CITY OF SOUTH ST. PAUL
MEETING AGENDA

ECONOMIC DEVELOPMENT AUTHORITY

Worksession Conference Room
125 3rd Avenue North
South St. Paul, MN 55075

Monday, March 16, 2026
6:45 P.M.

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. CONSENT AGENDA

A. Approval of Amended Small Business and Development Loan Policy

B. Approve Fourth Amendment to Preliminary Development Agreement

5. PUBLIC HEARINGS

A. Convey Real Property to the City of South St. Paul

6. GENERAL BUSINESS

A. Acquire Property at 106 Third Avenue North from the City of South St. Paul

B. Acquire Property at 316 Malden Street from the City of South St. Paul

C. Authorize Application to Dakota County CDA's Redevelopment Incentive Grant (RIG) Program

7. ADJOURNMENT

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE: March 16, 2026
DEPARTMENT: Economic Development
PREPARED BY:
AGENDA ITEM NUMBER: 4.A.

MEETING TYPE
Special Meeting

AGENDA ITEM
Approval of Amended Small Business and Development Loan Policy

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Through Consent, motion to approve the Small Business and Development Loan Policy, as amended.

OVERVIEW
In August 2021, the EDA approved a Small Business and Development Loan Policy to guide the administrationof a revolving loan fund to help local businesses make investments in business growth and real estate development within the community. The policy was last amended in June 2022. As we've continued to administer loans through this program, we have found that our current application fee structure found in section IX.B.5 ($125 + 2% of the loan amount, not to exceed $1,250) requires recalibrating; any loan amount over $56,250 exceeds the maximum and in any event, the fee is not aligned to the actual costs of processing the application and recording loan documents. As such, staff is recommending a minor amendment to the policy, changing the Application Fee to $125 + 0.25% of the loan amount, not to exceed $1,250.

SOURCE OF FUNDS
The Small Business and Development Loan is a revolving loan fund originally established by the South St. Paul HRA in the 1980s and transferred to the EDA in 2015. The EDA has used its EDA levy in recent years to provide a moderate amount of additional funding to the loan pool.

ATTACHMENTS
1. Economic Development Revolving Loan Fund Policy (March 2026 Amendment-Redlines)

CITY OF
SOUTH ST. PAUL

Economic Development Revolving Loan Fund Program Policy

Established August 2021

Most Recently Updated ~~June 2022~~March 2026

Each application submitted for assistance will be evaluated by the City on a case-by-case basis to analyze the viability of a proposed project. Depending on the nature and complexity of a program, the timeframe from application to approval is approximately 8 to 12 weeks.

I. General

The South St. Paul HRA first established a Revolving Loan Fund (RLF) Program in the early 2000s. The program aimed to increase job creation and enhancement of the property tax base. The program was intended to be a "supplement"- not a replacement- for owner/investor equity and bank financing in a project. Today, the RLF is administrated by the South St. Paul Economic Development Authority (EDA). The Economic and Community Development Department will provide general program oversight on behalf of the City and EDA.

II. Program Purpose

The goals of the revolving loan fund are to stabilize and increase the City's tax base, create and retain permanent private sector jobs and improve economic opportunities by promoting local business development and expansion, add additional skilled workers with wages above the median income, support business enhancements, and provide support for local business retention.

III. Funding Available

The minimum loan amount of a loan through this program is $1,000. The maximum amount of a loan from this program is $150,000, except that a greater maximum loan amount may be approved by resolution of the EDA if all of the following are true:

- The proposed project meets two (2) or more of the Eligible Activities listed in Section IV of this Policy;
- The proposed project is located within one of the Priority Areas listed in Section VI of this Policy;
- The proposed project involves the renovation and/or reinvestment in a building constructed more than 35 years prior to the date of application; and
- Where required by State Law and the City's Business Subsidy Policy, the proposed project will be subject to an Approved Business Subsidy Agreement.

IV. Eligible Activities

Through consultation with EDA Staff and (as appropriate) lending partners and consultants, applicants will be eligible to apply for one of two fund types: the "Gap Loan Fund" and the "MicroLoan Fund". Eligible Activities for each of the two fund types are provided below:

A. Gap Loan - In order to apply for financing assistance through the Gap Loan Fund, a business must be a for-profit enterprise. Eligible projects must meet one or more of the following activities:

   1. Creation or retention of jobs; or the improvement of jobs as measured by wages.

   2. Acquisition of land and buildings.

   3. New Construction

4. Façade and building renovations, including renovations to address code deficiencies.
5. Purchase and installation of machinery and equipment.
6. Clearance, demolition, or removal of structures.
7. Infrastructure improvements necessary to support new or expanding businesses.

B. MicroLoan – In order to apply for financing assistance through the MicroLoan Fund, a business must be a for-profit enterprise and have fifty (50) or fewer full-time equivalent employees on its payroll. The following activities are potentially eligible for assistance from the MicroLoan Fund:

1. Working Capital.
2. Inventory.
3. Façade and building renovations, including renovations to address code deficiencies.
4. Purchase and installation of machinery and equipment.
5. Energy Efficiency Upgrades.
6. General Operations.

V. Ineligible Activities

Certain projects, activities, and costs are ineligible for revolving loan funds. These include:

1. Refinancing or consolidating existing debt.
2. Reimbursement for expenditures prior to loan approval.
3. Routine maintenance.
4. Specialized equipment that is not essential to business operation.
5. Management fees.
6. Projects in stand-alone residential buildings.

VI. Priority Areas

1. Concord Street between Annapolis Street and Wentworth Avenue
2. Southview Boulevard and Marie Avenue
3. Concord Exchange
4. Concord Street between Dale Place and Linden Avenue

VII. Priority Considerations

1. Assisting Business Expansion- Commercial or industrial-related expansions (ie, adding square footage or employees), and related costs.
2. Renovation to and/or reinvestment in a building constructed more than 35 years prior to the date of application
3. Business equipment acquisition- The purchase of additional depreciable assets for the purpose of expanding industrial/commercial activities.

VIII. Loan Financing Policies and Conditions

A. Gap Loan – the following loan terms and conditions will apply to the Gap Loan:

1. The minimum loan amount is $15,000.
2. The maximum loan amount is $150,000, except as stated in Section III (Funding Available) of this Policy.
3. Loan terms for fixed assets are anticipated to range between 10 to 20 years for land and buildings, and 5 to 10 years for machinery and equipment.
4. Interest rates are fixed at 5.50%, subject to the following interest rate discounts, which may be combined:
    a. Applicants committing 15% or more in cash equity to a project will receive a 0.50% discount on their interest rate.

b. Projects that have been approved for financing from a private commercial lender for at least 60% of the total project cost will receive a 0.25% discount on their interest rate.
c. Applicants that are able to demonstrate that they have consulted with the "Open to Business" program, free to all South St. Paul residents and businesses, will receive a 0.25% discount on their interest rate.
d. Applicants that are able to demonstrate that their project will result in a property value increase of 15% or more will receive a 0.50% discount on their interest rate. (*Dakota County Property Taxation & Records can assist with this analysis.*)
e. Applicants that are able to demonstrate that their project will result in the creation of three (3) or more new jobs at or above the "2 Working Adults, 2 Children" Living Wage Calculation for Dakota County will receive a 1.00% discount on their interest rate.
f. A 0.50% discount on interest will be provided for any project that involves any one or more of the following:
    i. Installation of an elevator in a multi-story building.
    ii. Installation of fire suppression systems.
    iii. Installation of environmental infrastructure, such as vapor mitigation systems.
    iv. Abatement of hazardous building materials, such as asbestos.
    v. Installation of solar, geothermal, or wind energy systems or technologies.

vi. Installation of commercial food preparation facilities and required ventilation systems.

vii. Vertical commercial/residential mixed-use development (i.e., commercial unit(s) at the street level with residential unit(s) on upper level(s)).

5. For projects that demonstrate extraordinary public benefit, the EDA may choose to structure loans in such a way as to provide applicants/borrowers with deferred repayment, interest-only repayment periods, or partial loan forgiveness.

6. Interest earnings or other profits earned from the sale of the loan will be returned to the RLF fund for re-lending or for administrative costs.

