

City of South St. Paul

Economic Development Authority Agenda

Monday, February 5, 2024

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 January 2, 2024

B. Approving Amendment #4 to Development Agreement – Watson Trading, LLC

5. GENERAL BUSINESS:

A. Review of Bid Results and Consider Action to Approve Low Bid – 139 Grand Avenue East Demolition

B. Establishing a Housing Reinvestment Fund

C. Approving Fund Transfers and Closure of Certain EDA-Controlled Funds

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
January 2, 2024

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

1. CALL TO ORDER

The Regular Meeting of the South St. Paul Economic Development Authority was held on January 2, 2024, in the Council Chambers of City Hall, 125 3rd Avenue North, South St. Paul. President Francis called the meeting to order at PM.

2. ROLL CALL

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

Members Absent: Commissioner Hansen

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

3. AGENDA

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

Vote: 7 ayes / 0 nays, motion carried.

4. CONSENT

A. EDA Meeting Minutes of December 4, 2023

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

Vote: 6 ayes / 0 nays, motion carried.

5. GENERAL BUSINESS:

A. Election of Officers

Nomination of Vice President: Commissioner Seaberg, by
Kaliszewski/Podgorski
Vote: 6 ayes / 0 nays, motion carried.

Nomination of Assistant Treasurer: Clara Hilger, by Seaberg/Bakken
Vote: 6 ayes / 0 nays, motion carried.

Nomination of Secretary: Deanna Werner, by Thompson/Seaberg
Vote: 6 ayes / 0 nays, motion carried.

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

Motion/Second: Commissioner Seaberg moved, and Commissioner Bakken
seconded approval of Addendum #1, Promissory Note (Watson Trading,
LLC).

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 Kaliszewski moved, and Commissioner Podgorski
seconded the motion to adjourn the meeting at 8:05 PM.

Vote: 6 ayes / 0 nays, motion carried.

The meeting was adjourned at 8:10 PM.

Approved:

Deanna Werner, EDA Secretary



EDA Agenda Item Report

Date: February 5, 2024

EDA Executive Director: _____

4-B

Agenda Item: Approval of Amendment #4 to Development Agreement with Watson Trading, LLC (500 Block Concord Exchange South)

Action to be considered:

Through Consent, motion to approve the Fourth Amendment to Development Agreement with Watson Trading, LLC.

Summary:

On July 5, 2022 the EDA approved a Purchase and Development Agreement with Watson Trading, LLC for the construction of a 7,500 square foot commercial building at the EDA-owned property on the west side of Concord Exchange South, immediately south of Stockyards Tavern & Chophouse, which was amended three times as the developer worked on putting together a financing package for the project. The EDA and Developer closed on the property in March 2023, and financing was closed in October 2023, which meant that realistically construction could not begin until Spring 2024. The Agreement as amended obligated the Developer to commence construction by August 31, 2023 and complete construction no later than August 31, 2024. Obviously, the commencement deadline as found in the Development Agreement has passed; this was an oversight last summer. However, as the developer has recently submitted a building permit for spring construction, Staff was reminded to revisit the completion date which imposes at this point a pretty tight timeline for construction.

Staff proposes utilizing the attached Amendment #4 to the Development Agreement to institute new commencement and completion dates of April 15, 2024 and January 15, 2025, respectively, for the project.

Funding Sources and other fiscal considerations:

The property was property tax exempt for a number of years prior to the developer's acquisition. The proposed development should be expected to generate a total market value for taxable purposes of between \$1,000,000 and \$1,500,000, which would result in a total annual property tax bill (in 2024 figures) of between \$30,000 and \$45,000.

ATTACHMENTS:

Orientation Map

Amendment #4 to Development Agreement

Property/Orientation Map



FOURTH AMENDMENT TO DEVELOPMENT AGREEMENT

THIS FOURTH AMENDMENT TO DEVELOPMENT AGREEMENT (this “Fourth Amendment”) is entered into as of February 5, 2024 (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 Watson Trading LLC, a Minnesota limited liability company (“Developer”).

RECITALS

Recital No. 1. EDA and Developer entered into a Contract for Private Development dated July 5, 2022 and recorded as Document No. 872414 on April 12, 2023 in the Dakota County Registrar of Titles’ Office and as Document No. 3584081 on April 19, 2023 in the Dakota County Recorder’s Office, as amended by that certain First Amendment to Development Agreement dated September 6, 2022 and recorded as Document No. 872604 on April 21, 2023 in the Dakota County Registrar of Titles’ Office and as Document No. 3585115 on April 27, 2023 in the Dakota County Recorder’s Office, as further amended by that certain Second Amendment to Development Agreement dated December 5, 2022 and recorded as Document No. 872793 on May 1, 2023 in the Dakota County Registrar of Titles’ Office and as Document No. 3585867 on May 3, 2023 in the Dakota County Recorder’s Office, and as further amended by that certain Third Amendment to Development Agreement dated March 2, 2023 and recorded as Document No. 873068 on May 9, 2023 in the Dakota County Registrar of Titles’ Office and as Document No. 3586879 on May 11, 2023 in the Dakota County Recorder’s Office (collectively “Development Agreement”) for the purchase and sale of the Property identified in the Development Agreement.

