CITY OF SOUTH ST. PAUL
MEETING AGENDA

ECONOMIC DEVELOPMENT AUTHORITY

Council Chambers
125 3rd Avenue North
South St. Paul, MN 55075

Monday, July 6, 2026
IMMEDIATELY FOLLOWING THE CONCLUSION OF THE 7:00 P.M. MEETING OF THE CITY COUNCIL

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. CONSENT AGENDA

All items listed on the Consent Agenda are items, which are considered routine and will be approved by one motion. There will be no separate discussion of these items unless requested by a member of the governing body or citizen, in which case the item will be removed from the consent agenda and considered at the end of the Consent Agenda.

A. Approve Meeting Minutes of June 1, 2026 EDA Meeting & June 15th, 2026 EDA Special Meeting

B. Approve Amendment #2 to Purchase Agreement with Kingdom Consulting, LLC

C. Mortgage Satisfaction — HRA Rehab Loan Applicant #881

D. Termination of Preliminary Development Agreement with ZAS, LLC

5. PUBLIC HEARINGS

6. GENERAL BUSINESS

A. Grant Applications for Concord Business Center Redevelopment (316 Malden Street)

7. ITEMS FOR FUTURE FOLLOW-UP

General communications of the President and Commissioners are provided and may be considered for inclusion on a future agenda. There will be no discussion or decisions made related to these items at this meeting.

8. ADJOURNMENT

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE: July 6, 2026
DEPARTMENT: City Clerk
PREPARED BY: Deanna Werner
AGENDA ITEM NUMBER: 4.A.

MEETING TYPE
Regular Meeting

<u>AGENDA ITEM</u>
Approve Meeting Minutes of June 1, 2026 EDA Meeting & June 15th, 2026 EDA Special Meeting

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Approve as presented by consent.

OVERVIEW
Approval of meeting minutes for the EDA Meeting held on Monday, June 1st, 2026 and Special EDA Meeting held on Monday, June 15th, 2026.

SOURCE OF FUNDS
N/A

ATTACHMENTS
1. 06-01-2026 EDA Minutes
2. 06-15-2026 Special EDA Minutes

SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY MINUTES OF JUNE 1, 2026

1. CALL TO ORDER

President Jimmy Francis called the regular meeting of the South St. Paul Economic Development Authority to order at 9:07 PM on Monday, June 1st, 2026.

2. ROLL CALL

Present: Tom Seaberg, Jimmy Francis, Lori Hansen, Pam Bakken, Todd Podgorski, Matt Thompson, Joe Kaliszewski

Absent:None

Staff Present:
Ryan Garcia, EDA Executive Director
Kori Land, City Attorney
Deanna Werner, EDA Secretary
Brian Wicke, Chief of Police

3. APPROVAL OF AGENDA

Moved by: Joe Kaliszewski / Matt Thompson
Moved: To Approve Agenda
Vote: 7 ayes / 0 nays, motion Passed

4. CONSENT AGENDA

All items listed on the Consent Agenda are items, which are considered routine and will be approved by one motion. There will be no separate discussion of these items unless requested by a member of the governing body or citizen, in which case the item will be removed from the consent agenda and considered at the end of the Consent Agenda.

A. Meeting Minutes for 5/4/2026 Special EDA Meeting and 5/4/2026 Regular EDA Meeting

Moved by: Joe Kaliszewski / Pam Bakken
Moved: To Approve Consent Agenda
Vote: 7 ayes / 0 nays, motion Passed

5. PUBLIC HEARINGS

6. GENERAL BUSINESS

A. Approve Amendment #1 to Purchase Agreement (Leonard Investments, LLC)

Moved by: Tom Seaberg / Matt Thompson
Moved: To Approve Approve Amendment #1 to Purchase Agreement (Leonard Investments, LLC)
Vote: 7 ayes / 0 nays, motion Passed

B. Approve Amendment #1 to Purchase Agreement (Kingdom Consulting, LLC)

Moved by: Pam Bakken / Lori Hansen
Moved: To Approve Amendment #1 to Purchase Agreement (Kingdom Consulting, LLC)
Vote: 7 ayes / 0 nays, motion Passed

7. ITEMS FOR FUTURE FOLLOW-UP

General communications of the President and Commissioners are provided and may be considered for inclusion on a future agenda. There will be no discussion or decisions made related to these items at this meeting.