7. The EDA may deny any project which it deems inappropriate according to the guidelines established in this document.

B. MicroLoan Fund - the following loan terms and conditions will apply to the MicroLoan:

1. The Minimum Loan Amount is $1,000.
2. The Maximum Loan Amount is $15,000.
3. Loan terms are anticipated to range between 3 to 7 years.
4. Interest rates are fixed at the WSJ Prime Rate + 2.500%.

IX. Loan Application and Review

A. Pre-application or Preliminary Meeting- A pre-application is required to screen potential projects for eligibility.

1. A brief pre-application in narrative form will be required for all potential applicants in order to determine the proposed structure and eligibility of the project.

2. Pre-applications may be submitting on an open basis throughout the year.

B. Applications

A full application requires the following documents, unless waived by the EDA through the pre-application process:

1. Company description including product or service, history, legal structure, ownership and subsidiaries.
2. A detailed business plan describing the scope of the project including site plans, building plans, renderings or blueprints.
3. Project budget and amount of loan request.
4. Proof of private financing commitment.
5. Payment of an Application Fee equivalent to $125 + 0.25% of the requested loan amount, not to exceed $1,250 total. Application fees will be non-refundable, and will not simply be "rolled into" the loan amount.
6. Other documentation as requested.

C. Loan Review Committee. A loan review committee as designated by the EDA will be responsible for the review and recommendation of approval or denial of any loan application.

D. Incomplete Application. Department Staff will determine if the application is completed.

X. Distribution of Funds to Approved Applicants

A. Loan Agreement

Prior to the EDA's distribution of RLF funds, all appropriate documentation, including loan agreement, promissory notes, repayment schedule, security agreement, personal guaranty, and all other documents deemed necessary, shall be prepared and executed.

B. Evidence of Expenditures

The business must provide documentation related to the RLF fund expenditures prior to the release of RLF funds. Documentation may include invoices, receipts, final bills of sale, cancelled checks, a lien waiver or other documentation as deemed appropriate by the review board.

XI. Repayment and Default

A. Repayments

All payments are due within 30 days of the billing date. The first billing will be within 45 days after the funds have been released.

B. Prepayments of Loans

There is no prepayment penalty.

C. Late Payments

Any payments not paid within ten (10) days of the due date will pay a late fee equal to 5% of the amount of the installment due. Loan recipients will be contacted by staff requesting the account is brought current. After 21 days, staff will send a letter requesting full remittance of late payments.

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	March 16, 2026
DEPARTMENT:	Economic Development
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	4.B.

MEETING TYPE
Special Meeting

AGENDA ITEM
Approve Fourth Amendment to Preliminary Development Agreement

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Through Consent, Motion to Approve Amendment #4 to Preliminary Development Agreement.

OVERVIEW
On November 4, 2024, the EDA approved a Preliminary Development Agreement (PDA) with the City of South St. Paul and ZAS, LLC for a proposed mixed-use redevelopment of the approximately 5.6-acre site at the northeast corner of Grand Avenue East and Concord Street North. The Developer's proposed concept envisions transforming the site, which is currently vacant but was previously developed with industrial uses including the Dakota County Technical College's meatcutting school, 20/20 Brand Solutions, yard space for Twin City Pallet Co., and more historically several ag-industrial buildings of the former Swift & Co. packinghouse campus. ZAS's concept aligns closely to the mixed-use, walkable, livable vision for this area as identified in numerous City plans over the past 25 years: they propose adding an independent restaurant, "destination retail" (currently vetting an indoor pickleball center), and more than 150 units of market-rate housing at the site in a two-phase development program. Given the conditions of the site, including challenging geotechnical and environmental conditions, for the project to be economically viable we anticipate the necessity of utilizing a creative funding approach involving Tax Increment Financing and the leveraging of state and regional grant programs.

ZAS and the EDA continue to make significant progress towards the advancement of this development; however the executed PDA, as Amended by Amendment #3 in December 2025, is set to terminate on March 31, 2026. Due to outstanding issues related to site control, stormwater and other infrastructure, and Response Action Plan preparation and approval, the Developer and EDA agree that the project is not yet ripe for a formal purchase and development agreement(s). With this in mind, we have mutually resolved that an extension to the PDA through July 31, 2026 is desirable as we continue to collaborate on these elements.

SOURCE OF FUNDS
The PDA as executed required an option payment, payable in installments to a total of $30,000,

by the developer to retain the exclusive option to negotiate a purchase and development agreement and to assist with the City's administrative costs. The Developer has satisfied this obligation.

ATTACHMENTS

1. Preliminary Development Agreement
2. Fourth Amendment to Preliminary Development Agreement

THE SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY,
THE CITY OF SOUTH ST. PAUL
AND
ZAS LLC

PRELIMINARY DEVELOPMENT AGREEMENT

THIS PRELIMINARY DEVELOPMENT AGREEMENT (this "Agreement"), dated the _4th_ day of November, 2024, by and between the City of South St. Paul, a public body corporate and politic under the laws of the State of Minnesota (the "City"), the South St. Paul Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (the "EDA") and ZAS LLC, a South Dakota limited liability company (the "Developer");

WITNESSETH:

WHEREAS, the EDA owns and desires to promote the development of certain property known as 125, 135, and 139 Grand Avenue East, South St. Paul, Dakota, County, Minnesota, as further described and depicted on Exhibit A attached hereto and incorporated by reference herein (the "Property"); and

WHEREAS, the EDA has determined that it is in the best interests of the EDA that the Developer be designated as the sole developer of the Property during the term of this Agreement; and

WHEREAS, the EDA intends that the site design for the Property be generally consistent with the 2040 Comprehensive Plan, the 2020 Hardman Triangle Redevelopment Plan, and the Concord Gateway Mixed-Use Zoning District and the current site design for the Property includes the following uses on the Property:

1. An approximately 4-story, market-rate residential apartment building with an estimated 145 residential units and not fewer than 140 garage parking stalls and adequate surface parking to, when combined with the garage parking stalls, meets a ratio of one stall per bedroom (the "Market-Rate Building");

2. A 1- to 2- story, "destination retail" building to include experience-based commercial and/or retail uses, including a 1-story, full-service restaurant located near the northeast corner of Grand Avenue and Concord Street North (the "Commercial Building");

3. An approximately 5-story, potentially independent senior-focused or workforce-focused apartment building with an estimated 40 to 110 residential units and adequate parking to meet a ratio of one stall per bedroom (the "Senior/Workforce Building"); and

4. A shared surface parking facility with an estimated 75 surface parking spaces serving the improvements described above (the "Parking"); and

WHEREAS, the Developer desires to acquire and develop all or a portion of the Property for purposes of constructing thereon the aforementioned mixed-use development (collectively the "Development"); and

WHEREAS, the EDA and Developer are interested in further planning and negotiation for the Developer's proposal for the Development; and

WHEREAS, Developer has indicated to the EDA that it will seek financial assistance from the City and/or the EDA to make the Development feasible; and

WHEREAS, the City or the EDA will need to determine if various studies, as may be determined to be reasonably necessary, should be conducted, including without limitation an environmental impact or related study, an infrastructure feasibility study, an economic impact study, and any other required analysis of the Development (the "Studies") and will need to determine that the proposed Development of the Property will have a positive impact on the City; and

WHEREAS, the City and the EDA will discuss with the Developer available financial assistance, grants, gifts or loans for the Development; and

WHEREAS, various land use, zoning, and subdivision issues and actions related to the Development and the Property are required to be approved by the City in order to facilitate the Development by the Developer; and

WHEREAS, the City and EDA agree to cooperate with the Developer to review and process various land use, zoning, and subdivision issues and actions related to the Development and the Property in order to facilitate the Development by the Developer; and

WHEREAS, the City, the EDA and the Developer are willing to undertake the Development if (i) a satisfactory agreement can be reached regarding EDA's commitment for public costs necessary for the Development; (ii) satisfactory mortgage and equity financing, or adequate equity resources for the Development can be secured by Developer; (iii) the parties reach a satisfactory resolution of zoning, land use, public infrastructure and site design issues; and (iv) the feasibility and soundness of the Development and other necessary preconditions have been determined to the satisfaction of the parties.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

1. Future Negotiations.

The parties agree to continue negotiations in an attempt to formulate a definitive plan for review and approval of all land use, zoning and subdivision approvals and any necessary development agreements or contracts based on the following:

(a) Developer's current proposal for the Development, which shows the scope of the proposed Development in its latest form as of the date of this Agreement, together with such changes or modifications to the proposal as agreed to by the Developer, the City and the EDA;

(b) Financial projections for the Development and related financial analysis of necessary public assistance;

(c) Other terms and conditions of this Agreement.

