

Regular Board Meeting

May 28, 2019 - 2:00 p.m.

380 St. Peter Street, Suite 850 | Saint Paul, MN 55102

Minutes

1. Approval of Minutes from the April 23, 2019 Regular Board Meeting
2. Approval of Minutes from the April 23, 2019 Closed Board Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

Credit Committee

1. Resolution No. 4651 Public Hearing - Creation of the Hillcrest Industrial Development District

General Matters

Such Other Business That May Come Before the Board

**SAINT PAUL PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
APRIL 23, 2019**

The regular meeting of the Port Authority Board was held on April 23, 2019, at 2:35 p.m. in the Board Room of the Saint Paul Port Authority located at 380 St. Peter Street, Suite 850, Saint Paul, Minnesota 55102.

The following Board Members were present:

John Bennett	Paul Williams	Nneka Constantino
Don Mullin	John Marshall	Dai Thao
Mitra Jalali Nelson		

Also present were the following:

Lee Krueger	Todd Hurley	Dana Krueger
Monte Hilleman	George Hoene	Linda Williams
Kathryn Sarnecki	Bruce Kessel	Deb Forbes
Sarah Savela	Ann Kosel	David Johnson
Andrea Novak	Laurie Siever	
Eric Larson, General Counsel, City of Saint Paul		
Peggy Andrews, Peggy Andrews & Associates, Inc.		
Kiki Sonnen		

APPROVAL OF MINUTES

Commissioner Mullin made a motion to approve the minutes of the March 26, 2019 Board meeting. The motion was seconded by Commissioner Marshall, submitted to a vote and carried unanimously.

CONFLICT OF INTEREST

There were no conflicts of interest with any items on the agenda.

NEW BUSINESS

ADMINISTRATIVE COMMITTEE

ACCEPTANCE OF 2018 AUDIT

Motion was made by Commissioner Marshall to accept the 2018 audits which were reviewed by the Administrative Committee and recommended for acceptance by the Board. The motion was submitted to a vote and carried unanimously.

GENERAL MATTERS

CREDIT COMMITTEE EXPANSION RECOMMENDATION

Mr. Krueger presented the Board with the Credit Committee expansion recommendation requesting approval to move forward with the appointment of two new Credit Committee members. He reminded the Board that this expansion was discussed and recommended at the February 27, 2018 Board Retreat.

Commissioner Constantino made a motion to accept the Credit Committee expansion recommendation. The motion was seconded by Commissioner Marshall, submitted to a vote and carried unanimously.

2019 PORT AUTHORITY GOALS

Mr. Krueger presented the Board with the 2019 Port Authority Goals.

Discussion included, but was not limited to, adding a primary list of goals highlighting high-level strategic goals from each category and utilizing the present format as a progress report; providing the Board with a year-to-date update on the 2019 Goals in August or September; and going forward, the Board would like a report of the prior year's accomplishments in advance of the CEO's annual performance evaluation.

The meeting adjourned and entered into a closed meeting at 2:52 p.m. to review the performance evaluation of the Saint Paul Port Authority President.

By _____

Its _____

/amk

**SAINT PAUL PORT AUTHORITY
MINUTES OF THE CLOSED BOARD MEETING
APRIL 23, 2019**

The closed meeting of the Port Authority Board was held on April 23, 2019, at 2:52 p.m. in the Board Room of the Saint Paul Port Authority located at 380 St. Peter Street, Suite 850, Saint Paul, Minnesota 55102.

The following Board Members were present:

John Bennett

Paul Williams

Nneka Constantino

Don Mullin

John Marshall

Dai Thao

Mitra Jalali Nelson

The Board of Commissioners of the St. Paul Port Authority (SPPA) met in closed session on April 23, 2019 to discuss the annual performance evaluation of SPPA President Lee Krueger. The Board unanimously commended President Krueger for his success in leading the organization to achieve its business goals and operating budgets in 2018 and approved a 2.5% increase to his base salary effective January 1, 2019. The Board looks forward to working with him in 2019 to further develop and advance SPPA's strategy and reputation as a recognized thought leader in building vibrant, inclusive economic communities through collaborative partnerships and innovation.

The meeting adjourned at 3:30 p.m.

By _____

Its _____

/amk

MEMORANDUM

To: BOARD OF COMMISSIONERS **Meeting Date:** May 28, 2019

From: Monte M. Hilleman 

Subject: **PUBLIC HEARING - CREATION OF THE HILLCREST INDUSTRIAL DEVELOPMENT DISTRICT
RESOLUTION NO. 4651**

Action Requested:

Approval of the creation of an Industrial Development District for the property described as the former Hillcrest Golf Club of Saint Paul (Hillcrest Site), located in the southwest quadrant of Larpenteur Avenue and McKnight Road in Saint Paul.

Public Purpose:

The Port Authority seeks to create jobs and increase the tax base of Saint Paul through the brownfield redevelopment of the Hillcrest Site. This site provides the opportunity to create approximately 1,000 jobs in the future and to generate an approximate additional \$4,500,000 in annual property tax revenue, subsequent to certain land development and environmental remediation activities.