8. ADJOURNMENT

Moved by: Joe Kaliszewski / Lori Hansen
Moved: To Adjourn
Vote: 7 ayes / 0 nays, motion Passed

The meeting was adjourned at 9:17 PM.

Deanna Werner

/s/: Deanna Werner
City Clerk

SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY MINUTES OF JUNE 15, 2026

1. CALL TO ORDER

Vice President Tom Seaberg called the special meeting of the South St. Paul Economic Development Authority to order at 7:45 PM on Monday, June 15th, 2026.

2. ROLL CALL

Present: Tom Seaberg, Lori Hansen, Pam Bakken, Todd Podgorski, Matt Thompson, Joe Kaliszewski
Absent: Jimmy Francis
Staff Present:
Ryan Garcia, EDA Executive Director
Kori Land, City Attorney

3. APPROVAL OF AGENDA

Moved by: Lori Hansen / Joe Kaliszewski
Moved: To Approve the Agenda
Vote: 6 ayes / 0 nays, motion Passed

4. CLOSED SESSION

A. CLOSED SESSION: Closed meeting pursuant to Minn. Stat. 13D.05 subd. 3(c)(3) to develop or consider offers or counteroffers for the purchase of real property located at 130-134 Hardman Ave. North (No Attachment)

Moved by: Matt Thompson / Pam Bakken
Moved: To Approve CLOSED SESSION: Closed meeting pursuant to Minn. Stat. 13D.05 subd. 3(c)(3) to develop or consider offers or counteroffers for the purchase of real property located at 130-134 Hardman Ave. North (No Attachment)
Vote: 6 ayes / 0 nays, motion

Meeting was closed at 7:47 PM

5. ADJOURNMENT

Moved by: Matt Thompson / Todd Podgorski
Moved: To reopen the solely for the purpose of adjourning.
Vote: 6 ayes / 0 nays, motion

The meeting was adjourned at 8:39PM.

Deanna Werner

/s/: Deanna Werner
City Clerk

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE: July 6, 2026
DEPARTMENT: Economic Development
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 4.B.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Approve Amendment #2 to Purchase Agreement with Kingdom Consulting, LLC

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Through Consent, Motion to Approve Amendment #2 to a Purchase Agreement with Kingdom Consulting, LLC

OVERVIEW
At the April 6, 2026 meeting, the EDA held a public hearing to authorize the sale of property at 106 3rd Avenue North - the former American Legion Library - to Kingdom Consulting LLC for rehabilitation, renovation, and reuse as a commercial indoor family play center. An Amendment #1 was approved by the Buyer and EDA on June 1, to afford additional time for the buyer to complete due diligence by extending the contingency and closing dates. The buyer has continued to work towards finalization of the rehabilitation scope and pricing, but is not confident that they can meet the August 7 closing deadline imposed by the Agreement as Amended. As such, they have requested an extension to the Contingency Date (from July 1 to July 31) and the Closing Date (from August 7 to September 4) for the transaction. Amendment #2 to the Agreement has been drafted and is attached.

SOURCE OF FUNDS
N/A

ATTACHMENTS
1. Second Amendment to Purchase Agreement (Kingdom Consulting LLC)

SECOND AMENDMENT TO PURCHASE AGREEMENT

THIS SECOND AMENDMENT TO PURCHASE AGREEMENT (this "First Amendment") is entered into as of July 6, 2026 (the "Effective Date"), by and between the South St. Paul Economic Development Authority, a public body corporate and politic organized under the laws of Minnesota ("EDA"), and Kingdom Consulting LLC, a Minnesota limited liability company ("Buyer").