2. Statement of Intent.

Although not conclusive or binding on either party beyond the designation of Developer as the sole developer of the Property as set forth herein, it is the intention of the parties that this Agreement: (a) documents the present understanding and commitments of the parties; (b) will provide the EDA and City with the necessary information to determine the amount of available financial assistance for the Development, following receipt of pertinent financial projections related to the Development and subsequent, independent review by the City's financial consultants; (c) will lead to negotiation and execution of a mutually satisfactory development agreements or contracts prior to the termination date of this Agreement; and (d) will lead to an appropriate land use, zoning, and subdivision application or applications. The development agreements or contracts (together with any other agreements entered into between the parties hereto contemporaneously therewith) when executed and any land use, zoning, and subdivision approvals, will supersede all obligations of the parties hereunder.

3. Term; Duties.

(a) During the term of this Agreement, EDA and City agree to:

(i) Proceed to seek all necessary information with regard to the anticipated public costs, if any, associated with the Development.

(ii) Provide to the Developer copies of all due diligence items in EDA's and City's possession, including without limitation: title, survey, environmental (Environmental Phase I & Phase II reports), soils, and market studies.

(iii) Use good faith efforts to negotiate and enter into one or more development agreements with the Developer for the phased development of the Market Rate Building, the Commercial Building, the Senior/Workforce Building, and the Parking (and, if applicable, any future phases of Development).

(b) During the term of this Agreement, Developer agrees to:

(i) Develop and submit its detailed proposal, including the plans and specifications, for the Development.

(ii) Conduct additional due diligence review of the Property. It is mutually understood and agreed that the EDA has completed, without Developer's assistance or financial contribution, Geotechnical Assessments and Phase I and Phase II environmental site assessments prior to execution of this Agreement, which assessments have been and / or will be provided to Developer.

(iii) Use good faith efforts to obtain approval by the EDA and the City (including its Engineer, Planning and Inspection Department, and any other necessary governing authority) for approval of the site plan, exterior elevations and finishes, and such other zoning approvals as may be required.

(iv) Use good faith efforts to obtain any other necessary governmental approval from any governing authority.

(v) Use good faith effort to obtain financing on terms acceptable to Developer, in its sole discretion, which may include, but are not limited to public financial assistance (such as pay-as-you-go tax increment financing ("TIF") in a mutually agreeable amount), grants from other governmental entities (as applicable), private loans and equity investment for the Development.

(vi) Use good faith efforts to negotiate and enter into one or more development agreements with the EDA for the phased development of the Market Rate Building, the Commercial Building, the Senior/Workforce Building, and the Parking (and, if applicable, any future phases of Development).

4. Financial Assistance; TIF.

(a) EDA understands that the Developer is seeking financial assistance from the City and/or the EDA. During the term of this Agreement, Developer shall:

(i) Submit to EDA a design proposal to be reviewed by EDA showing the location, size, and nature of the proposed Development, including layouts, renderings, elevations, and other graphic or written explanations of the Development. The design proposal shall be accompanied by a proposed schedule for the starting and completion of the Development.

(ii) Submit an overall cost estimate for the design and construction of the Market-Rate Building, Parking, Commercial Building, and if applicable, a separate overall cost estimate for any subsequent phases.

(iii) Submit an anticipated time schedule for each planned phase of the Development.

(iv) Undertake and obtain such other preliminary economic feasibility studies, income and expense projections, and such other economic information as Developer may desire to further confirm the economic feasibility and soundness of the Development.

(v) Submit to EDA the Developer's financing plan showing that the proposed initial phase of the Development is financially feasible, and if applicable, a separate financial plan for any subsequent phases.

(vi) Furnish information in its possession or provide additional information as reasonably requested by the City or EDA to assist the City and EDA's determination of the appropriate amount of financial assistance needed for the Development, including good faith cooperation with the City or EDA's financial consultants and legal counsel.

(b) Developer understands that the TIF sought for the proposed Development must comply with state statute and the EDA's TIF policy. The EDA agrees in any development agreement or contract entered into as contemplated herein that the EDA will review and consider such financing as allowed by law, but no provision shall be construed as an affirmative approval of such financing until such time that a separate TIF agreement is entered into by both parties.

5. Feasibility.

It is expressly understood that execution and implementation of any development agreement or contract (together with any other agreements entered into between the parties hereto contemporaneously therewith) and any land use, zoning and subdivision approvals shall be subject to:

(a) A determination by the City and the EDA in their sole discretion that the undertakings are feasible based on (i) satisfaction of City Code requirements; (ii) the purposes and objectives of any development plan created or proposed for the Development; (iii) the Studies, if any; and (iv) the best interests of the City and the EDA.

(b) A determination by Developer in its sole discretion that the Development is feasible and in the best interests of Developer.

6. Costs; Exclusive Option and Administrative.

Developer shall be solely responsible for all costs incurred by Developer. Within five business days of full execution of this Agreement, the Developer agrees to submit a non-refundable option payment to the EDA in the amount of $15,000, with additional payments of $5,000 each due to the EDA on or before each the following subsequent dates: January 1, 2025, April 1, 2025, and July 1, 2025, as long as this Agreement has not been terminated or replaced with a formal development agreement for the Development prior to any such date. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the EDA or the City, together with consultants (including engineering, surveys, legal, financial advisor, acquisition specialist, relocation consultant, environmental analysis, environmental advisor, planning advisor, etc.), all attributable to or incurred in connection with the review of the development agreement, Development or other related contracts or agreements (together with any other agreements entered into between the parties hereto contemporaneously therewith), the negotiation and preparation of the definitive development agreement or agreements, and other documents and agreements in connection with the Development. Any application or escrow fees generally collected by the City for planning applications such as the Developer may file in relation to the Development will be collected separately pursuant to the City's applicable ordinances.

7. Effective Date; Expiration.

This Agreement is effective from the date hereof through August 31, 2025. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

8. Termination.

This Agreement may be terminated upon fourteen (14) days written notice by EDA to Developer, or Developer to EDA, if:

(a) An essential precondition to the execution of a contract cannot be met; or

(b) If, in the respective sole discretion of the City, EDA or Developer, an impasse has been reached in the negotiation or implementation of any material term or condition of this Agreement, and the parties have been unable to resolve such impasse through good-faith negotiations within 30 days after the party determining the impasse has notified the other party in writing of such determination.

9. Sole Developer.

Developer is hereby designated by the City and the EDA as the sole developer of the Property during the term of this Agreement and the City and the EDA agree to negotiate solely with Developer with respect to the acquisition or development of the Property. The City and EDA agree not to market the Property or to make, accept, negotiate, or otherwise pursue any other offers for sale, purchase or development of the Property until this Agreement expires or is terminated pursuant to Section 7 or Section 8 herein.

10. Right of Entry.

In connection with this Agreement, EDA hereby grants to the Developer, its agents, employees, officers, and contractors (the "Authorized Parties") a right of entry on the Property for the purpose of performing all due diligence work and inspections deemed necessary by the Developer to fulfill its obligations under this Agreement (the "Permitted Activities"). Developer is responsible for any and all costs related to the Permitted Activities conducted on the Property. Developer agrees to indemnify, save harmless, and defend the Authority and its officers and employees, from and against any and all claims, actions, damages, liability and expense in connection with personal injury and/or damage to the Property arising from or out of any occurrence in, upon or at the Property to the extent caused by the act or omission of the Authorized Parties in conducting the Permitted Activities on the Property, except (a) to the extent caused by the negligence, gross negligence, willful misrepresentation or any willful or wanton misconduct by the City or the EDA, or their officers, employees, agents or contractors; and (b) to the extent caused by a "Pre-Existing Condition" as defined in this paragraph 10. "Pre-Existing Condition" shall mean any geologic or soil condition, any defect in the condition of improvements located on the Property, or any condition caused by the existence of hazardous substances or materials in, on, or under Property, including without limitation hazardous substances released or discharged into the drainage systems, soils, groundwater, waters or atmosphere, which condition existed as of the date of this Agreement and became known or was otherwise disclosed or discovered by reason of the Authorized Parties' entry onto the Property.

