over, and be solely responsible for, all means, methods and sequences for performing the Work.
C. SCHEDULE. Work shall be commenced and completed within the time frames set forth in the Agreement. If any schedule changes need to be made by either party, the changes must be communicated in a timely manner.
D. TAXES, FEES AND PENALTIES. Contractor shall pay all applicable local, state and federal taxes, license and permit fees, assessments and charges related to the Work on behalf of the Owner. These costs will be included in the contract to be re-paid to the Contractor.
E. WARRANTIES. Contractor warrants to Owner that all labor, materials and equipment furnished under the Agreement are of the type and quality required by the Agreement Documents, new (unless otherwise required or permitted by the Agreement Documents) and installed in a good and workmanlike manner and otherwise in accordance with the Agreement Documents. Contractor further warrants that (i) it shall use sound construction principles and practices in the performance of the Work; (ii) it shall apply to the Work a high degree of skill, care, judgment and supervision to assure that the Work is performed properly and in accordance with the Agreement Documents; and (iii) the Work will be free from defects not inherent in the quality required or permitted. Per the Minn. Stat. Chpt. 327A and Minn. Stat. §541.051, the Owner has 6 months to notify the Contractor of a defect. The Statutory warranty includes a one-year workmanship warranty, two-year mechanical systems warranty, and ten-year structural warranty. Two-year statute of limitation from warranty disclaimer. The warranty is transferrable if ownership changes during the warranty period. The Minn. Stat. Chpt. 327A information can be found here: https://www.revisor.mn.gov/statutes/cite/327A. The Minn. Stat. §541.051 information can be found here: https://www.revisor.mn.gov/statutes/cite/541.051. The Contractor can communicate the warranty to subcontractors though written subcontractor agreement, as applicable.
F. SUPERVISION. Contractor shall provide a competent manager and a competent superintendent for the Project, approved by Owner, who shall be at the Site and working on the Project for layout, direction, coordination, sequencing and all other required activities, for the entire duration of and until final acceptance of the Work. The approved manager or superintendent shall not be discontinued (except upon Final Completion of the Project or in the event of his or her termination of employment or disability or if Owner requests a replacement to resolve incompatible working relationships) and no new individual shall be designated without prior approval of Owner.
G. SAFETY & HAZARDOUS MATERIALS. Contractor is entirely responsible for security and safety at the Site until it is turned over to Owner. Contractor shall comply with Owner's Safety Guidelines for Contractors and all laws of any governmental authorities for the safety of persons or property. Hazardous Materials may not be used without prior notice to and coordination with Owner. Contractor shall be responsible for any Hazardous Materials brought to the Site by Contractor, Subcontractors, suppliers or anyone else for whom Contractor is responsible. Contractors shall dispose of all Hazardous Materials in accordance with all applicable laws and Owner's Safety Guidelines for Contractors relating to disposal of Hazardous Materials. Notwithstanding anything herein to the contrary, asbestos, asbestos containing products or polychlorinated biphenyl (PCB) shall not be allowed on the Site nor be used in the Work. Per the Minn. Stat. §325F.18, disclosure from Contractor is required if building materials use formaldehyde. This applies to all contractors: construction or renovation, residential and commercial. The Minn. Stat. §325F.18 information can be found here: https://www.revisor.mn.gov/statutes/cite/325F.18.
H. EPA RENOVATE RIGHT. This applies to all contractors who perform residential work on existing structures built before