RECITALS

Recital No. 1. EDA and Buyer entered into a Purchase Agreement dated April 6, 2026 for the purchase and sale of the Property identified in the Purchase Agreement, as amended by that certain First Amendment to Purchase Agreement dated June 1, 2026 (collectively, the April 6, 2026 Purchase Agreement and June 1, 2026 First Amendment to Purchase Agreement are referred to herein as the "Purchase Agreement").

Recital No. 2. Buyer has requested the Purchase Agreement be amended to extend the Buyer's Contingency Date and the Closing Date.

Recital No. 3. EDA does not object to the extensions.

NOW, THEREFORE, in consideration of the mutual promises and covenants of each to the other contained in this First Amendment and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do covenant and agree as follows:

1. Article 5.1.3 of the Purchase Agreement shall be removed and replaced in its entirety as follows:

   5.1.3 As used in this Agreement, "**Buyer's Contingency Date**" shall mean no later than 11:59 p.m. on July 31, 2026.

2. Article 6 of the Purchase Agreement shall be removed and replaced in its entirety as follows:

6. **Closing**. The Closing of the purchase and sale contemplated by this Agreement ("**Closing**") shall occur on or before September 4, 2026 ("**Closing Date**"). Seller shall deliver legal and actual possession of the Property to Buyer on the Closing Date.

3. Except as provided for above, the terms and provisions of the Purchase Agreement shall remain in full force and effect.

4. This First Amendment and all disputes or controversies arising out of or relating to this First Amendment or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of Minnesota, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of Minnesota.

5. Nothing contained herein shall be deemed a waiver by the EDA of any governmental immunity defenses, statutory or otherwise, or of the maximum liability limits provided by Minnesota Statutes, Chapter 466.

6. This First Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by the parties and delivered to the other parties.

7. This First Amendment shall not be amended, modified or supplemented, except by a written instrument signed by an authorized representative of each party.

[remainder of page intentionally blank]

IN AGREEMENT, the parties hereto have hereunto set their hands as of the Effective Date.

SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

By ______________________________
James P. Francis
Its President

By ______________________________
Ryan Garcia
Its Executive Director

DEVELOPER:
KINGDOM CONSULTING LLC

By:______________________________________

Peter Corniea
Its President

THIS INSTRUMENT WAS DRAFTED BY:

LeVander, Gillen & Miller, P.A.
1305 Corporate Center Drive, Suite 300
Eagan, MN 55121
651-451-1831

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	July 6, 2026
DEPARTMENT:	Economic Development
PREPARED BY:	Monika Miller
AGENDA ITEM NUMBER:	4.C.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Mortgage Satisfaction — HRA Rehab Loan Applicant #881

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Through Consent, motion to approve Resolutions 2026-13 approving a Satisfaction for Applicant #881

OVERVIEW
Applicant #881 received an HRA rehabilitation loan in 2008 in the amount of $24,900. The mortgage was recently paid back in full. The next step is to record the Satisfaction of Mortgage for the loan. To do so, the EDA must adopt Resolution 2026-13 which authorized the designated officers of the Housing and Redevelopment Authority to execute all necessary documentation to record the Satisfaction.

SOURCE OF FUNDS
The HRA's rehabilitation loan program was retired in 2015, upon the transfer of programs, projects and employees to either the Dakota County CDA or South St. Paul Economic Development Authority. Outstanding loans in this program, upon repayment, are transferred into the EDA's Housing Reinvestment Fund, which is a fund used to extend low-interest loans for eligible South St. Paul homeowners to make improvements to their property.