11. Severability.

If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the Agreement.

12. Breach; Waiver.

In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach.

13. Notice.

Notice or demand or other communication between or among the parties shall be sufficiently given if sent by email (provided such message is not rejected and does not otherwise "bounceback"), by mail, postage prepaid, return receipt requested, by nationally recognized overnight courier or delivered personally to the following address (which may be changed by either party by notice provided in accordance with this section):

(a) As to EDA/City: South St. Paul Economic Development Authority
125 3rd Avenue N
South St. Paul, MN 55075
Attn: Executive Director
Email: rgarcia@southstpaul.org

(b) As to Developer: ZAS LLC
5605 Tracy Avenue
Edina, MN 55436
Attn: Alex Gese
Email: alex@zavidevelopment.com

14. Assignment.

Developer may assign its rights and obligations under this Agreement to an affiliate or subsidiary of Developer, or to any entity under common control with Developer, without the prior consent of the City or EDA.

15. Counterparts.

This Agreement may be executed simultaneously in any number of counterparts (and counterparts may be exchanged by electronic transmission (including by email)), all of which shall constitute one and the same instrument.

16. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

17. Incorporation.

The Recitals set forth in the preamble to this Agreement and the Exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be duly executed in its name and behalf as of the day and year first above written.

DEVELOPER:

ZAS LLC.
a South Dakota limited liability company

By: Alex Gese
Name: Alex Gese
Its: Owner

135246623v4

CITY:

CITY OF SOUTH ST. PAUL

By: James P. Francis
James P. Francis
Its Mayor

By: Deanna Werner
Deanna Werner
Its Clerk

EDA:

SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

By: ______________________________
James P. Francis
Its President

By: ______________________________
Ryan Garcia
Its Executive Director

EXHIBIT A

PARCEL ID NUMBERS AND DEPICTION OF PROPERTY

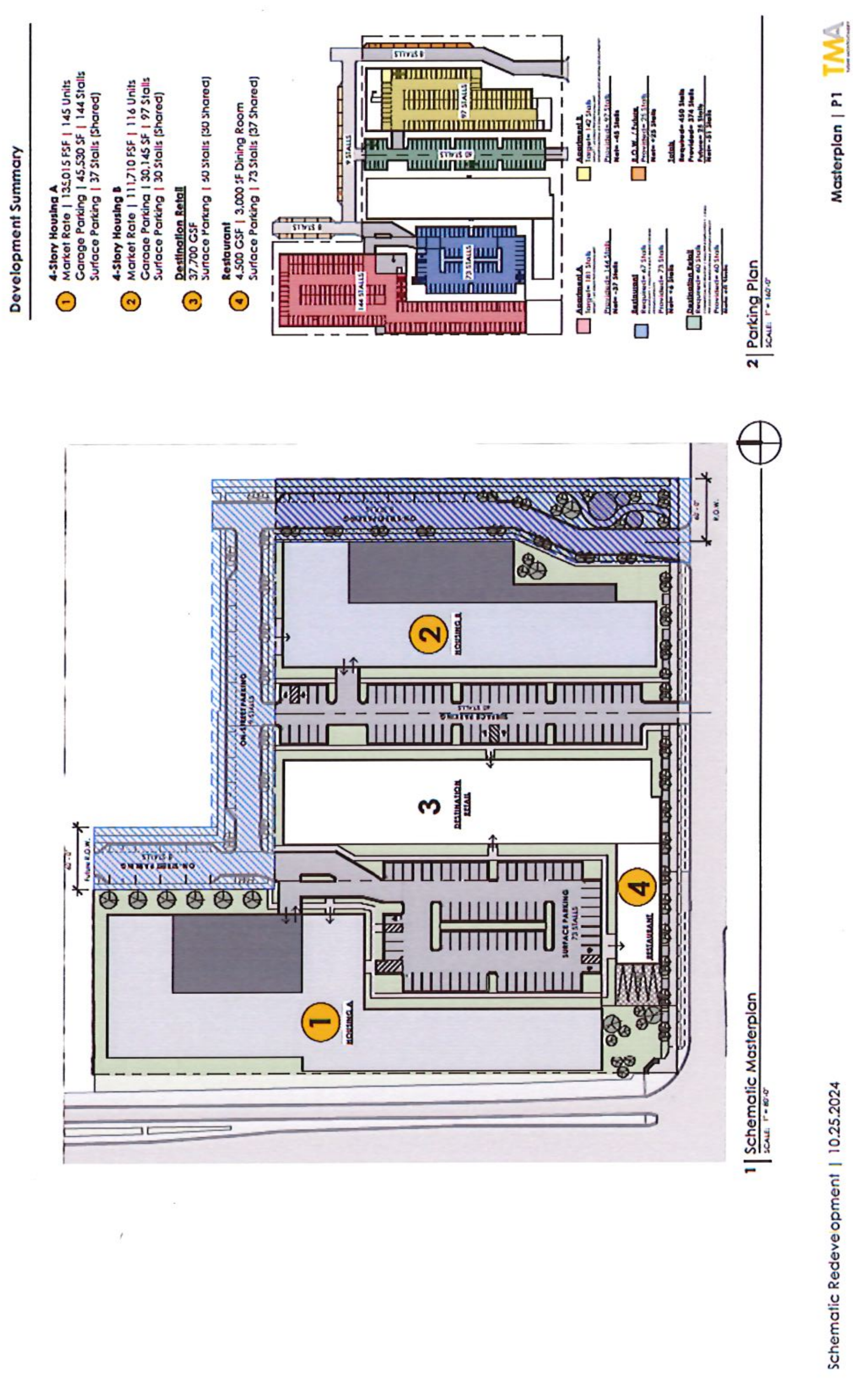
36-03800-00-062
36-03800-00-061
36-03800-00-073
36-03800-00-072

(Full Legal Description of Development Property to be prepared prior to Development Agreement)

A-2

EXHIBIT B

DRAFT DEVELOPMENT PROPOSAL (PRELIMINARY DRAFT - SUBJECT TO UPDATE AND REVISION)



THE SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY,
THE CITY OF SOUTH ST. PAUL
AND
ZAS LLC

FOURTH AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT

THIS FOURTH AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT (this “Amendment”), is made as of the 16th day of March, 2026, by and between the City of South St. Paul, a public body corporate and politic under the laws of the State of Minnesota (the “City”), the South St. Paul Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (the “EDA”) and ZAS LLC, a South Dakota limited liability company (the “Developer”).

WITNESSETH:

WHEREAS, the EDA, City and Developer are parties to that certain Preliminary Development Agreement dated November 4, 2024, as amended by that certain Amendment to Preliminary Development Agreement dated August 5, 2025, that certain Second Amendment to Preliminary Development Agreement dated October 6, 2025, and that certain Third Amendment to Preliminary Development Agreement dated December 1, 2025 (collectively, the “Agreement”), with respect to the development of certain property known as 125, 135, and 139 Grand Avenue East, South St. Paul, Dakota County, Minnesota, as further described in the Agreement; and

WHEREAS, the EDA, City and Developer are working in good faith to modify and update the Agreement to reflect current circumstances and conditions and wish to enter into this Amendment to provide additional time to do so.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

1. Extension of Term. Section 7 of the Agreement is hereby amended to provide that the term of the Agreement is extended through July 31, 2026.

2. Counterparts. This Amendment may be executed simultaneously in any number of counterparts (and counterparts may be exchanged by electronic transmission (including by email)), all of which shall constitute one and the same instrument.

3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota.

4. Incorporation. The Recitals set forth in the preamble to this Amendment are incorporated into this Amendment as if fully set forth herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties hereto have caused this Amendment to be duly executed in its name and behalf as of the day and year first above written.

DEVELOPER:

ZAS LLC.
a South Dakota limited liability company

By: ______________________________
Name: ______________________________
Its: ______________________________

CITY:

CITY OF SOUTH ST. PAUL

By: ____________________________
James P. Francis
Its Mayor

By: ____________________________
Deanna Werner
Its Clerk

EDA:

SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

By: ____________________________
James P. Francis
Its President

By: ____________________________
Ryan Garcia
Its Executive Director

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	March 16, 2026
DEPARTMENT:	Economic Development
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	5.A.

