

City of South St. Paul

Economic Development Authority Agenda

Tuesday, September 7, 2021

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 August 2, 2021

B. Approval of Mortgage Satisfaction for Applicant #937, Resolution 2021 – 23

5. PUBLIC HEARINGS

A. Approval of Conveyance of Property to the South St. Paul Housing and Redevelopment Authority, Resolution 2021 – 19

6. GENERAL BUSINESS:

A. Review and Approve 2022 EDA Levy and Budget, Resolution 2021 – 20

B. Review and Approve 2022 HRA Levy and Budget, Resolution 2021 – 21

C. Authorize Application to the Livable Communities Demonstration Account – Development Grant Program, Resolution 2021 - 22

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:

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
August 2, 2021
City Council Chambers – South St. Paul City Hall

1. CALL TO ORDER

The Regular Meeting of the South St. Paul Economic Development Authority was held on August 2, 2021 in the South St. Paul City Council Chambers. President Francis called the meeting to order at 7:34 p.m.

2. ROLL CALL

Members Present: President Francis, Commissioners Bakken, Dewey, Hansen, Seaberg, Podgorski, and Kaliszewski.

Staff Present: EDA Executive Director Ryan Garcia, City Administrator Joel Hanson, and Legal Counsel Amanda Johnson.

3. AGENDA

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

Motion carried 7 ayes / 0 nays

4. CONSENT

A. EDA Special Meeting Minutes of July 12, 2021

Motion/Second: Commissioner Hansen moved and Commissioner Dewey seconded approval of the consent agenda.

Motion carried 7 ayes / 0 nays

5. GENERAL BUSINESS

A. Economic Development Revolving Loan Fund – Resolution 2021 – 18

Mr. Garcia provided an overview of the proposed revisions to and formalization of a Revolving Loan Fund Program and Policy. The Program is proposed to make loan financing available to small businesses when they pursue investments into facilities, land, or equipment that increases employment or tax base.

Motion/ Second: Commissioner Seaberg moved and Commissioner Podgorski seconded a motion to adopt Resolution 2021 - 18.

Motion carried 7 ayes / 0 nays

B. Approval of Conflict Waiver – LeVander, Gillen and Miller re: Linn Companies

Mr. Garcia relayed that a developer had begun negotiations to acquire EDA-owned property at 12th Avenue and Southview Boulevard. The Developer, Linn Companies, employs as its general counsel Ken Rohlf, who previously served as City Attorney while employed with LeVander, Gillen and Miller and as such the conflict waiver was presented so that the City Attorney's office could continue to represent the EDA on this matter as it advances.

Motion/ Second: Commissioner Hansen moved and Commissioner Kaliszewski seconded a motion to approve and accept a conflict waiver with LeVander, Gillen and Miller.

Motion carried 7 ayes / 0 nays

6. FUTURE FOLLOW-UP

There were none.

7. ADJOURNMENT

Motion/ Second: Commissioner Seaberg moved and Commissioner Bakken seconded the motion to adjourn the meeting at 7:57 p.m.

Motion carried 7 ayes / 0 nays

Approved:

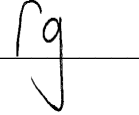


Ryan Garcia, Secretary



EDA Agenda Item Report

Date: September 7, 2021

EDA Executive Director: 

4-B

Agenda Item: Approval of Satisfaction of Mortgage – Applicant #937

Action to be considered:

Motion to approve Resolution No. 2021 - 23

Overview:

Applicant #937 received an HRA rehabilitation loan of \$22,400.00 in 2010, with a mortgage recorded at that time. The mortgagee recently paid back the loan in full, thus satisfying the mortgage. Therefore, the EDA is advised to approve Resolution No. 2021- 23, which will authorize the designated officers of the City's Housing and Redevelopment Authority to execute all necessary documentation required to record the Satisfaction of Mortgage.

Funding Sources and other fiscal considerations: N/A

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2021- 23

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 #637 in the amount of \$22,400.00;

WHEREAS, such mortgage recorded on May 26, 2010 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 HRA to execute the required documents to satisfy the loan and mortgage.

Adopted this 7th day of September, 2021

President, James P. Francis

Executive Director, Ryan Garcia



EDA Agenda Item Report

Date: September 7, 2021

EDA Executive Director: _____

5-A

Agenda Item: Approval of Conveyance of Property to the South St. Paul Housing and Redevelopment Authority, Resolution 2021 –19

Action to be considered:

Following a Public Hearing, Motion to Approve Resolution 2021-19.