ATTACHMENTS
1. 2026-13_Mortgage Satisfaction #881
2. Mortage Satisfaction- #881

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2026 – 13

WHEREAS, the City Council transferred all administration of the South St. Paul Housing and Redevelopment Authority (HRA) programs to the South St. Paul Economic Development Authority ("EDA") by City Council Resolution 2015-197; and

WHEREAS, one of those programs was a rehabilitation loan program, for which there are several outstanding loans; and

WHEREAS, the South St. Paul Housing and Redevelopment Authority of the City of South St. Paul, Minnesota issued a mortgage to Applicant #881, in the amount of $24,900.00; and

WHEREAS, such mortgage was recorded as Document 2599837 on July 1, 2008, in Dakota County has been satisfied in full by the applicant.

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of South St. Paul that:

1. The EDA shall secure the signatures of the appropriate representatives of the EDA to execute the required documents to satisfy the loan and mortgage.

Adopted this 6th day of July, 2026

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

(Top 3 inches reserved for recording data)

MORTGAGE SATISFACTION
by Individual(s)

Minnesota Uniform Conveyancing Blanks
Form 20.5.1 (2011)

DATE: July 6, 2026
(month/day/year)

THAT CERTAIN MORTGAGE owned by the undersigned, dated June 25, 2008 *(month/day/year)*, executed by Jeffrey E. Schultz and Deborah D. Schultz, husband and wife *(insert name of mortgagor)*,

as mortgagor, to Housing and Redevelopment Authority of the City of South St. Paul *(insert name of original mortgagee)*,

as mortgagee, and recorded on July 1, 2008 *(month/day/year)*, as Document Number 2599837 (or in Book ______ of ______ Page ____), in the Office of the ■ County Recorder ☐ Registrar of Titles of ______ *(check the applicable boxes)*

County, Minnesota, is with the indebtedness thereby secured, fully paid and satisfied.

____
(signature) Matthew Thompson, Chairperson

____
(signature) Tom Seaberg, Secretary

State of Minnesota, County of ______________________________

This instrument was acknowledged before me on ____________________________, by ______________________________________
(month/day/year)

____

____.

(Stamp)

____
(signature of notarial officer)

Title (and Rank): ____

My commission expires: __________________________
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:
(insert name and address)

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE: July 6, 2026
DEPARTMENT: Economic Development
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 4.D.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Termination of Preliminary Development Agreement with ZAS, LLC

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Through consent, motion to terminate a Preliminary Development Agreement by and between the EDA and ZAS, LLC and retroactively consent to the Executive Director's written notice of termination to ZAS, LLC dated June 25, 2026.

OVERVIEW
At their November 4, 2024 meeting, the EDA executed a preliminary development agreement (PDA) with ZAS, LLC to establish the basic framework for the redevelopment of approximately 5 acres within the southern portion of the Hardman Triangle. The Agreement was amended four times between November 2024 and March 2026 to allow the developer more time to undertake due diligence and present the EDA with information confirming the feasibility of the project and to allow the EDA more time to assemble the property necessary to accommodate public improvements (roads, utilities, stormwater, parks) within the redevelopment district. Unfortunately, minimal progress towards confirming the feasibility of the development has been made over these 20 months and Staff's conclusion is that the EDA would be best served to terminate the existing PDA and potentially re-engage the developer at a later date, when the development timeline and feasibility can be more well-defined. As such, on June 25 Staff notified the developer in writing of the EDA's intent to exercise the termination clause found in Section 8(a) of the original agreement. If authorized retroactively, the effective date of termination will be July 10, 2026.

SOURCE OF FUNDS
N/A

ATTACHMENTS
1. Preliminary Development Agreement
2. Termination Letter

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. <u>Future Negotiations</u>.