Recital No. 2. Developer has requested the Development Agreement be amended to extend the dates for commencing and completing construction.

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

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

1. The entire Development Agreement is hereby incorporated into this Fourth Amendment, except as modified below.
2. Section 10.6 of the Development Agreement shall be removed and replaced in its entirety as follows:

10.6 Commencement and Completion of Construction. Subject to Unavoidable Delays, Developer shall commence construction of the Minimum Improvements no later than April 15, 2024. “Commence Construction” shall mean the start of site grading and installation of utilities. Subject to Unavoidable Delays, Developer shall have substantially completed the construction of the Minimum Improvements no later than January 15, 2025. All work with respect to the Minimum Improvements to be constructed or provided by Developer on the Property shall be in substantial conformity with the Construction Plans and Developer will not modify the size or exterior appearance of the Minimum Improvements without the consent of the EDA and the City, which consent shall not be unreasonably withheld.
3. Except as provided above, the terms and provisions of the Development Agreement shall remain in full force and effect.
4. This Fourth Amendment and all disputes or controversies arising out of or relating to this Fourth 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 Fourth 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 Fourth Amendment shall not be amended, modified or supplemented, except by a written instrument signed by an authorized representative of each party.

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EDA Agenda Item Report

Date: February 5, 2024

EDA Executive Director: fg

Agenda Item: Review of Bid Results and Consider Action to Approve Low Bid – 139 Grand Avenue East Demolition

Action to be considered:

Motion to accept the low bid for the Demolition of 139 Grand Avenue East and award contract to Fitzgerald Excavating & Trucking, Inc.

Overview:

An advertisement for bids to demolish an existing vacant commercial building owned by the EDA at 139 Grand Avenue East was published in early January, and we received seven qualified bids. Bids were opened publicly at the City Engineer’s office on Wednesday, January 10, 2024 at 2:00 p.m. and the low bid of \$80,000 was received from Fitzgerald Excavating & Trucking, Inc.

The following table summarizes the bidders and their bid price:

Company Name	Bid Price (Lump Sum)
Fitzgerald Excavating & Trucking, Inc.	\$80,000.00
Veit & Company, Inc.	\$102,664.00
Frattalone Companies	\$107,722.00
Taylor West LLC	\$108,458.00
Winberg Companies LLC	\$114,205.00
H&T Trucking, LLC	\$118,400.00
Kevitt Excavating	\$129,600.00
Urban Companies	\$147,000.00
Landwehr Construction, Inc.	\$194,909.00
JM Hauling LLC	\$220,386.00
Quad E Companies, Inc.	\$331,100.00

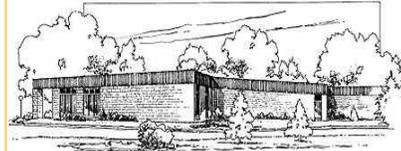
Engineer’s Opinion of Cost \$200,000

The project will involve the demolition of the approximately 12,800 square foot concrete block building and several outbuildings, including removal of all footings and foundations and paved surfaces within the general area of the building footprints. The property was developed in the mid-1970s and was most recently home to Twin City Pallet Company until their relocation in 2023. A building condition assessment by LHB Architects in 2021 (attached) identified several conditions to justify a finding of “blight” and to demonstrate that renovation of the buildings would be cost-prohibitive. Staff’s recommendation is to proceed with demolition as planned this spring, to better prepare the Hardman Triangle for redevelopment in the future.

Funding Sources and other fiscal considerations:

The property is located in the Concord Street TIF District and demolition is an eligible public expenditure in this redevelopment district. The demolition project will be fully funded by available retained increment in the Concord Street TIF Fund.

Estimate Name:	139 Grand Ave E
Building Type:	Factory, 1 Story with Concrete Block / Bearing Walls
Location:	SOUTH SAINT PAUL, MN
Story Count:	1
Story Height (L.F.):	20.00
Floor Area (S.F.):	12800
Labor Type:	OPN
Basement Included:	No
Data Release:	Year 2021 Quarter 1
Cost Per Square Foot:	\$131.50
Building Cost:	\$1,683,212.47



Costs are derived from a building model with basic components.
Scope differences and market conditions can cause costs to vary significantly.