Overview:

In 2017, the Housing & Redevelopment Authority of South St. Paul (HRA) worked with the City Attorney’s office in an effort to convey dozens of “developable” parcels throughout the community under the HRA’s control to the Economic Development Authority. Among these parcels, inadvertently, it appears that the surface parking lot immediately south of the Nan McKay Senior Housing Building, at the corner of Marie and 2nd, was conveyed to the EDA. This property should revert back to the HRA, as legally that entity is still responsible for the Public Housing program in South St. Paul and the parking lot is legally a part of the Public Housing property as defined by HUD.

Staff recommends conveying the property identified as PID 36-32550-16-030 to the HRA.

Funding Sources and other fiscal considerations:

There is no monetary transaction cost for this conveyance. Minimal processing and recording costs can be supported by the EDA’s budgeted professional services.



**SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY
DAKOTA COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2021 - 19

**A RESOLUTION APPROVING THE CONVEYANCE OF PROPERTY TO
THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE
CITY OF SOUTH ST. PAUL FOR PUBLIC HOUSING PURPOSES**

WHEREAS, the Housing and Redevelopment Authority of the City of South St. Paul (“HRA”) owned real property legally described on the attached Exhibit A (“Property”); and

WHEREAS, the HRA conveyed the Property to the South St. Paul Economic Development Authority (“EDA”) by and through Quit Claim Deed dated May 1, 2017 and recorded in the Office of the County Recorder for Dakota County, Minnesota as Document No. 3189367 on May 2, 2017; and

WHEREAS, the EDA and HRA mutually desire for the EDA to reconvey the Property to the HRA; and

WHEREAS, on September 7, 2021, the EDA held a public hearing on the conveyance of the Property and the EDA considered all of the information presented at the public hearing.

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

1. The conveyance of the Property to the HRA 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 conveyance.

Adopted this 7th day of September, 2021.

James P. Francis, President

Ryan D. Garcia, Executive Director

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

Lots 1, 2 and 3, Block 16, Hepburn Park Addition to the City of St. Paul, according to the recorded plat thereof, Dakota County, Minnesota, together with that part of vacated Marie Avenue, adjacent thereto, which accrued thereto by reason of the vacation thereof, except that part of vacated Marie Avenue lying northerly and easterly or the following described line: Commencing at a point on the south right of way line of Marie Avenue where it intersects the Southerly extension of the easterly right of way line of Pitt Street as plotted in Stockyards Rearrangement; thence North 0°01'59" East a distance of 30 feet; thence south 89°21'57" West a distance of 30 feet; thence North 0°01'59" East to the North right of way line of Marie Avenue, and there terminating.

Abstract Property

PID: 36-32550-16-030

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

Business Entity to Business Entity

DEED TAX DUE: \$1.65

DATE: _____

FOR VALUABLE CONSIDERATION, the South St. Paul Economic Development Authority, a public body corporate and politic organized and existing under the laws of the State of Minnesota ("Grantor"), hereby conveys and quitclaims to the Housing and Redevelopment Authority of the City of South St. Paul, a public body corporate and politic organized and existing under the laws of the State of Minnesota ("Grantee"), real property in Dakota County, Minnesota, legally described as follows:

See attached Exhibit A

Check here if all or part of the described real property is Registered (Torrens)

together with all hereditaments and appurtenances belonging thereto.

TOTAL CONSIDERATION IS LESS THAN \$3,000.

Check applicable box:

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: [...].)
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

Grantor
South St. Paul Economic Development Authority

By: _____
James P. Francis
Its: President

By: _____
Ryan D. Garcia
Its: Executive Director

State of Minnesota, County of Dakota

This instrument was acknowledged before me on _____, 2021, by James P. Francis as President and by Ryan D. Garcia as Executive Director of the South St. Paul Economic Development Authority, a public body corporate and politic organized and existing under the laws of the State of Minnesota.

(Stamp)

(signature of notarial officer)

Title (and Rank): Notary Public

My commission expires: _____

(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:

Korine L. Land (#262432)
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
Phone: 651-451-1831
TITLE NOT EXAMINED

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:

Housing and Redevelopment Authority of the City of South St. Paul
125 Third Avenue North
South St. Paul, MN 55075

Exhibit A

Lots 1, 2 and 3, Block 16, Hepburn Park Addition to the City of St. Paul, according to the recorded plat thereof, Dakota County, Minnesota, together with that part of vacated Marie Avenue, adjacent thereto, which accrued thereto by reason of the vacation thereof, except that part of vacated Marie Avenue lying northerly and easterly on the following described line: Commencing at a point on the south right of way line of Marie Avenue where it intersects the Southerly extension of the easterly right of way line of Pitt Street as plotted in Stockyards Rearrangement; thence North 0°01'59" East a distance of 30 feet; thence south 89°21'57" West a distance of 30 feet; thence North 0°01'59" East to the North right of way line of Marie Avenue, and there terminating.