MEETING TYPE
Special Meeting

AGENDA ITEM
Convey Real Property to the City of South St. Paul

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

- Hold Public Hearing as required by Minn. Stats. 469.105 Subd. 2
- Motion to Approve Resolution 2026 - 3

OVERVIEW
On March 2, 2026, the City Council adopted Resolution 2026 - 31, vacating a platted but un-built alley in Block 18 of the "Spring Park Addition" plat. This un-built alley lies in between City-owned property at 316 Malden Street (former Thompson Motors property) and the EDA-owned property at the northeast corner of Richmond Street and Concord Street that has been leased to Fury Motors for employee parking since 2014.

As the EDA continues to engage with Endeavor Development on the redevelopment of 316 Malden Street for a light industrial/commercial development and advances towards closing on the sale of the Fury parking lot to Leonard Investments, Staff and the City Attorney agree that clearing title and property boundaries in advance of the sale of those two properties is in all parties' best interests. As such, the EDA is asked to consider the conveyance of the western 1/2 of the recently vacated alley to the City of South St. Paul, such that the "316 Malden" property's legal description and property limits include all of the land that previously occupied the platted alley. Once the 316 Malden property encompasses all of this real estate, the "full" 316 Malden property can be conveyed back to the EDA, so that the EDA can enter a purchase and development agreements to govern the sale, redevelopment, and reuse of the 316 Malden property by Endeavor in accordance with the EDA's statutory authorities and purpose.

SOURCE OF FUNDS
N/A

ATTACHMENTS
1. Resolution 2026-03

2. ALTA Survey with Alley Highlighted

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION 2026 – 3
RESOLUTION APPROVING CONVEYANCE OF LAND TO THE CITY OF SOUTH ST. PAUL FOR REDEVELOPMENT PURPOSES

WHEREAS, the South St. Paul Economic Development Authority ("EDA") is the fee owner of real property legally described on Exhibit A (the "Property"), attached hereto and incorporated herein; and

WHEREAS, by Resolution No. 2026-31, the City vacated the platted public right-of way of an alley lying between Lots 6-25, Block 18 on the west and Lots 26-35, Block 18 and Lots 1-5, Block 18 on the east, all within Spring Park Addition, which partially attached to the Property; and

WHEREAS, the portion of the vacated alley that attached to the Property is legally described on Exhibit B ("Vacated Alley"), attached hereto and incorporated herein; and

WHEREAS, the EDA desires to convey the Vacated Alley to the City of South St. Paul ("City") for redevelopment purposes; and

WHEREAS, on March 16, 2026, the EDA held a public hearing on the conveyance of the Vacated Alley to the EDA and the EDA considered all of the information presented at the public hearing.

NOW, THEREFORE, BE IT RESOLVED by the South St. Paul Economic Development Authority as follows:

1. The EDA hereby authorizes the conveyance of the Vacated Alley to the City of South St. Paul.

2. The required officers of the EDA are authorized to execute the necessary documents to transfer and convey title of the Vacated Alley to the City and record deeds accordingly.

Adopted this 16th day of March, 2026

__________________________________ __________________________________

President, James P. Francis | Executive Director, Ryan Garcia

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

The following real property situated in the City of Sout St. Paul, Dakota County, Minnesota legally described as follows:

PID 36-71500-18-060:
Lot 6, Block 18, Spring Park, Dakota Co., Minn., according to the plat thereof now on file and of record in the office of the County Recorder within and for Dakota County, Minnesota.

PID 36-71500-18-080:
Lots Seven (7) and Eight (8) Block Eighteen (18), Spring Park, Dakota Co., Minn., according to the plat thereof now on file and of record in the office of the County Recorder within and for Dakota County, Minnesota, together with that part of vacated Concord Street adjacent which accrued thereby by reason of the vacation thereof.

PIDs 36-71500-18-143, 36-71500-18-200, 36-71500-18-210, 36-71500-18-220, 36-71500-18-230, 36-71500-18-240:

Lots 9 through 24, Block 18 Spring Park, Dakota County Minnesota, according to the recorded plat thereof, Dakota County, Minnesota EXCEPTING therefrom DAKOTA COUNTY ROAD RIGHT OF WAY MAP NO. 293.

Abstract Property

EXHIBIT B
LEGAL DESCRIPTION OF VACATED ALLEY

The following real property situated in the City of Sout St. Paul, Dakota County, Minnesota legally described as follows:

The western one-half of that Alley as delineated and dedicated in Block 18 on the plat of Spring Park, according to the recorded plat thereof, Dakota County, Minnesota, lying between Lots 6-25, inclusive, Block 18 and Lot 5 and Lots 26-35, inclusive, Block 18 of said Spring Park.

Abstract Property

HORIZONTAL DATUM: NAD-83 (1986)
DAKOTA COUNTY

BENCH MARK

VERTICAL DATUM: NAVD88

BENCHMARK 1: MNDOT GEODETIC MONUMENT 1985 AU 1 (SEE SURVEY)

BM1 = 716.18

BENCHMARKS 2 & 3: TOP NUT OF HYDRANTS (SEE SURVEY)

BM2 = 708.68
BM3 = 708.39

PROPERTY DESCRIPTION

(Per First American Title Insurance Company Commitment No. 22-060235-XC, Revision No. 1 (dated November 28, 2022) with a commitment date of November 16, 2022)

Lots Four (4), Five (5), Eight (8), Nine (9), Ten (10) and Eleven (11) in Block Eleven (11) in Spring Park, Dakota Co., Minn., according to the plat thereof on file and of record in the office of the County Recorder in and for Dakota County, Minnesota.

Torrens Property.
Being registered as is evidenced by Certificate of Title No. 104815.

And

Lots 1, 2, 3, 6, 7, 12, 13, 14, 15 and 16, Block 11, Spring Park Addition, Dakota County, Minnesota.

And

Lots 1-5 and Lots 26-35, Block 18, Spring Park Addition, Dakota County, Minnesota.

Abstract Property.

Surveyor's Note: See General Note Four (GN4) below concerning the vacated alleys and vacated street as shown on the survey.

SCHEDULE B - SECTION 2 EXCEPTIONS

Items 1, 2, 4, 5, 8, 9, 15, 16, 19 and 20 are not survey related, and therefore, are not shown on this survey.

Items 10, 11 are survey related but do not appear to fall within or adjacent to the subject properties boundary. Said items are not shown on the survey.

3 Easements filed as Document No. 2884401.
(Surveyor's Note: The permanent easement appears to fall within the subject properties boundary and is shown. The temporary easements as described in the above document have expired and therefore are not shown on the survey.)

6 Vacation filed as Document No. 119608 (Torrens) and Book 38 of Miscellaneous Records at page 143 (Abstract) (Alley in Block 11)
(Surveyor's Note: This document appears to vacate the alley in Block 11. Said vacated alley is shown on the survey.)

7 Vacation filed as Document No. 119609.
(Surveyor's Note: This document appears to vacate the area of Messer Avenue that falls within the subject properties boundary. Said vacated avenue is shown on the survey.)

12 Vacation filed in Book 68 or Miscellaneous Records at page 474 (Abstract).
(Surveyor's Note: This document appears to vacate the alley in Block 18. Said vacated alley is shown on the survey.)

13 Vacation filed in Book 38 or Miscellaneous Records at page 321 (Abstract).
(Surveyor's Note: This document appears to vacate the area of Messer Avenue that falls within the subject properties boundary. Said vacated avenue is shown on the survey.)

14 Affidavit of facts, showing an Easement filed as Document No. 2371696.
(Surveyor's Note: This document appears to describe a lease agreement concerning the subject property. No easement described in said document appears to fall within or adjacent to the subject properties boundary, and therefore, nothing is shown on the survey.)

17 Findings and Order filed as Document No. 2488562.
(Surveyor's Note: This document appears to condemn certain properties and transfer title to Dakota County. The specific areas included in this condemnation action are not described within said document, and therefore, nothing is shown on the survey.)

18 Resolution filed as Document No. 2601505.
(Surveyor's Note: This document is a conditional use permit allowing the installation of antennas and ground equipment over Lots 12-16, Block 11 of the subject property. The existing conditions and surface features are shown on the survey.)

TABLE A ITEMS

Table A Items 1, 5, 8, 11(a) and 13 are as shown on survey.