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		12.56%	\$14.37	\$183,901.36
A1010	Standard Foundations			\$5.98	\$76,535.98
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	547.2		\$3.75	\$48,021.45
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	547.2		\$1.91	\$24,488.02
A10102107200	Spread footings, 3000 PSI concrete, load 50K, soil bearing capacity 6 KSF, 3' - 0" square x 12" deep	2.56		\$0.04	\$521.65
A10102107410	Spread footings, 3000 PSI concrete, load 100K, soil bearing capacity 6 KSF, 4' - 6" square x 15" deep	7.68		\$0.27	\$3,504.86
A1030	Slab on Grade			\$8.19	\$104,852.10
A10301203400	Slab on grade, 5" thick, light industrial, reinforced	12800		\$8.19	\$104,852.10
A2010	Basement Excavation			\$0.20	\$2,513.28
A20101105740	Excavate and fill, 30,000 SF, 4' deep, sand, gravel, or common earth, on site storage	12800		\$0.20	\$2,513.28
B	Shell		25.49%	\$29.15	\$373,119.81
B1020	Roof Construction			\$9.28	\$118,791.94
B10201204100	Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns/bearing wall, 40'x40' bay, 40 PSF superimposed load, 40.5" deep. 61 PSF total load	12800		\$8.90	\$113,911.04
B10201204150	Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns/bearing wall, 40'x40' bay, 40 PSF superimposed load, 40.5" deep. 61 PSF total load. add for column	12800		\$0.38	\$4,880.90
B2010	Exterior Walls			\$5.43	\$69,528.05
B20101103250	Concrete block (CMU) wall, lightweight, hollow, 4 x 8 x 16, 85 PCF	6840		\$5.43	\$69,528.05
B2020	Exterior Windows			\$4.89	\$62,560.14
B20201066900	Windows, aluminum, sliding, insulated glass, 8' x 4'	71.25		\$4.89	\$62,560.14
B2030	Exterior Doors			\$1.66	\$21,200.57
B20301106950	Door, aluminum & glass, with transom, narrow stile, double door, hardware, 6'-0" x 10'-0" opening	0.43		\$0.25	\$3,155.39
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	4.27		\$0.93	\$11,905.00
B20302204600	Door, steel 24 gauge, overhead, sectional, electric operator, 10'-0" x 10'-0" opening	1.71		\$0.48	\$6,140.18
B3010	Roof Coverings			\$7.25	\$92,818.87
B30101051400	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped	12800		\$3.51	\$44,892.54
B30103203090	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite	12800		\$2.03	\$25,949.95
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	456		\$1.06	\$13,585.02
B30104300040	Flashing, aluminum, no backing sides, .019"	456		\$0.21	\$2,653.76
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	456		\$0.45	\$5,737.60
B3020	Roof Openings			\$0.64	\$8,220.24
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel. 165 lbs	2		\$0.21	\$2,688.60
B30202102100	Smoke hatch, unlabeled, galvanized, 2'-6" x 3', not incl hand winch operator	3.41		\$0.43	\$5,531.64
C	Interiors		7.61%	\$8.71	\$111,443.20
C1010	Partitions			\$2.00	\$25,615.97
C10101021300	Partition, concrete block, 6" thick	2560		\$2.00	\$25,615.97
C1020	Interior Doors			\$2.06	\$26,340.59

C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	21.33		\$2.06	\$26,340.59
C1030	Fittings			\$0.84	\$10,757.57
C10301100460	Toilet partitions, cubicles, ceiling hung, stainless steel	8.53		\$0.84	\$10,757.57
C3010	Wall Finishes			\$2.71	\$34,741.87
C30102202000	2 coats paint on masonry with block filler	6840		\$1.91	\$24,509.91
C30102300320	Painting, masonry or concrete, latex, brushwork, primer & 2 coats	5120		\$0.80	\$10,231.96
C3020	Floor Finishes			\$0.31	\$3,971.11
C30204101600	Vinyl, composition tile, maximum	1280		\$0.31	\$3,971.11
C3030	Ceiling Finishes			\$0.78	\$10,016.09
C30302107400	Acoustic ceilings, 3/4" mineral fiber, 12" x 12" tile, concealed 2" bar & channel grid, suspended support	1280		\$0.78	\$10,016.09
D	Services		54.33%	\$62.12	\$795,198.65
D1010	Elevators and Lifts			\$5.85	\$74,827.20
D10101102200	Hydraulic, passenger elevator, 3000 lb, 2 floors, 100 FPM	1		\$5.85	\$74,827.20
D2010	Plumbing Fixtures			\$5.84	\$74,724.09
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung	8.45		\$2.38	\$30,406.68
D20102102000	Urinal, vitreous china, wall hung	1.41		\$0.16	\$2,023.01
D20103101600	Lavatory w/trim, vanity top, PE on CI, 19" x 16" oval	19.71		\$2.09	\$26,775.80
D20104101960	Kitchen sink w/trim, countertop, stainless steel, 33" x 22" double bowl	0.72		\$0.13	\$1,721.29
D20104404300	Service sink w/trim, PE on CI, wall hung w/rim guard, 22" x 18"	0.72		\$0.26	\$3,375.35
D20107101680	Shower, stall, baked enamel, terrazzo receptor, 36" square	1.41		\$0.36	\$4,555.51
D20107101840	Shower, stall, fiberglass 1 piece, three walls, 36" square	1.41		\$0.19	\$2,426.03
D20108202080	Water cooler, electric, floor mounted, dual height, 14.3 GPH	1.41		\$0.27	\$3,440.42
D2020	Domestic Water Distribution			\$1.74	\$22,327.22
D20202501900	Gas fired water heater, commercial, 100< F rise, 115 MBH input, 110 GPH	1.69		\$1.74	\$22,327.22
D2040	Rain Water Drainage			\$2.56	\$32,807.07
D20402104280	Roof drain, CI, soil, single hub, 5" diam, 10' high	8.45		\$1.80	\$22,988.61
D20402104320	Roof drain, CI, soil, single hub, 5" diam, for each additional foot add	175		\$0.77	\$9,818.46
D3010	Energy Supply			\$10.36	\$132,546.16
D30105301920	Commercial building heating systems, terminal unit heaters, forced hot water, 10,000 SF bldg, 100,000 CF, total, 2 floors	14080		\$10.36	\$132,546.16
D3030	Cooling Generating Systems			\$11.49	\$147,025.19
D30301102800	Packaged chiller, air cooled, with fan coil unit, factories, 40,000 SF, 133.33 ton	14080		\$11.49	\$147,025.19
D4010	Sprinklers			\$4.47	\$57,182.08
D40104101100	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 50,000 SF	12800		\$4.47	\$57,182.08
D4020	Standpipes			\$0.72	\$9,210.80
D40203101580	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, 1 floor	0.43		\$0.57	\$7,329.76
D40203101600	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, additional floors	0.43		\$0.15	\$1,881.04
D5010	Electrical Service/Distribution			\$2.77	\$35,434.63
D50101200360	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 600 A	1		\$0.79	\$10,105.45
D50102300360	Feeder installation 600 V, including RGS conduit and XHHW wire, 600 A	50		\$0.64	\$8,170.68
D50102400240	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 600 A	1		\$1.34	\$17,158.50
D5020	Lighting and Branch Wiring			\$14.73	\$188,517.96
D50201100200	Receptacles incl plate, box, conduit, wire, 2.5 per 1000 SF, .3 watts per SF	12800		\$2.06	\$26,383.87
D50201350280	Miscellaneous power, 1 watt	12800		\$0.32	\$4,137.73
D50201400280	Central air conditioning power, 4 watts	12800		\$0.73	\$9,298.18
D50202281640	HID fixture, 20' above work plane, 100 FC, type G, 6 fixtures per 1800 SF	14080		\$11.62	\$148,698.18
D5030	Communications and Security			\$1.61	\$20,596.25
D50309100454	Communication and alarm systems, fire detection, addressable, 50 detectors, includes outlets, boxes, conduit and wire	0.34		\$1.16	\$14,903.91