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

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

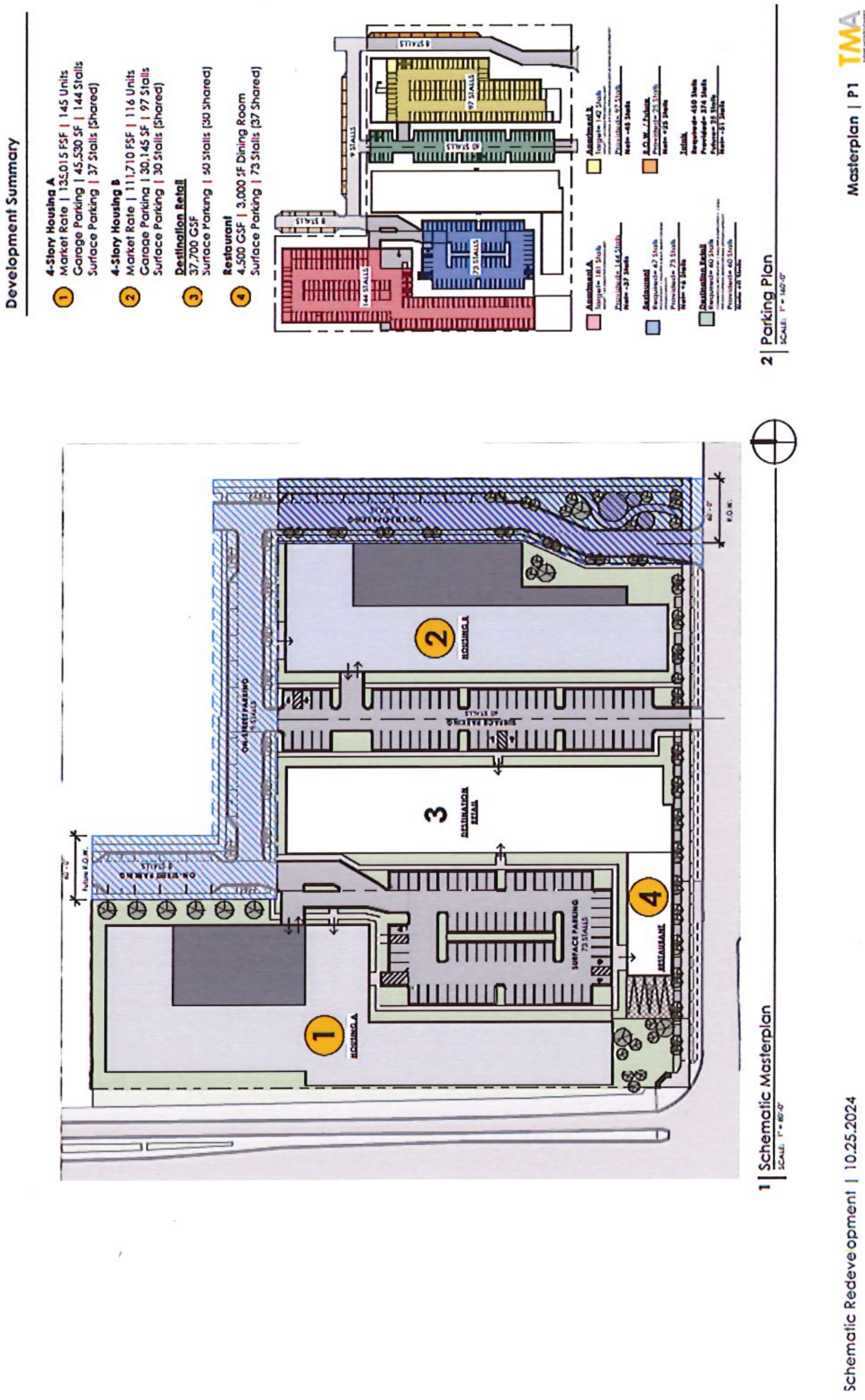
36-03800-00-062
36-03800-00-061
36-03800-00-073
36-03800-00-072

(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)



ZAS, LLC
c/o Alex Gese
5605 Tracy Avenue
Edina, MN 55436

June 25, 2026

Re: Preliminary Development Agreement by and Between South St. Paul Economic Development Authority and ZAS, LLC