Abstract Property

PID: 36-32550-16-030



EDA Agenda Item Report

Date: September 7, 2021

EDA Executive Director: 

6-A

Agenda Item: Review and approve 2022 EDA levy and budget, Resolution 2021-20

Action to be considered:

Motion to Adopt Resolution 2021-20, A Resolution Approving the Proposed 2022 Economic Development Authority (EDA) Levy and Budget.

Overview:

According to Section 4.6 of the EDA's by-laws, the EDA shall send its budget to the City Council which budget includes a written estimate of the amount of money needed by the Authority from the City in order for the Authority to conduct business during the upcoming fiscal year.

Attached is the 2021 Preliminary Budget for the EDA. The following notes summarize the key points about this year's proposed budget:

- The primary EDA budget drivers are related to personnel (63.2%), professional services (13.4% - predominately for legal services), and an operating transfer to the general fund (8.9% - funding a portion of the Development Services budget).
- An EDA Property Tax Levy of \$340,084 is proposed for 2022. This is an increase against 2021 of 3.8%.
- An "Administration Support Fee" of \$21,100 (about 6.3% of the budget) is included as it relates to supporting the services provided by the Administration (particularly Finance, City Admin., IT).
- The 2021 EDA Budget includes \$12,000 (3.6% of the budget) which goes towards supporting the Progress Plus program and the Open to Business program.
- Overall, the proposed budget represents an increase of 2.1% as compared to the 2021 Budget.

Funding Sources and other fiscal considerations:

This is the proposed preliminary 2022 EDA Property Tax Levy and Budget, which will guide the income and expenditures for EDA activities next year.

Attachments:

Resolution 2021-20

Preliminary 2022 EDA Property Tax Levy and Budget Documents

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2021-20

WHEREAS, State Statute 469.107 subd. 1 provides that a city may, at the request of the Economic Development Authority (EDA), levy a tax for the benefit of the authority in an amount not to exceed 0.01813 percent of estimated market value;

WHEREAS, the EDA proposes a 2022 tax levy for economic development purposes in the amount of \$340,084;

WHEREAS, the South St. Paul EDA proposes a 2022 annual budget in the amount of \$340,084 to carry out its Economic Development Strategy and other economic development purposes;

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

1. The EDA requests that the South St. Paul City Council levy a special tax of \$340,084 to be collected in 2022 pursuant to Minnesota Statutes 469.107.
2. The EDA request that the South St. Paul City Council adopt the 2022 annual budget in the amount of \$340,084.

Adopted this 7th day of September, 2021.

President, James P. Francis

Executive Director, Ryan Garcia

FUNCTION: Community Development	DEPT. & DIV: Economic & Community Development - Economic Development	BUSINESS UNIT: 20280
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Activities and Responsibilities:

The Economic Development program is accountable for:

- Developing and implementing plans and strategies for advancing economic and community development.
- Assisting existing and prospective businesses and developers.
- Assisting existing businesses with expansion and reconstruction projects. Providing guidance to bring new development projects to fruition.
- Providing expertise regarding available public and private business financing resources, including state assistance, possible local initiatives and other funding sources.
- Administration of Tax Increment Financing (TIF) plans and Business and Development Loan Programs.
- Providing staff services to the EDA and City Council.

Budget Highlights and Changes:

Significant Revisions - 2021 Original vs. 2021 Revisions

- None

Notable Expenditure Changes in 2022

- After taking two years off of professional development, Staff has increased the Conferences, Training, and Travel Budget for 2022. This increase is offset by a similar decrease in the Advertising budget. Traditionally, this line item has been used for published legal notices and preparation of marketing materials, and we anticipate sufficient resources available for 2022 at the proposed budgeted level of \$3,000.

FUNCTION: Community Development	DEPT. & DIV: Economic & Community Development - Economic Development	BUSINESS UNIT: 20280
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Notable Capital Project or Asset Acquisitions

- None

Revenues

- Maximum EDA levy is \$340,084

<u>Staffing</u>	2019	2020	2021	2022
Division Director	0.90	0.85	0.80	0.80
Clerical/support	0.70	0.70	0.70	0.70
Total Current Staffing	1.60	1.55	1.50	1.50

2021 staffing =

Director (80%), Cmty Dev Support spec (50%) & Office Specialist (20%)