D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit	0.43		\$0.44	\$5,692.34
E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00
SubTotal			100%	\$114.35	\$1,463,663.02
Contractor Fees (General Conditions,Overhead,Profit)			15.0 %	\$17.15	\$219,549.45
Architectural Fees			0.0 %	\$0.00	\$0.00
User Fees			0.0 %	\$0.00	\$0.00
Total Building Cost				\$131.50	\$1,683,212.47

Code Deficiency Cost Report

Parcel C - 139 Grand Ave East, South St Paul, Minnesota 55075
 Parcel ID 36-03800-00-072

Twin City Pallet Company

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Parking				
	Install accessible parking per code	\$ 100.00	EA	1	\$ 100.00
	Accessible Route				
	Create accessible route into the building	\$ 500.00	Lump	1	\$ 500.00
	Create accessible route to all levels of the building	\$ 5.85	SF	12,800	\$ 74,880.00
	Restrooms				
	Modify restrooms to comply with code	\$ 3.22	SF	12,800	\$ 41,216.00
	Drinking Fountain				
	Install code required drinking fountain	\$ 0.27	SF	12,800	\$ 3,456.00
Structural Elements					
	Wooden Columns				
	Install wooden columns supporting elevated offices per code	\$ 12,000.00	Lump	1	\$ 12,000.00
	Wooden Beams				
	Install wooden eams supporting elevated offices per code	\$ 5,000.00	Lump	1	\$ 5,000.00
	Steel Lintels				
	Protect steel lintels from rusting per code	\$ 800.00	Lump	1	\$ 800.00
Exiting					
	Door Hardware				
	Install code compliant door hardware	\$ 250.00	EA	12	\$ 3,000.00
	Thresholds				
	Modify thresholds to comply with code for maximum height	\$ 1,000.00	Lump	1	\$ 1,000.00
	Stairway				
	Modify stairway to comply with code	\$ 0.75	SF	12,800	\$ 9,600.00
Fire Protection					
	Smoke Detector System				
	Install code required smoke detector system	\$ 1.16	SF	12,800	\$ 14,848.00
	Emergency Lighting System				
	Install a code required emergency lighting system	\$ 0.98	SF	12,800	\$ 12,544.00
	Emergency Notification System				
	Install code required emergency notification system	\$ 0.44	SF	12,800	\$ 5,632.00
	Building Sprinkler System				
	Install code required building sprinkler system	\$ 5.19	SF	12,800	\$ 66,432.00
	Fire Caulking				
	Install code required fire caulking in wall and floor penetrations	\$ 500.00	Lump	1	\$ 500.00

