

# City of South St. Paul

## Economic Development Authority Agenda

Tuesday, January 2, 2024 – ANNUAL MEETING

IMMEDIATELY FOLLOWING THE CONCLUSION OF THE 7:00 P.M. MEETING OF THE  
City Council

**1. CALL TO ORDER:**

**2. ROLL CALL:**

**3. AGENDA:**

*A. Approval of Agenda*

*Action – Motion to Approve*

*Action – Motion to Approve as Amended*

**4. CONSENT AGENDA:**

*All items listed on the Consent Agenda are items, which are considered to be routine by the Economic Development Authority and will be approved by one motion. There will be no separate discussion of these items unless a Commissioner or citizen so requests, in which event the item will be removed from the consent agenda and considered at the end of the Consent Agenda.*

A. EDA Meeting Minutes of December 4, 2023

**5. GENERAL BUSINESS:**

A. Election of Officers

B. Addendum #1 – Promissory Note (Watson Trading, LLC)

**6. 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.*

**7. ADJOURNMENT:**

Respectfully Submitted,



Ryan Garcia, EDA Executive Director

This meeting is being taped by Town Square Television (NDC4).  
Replays can be viewed on Government Channel 19.  
Replay Times – Friday following Meeting at 1:00 p.m. & 7:00 p.m.  
651-451-7834

MINUTES OF  
THE ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF SOUTH ST. PAUL  
DAKOTA COUNTY, MINNESOTA

Regular Meeting  
December 4, 2023  
City Hall Council Chambers, 125 3<sup>rd</sup> Avenue North, South St. Paul, MN 55075

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**1. CALL TO ORDER**

The Regular Meeting of the South St. Paul Economic Development Authority was held on December 4, 2023, in the Council Chambers of City Hall, 125 3<sup>rd</sup> Avenue North, South St. Paul. President Francis called the meeting to order at PM.

**2. ROLL CALL**

*Members Present: President Francis, Commissioners Bakken, Hansen, Kaliszewski, Seaberg and Thompson.*

*Members Absent: Commissioner Podgorski*

*Staff Present: EDA Executive Director Ryan Garcia, City Clerk Deanna Werner, City Attorney Amanda Johnson*

**3. AGENDA**

Motion/Second: Commissioner Kaliszewski moved, and Commissioner Bakken seconded approval of the agenda.

Vote: 6 ayes / 0 nays, motion carried.

**4. CONSENT**

- A. EDA Meeting Minutes of November 6, 2023
- B. Approval of Satisfaction of Mortgage – Applicant #933
- C. Approval of satisfaction of Mortgage – Applicant # 933A

Motion/Second: Commissioner Kaliszewski moved, and Commissioner Thompson seconded approval of the consent agenda.

Vote: 6 ayes / 0 nays, motion carried.

**5. 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:**

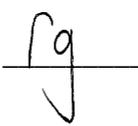
Motion/Second: Commissioner Hansen moved, and Commissioner Bakken seconded the motion to adjourn the meeting at 8:17 PM.

Vote: 6 ayes / 0 nays, motion carried.



**EDA Agenda Item Report**

Date: January 2, 2024

EDA Executive Director: 

5-A

**Agenda Item: Election of Officers.**

**Action to be considered:**

Motion(s) to elect Officers of the EDA.

**Overview:**

All members of the EDA are considered Commissioners and are members of the EDA Board. Per its Bylaws, the EDA Board has the following officers, which must be elected on an annual basis:

President

Vice-President (currently Commissioner Seaberg)

Treasurer

Assistant Treasurer (Clara Hilger as Finance Director)

Secretary (Ryan Garcia)

The President and Treasurer positions are to be held by the Mayor (Bylaws Sections 2.2 and 2.4). The Secretary and Assistant Treasurer positions need not be held by a commissioner (Bylaws Section 2.1). The Bylaws (Section 2.5) also suggest that the Assistant Treasurer of the Board “may be” the City’s Finance Director.