ECON DEV GENERAL							
SUMMARY OF REVENUE							
Description	2019 Actual	2020 Actual	2021 Original Budget	June 2021 Actual	2021 Revised Budget	2022 Requested Budget	2022 Final Budget
20280 - ECON DEV GENERAL							
REVENUE							
TAXES							
4110 - CURRENT AD VALOREM TAX	(218,996)	(224,028)	(327,725)	(97,170)	(327,725)	(340,084)	
4120 - DELINQUENT AD VALOREM TAX	(3,195)	(4,896)	0	0	0	0	
4125 - PENALTIES & INT ON AD VAL TAX	8	3	0	0	0	0	
4130 - MOBILE HOME TAX	(54)	(46)	0	0	0	0	
4140 - FISCAL DISPARITIES	(56,614)	(70,244)	0	0	0	0	
TAXES	(278,852)	(299,211)	(327,725)	(97,170)	(327,725)	(340,084)	
INTEREST							
4671 - INTEREST EARNINGS	0	(9,203)	0	0	0	0	
4681 - UNREALIZED GAIN/LOSS ON INV	0	(4,130)	0	0	0	0	
INTEREST	0	(13,333)	0	0	0	0	
MISCELLANEOUS							
4675 - INSURANCE DIVIDEND	(78)	(316)	0	0	0	0	
MISCELLANEOUS	(78)	(316)	0	0	0	0	
OTHER FINANCING SOURCES							
4920 - INTERFUND OPERATING TRANSFER	(25,671)	(16,182)	0	0	0	0	
OTHER FINANCING SOURCES	(25,671)	(16,182)	0	0	0	0	
REVENUE	(304,601)	(329,042)	(327,725)	(97,170)	(327,725)	(340,084)	

ECON DEV GENERAL							
SUMMARY OF EXPENDITURES							
Description	2019 Actual	2020 Actual	2021 Original Budget	June 2021 Actual	2021 Revised Budget	2022 Requested Budget	2022 Final Budget
20280 - ECON DEV GENERAL							
EXPENDITURES							
PERSONNEL SERVICES							
6101 - FULL-TIME EMPLOYEES-REG	162,659	152,746	150,607	74,727	154,372	155,726	
6108 - ACCUMULATED VACATION/COMP LEAV	7,396	5,150	2,146	0	2,199	2,199	
6112 - SERVICE RECOGNITION	2,250	1,000	0	0	0	0	
6120 - EMPLOYER CONTR FOR RETIREMENT	23,378	22,728	22,982	10,860	23,378	23,582	
6130 - EMPLOYER PAID INSURANCE	24,953	26,016	24,583	15,299	25,797	25,801	
6150 - WORKERS COMPENSATION	942	852	935	380	959	1,200	
6170 - EMPLOYER CONTR TO HCSP	1,899	5,121	4,058	587	4,132	4,315	
PERSONNEL SERVICES	223,478	213,612	205,311	101,854	210,837	212,823	
SUPPLIES							
6201 - OFFICE SUPPLIES	360	1,284	1,100	960	1,100	1,000	
6210 - OPERATING SUPPLIES	19	0	0	0	0	0	
SUPPLIES	379	1,284	1,100	960	1,100	1,000	
OTHER SERVICES AND CHARGES							
6302 - PROFESSIONAL SERVICES	22,645	56,642	45,000	17,316	45,000	45,000	
6331 - CONFERENCES, TRAINING, TRAVEL	2,077	134	750	130	750	3,500	
6341 - ADVERTISING	0	0	5,433	0	5,433	3,000	
6361 - INSURANCE	2,812	5,085	5,504	2,652	5,504	4,717	
6374 - ADMINISTRATION SUPPORT FEE	23,805	15,385	18,957	9,480	18,957	21,100	
6375 - OTHER CONTRACTED SERVICES	5,920	5,941	12,000	4,500	12,000	12,000	
6378 - COPIER MAINTENANCE AGREEMENT	1,383	1,126	1,200	617	1,200	1,200	
6388 - TECHNOLOGY EQUIP CHARGE	521	570	570	288	570	570	
6390 - POSTAGE AND TELEPHONE	869	899	800	547	800	800	
OTHER SERVICES AND CHARGES	60,032	85,783	90,214	35,530	90,214	91,887	
MISCELLANEOUS							
6430 - MISCELLANEOUS	153	0	0	0	0	0	
6471 - DUES & SUBSCRIPTIONS	1,219	679	1,100	968	1,100	1,100	
MISCELLANEOUS	1,372	679	1,100	968	1,100	1,100	