Exterior Construction

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Wood Siding				
	Repair/replace rotting/damaged wood siding to prevent water intrusion per code	\$ 5,000.00	Lump	1	\$ 5,000.00
	Windows				
	Replace failed windows to prevent water intrusion per code	\$ 4.89	SF	12,800	\$ 62,592.00
Roof Construction					
	Roofing Material				
	Remove failed roofing material	\$ 0.25	SF	12,800	\$ 3,200.00
	Install roofing material to prevent water intrusion per code	\$ 7.89	SF	12,800	\$ 100,992.00
Mechanical- Electrical					
	Mechanical				
	Install code compliant HVAC system	\$ 10.36	SF	12,800	\$ 132,608.00
	Electrical				
	Protect electrical transformer per code	\$ 500.00	Lump	1	\$ 500.00
	Install a code compliant lighting system	\$ 11.62	SF	12,800	\$ 148,736.00
	Install code compliant electrical wiring	\$ 2.06	SF	12,800	\$ 26,368.00
Total Code Improvements					\$ 731,504

Energy Code

South St. Paul Hardman Triangle Redevelopment TIF District - Parcel C Photos



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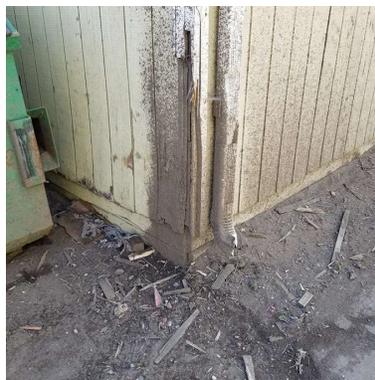
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South St. Paul Hardman Triangle Redevelopment TIF District - Parcel C Photos



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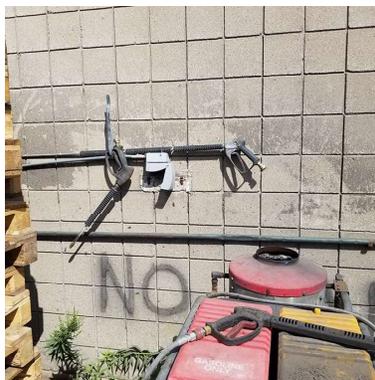
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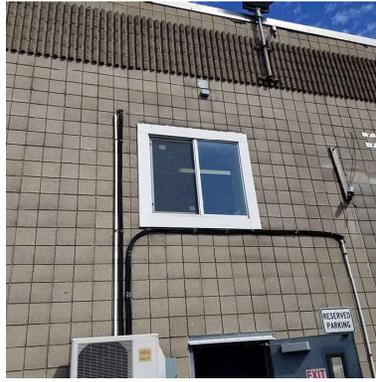


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South St. Paul Hardman Triangle Redevelopment TIF District - Parcel C Photos



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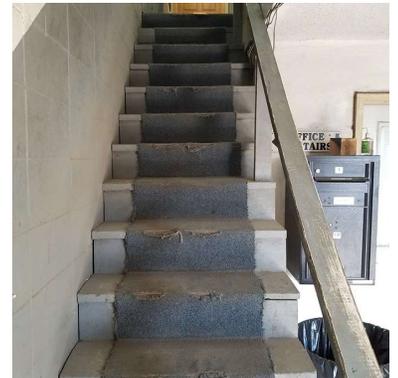
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South St. Paul Hardman Triangle Redevelopment TIF District - Parcel C Photos



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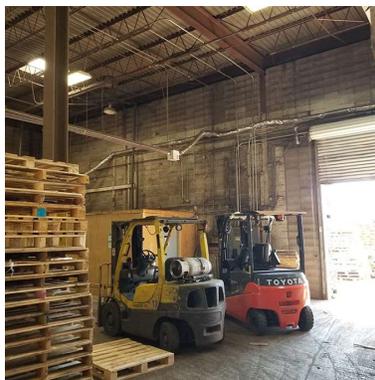
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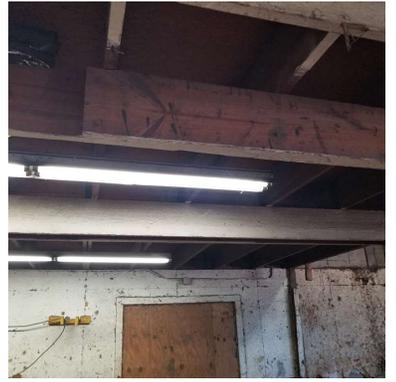
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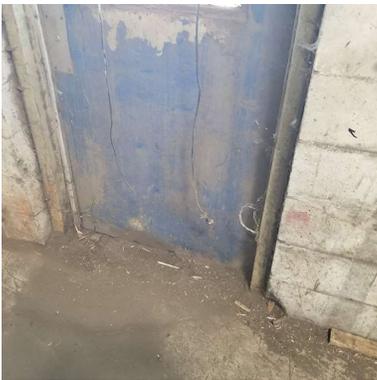
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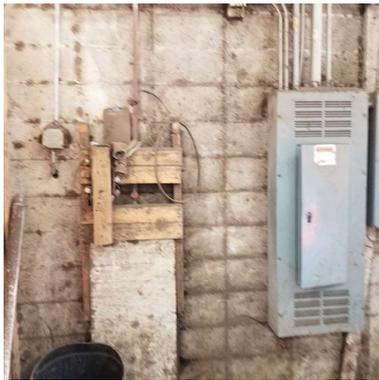