Staff recommends that the board call for appointment/nomination of Vice President, Secretary and Assistant Treasurer offices, in keeping with the EDA’s bylaws.

- *Vice President* – This office is currently held by Commissioner Tom Seaberg.
- *Secretary* – At the 2021 Annual Meeting, the EDA agreed that it made sense for the Executive Director to also serve as Secretary of the Authority, as the City Clerk’s office was going through a time of transition. Now that those transitions/retirements have shaken out, it may make sense to appoint City Clerk Deanna Werner as Secretary of the EDA. Generally, the Secretary is responsible for retaining minutes and other records of the EDA.
- *Assistant Treasurer* – This office has always been held by the City’s Finance Director, so it would make sense to continue in that fashion.

**Funding Sources and other fiscal considerations:**

N/A



## EDA Agenda Item Report

Date: January 2, 2024

EDA Executive Director: \_\_\_\_\_

5-B

### **Agenda Item:** Addendum #1 – Promissory Note (Watson Trading, LLC)

#### **Action to be considered:**

Following discussion, motion to approve Addendum #1 to a Promissory Note from Watson Trading, LLC.

#### **Overview:**

In August 2023, the EDA approved Resolution 2023 – 6, which authorized the execution of various loan documents and the extension of a loan of \$125,000 to Watson Trading, LLC., the developer and owner of the proposed Asian Mart at 512 Concord Exchange South. As approved, the loan was structured with a 60-month interest-only payment of \$468.75 (10-year amortization), with the EDA forgiving the principal at the end of the 60-month period if all of the following conditions are met:

- Developer completes soil corrections
- Developer installs stormwater management infrastructure in compliance with approved stormwater management plan, Stormwater permit, and all applicable codes and ordinances
- Developer completes construction of retail building with a minimum of 8,000 square feet of floor area in general compliance with the application that was approved by the City of South St. Paul on December 19, 2022
- Developer begins and maintains operation of Asian Mart retail store at the 512 Concord Exchange South location
- Developer pays all property taxes and special assessments when due
- Developer makes all interest-only payments when due

The developer closed on their financing with the SBA, MCCD and CorTrust Bank in early September, and the EDA's loan was closed and recorded at that time. In order to avoid the complications (and additional costs) associated with winter construction, the developer and lender(s) agreed to wait until Spring 2024 to commence with construction. Thus, the developer is not yet drawing funds for the construction project (although since they closed they are paying on that financing). The promissory note associated with the EDA Loan did not account for the delay in construction start, and was written such that monthly payments were to begin upon Closing of the EDA loan. Staff is suggesting, at the developer's request, a six-month deferment period following closing. This would align with the beginning of construction draws and project construction.

#### **Funding Sources and other fiscal considerations:**

The \$125,000 loan was approved via Resolution 2023 – 6, and funded in September 2023. The proposal is to delay the start of the borrower's repayment of interest due on the note until April 1, 2024. Interest-only payments would be due for 59 consecutive months thereafter.

### **ATTACHMENTS**

Orientation Map  
Promissory Note  
Addendum #1

# Orientation Map



## PROMISSORY NOTE

**\$125,000.00**  
**4.50%**

**AUGUST 24, 2023**

**FOR VALUE RECEIVED**, the undersigned (if more than one, jointly and severally) promises to pay to the order of the South St. Paul Economic Development Authority, at 125 Third Avenue North, South St. Paul, MN 55075, or at any other place designated at any time in writing by the holder of this Note, in lawful money of the United States of America, the principal sum of One Hundred Twenty-Five Thousand and no/100 Dollars (\$125,000.00), together with interest (calculated on the basis of actual days elapsed and a 365 day year) on the unpaid principal, from the date of this Note until this Note is fully paid at an annual rate of four and one-half percent (4.5%). One Hundred Percent (100%) of loan principal (\$125,000.00) and One Hundred Percent (100%) of any remaining interest will be forgiven after 60 months of Interest-Only Payments are made by Borrower, if Borrower meets all of the below-stated conditions, numbered I through VII ("Forgiveness Conditions"):