Dear Alex,

I am writing you today to notify you that the South St. Paul Economic Development Authority ("EDA") is exercising its right to terminate the Preliminary Development Agreement with ZAS, LLC in accordance with Section 8 (a) of said Agreement, that was executed on November 4, 2024 and amended through Amendments numbered 1 through 4 to the Preliminary Development Agreement dated August 5, 2025, October 6, 2025, December 1, 2025 and March 16, 2026, respectively (collectively, "Agreement"). Under Section 3(a)(iii) of the Agreement, the EDA is obligated to enter into one or more development agreements for the proposed development during the term of the Agreement, and the EDA resolves that this is impossible to accomplish given current circumstances related to site control and due diligence related to project costs and financing. As such, Section 8 (a) prevails and this letter serves as 14 days notice to you that the Agreement is hereby terminated.

Sincerely,

Ryan Garcia
Executive Director
South St. Paul Economic Development Authority

ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE:	July 6, 2026
DEPARTMENT:	Economic Development
PREPARED BY:	Ryan Garcia, Monika Miller
AGENDA ITEM NUMBER:	6.A.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Grant Applications for Concord Business Center Redevelopment (316 Malden Street)

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Staff is seeking a motion to approve both Resolution 2026 - 14 and 2026 - 15, authorizing staff to submit applications to the Dakota County CDA's Redevelopment Incentive Grant Program and DEED's Redevelopment Grant Program, respectively, to support the redevelopment of 316 Malden Street.

OVERVIEW
In April 2026, the EDA executed a Purchase Agreement with Endeavor Holdings, LLC for the property located at 316 Malden Street. Endeavor is an industrial real estate developer and has proposed developing the property with an approximately 68,000 square foot "Class A" office and warehouse facility to be leased to light industrial and commercial businesses. As the EDA will recall, the 316 Malden Street property has a legacy of transportation-related uses as it was historically the home of a streetcar maintenance facility and more recently as a heavy truck and trailer repair and leasing facility. Prior to the City acquiring the property in 2023, Environmental Assessments and Geotechnical Assessments were completed to reveal that future redevelopment would require some amount of soil remediation, soil vapor protection, and geotechnical correction to the site. These conditions present a legitimate impediment to the financial viability of industrial redevelopment at the site.

Endeavor and the EDA have continued to map out and carry out a strategy for the redevelopment of the site that would look to leverage the EDA's strong partnerships with other agencies - specifically the Minnesota Department of Employment and Economic Development (DEED) and the Dakota County Community Development Agency (CDA) - for financial assistance in addressing the site's environmental and geotechnical challenges. In March, the EDA authorized staff to apply for a FY 2026 Redevelopment Incentive Grant (RIG) through CDA to assist us in asbestos abatement and demolition of the existing blighted structure at the property. We were awarded $175,000 in the FY 2026 cycle and that first phase of redevelopment is complete thanks in large part to the FY2026 Grant. As we look forward to Endeavor's redevelopment, we feel well-positioned to compete for additional funding that is available in the latter half of 2026 to support geotechnical ground improvement, the mitigation of vapor and soil contamination issues, and site stormwater management infrastructure. The first two opportunities we have are the FY 2027 RIG program and DEED's Redevelopment Grant Program.

FY 2027 RIG Application
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, 2026- June 30, 2027). 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 $250,000 to assist with geotechnical ground improvements and environmental remediation at the 316 Malden Street property.

DEED Redevelopment Grant Application
The State of Minnesota, through its Department of Employment and Economic Development (DEED), administers a Redevelopment Grant Program which helps communities with the costs of redeveloping blighted industrial, residential, or commercial sites and putting land back into productive use. Through the program, grants pay for up to half of redevelopment costs for a qualifying site, with a 50-percent local match. Eligible applicants are cities, counties, port authorities, housing and redevelopment authorities, and economic development authorities. Grants can pay for land acquisition, demolition, asbestos abatement, infrastructure (road, water, storm, sanitary) extensions, geotechnical soil correction, and ponding or other environmental infrastructure at sites where a subsequent redevelopment will occur. Staff is estimating a request of approximately $365,000 through this grant, which would support the construction of underground stormwater management infrastructure necessary to maximize the Floor Area Ratio on this property.