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South St. Paul Hardman Triangle Redevelopment TIF District - Parcel C Photos



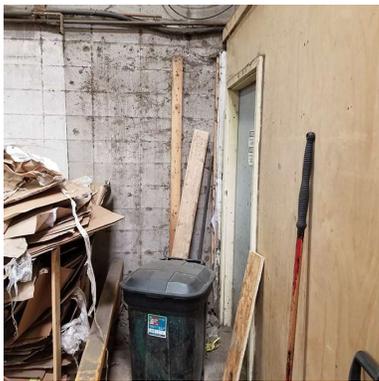
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EDA Agenda Item Report

Date: February 5, 2024

EDA Executive Director: _____

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5-B

Agenda Item: Establishing a Housing Reinvestment Fund

Action to be considered:

Motion to approve Resolution 2024-5

Overview:

Since adopting the Master Housing Strategy and Assessment (MHSA) in 2020, the City has been studying and evaluating ways to address the short-, medium-, and long-term programs listed in the MHSA. During the goal setting session in 2022, the City Council identified revisiting and prioritizing the program and policies in the Master Housing Strategy as a priority, and in early 2023 the City Council discussed and generated consensus around several key themes that should guide implementation efforts:

- **Preserve** the City's existing housing stock, including multi-unit housing.
- **Encourage Owner-Occupancy**, particularly in predominately single-family residential neighborhoods that have had high turnover or seen disinvestment and an increase in non-homesteaded properties.
- **Support generational residents** seeking to remain in SSP but willing/wishing to transition to a housing option with fewer maintenance requirements, accessibility barriers, etc.

The EDA (by virtue of its assumption of the programs of the HRA in 2015) has administered two relatively robust funds (Fund 20293 and 20294) that historically were administered as Home Rehabilitation Loan Programs but currently have no defined programmatic or policy purpose. While administration of the Home Rehab Loan Program was shifted to Dakota County CDA and they continue to offer this program in SSP for low- to moderate- income households, the City Council identified a need to expand the resources available for a broader swath of households in South St. Paul that wish to reinvest in their homes, including seniors on fixed incomes and new working families. Staff and the Council discussed an outline for potential low-interest loan programs to facilitate reinvestment in the City's stable but aging housing stock, and resolved that the establishment of a locally-focused housing improvement loan fund would be a meaningful way to implement the MHSA.

Resolution 2024 – 5 memorializes the consensus reached by the EDA in late 2023 to establish a more inclusive renovation and rehabilitation loan program within South St. Paul to complement and supplement the offerings already available through the CDA and Minnesota Housing Finance Agency (MHFA).

Funding Sources and other fiscal considerations:

A new Housing Reinvestment Fund – Fund 20298 – is established to administer the program. The program is viewed as a “pilot” program using the fund balance and future loan and interest proceeds from existing Funds 20293 and 20294 with no additional levy support committed at this time, although future Boards/Council may consider levy support for the program. It should also be noted that beginning in 2024, the City will begin to receive State Housing Aid (estimated at over \$200,000) which can also potentially be used to support this program's costs for a more targeted/narrow range of borrowers (up to

115% AMI for owner-occupied housing, up to 80% AMI for rental housing). Staff anticipates revisiting this topic in particular after further guidance from MHFA is provided in Spring/Summer 2024.

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2024-5

**RESOLUTION AUTHORIZING THE ESTABLISHMENT AND ADMINISTRATION OF
A HOUSING REINVESTMENT FUND**

WHEREAS, the Housing and Redevelopment Authority in and for the city of South St. Paul, Minnesota (the “HRA”) was created by Resolution of the City Council on May 4, 1964 for the purpose of, among other things, carrying out those actions necessary to mitigate conditions inflicting blight on the economic value of certain areas within the city and impairing the value of private investments thus threatening the source of public revenues; and

WHEREAS, the HRA historically managed Funds 20293 and 20294, separate funds used to support the extension of rehabilitation loan financing to low- and moderate income households owing a single-family home in South St. Paul (the “Rehab Loan Program”); and

WHEREAS, on March 16, 2015, the City established the South St. Paul Economic Development Authority (the “EDA”) and conferred upon it all statutory powers of a housing and redevelopment authority and of an economic development authority; and

WHEREAS, on December 21, 2015, the City transferred all programs, projects, funds and employees of the HRA, including the TIF District, to the EDA; and

WHEREAS, on December 21, 2015, the EDA accepted the transfer from the HRA, effective January 1, 2016; and

WHEREAS, on December 22, 2015, the HRA acknowledged, agreed and accepted the transfer to the EDA; and

WHEREAS, on April 10, 2017, the EDA adopted Resolution 2017 – 6, transferring the administration of the Rehab Loan Program to the Dakota County Community Development Agency and ceasing the support and operation of such program at the local level; and

WHEREAS, the South St. Paul City Council adopted a Master Housing Strategy in June 2020 to identify specific programs and policies to support a stable and diverse range of housing opportunities in South St. Paul (the “MHS”); and

WHEREAS, among other things, the MHS identified an opportunity to provide low-interest financing to residential property owners within the City to reinvest in their property.