ECON DEV GENERAL					
DETAIL OF EXPENDITURES					
CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2021 Revised Budget	2022 Requested Budget	2022 Final Budget
EXPENDITURES					
MATERIALS & SUPPLIES					
6201	OFFICE SUPPLIES	General office (envelopes, business cards, toner, copy paper), water cooler	1,100	1,000	
SERVICES AND OTHER CHARGES					
6302	PROFESSIONAL SERVICES	Legal Services, Audit 1000	45,000	45,000	
6331	CONFERENCES, TRAINING, TRAVEL	ULI Spring Meeting; Chamber & MREJ Events	750	3,500	
6341	ADVERTISING	Publication of Legal Notices - Pioneer Press	5,433	3,000	
6361	INSURANCE	Property & Liability	5,504	4,717	
6374	ADMINISTRATION SUPPORT FEE		18,957	21,100	
6375	OTHER CONTRACTED SERVICES	JPA w/ Dakota Co. CDA for Small Bus Advisor; Progress Plus Investment	12,000	12,000	
6378	COPIER MAINTENANCE AGREEMENT	Split w 10410 & 20260	1,200	1,200	
6388	TECHNOLOGY EQUIP CHARGE	amortization of technology equipment	570	570	
6390	POSTAGE AND TELEPHONE	Mailings, Cell Phone	800	800	
MISCELLANEOUS					
6471	DUES & SUBSCRIPTIONS	APA/AICP (\$650), ULIMN (\$245), River Heights Chamber (\$205)	1,100	1,100	
TRANSFERS					
6720	OPERATING TRANSFERS	City Admin & Planning Costs	30,000	30,000	



EDA Agenda Item Report

Date: September 7, 2021

EDA Executive Director: _____

6-B

Agenda Item: Review and approve 2022 HRA levy and budget, Resolution 2021-21

Action to be considered:

Motion to Adopt Resolution 2021-21, A Resolution Approving the Proposed 2022 Housing and Redevelopment Authority (HRA) Tax Levy and Budget.

Overview:

The HRA programs and projects were transferred to the EDA on January 1, 2016. The responsibility for approving the HRA Property Tax Levy and Budget was also transferred to the EDA. State Statute 469.033, Subd. 6, sets the maximum HRA levy at .185% of the taxable market value of the City. For 2022, an HRA Property Tax Levy of \$347,024 is proposed. Attached is the 2022 Preliminary Budget for the HRA. The following notes summarize the key points about this year's proposed budget:

- The HRA General Housing budget totals \$441,257, with 51.7% of budgeted costs related to staffing. The 2021 budget reflects a 2.3% decrease over 2020, and the Board is reminded that 21.4% of the HRA budget will be charged to the Public Housing program for administration.
- An HRA Property Tax Levy of \$347,024 is proposed for 2021. This is an increase of 3.8% as compared to 2020.
- As mentioned above, an administrative charge to the public housing program of \$94,752 is proposed for 2022. In other words, the HUD Operating Subsidy will pay the HRA for costs incurred in the operation of the public housing program.
- A \$23,058 "Administration Support Fee" (5.2% of the budget) is proposed for 2022. This charge accounts for various administrative functions within the City (IT, City Administration/Council, Finance, and City Clerk in particular) that support the Housing and Redevelopment Authority's statutory functions.
- The 2022 HRA Budget proposes an operating transfer of \$150,000 (40% of the budget) for the implementation of several near-term and short-term programs as identified in the Master Housing Strategy (approved in June 2020).
- The 2022 HRA Budget includes \$30,000 (6.8% of the budget) for maintenance of various vacant land parcels owned by the HRA/EDA. Historically, these expenses have been distributed in various non-levy supported funds, an approach that going forward would be unsustainable.

Funding Sources and other fiscal considerations:

The proposed 2022 HRA Property Tax Levy and Budget will guide the income and expenditures for Housing and Redevelopment activities next year.

Attachments:

Resolution 2021-21

Preliminary 2022 HRA Property Tax Levy and Budget Documents

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2021-21

WHEREAS, State Statute 469.033 subd. 6 provides that subject to the consent by the resolution of the governing body of the city in and for which it was created, an authority may levy a tax upon all taxable property within the city for housing and redevelopment purposes. The amount of the levy shall be an amount approved by the governing body of the city, but shall not exceed 0.0185 percent of estimated market value;

WHEREAS, the EDA proposes a 2022 tax levy for housing and redevelopment purposes in the amount of \$347,024;

WHEREAS, the South St. Paul EDA proposes a 2022 annual budget in the amount of \$441,257 to carry out its Master Housing Strategy and for other housing and redevelopment purposes;

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

1. The EDA requests that the South St. Paul City Council levy a special tax of \$347,024 to be collected in 2022 pursuant to Minnesota Statutes 469.033.
2. The EDA requests that the South St. Paul City Council adopt the 2021 annual budget for housing and redevelopment purposes in the amount of \$441,257.

Adopted this 7th day of September, 2021.

President, James P. Francis

Executive Director, Ryan Garcia

FUNCTION: Community Development	DEPT. & DIV: Economic & Community Development - Housing Division	BUSINESS UNIT: 20260
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Activities and Responsibilities:

The Housing program is accountable for:

- Providing professional and technical support to contracted service providers at the John Carroll and Nan McKay Public Highrise properties.
- Providing professional and technical support to homeowners that have utilized legacy CDBG-funded programs that remain within the purview of the City, and technical support to Dakota County CDA for programs that have been recently turned over to the CDA. Loan monitoring and administration.
- Administration of portfolio of vacant properties located throughout the City and held for future resale and redevelopment, including managing property maintenance issues.
- Administration and oversight of HUD and other grant programs that benefit and serve residential housing within the City.
- Identifying, researching, applying for, and administering grant programs that support a range of Community Development programs and initiatives.
- Administration and implementation of the Master Housing Assessment and Strategy, including program development and facilitation of residential redevelopment projects.