2. Property address: 316 Malden Street, South St. Paul, MN 55075

3. Said described property is located within "Zone X" and "Zone X Shaded", as determined by the FEMA Flood Insurance Rate Map 27037C0107E with an effective date of December 2, 2011. (Any locations shown are subject to map scale uncertainty.)

4. The area of the property described above is 167,245 square feet (3.84 acres), as surveyed. Said area includes the vacated street and alleys as shown on the survey.

9. The total number of visible striped parking spaces as presently marked on the subject property is 0 regular spaces and 0 handicap spaces.

18. There does not appear to be any offsite easements or servitudes benefitting the surveyed property according to the Record Documents provided to the surveyor. All easements within the above commitment that fall within or adjacent to the subject properties boundary are shown.

GENERAL NOTES

(GN1) Location, sizes and types of underground utilities shown are a combination of observed evidence and plan information, together with field markings by those utility locators that responded to Gopher State One Call Ticket No. 230170069. However, lacking excavation, the exact location of underground features cannot be accurately, completely, and reliably depicted. WSB & Associates makes no guarantee that the utilities shown comprise all of the utilities in the area. Where additional or more detailed information is required, the client is advised that excavation and/or a private utility locate request may be necessary.

(GN2) The plat of SPRING PARK was recorded on February 8th, 1887.

(GN3) Easements shown are as identified in First American Title Insurance Company Commitment No. 22-060235-XC, Revision No. 1 (dated November 28, 2022) with a commitment date of November 16, 2022. No other search of the public records for easements or encumbrances was made by the undersigned.

(GN4) The above descriptions per the referenced commitment do not appear to include the vacated alleys or vacated Messer Avenue. The Surveyor has found specific descriptions contained within the Schedule B-Section 2 Exception documents that contain language including said vacated alley and street areas. These areas have been included within the overall boundary shown on the survey in order to graphically represent a single contiguous boundary, and do not imply ownership or rights of any kind.

(GN5) Due to snow and ice conditions, certain existing ground features may not have been visible at the time of field survey. WSB has tried to supplement any potential missing data with as-built and plan data. WSB is not responsible for any missing features or structures due to said weather and site conditions.

N

0 40' 80'
SCALE IN FEET

LEGEND

- SANITARY MANHOLE
- STORM MANHOLE
- CATCH BASIN
- HYDRANT
- GATE VALVE
- LIGHT POLE
- UTILITY POLE
- GUY WIRE
- SIGN
- ELECTRIC MANHOLE / PEDESTAL
- COMMUNICATION VAULT / PEDESTAL
- GAS METER
- BOLLARD
- SANITARY LINE
- STORM LINE
- WATERMAIN LINE
- UNDERGROUND COMMUNICATION
- UNDERGROUND GAS
- UNDERGROUND POWER
- OVERHEAD POWER
- FENCE
- BITUMINOUS
- CONCRETE
- TREE
- FOUND IRON SURVEY MONUMENT

SURVEYOR'S CERTIFICATION

To City of South St. Paul; and First American Title Insurance Company:

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1, 2, 3, 4, 5, 7(a), 8, 9, 11(a), 13 and 18 of Table A thereof. The field work was completed on February 7, 2023.

Dated this _____ day of ____________, 2023.

____
Jeffrey J. Rolfson, PS, Minnesota License No. 49003

Client: CITY OF SOUTH ST. PAUL

Job No. 021937
Surveyed By: JJR
Drawn By: JS, AS
Checked By: JJR
Scale: 1" = 40'
CAD No. 021937 V-ALTA
Date: 02/15/2023

wsb
3701 40th Avenue NW
Rochester, MN 55901
507-218-3745
www.wsbeng.com

ALTA/NSPS LAND TITLE SURVEY

PART OF BLOCKS 11 & 18 SPRING PARK

DAKOTA COUNTY, MINNESOTA

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	March 16, 2026
DEPARTMENT:	Economic Development
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	6.A.

MEETING TYPE
Special Meeting

AGENDA ITEM
Acquire Property at 106 Third Avenue North from the City of South St. Paul

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Motion to approve Resolution 2026 - 4.

OVERVIEW
The building at 106 3rd Avenue North served the City of South St. Paul as its public library building from the time of its construction in 1927 until its closure as a public library in December 2023. Between 2016 – 2018, the City conducted various assessments and studies for the modernization, upgrade, and expansion of the building to continue use as a public library. Ultimately, the site's and building's limitations, coupled with the financial commitment required to successfully operate a public library in an era where regional/county libraries are the "norm", led the Council to conclude that a partnership with Dakota County for a transition of library services to a County model was in the best interests of the community. In partnership with Dakota County, further analysis of building, program, and site requirements resulted in the conclusion that the property and building at 106 3rd Avenue North would not meet the needs of a new County library, and the Kaposia Library concept emerged for the corner of 7th and Marie Avenues. With that, in 2023 the City began to shift its attention to the future of the building after it was vacated.

2024 Facilities Master Plan
In 2023 and 2024, the City enlisted BKV Architects, Oertel, and Kraus-Anderson to undertake a comprehensive assessment of City Facilities. In addition to a detailed physical conditions analysis of the City's buildings, this study included an assessment of relocating some existing City departments/functions from City Hall to the vacant Library, but the team came to the conclusion that such a relocation would not "solve" current issues with City Hall or Police Department space needs without significant additional investment in City Hall. Further, the study acknowledged that relocating departments/functions to the Library would introduce additional separation which may negatively impact the effectiveness of service delivery and organizational culture. Ultimately, the Facilities Master Plan recommended divestment (sale) of the property for adaptive reuse or redevelopment. Given the significant investment required to address deferred maintenance at the facility and the lack of "low hanging fruit" or justification to repurpose the

Library for a City function, the City decided to take a closer look at alternatives for adaptive reuse and sale of the building.

2025 Library Repurposing Study

In 2024, the City received funding through a grant from the Minnesota Department of Employment and Economic Development (DEED) to help study options for repurposing the former South St. Paul Library. At the August 5, 2024 City Council meeting, the City Council awarded the project to New History, and New History delivered the Final Report in late-May 2025. The purpose of the reuse study was to explore practical reuse strategies based on the physical condition of the building, community input, and market information. New History conducted a "deep dive" into the physical condition of the building, the building's neighborhood context, and historical significance to better define the building within the context of potential reuse or redevelopment. This step revealed that overall, the building's physical condition is generally good but that deferred maintenance and replacement of core building systems and remedial work would be necessary for *any* reuse. The work identified through the study includes updates to the mechanical systems (including a new boiler), a new roof, hazardous material abatement, and waterproofing of the building.

In addition to their examination of the building's condition and context, New History looked at how the building could be repurposed, exploring both the most practical uses for the physical space as well as developing some basic, theoretical operating model assumptions for various uses. This step involved extensive community engagement that started at On the Road Again in 2024 and spanned through an Open House in February 2025. Community engagement ranged from surveys to in-person discussions to open houses. Targeted engagement of key stakeholders such as community leaders and representatives was also leveraged to understand their level of support and opportunities for reuse. Finally, the project team engaged with a handful of private developers to get a read on the level of interest in taking on this type of reuse project and how market forces impact the potential for the project. The community and stakeholder engagement revealed a strong interest in reusing the building and a general interest in using the space for public/community/recreational use or a commercial use such as a restaurant, coffee shop or other commercial use. While many private developers thought the building was charming, a common refrain was that market conditions were a barrier to matching a tenant mix with the financials (renovation costs and rents necessary to support that level of investment) and generally speaking developers were not interested in taking on the property (and certainly not speculatively and without significant public subsidy). Although discouraged by the lack of immediate private developer interest, Council's preference was to continue to keep the door open for eventual sale to a private owner under a development agreement.

Re-imagining the Building: Minneapolis Gymnastics

In November 2025 a Letter of Intent to purchase the property was received from a joint venture represented by Peter Corniea (an Edina-based commercial investor/developer) and the founders of Minneapolis Gymnastics, whose proposal to renovate the space for an indoor community-centered family recreational facility aligned well to the community's interests as stated during the 2025 Library Study. Staff has been working with the City Attorney and the developer to craft a purchase agreement, development agreement, and loan agreement for this unique public-private partnership, which will all be presented for consideration at a public hearing during the April

EDA Meeting.