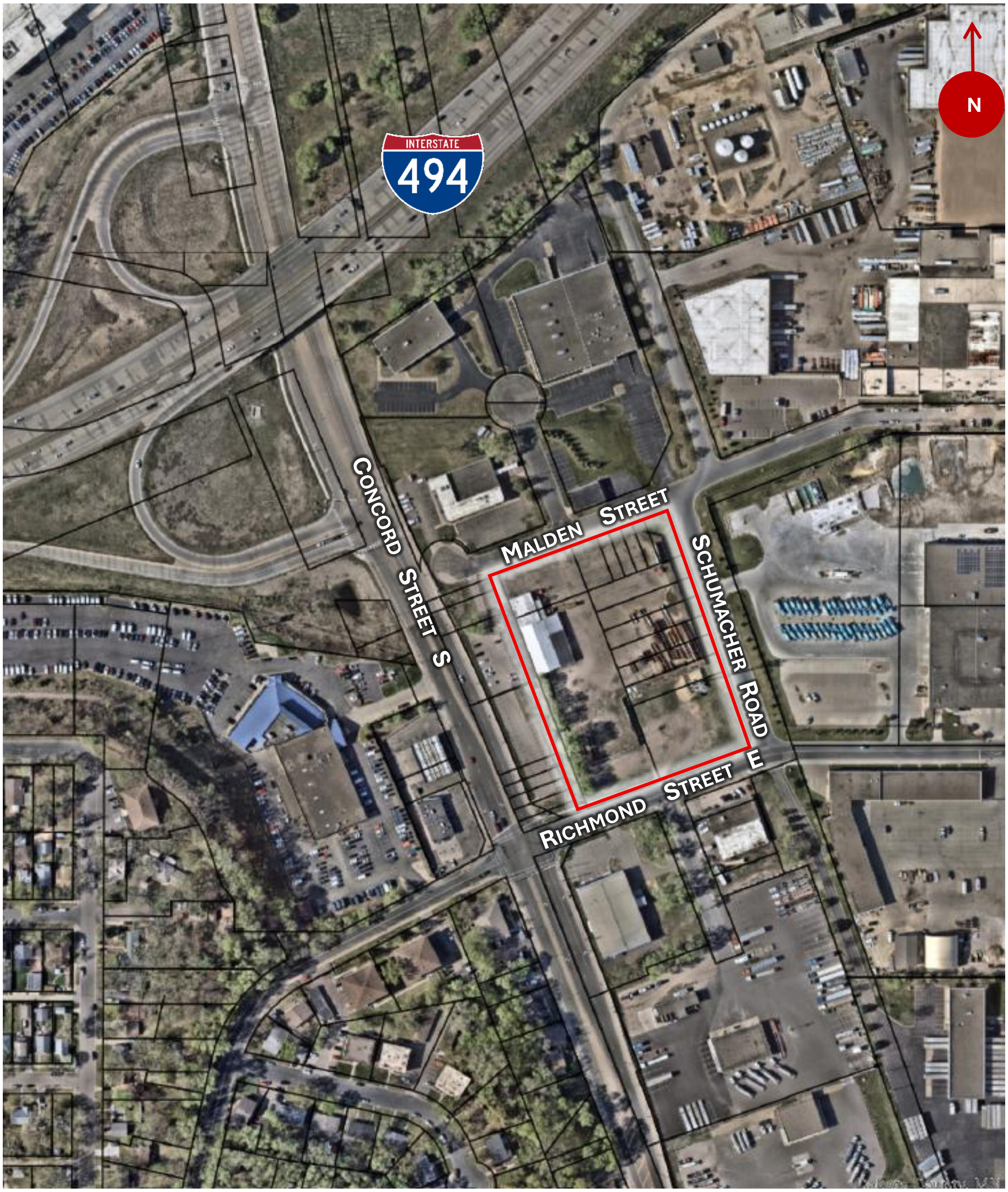
If the RIG and Redevelopment Grant applications are successful, we anticipate working with Endeavor to prepare additional grant applications for site cleanup activities later this year, with a goal of the project construction starting in early 2027 and opening for business in late 2027.