Budget Highlights and Changes:

Significant Revisions - 2021 Original vs. 2021 Revisions

- None

Notable Expenditure Changes in 2022

- For 2022, we have a better understanding of the operational needs of the Housing Program, thus there are minor adjustments to line items throughout the 20260 Budget. No line items are proposed to increase more than \$500 year-over-year, and the largest line item reduction is approximately \$4,000.

Revenues

- Maximum HRA levy is \$347,024.
- Administrative charge to the public housing program is \$94,752.

FUNCTION: Community Development	DEPT. & DIV: Economic & Community Development - Housing Division	BUSINESS UNIT: 20260
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Notable Capital Project or Asset Acquisitions for 2022

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<u>Staffing</u>	2019	2020	2021	2022
Division Director	0.100	0.150	0.200	0.200
Program Manager	-	-	1.000	1.000
Line staff	-	-	-	-
Clerical/support	0.800	0.800	0.800	0.800
Total Staffing	<u>0.900</u>	<u>0.950</u>	<u>2.000</u>	<u>2.000</u>

2021 staffing =

Economic & Community Dev Director (20%), Housing Program Administrator (100%), Office Specialist (80%)

HOUSING GENERAL							
SUMMARY OF REVENUE							
Description	2019 Actual	2020 Actual	2021 Original Budget	June 2021 Actual	2021 Revised Budget	2022 Requested Budget	2022 Final Budget
20260 - HOUSING GENERAL							
REVENUE							
TAXES							
4110 - CURRENT AD VALOREM TAX	(220,574)	(229,535)	(334,413)	(99,041)	(334,413)	(347,024)	
4120 - DELINQUENT AD VALOREM TAX	(3,531)	(5,027)	0	0	0	0	
4125 - PENALTIES & INT ON AD VAL TAX	8	3	0	0	0	0	
4130 - MOBILE HOME TAX	(61)	(50)	0	0	0	0	
4140 - FISCAL DISPARITIES	(60,635)	(70,748)	0	0	0	0	
	(284,793)	(305,357)	(334,413)	(99,041)	(334,413)	(347,024)	
TAXES							
CHARGES FOR SERVICES							
ADMINISTRATIVE CHARGES							
4409 - ADMINISTRATIVE CHARGE	0	(37,542)	(112,478)	(49,680)	(112,478)	(94,752)	
ADMINISTRATIVE CHARGES	0	(37,542)	(112,478)	(49,680)	(112,478)	(94,752)	
CHARGES FOR SERVICES	0	(37,542)	(112,478)	(49,680)	(112,478)	(94,752)	
INTEREST							
4671 - INTEREST EARNINGS	0	(12,183)	0	0	0	0	
4681 - UNREALIZED GAIN/LOSS ON INV	0	(5,441)	0	0	0	0	
INTEREST	0	(17,624)	0	0	0	0	
MISCELLANEOUS							
4672 - OTHER	(537)	(1,565)	0	0	0	0	
4675 - INSURANCE DIVIDEND	(148)	(18)	0	0	0	0	
4677 - MISC REVENUE	(377)	0	0	0	0	0	
MISCELLANEOUS	(1,062)	(1,583)	0	0	0	0	
REVENUE	(285,855)	(362,106)	(446,891)	(148,721)	(446,891)	(441,776)	