In preparation for the April EDA public hearing, Staff and the City Attorney recommend that the EDA approves the acquisition, for $250,000 (the agreed-upon purchase price with the developer), of the property from the City. As the proposed purchase, renovation, and commercialization of the building involves significant economic development tools and objectives, Staff suggests that it is most appropriate for the EDA to serve as the conduit for the sale to the developer, and subsequent agreements governing the financing and development of the project.

SOURCE OF FUNDS
Cash Balance in the Development Fund (20284).

ATTACHMENTS
1. Resolution 2026-4

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2026-4

APPROVING THE PURCHASE OF PROPERTY FROM THE CITY OF SOUTH ST. PAUL

WHEREAS, the South St. Paul Economic Development Authority ("EDA") desires to purchase property from the City of South St. Paul ("City"), for the purpose of redevelopment of certain real property legally described as follows:

Lots Twelve (12), Thirteen (13), Fourteen (14) and Fifteen (15), Block Seven (7), Stockyards RE-arrangement of Blocks one (1) to twelve (12) inclusive, South St. Paul.

PID: 36-72850-07-150

Abstract Property

("Property").

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the South St. Paul Economic Development Authority as follows:

1. The purchase of the Property from the City for redevelopment purposes is in the public interest of the City and its people, furthers its general plan of economic development and furthers the aims and purposes of Minn. Stat. Sections 469.090 to 469.108; and the appropriate officials are authorized to take such action so as to effectuate such purchase and sale.

2. The EDA approves the purchase of the Property.

Adopted this 16th day of March, 2026.

____
President, James P. Francis

____
Executive Director, Ryan Garcia

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	March 16, 2026
DEPARTMENT:	Economic Development
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	6.B.

MEETING TYPE
Special Meeting

AGENDA ITEM
Acquire Property at 316 Malden Street from the City of South St. Paul

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Motion to approve Resolution 2025 - 5.

OVERVIEW
The City of South St. Paul acquired the property at 316 Malden Street in 2023 as it was contemplating relocation options for the City's Public Works Central Maintenance Facility. Following the completion of a facilities master plan in 2024 and a pre-design scoping study for the facility in 2025, it was determined that 316 Malden Street could not accommodate the facility needs and an alternative site was chosen for this facility.

In late 2025 and early 2026, the City Council explored options for the continued ownership or disposition of 316 Malden Street and determined that it was in the City's best interest to position the property for commercial or light industrial development meeting or exceeding the 0.2 Floor Area Ratio standard found in City Code. Staff was directed to engage the private development market, and two proposals were received and reviewed in February 2026. A purchase agreement with Endeavor Holdings, LLC, an Edina-based developer and owner of light industrial properties, is drafted and will be presented for consideration at a public hearing in April.

In consultation with the City Attorney, given the nature of the disposition of 316 Malden for private redevelopment, Staff has determined that it is preferable that the EDA serve as the conduit for the real estate transaction with the developer, as well as for any development agreements. With this in mind, the EDA is asked to consider purchasing the property from the City for $823,284, which is the purchase price agreed to with Endeavor for the property.

SOURCE OF FUNDS
Cash balance in the Development Fund (20284). Sales proceeds received by the EDA upon closing with Endeavor will be deposited in Fund 20284; anticipated in Q4 2026.

ATTACHMENTS

1. Resolution 2026-05
2. Location Map

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2026-5

APPROVING THE PURCHASE OF PROPERTY FROM THE CITY OF SOUTH ST. PAUL

WHEREAS, the South St. Paul Economic Development Authority ("EDA") desires to purchase property from the City of South St. Paul ("City"), for the purpose of redevelopment of certain real property legally described as follows:

Lots Four (4), Five (5), Eight (8), Nine (9), Ten (10) and Eleven (11) in Block Eleven (11) in Spring Park, Dakota Co., Minn., according to the plat thereof on file and of record in the office of the County Recorder in and for Dakota County, Minnesota.

Torrens Property.

And

Lots 1, 2, 3, 6, 7, 12, 13, 14, 15 and 16, Block 11, Spring Park Addition, Dakota County, Minnesota.

And

Lots 1-5 and Lots 26-35, Block 18, Spring Park Addition, Dakota County, Minnesota.

Abstract Property

And

All that part of the Alley as delineated and dedicated in Block 18 on the plat of Spring Park, according to the recorded plat thereof, Dakota County, Minnesota, lying between Lots 6-25, inclusive, Block 18 and Lot 5 and Lots 26-35, inclusive, Block 18 of said Spring Park.

("Property").

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the South St. Paul Economic Development Authority as follows:

1. The purchase of the Property from the City for redevelopment purposes is in the public interest of the City and its people, furthers its general plan of economic development and furthers the aims and purposes of Minn. Stat. Sections 469.090 to 469.108; and the appropriate officials are authorized to take such action so as to effectuate such purchase and sale.

2. The EDA approves the purchase of the Property.

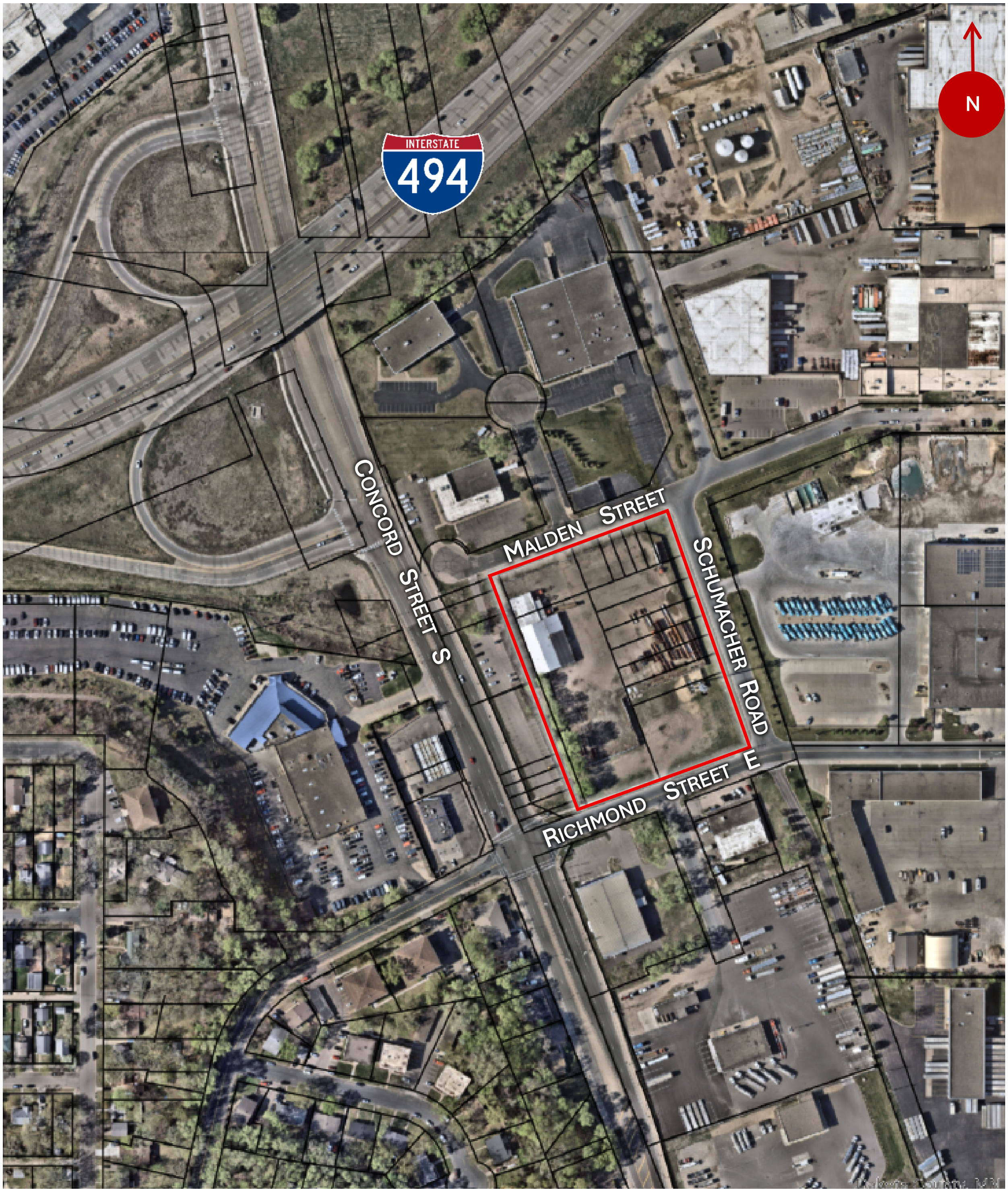
Adopted this 16th day of March, 2026.