Background:

The site consists of approximately 112 acres and is generally bound by Larpenteur Avenue to the north, McKnight Road to the east, Winthrop Street to the west, and Ivy Avenue to the south. The former Hillcrest Golf Club of Saint Paul has not been in operation since October 2017. Initial investigations discovered a significant amount of mercury soil contamination, a common fungicide used on golf courses through its phase-out in the 1990's and beyond, along with petroleum releases associated with maintenance and operations on the site. The amount of risk to the private sector associated with acquiring a brownfield site this large, without infrastructure, an approved master plan, zoning or other entitlements, is evidently too significant for buyers to absorb.

Accordingly, the site now lays fallow with no activity of any nature. The public purpose to acquire site control is to ensure and accelerate the redevelopment of the 112 acre Hillcrest Site on the East Side of Saint Paul for a mixed used, master planned development with substantial industrial zoned land to accomplish the Port Authority's economic development mission, by removing site preparation risks and other barriers to private sector investment.

Sound development for the economic security of the residents of Saint Paul depends on proper development of marginal property, and the general public welfare requires remediation of marginal properties by appropriate means. The property cannot be developed without public

MEMORANDUM

participation and assistance in acquiring the land, in remediating the contamination, and in planning and making the necessary improvements for such development to occur. As such, the development of the property and its continuing use are public uses, public purposes, and governmental functions that justify spending public money and acquiring private property to provide the means to develop the Hillcrest Site.

Pursuant to the State legislation providing for the establishment of an industrial development district, as evidenced by the attached aerial photograph showing the proposed Hillcrest Industrial Development District, we find that the properties located in the Hillcrest Site suffer from at least one or more of the following conditions: (1) planning to date has caused deterioration, disuse, or economic dislocation; (2) the current site is laid out without regard to its physical characteristics and surrounding conditions; (3) there are inadequate streets, open spaces, and utilities for the site's economic development potential and needs; (4) there is a lack of use or improper use of areas, resulting in stagnant or unproductive land that could contribute to the public health, safety and welfare; and (5) the site contains areas with industrial use potential not used for industry but needed for industrial development.

A Master Planning process is necessary to re-envision the site for the next generation and resolve the current improper use of areas, which result in stagnant and unproductive land within the boundaries of the site that adversely contribute to the public health, safety and welfare. The environmental status of the site includes contamination and is located on top of a former golf course with high levels of mercury contamination.

Recommendation:

We recommend approval to create the Hillcrest Industrial Development District to include the area generally bounded by Larpenteur Avenue to the north, McKnight Road to the east, Winthrop Street to the west, and Ivy Avenue to the south.

Attachments: Aerial Photograph
 Resolution

**RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL
[CREATION OF HILLCREST INDUSTRIAL DEVELOPMENT DISTRICT]**

WHEREAS, the Port Authority of the City of Saint Paul (the “Port Authority”), at least ten days after the legal publication of the notice thereof, held a public hearing for the purpose of establishing an Industrial Development District within the City of Saint Paul, Ramsey County, Minnesota, on 112 acres of property described as the former Hillcrest Golf Club of Saint Paul, located in the southwest quadrant of Larpenteur Avenue and McKnight Road, as shown on the aerial map attached hereto as Exhibit A, hereinafter referred to as the Hillcrest Industrial Development District (the “District”).

WHEREAS, said notice of hearing was published and said public hearing was conducted in accordance with the provisions of Minn. Stat. §469.058.

WHEREAS, the Port Authority finds that the land within the District is characterized as being marginal and underutilized; the site is vacant, contaminated and without proper infrastructure or planning and as such is laid out without regard to its physical characteristics and surrounding conditions; there are inadequate streets, open spaces, and utilities for the site’s economic development potential and needs; the site contains areas with industrial use potential not used for industry but needed for industrial development; and market forces have resulted in deterioration, disuse, and economic dislocation at the site evidenced by the lack of economic activity or reuse of the property.

WHEREAS, the Port Authority finds that the land within the District is characterized as laying fallow with no activity of any nature, resulting in a stagnant and unproductive condition of land within the boundaries of the site that adversely contributes to public health, safety and welfare.

WHEREAS, the Port Authority finds that the property can be acquired, remediated and developed under proper supervision using sound development and appropriate planning to re-envision the site for the next generation and resolve the current improper land use at fair prices.

WHEREAS, the Port Authority finds that development of the property and its continuing use are public uses, public purposes and governmental functions that justify spending public money and acquiring private property to provide the means to develop said property.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, that the Port Authority finds, determines, and declares that the property within the District is marginal land as defined in Minn. Stat. §469.058; and

BE IT FURTHER RESOLVED, that the Port Authority hereby establishes and creates the Hillcrest Industrial Development District within the boundaries of the lands shown on the aerial map attached as Exhibit A hereto.

Adopted: May 28, 2019

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By _____
Its Chair

Attest:

By _____
Its Secretary

EXHIBIT A

To Resolution No. 4651

Aerial Map of proposed Hillcrest Industrial Development District

{Attached}

Proposed Hillcrest Industrial Development District



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Data contained on this map has not been field verified and should be used as reference only. It is the user's responsibility for field verifying elevations, locations, dimensions, etc. to conduct detail design.

The Saint Paul Port Authority specially disclaims all warranties, expressed or implied, including but not limited to implied warranties of fitness for a particular purpose, with respect to the information contained on this map. The Saint Paul Port Authority shall have no liability with respect to any loss or damage directly or indirectly arising out of the use of this data.

 Proposed Hillcrest Industrial Development District