HOUSING GENERAL							
SUMMARY OF EXPENDITURES							
Description	2019 Actual	2020 Actual	2021 Original Budget	June 2021 Actual	2021 Revised Budget	2022 Requested Budget	2022 Final Budget
20260 - HOUSING GENERAL							
EXPENDITURES							
PERSONNEL SERVICES							
6101 - FULL-TIME EMPLOYEES-REG	58,427	95,358	153,623	75,489	157,462	160,239	
6108 - ACCUMULATED VACATION/COMP LEAV	148	402	2,832	0	2,903	2,197	
6112 - SERVICE RECOGNITION	250	0	0	0	0	0	
6120 - EMPLOYER CONTR FOR RETIREMENT	7,910	13,272	23,491	10,570	24,032	24,399	
6130 - EMPLOYER PAID INSURANCE	13,515	21,901	34,942	19,610	35,255	35,264	
6140 - UNEMPLOYMENT COMP INS.	16,328	0	0	0	0	0	
6150 - WORKERS COMPENSATION	7,331	(144)	953	452	978	1,236	
6170 - EMPLOYER CONTR TO HCSP	1,454	1,949	4,468	778	4,544	4,638	
PERSONNEL SERVICES	105,363	132,739	220,309	106,900	225,174	227,973	
SUPPLIES							
6201 - OFFICE SUPPLIES	1,017	1,159	1,500	996	1,500	2,000	
6210 - OPERATING SUPPLIES	304	278	0	110	0	0	
SUPPLIES	1,322	1,437	1,500	1,107	1,500	2,000	
OTHER SERVICES AND CHARGES							
6302 - PROFESSIONAL SERVICES	14,297	3,461	1,000	972	1,000	1,000	
6331 - CONFERENCES, TRAINING, TRAVEL	1,019	1,541	800	335	800	800	
6341 - ADVERTISING	539	0	0	0	0	0	
6361 - INSURANCE	3,769	276	319	88	319	156	
6374 - ADMINISTRATION SUPPORT FEE	30,113	40,272	33,268	16,638	33,268	23,058	
6375 - OTHER CONTRACTED SERVICES	0	6,304	33,875	14,815	33,875	30,000	
6378 - COPIER MAINTENANCE AGREEMENT	1,484	1,448	1,500	734	1,500	2,000	
6381 - OTHER RENTALS	2,085	563	850	63	850	250	
6388 - TECHNOLOGY EQUIP CHARGE	1,788	1,920	1,920	960	1,920	1,920	
6390 - POSTAGE AND TELEPHONE	318	734	1,300	736	1,300	1,750	
OTHER SERVICES AND CHARGES	55,412	56,518	74,832	35,340	74,832	60,934	
MISCELLANEOUS							
6430 - MISCELLANEOUS	(0)	13	0	0	0	0	
6471 - DUES & SUBSCRIPTIONS	0	0	250	0	250	350	
MISCELLANEOUS	(0)	13	250	0	250	350	

HOUSING GENERAL							
SUMMARY OF EXPENDITURES							
Description	2019 Actual	2020 Actual	2021 Original Budget	June 2021 Actual	2021 Revised Budget	2022 Requested Budget	2022 Final Budget
TRANSFERS							
6720 - OPERATING TRANSFERS	104,423	16,182	150,000	0	150,000	150,000	
TRANSFERS	104,423	16,182	150,000	0	150,000	150,000	
TOTAL EXPENDITURES	266,519	206,889	446,891	143,347	451,756	441,257	
CHANGE 2021 REVISED TO 2022 FINAL							(10,499)
PERCENT CHANGE 2021 REVISED TO 2022 FINAL							(2.32)%

HOUSING GENERAL					
DETAIL OF EXPENDITURES					
CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2021 Revised Budget	2022 Requested Budget	2022 Final Budget
EXPENDITURES					
MATERIALS & SUPPLIES					
6201	OFFICE SUPPLIES	Water cooler, gen office supplies	1,500	2,000	
SERVICES AND OTHER CHARGES					
6302	PROFESSIONAL SERVICES	Audit 1000	1,000	1,000	
6331	CONFERENCES, TRAINING, TRAVEL	MnNAHRO Annual Conference (x1), Local and On-line Trainings	800	800	
6361	INSURANCE	Property & Liability	319	156	
6374	ADMINISTRATION SUPPORT FEE		33,268	23,058	
6375	OTHER CONTRACTED SERVICES	Property Maintenance	33,875	30,000	
6378	COPIER MAINTENANCE AGREEMENT		1,500	2,000	
6381	OTHER RENTALS	Office floor mat service	850	250	
6388	TECHNOLOGY EQUIP CHARGE	Amortization of technology equipment	1,920	1,920	
6390	POSTAGE AND TELEPHONE	Housing Program Admin. Cell Phone, Postage	1,300	1,750	
MISCELLANEOUS					
6471	DUES & SUBSCRIPTIONS	MnNAHRO Membership	250	350	
TRANSFERS					
6720	OPERATING TRANSFERS	Master Housing Strategy Implementation	150,000	150,000	



EDA Agenda Item Report

Date: September 7, 2021

EDA Executive Director: _____

6-C

Agenda Item: Authorize Application to the Livable Communities Demonstration Account – Development Grant Program, Resolution 2021 - 22

Action to be considered:

Motion to approve Resolution 2021-22 Identifying the Need for Livable Communities Demonstration Account (“LCDA”) Funding and Authorizing an Application for Grant Funds.

Overview:

The Metropolitan Council, through its Livable Communities Program, administers Livable Communities Demonstration Account (LCDA) funding to assist cities with the implementation of their community livability goals (such as employment, attainable housing, linking jobs with housing, and more). This year there is \$9 million in funding available. No local match is required. Eligible applicants include cities, counties, port authorities, housing and redevelopment authorities, and economic development authorities. A City may apply for grants to support up to three different projects.