____
President, James P. Francis

____
Executive Director, Ryan Garcia

ATTACHMENT C – Location Map

316 Malden Street Redevelopment – South St. Paul



1 inch equals 300 feet

: 316 Malden Street E.

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	March 16, 2026
DEPARTMENT:	Economic Development
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	6.C.

MEETING TYPE
Special Meeting

AGENDA ITEM
Authorize Application to Dakota County CDA's Redevelopment Incentive Grant (RIG) Program

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Motion to approve Resolution 2026 - 6 authorizing staff to submit an application to the Dakota County Community Development Agency's (CDA) Redevelopment Incentive Grant (RIG) program.

OVERVIEW
Since 2007, the Dakota County CDA has assisted cities with their redevelopment goals through a locally funded initiative called the Redevelopment Incentive Grant Program (RIG). The funds can be used for redevelopment-related activities including real-estate acquisition, relocation payments, clearance and demolition expenses, environmental investigation and/or remediation, necessary public infrastructure improvements, and geotechnical corrections to soil conditions. Dakota County is currently accepting applications for fiscal year 2026 (July 1, 2025- June 30, 2026). The grant is available on a competitive basis to all communities in the County, with a maximum grant award of $250,000 per community.

Staff recommends submitting an application for $175,000 to assist with asbestos abatement and demolition at the 316 Malden Street property. These site clearance activities are important first steps in preparing the site for light industrial development, proposed by Endeavor Holdings, LLC to result in the construction of an approximately 68,000 square foot office-warehouse building. A purchase agreement with Endeavor will be presented for consideration at a public hearing on April 6, 2026 and we anticipate working with Endeavor to prepare additional grant applications for site cleanup activities later this year, with a goal of the project construction starting in early 2027 and opening for business in late 2027.

SOURCE OF FUNDS
RIG is funded by the Dakota County CDA and Dakota County's Environmental Response Fund.

ATTACHMENTS
1. Resolution 2026-6

2. Location Map
3. Proposed Site Plan

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2026-6

APPROVAL TO SUBMIT A REDEVELOPMENT INCENTIVE GRANT APPLICATION TO THE DAKOTA COUNTY CDA

WHEREAS, the South St. Paul Economic Development Authority (the "EDA") has identified a proposed project within the City of South St. Paul that meets the Dakota County Community Development Agency (CDA) Redevelopment Incentive Grant program's purposes and criteria; and

WHEREAS, the EDA has established a Redevelopment Plan of which the proposed project is a component; and

WHEREAS, the EDA has the capability and capacity to ensure the proposed project be completed and administered within the Redevelopment Incentive Grant program guidelines; and

WHEREAS, the EDA has the legal authority to apply for financial assistance; and

WHEREAS, the EDA is supportive of affordable housing and of the CDA's mission, to improve the lives of Dakota County residents through affordable housing and community development.

NOW THEREFORE BE IT RESOLVED that the South St. Paul Economic Development Authority approves the application for funding from the Dakota County CDA Redevelopment Incentive Grant program.

BE IT FURTHER RESOLVED that upon approval of its application by the Dakota County CDA, the President and Executive Director are hereby authorized to execute such agreements as are necessary to receive and use the funding for the proposed project.

Adopted this 16th day of March, 2026.

______________________________	______________________________
President, James P. Francis	Executive Director, Ryan Garcia

CERTIFICATION

STATE OF MINNESOTA
COUNTY OF DAKOTA
CITY OF SOUTH ST. PAUL

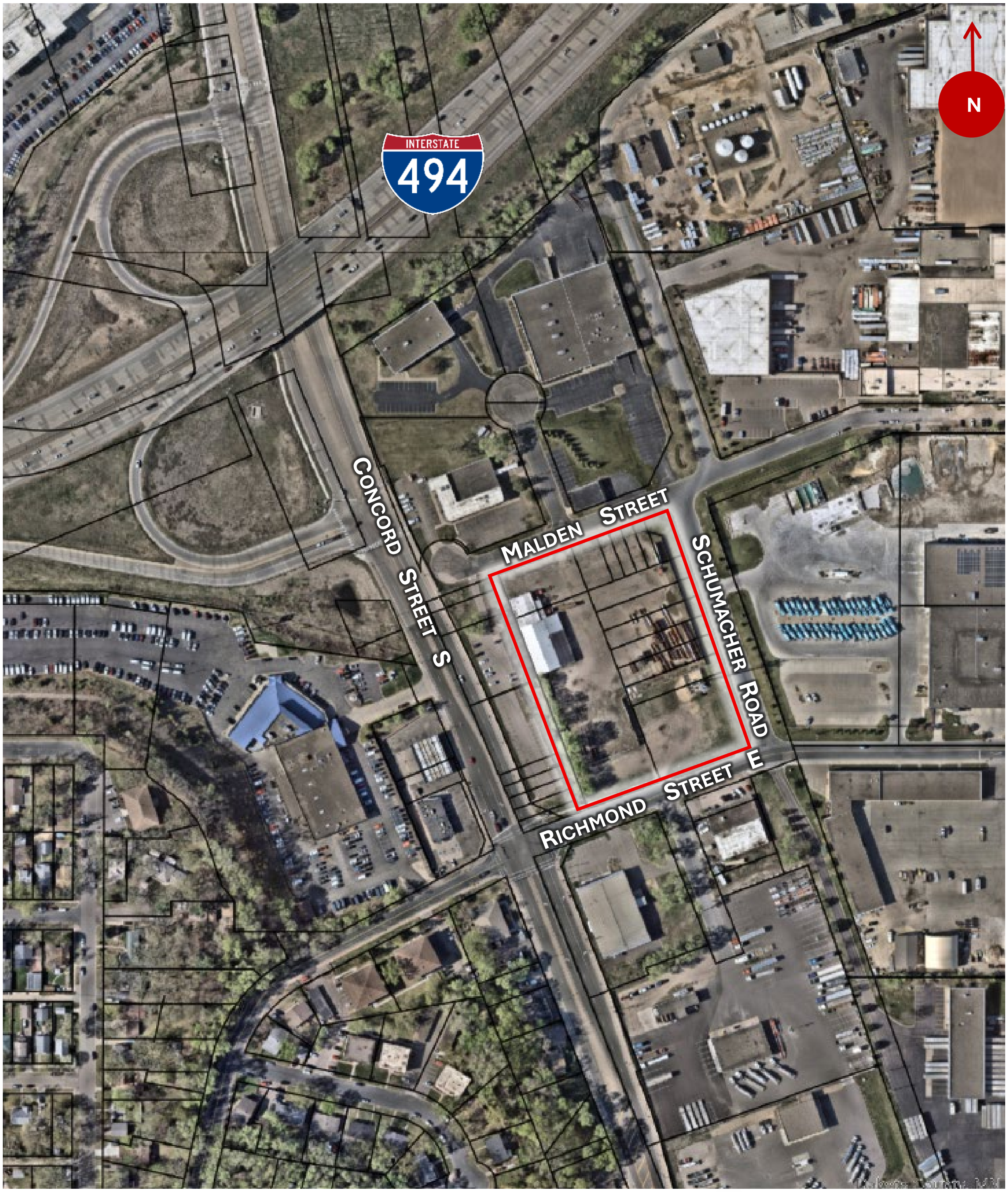
I do hereby certify the above resolution is a true and accurate copy of the Resolution adopted by the Economic Development Authority in and for the City of South St. Paul at an authorized meeting held on the 16th day of March as shown by the minutes of the meeting in my possession.

Dated this ____ day of __________, 2026

____
Deanna Werner, City Clerk

ATTACHMENT B – Location Map

316 Malden Street Redevelopment – South St. Paul



1 inch equals 300 feet

: 316 Malden Street E.

ATTACHMENT F – Proposed Site Plan (Endeavor Concept)

316 Malden Street Redevelopment – South St. Paul