SOURCE OF FUNDS
WIth a total private development cost of over $11,000,000 and cleanup and site-related costs accounting for almost 25% of that cost, the project requires a dynamic stack of funding sources, including Developer Equity, traditional lender financing, Dakota County CDA Redevelopment Investment Grant funding, Met Council Livable Communities Funding, and the DEED Redevelopment Grant and DEED Contamination Cleanup Grant Program funding.

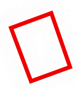
ATTACHMENTS
1. Location/Orientation Map
2. Resolution 2026-14
3. Resolution 2026-15
4. Preliminary Site Concept Sketch

Orientation / Location Map

316 Malden Street Redevelopment – South St. Paul



1 inch equals 300 feet

 **: 316 Malden Street E.**

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2026-14

APPROVAL TO SUBMIT A REDEVELOPMENT INCENTIVE GRANT APPLICATION TO THE DAKOTA COUNTY CDA FOR THE CONCORD BUSINESS CENTER REDEVELOPMENT PROJECT

WHEREAS, the South St. Paul Economic Development Authority (the "EDA") has identified a proposed project, the Concord Business Center development (the "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, the South Concord Corridor Small Area Plan, of which the Project is a component; and

WHEREAS, the EDA has the capability and capacity to ensure the 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 Project.

Adopted this 6th day of July, 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 6th day of July as shown by the minutes of the meeting in my possession.

Dated this ____ day of __________, 2026

____
Deanna Werner, City Clerk

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2026-15

RESOLUTION AUTHORIZING AN APPLICATION TO THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT'S REDEVELOPMENT GRANT PROGRAM

BE IT RESOLVED that the South St. Paul Economic Development Authority (Applicant) act as the legal sponsor for a project known as "Concord Business Center" (the "Project") contained in the Redevelopment Grant Program Application to be submitted on or before August 3, 2026, and that Executive Director Ryan Garcia (Authorized Official) is hereby authorized to apply to the Department of Employment and Economic Development for funding of this Project on behalf of the Applicant.

BE IT FURTHER RESOLVED that the South St. Paul Economic Development Authority has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate Project administration.

BE IT FURTHER RESOLVED that the sources and amounts of the local match identified in the application ARE COMMITTED to the Project identified.

BE IT FURTHER RESOLVED that if the Project fails to substantially provide the public benefits listed in the application within five years from the date of the grant award, the South St. Paul Economic Development Authority may be required to repay 100 percent of the awarded grant per Minn. Stat. § 116J.575 Subd. 4;

BE IT FURTHER RESOLVED that the South St. Paul Economic Development Authority has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the South St. Paul Economic Development Authority may enter into an agreement with the State of Minnesota for the Project, and that the South St. Paul Economic Development Authority certifies that it will comply with all applicable laws and regulations as stated in all contract agreements.

NOW, THEREFORE BE IT RESOLVED that Executive Director Ryan Garcia is hereby authorized to execute such agreements as are necessary to implement the Project on behalf of the applicant.

Adopted this 6th day of July, 2026.

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

REHDER & ASSOCIATES, INC.
Civil Engineers & Land Surveyors

3440 Federal Drive, Suite 110
Eagan, MN 55122
Telephone: 651-452-5051
www.rehder.com

PROJECT NO.: 261-3427.016 DRAWING FILE: 3427016.DWG

I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

PRELIMINARY

Name ____________ Date ____________
Reg. No. ____________

Issued

CONCEPT SITE PLAN
CONCORD BUSINESS CENTER
CITY OF SOUTH ST. PAUL

SHEET NUMBER
C1