Development grants are intended for applicants that have a development or redevelopment project ready to get underway and begin construction within the 36-month grant period. Grant-funded activities may include stormwater management, public realm improvements, renewable energy systems, site acquisition, and site preparation. Staff is applying for grant funding for activities associated with a proposed 4-acre redevelopment located at the south side of Grand Avenue, adjacent to “The Drover”. The existing parking lots, currently utilized by residents and visitors of “the Drover” would be redeveloped with an approximately 170-unit market-rate and workforce apartment building with structured and surface parking, swimming pool, community rooftop amenities, and more.

Staff is requesting LCDA funding to help with certain costs associated with the proposed development. The developer’s anticipated Total Development Cost is in excess of \$36,000,000 for the project, with a stabilized value (in Year 4) of approximately \$31.6 Million. Project elements for which the project is seeking LCDA assistance include the following:

- Stormwater management (infiltration/storage tanks, rain gardens, and permeable pavement)
- Engineering fees for stormwater management
- Site Preparation including demolition of the existing pavements, grading, and soil corrections.
- Construction of underground parking, which will include shared/public parking

Funding Sources and other fiscal considerations:

LCDA is a grant program that assists with redevelopment projects meeting the Met Council’s Livable Communities goals. The EDA’s intention in applying for LCDA is to close a financing gap in the Vaquero project’s feasibility and reduce the necessity for direct public assistance via Tax Increment Financing and land write-down.

Attachments:

Resolution 2021-22

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2021-22

**RESOLUTION IDENTIFYING THE NEED FOR LIVABLE COMMUNITIES
DEMONSTRATION ACCOUNT ("LCDA") FUNDING AND AUTHORIZING AN
APPLICATION FOR GRANT FUNDS**

WHEREAS the City of South St. Paul is a participant in the Metropolitan Livable Communities Act ("LCA") Local Housing Incentives Program for 2021 as determined by the Metropolitan Council, and is therefore eligible to apply for LCA Livable Communities Demonstration Account funds; and

WHEREAS the City has identified a proposed project within the City that meets LCDA purposes and criteria and is consistent with and promotes the purposes of the Metropolitan Livable Communities Act and the policies of the Metropolitan Council's adopted metropolitan development guide; and

WHEREAS the City has the institutional, managerial and financial capability to adequately manage an LCDA grant; and

WHEREAS the City certifies that it will comply with all applicable laws and regulations as stated in the grant agreement; and

WHEREAS the City acknowledges LCDA grants are intended to fund projects or project components that can serve as models, examples or prototypes for LCDA development or redevelopment elsewhere in the Region, and therefore represents that the proposed project or key components of the proposed project can be replicated in other metropolitan-area communities; and

WHEREAS only a limited amount of grant funding is available through the Metropolitan Council's Livable Communities LCDA initiative during each funding cycle and the Metropolitan Council has determined it is appropriate to allocate those scarce grant funds only to eligible projects that would not occur without the availability of LCDA grant funding.

NOW THEREFORE BE IT RESOLVED, the City Council of South St. Paul:

1. Finds that it is in the best interests of the City's development goals and priorities for the proposed project or projects to occur at these particular sites and at this particular time.
2. Finds that the project components for which Livable Communities Demonstration Account funding is sought will not occur solely through private or other public investment within the reasonably foreseeable future; and will occur within three years after a grant award only if Livable Communities Demonstration Account funding is made available for this project at this time.
3. Represents that the City has undertaken reasonable and good faith efforts to procure funding for the project components for which Livable Communities Demonstration Account funding is sought but was not able to find or secure from other sources funding that is necessary for project component completion within three years and states that this representation is based on the following reasons and supporting facts:

- a. The City anticipates utilizing Tax Increment Financing (TIF) in accordance with local policy and state statute to help offset certain project costs, including land write-down and infrastructure costs. Thus, there is not capacity for TIF to assume the entire cost of the project elements defined in the LCDA application.
 - b. The City anticipates applying for Redevelopment Incentive Grant funding through the Dakota County CDA (RIG) to further offset development costs at the property, and developer match funds will need to be a component of these project costs. Without LCDA assistance, the project as envisioned is not financially feasible.
4. Authorizes Staff to submit on behalf of the City an application or applications for Metropolitan Council Livable Communities Demonstration Account grant funds for the project component(s) identified in the application(s), and to execute such agreements as may be necessary to implement the project(s) on behalf of the EDA.

Project Name	Amount Requested
Master Properties/DRS Investment - "Drover Phase II"	\$750,000.00

Adopted this 7th day of September, 2021.

President, James P. Francis

Executive Director, Ryan Garcia