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

1. The EDA hereby authorizes the creation of the Housing Reinvestment Fund to provide funding to residential property owners in the City and meet the Goals and Objectives of the City's Master Housing Strategy and Comprehensive Plan.
2. The EDA desires and resolves to capitalize the Housing Reinvestment Fund through a transfer of current fund balance and future loan proceeds from Funds 20293 and 20294.
3. The EDA hereby authorizes its Executive Director to administer the program in accordance with the Program Guidelines, attached as Exhibit A, which may be modified from time to time by action of the EDA.

Adopted this 6th day of February, 2024.

President, James P. Francis

Executive Director, Ryan Garcia

EXHIBIT A

PROGRAM GUIDELINES

This document includes guidelines for the
South St Paul Loan Programs

SOUTH ST PAUL LOAN PROGRAM GUIDELINES

The South St. Paul Economic Development Authority is making funds available for homeowners to make improvements to their properties. Center for Energy and Environment shall serve as the administrator for the South St. Paul Loan Programs and will secure the most beneficial financing based on the borrower's needs independent of the funding source.

Home Improvement Loan

Interest Rate: 3.875% fixed

Amortization Type: Amortizing (Monthly Payments Required)

Loan Amount: Up to \$25,000

Total Project Cost: The borrower must have sufficient funds necessary to cover the cost of the entire project (as outlined in the bid(s)).

Loan term: Up to 15 years. The loan is 100% due when the borrower sells, transfers ownership, cash-out refinances or no longer occupies the property as the borrower's primary residence.

Eligible Properties: 1-4 unit owner-occupied properties located within the geographical boundaries of the City of South St. Paul. Townhomes and Condominiums are eligible.

Ineligible Properties: Dwellings that are more than 4 units, cooperatives, properties held in a Trust and properties used for commercial purposes.

Eligible Borrowers: All borrowers must be legal residents of the United States.

Ineligible Borrowers: Including but not limited to: - Foreign Nationals, Non-Occupant Co-Borrowers, business entities and Properties held in the name of a Trust.

Ownership/Occupancy: Owner-occupied only.

Loan - to - Value Ratio: The ratio of all loans secured by the property, including the new loan, should not exceed 110% of the property value. Half of the improvement value may be added to the initial property value.

Income Limit: 120% AMI based on family size. Income shall be determined by the adjusted gross income from the most recent Federal Tax Return. If a tax return is not required to be filed by the borrower(s) the income will be based on projected income for the next 12 months.

Debt - to - Income Ratio: 50%

Credit Requirements: 1) All mortgage payments must be current and reflect no 30 day late payments history in the past 12 month period (without reasonable explanation) 2) All real estate taxes must be current. 3) No outstanding judgements or collections. 4) Chapter 7 Bankruptcy must have been discharged for at least 18 months prior to loan closing. Chapter 13 Bankruptcy does not need to be discharged, but needs to have no late payments and approval by the Trustee. 5) The redemption period on prior foreclosures must have occurred at least 18 months prior to the loan application date. 6) Generally, no more than two 60-day late payments on credit report (without reasonable explanation) 7) No defaulted government loans.

Multiple Loans per Property: More than one loan per property is allowed, however, the outstanding balance(s) cannot exceed \$25,000.

Eligible Use of Funds: Most permanent exterior or interior projects, including but not limited to roofing, siding, windows/doors, insulation, solar, HVAC, electrical, plumbing, garage repair-replacement or new construction, interior remodeling, driveways, sidewalks/steps, painting, fences and permanent landscaping.

Contractors must be properly licensed, and permits must be obtained when required.
Assessments from an Association are NOT eligible.

Ineligible Use of Funds: Payment for work initiated prior to the loan being approved and closed, unless due to emergency. Recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas, whirlpools, etc.), furniture, non-permanent appliances, and funds for working capital, debt service, homeowner labor or refinancing existing debts are NOT allowed. CEE will refer to the City of South St. Paul whenever eligibility of a project is questionable.

Bids: A minimum of 1 bid is required, however two bids are encouraged. All contractors must be properly licensed.

Sweat Equity / Homeowner Labor: Work may be performed by property owners on a “sweat equity” basis. Loan funds may be used only for the purchase of materials, including rental of tools and equipment. Loan funds cannot be used to compensate for labor.

Remodeling Advisor Visit (RAV)/Property Inspection(PI): The Remodeling Advisor Visit provides rehabilitation and/or remodeling advice and to determine eligible improvements. The intent is to help residents improve their property by providing technical assistance before and during the bidding and construction process. All residents are eligible for this service regardless if applying for the South St. Paul Loan Program or not.

Post Installation Inspection: Permits must be obtained and signed off by a City inspector where required; when not required, a post installation inspection will be performed by CEE to ensure the work has been completed before any funds will be released.

Loan Security: All loans will be secured with a mortgage in favor of the the South St. Paul Economic Development Authority. Borrower will pay all applicable title and filing fees, which may be financed in the loan amount.