- I. Borrower completes soil corrections at the Development Property
- II. Borrower installs stormwater management infrastructure in compliance with approved stormwater management plan, Stormwater permit, and all applicable codes and ordinances at the Development Property
- III. Borrower completes construction of retail building with a minimum of 8,000 square feet of floor area at Development Property in general compliance with the development application that was approved by the City of South St. Paul on December 19, 2022 and filed under Resolution 2022-186
- IV. Borrower begins and maintains operation of Asian Mart retail store at the Development Property
- V. Borrower pays all property taxes and special assessments levied against the Development Property when due
- VI. Borrower makes all interest-only payments due under this note when due
- VII. Borrower owns the Redevelopment Property for five (5) years from the date of this Note.

The undersigned promises to pay all interest due on a monthly basis for a period of sixty (60) months from the date of this Note, when the entire unpaid principal and accrued and unpaid interest shall become due and payable if Forgiveness Conditions are not met.

This Note is secured.

The undersigned may at any time or from time to time, prepay the amount outstanding in whole or in part, without penalty or premium. Any partial prepayment shall be applied first against the interest that has accrued and remains unpaid on the date of prepayment, and the balance shall be applied against installments of principal due hereunder, in inverse order of maturity.

**THIS NOTE IS SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE HEREOF.**

If any installment of principal of and/or interest herein is not paid when due, or if the undersigned may owe for money borrowed, or if a garnishment summons or a writ of attachment is issued against or served upon the holder of the attachment of any property of the undersigned in the holder's possession or any indebtedness owing to the undersigned, or if the undersigned shall submit to the holder credit application or financial statement containing information which shall prove to be incorrect in any material respect when made, or if the undersigned is generally not paying its debts as such debts become due, or if the holder shall at any time in good faith believe that the prospect of due and punctual payment of this Note is impaired, then, in any such event, the holder hereof may, at its option, declare this Note to be immediately due and payable and thereupon this Note shall be immediately due and payable, together with all unpaid interest accrued hereon, without notice or demand.

This Note shall also become automatically due and payable (including unpaid interest accrued hereon) without notice or demand should the undersigned die (if an individual) or should a petition be filed against the undersigned under the United States Bankruptcy Code. If this Note is not paid on the date it matures (whether at stated maturity or on an earlier date due to acceleration), the holder shall have the right to set off the indebtedness evidenced by this Note against any indebtedness of the holder to the undersigned. The holder thereof may at any time renew this Note or extend the maturity date of any one or more installments for any period and notice to or consent of and without releasing any accommodation maker, endorser or guarantor. The undersigned agrees to pay all costs of collection, including attorneys' fees, in the event this Note is not paid when due. Presentment or other demand for payment, notice of dishonor and protest are hereby waived by the undersigned. This Note shall be governed by the substantive laws of the State of Minnesota, except insofar as the holder may rely on the laws of the United States or justify the interest rate charged hereunder.

The undersigned represents that the purpose of this loan is business purposes.

Watson Trading, LLC

By: 

\_\_\_\_\_  
Watson Fong

Its: Manager

**ADDENDUM #1 TO PROMISSORY NOTE  
WATSON TRADING, LLC**

Subject to all other provisions of that certain Promissory Note to the South St. Paul Economic Development Authority dated August 24, 2023 and executed by my hand, I, the undersigned being Manager of Watson Trading, LLC, promise to pay all interest due in the amount of \$468.75 (Four Hundred Sixty-Eight Dollars and Seventy-Five Cents) for a period of sixty (60) months beginning on April 1, 2024, when the entire unpaid principal and accrued and unpaid interest shall become due and payable if Forgiveness Conditions are not met.

Watson Trading, LLC

By: \_\_\_\_\_  
Watson Fong

Its: Manager

DATED: December 28, 2023