Borrower Fees: Borrower will be responsible for a 1% origination Fee, Document Preparation Fee, mortgage filing and service fees, flood certificate and credit report fees all which may be financed in the loan amount.

Underwriting Decision: Applicants must have acceptable credit history. CEE will approve or deny loans based on a credit report, income verification and other criteria as deemed necessary through CEE's underwriting guidelines. CEE's decision shall be final. Appeals can be made to the South St. Paul Economic Development Authority.

Work Completion: All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize exceptions on a case by case basis.

Multi-Family Home Improvement Loan

Interest Rate: 6.5% fixed

Amortization Type: Amortizing (Monthly Payments Required)

Loan Amount: Up to \$50,000

Total Project Cost: The borrower must have sufficient funds necessary to cover the cost of the entire project (as outlined in the bid(s)).

Loan term: Up to 15 years.

Eligible Properties: 2-16 non-owner-occupied properties located within the geographical boundaries of the City of South St. Paul. Townhomes and Condominiums are eligible.

Ineligible Properties: Single Family and properties that are more than 16 units, cooperatives, properties held in a Trust and properties used for commercial purposes.

Eligible Borrowers: All borrowers must be legal residents of the United States or a business registered with the MN Secretary of State. Business must have been in business for at least 2 years and have a positive cash flow on the most recent Federal Tax Return.

Ineligible Borrowers: Including but not limited to: - Foreign Nationals, Non-Occupant Co-Borrowers and Properties held in the name of a Trust. Tenants or renters are not eligible.

Ownership/Occupancy: Owner-occupied only.

Loan - to - Value Ratio: The ratio of all loans secured by the property, including the new loan, should not exceed 110% of the property value. Half of the improvement value may be added to the initial property value.

Income Limit: 120% AMI based on family size. Income shall be determined by the adjusted gross income from the most recent Federal Tax Return. If a tax return is not required to be filed by the borrower(s) the income will be based on projected income for the next 12 months. There is no income limit if the borrower is a business.

Debt - to - Income Ratio: 50% for properties owned by a individual. If property is owned by a business the business must show a positive cash flow on the most recent Federal Tax Return.

Credit Requirements: 1) All mortgage payments must be current and reflect no 30 day late payments history in the past 12 month period (without reasonable explanation) 2) All real estate taxes must be current. 3) No outstanding judgements or collections. 4) Chapter 7 Bankruptcy must have been discharged for at least 18 months prior to loan closing. Chapter 13 Bankruptcy does not need to be discharged, but needs to have no late payments and approval by the Trustee. 5) The redemption period on prior foreclosures must have occurred at least 18 months prior to the loan application date. 6) Generally, no more than two 60-day late payments on credit report (without reasonable explanation) 7) No defaulted government loans.

Multiple Loans per Property: More than one loan per property is allowed, however, the outstanding balance(s) cannot exceed \$50,000.

Eligible Use of Funds: Most permanent exterior or interior projects, including but not limited to roofing, siding, windows/doors, insulation, solar, HVAC, electrical, plumbing, garage repair-replacement or new construction, interior remodeling, driveways, sidewalks/steps, painting, fences and permanent landscaping.

Contractors must be properly licensed, and permits must be obtained when required. Assessments from an Association are NOT eligible.

Ineligible Use of Funds: Payment for work initiated prior to the loan being approved and closed, unless due to emergency. Recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas, whirlpools, etc.), furniture, non-permanent appliances, and funds for working capital, debt service, homeowner labor or refinancing existing debts are NOT allowed. CEE will refer to the City of South St. Paul whenever eligibility of a project is questionable.

Bids: A minimum of 1 bid is required, however two bids are encouraged. All contractors must be properly licensed.

Sweat Equity / Homeowner Labor: Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials, including rental of tools and equipment. Loan funds cannot be used to compensate for labor.

Remodeling Advisor Visit (RAV)/Property Inspection(PI): The Remodeling Advisor Visit provides rehabilitation and/or remodeling advice and to determine eligible improvements. The intent is to help residents improve their property by providing technical assistance before and during the bidding and construction process. All residents are eligible for this service regardless if applying for the South St. Paul Loan Program or not.

Post Installation Inspection: Permits must be obtained and signed off by a City inspector where required; when not required, a post installation inspection will be performed by CEE to ensure the work has been completed before any funds will be released.

Loan Security: All loans will be secured with a mortgage in favor of the South St. Paul Economic Development Authority. Borrower will pay all applicable title and filing fees, which may be financed in the loan amount.

Borrower Fees: Borrower will be responsible for a 1% origination Fee, Document Preparation Fee, mortgage filing and service fees, flood certificate and credit report fees all which may be financed in the loan amount.

Underwriting Decision: Applicants must have acceptable credit history. CEE will approve or deny loans based on a credit report, income verification and other criteria as deemed necessary through CEE's underwriting guidelines. CEE's decision shall be final. Appeals can be made to the South St. Paul Economic Development Authority.

Work Completion: All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize exceptions on a case by case basis.

Senior Deferred Loan

Interest Rate: 0%

Loan Amount: Up to \$25,000.

Loan term: The loan is 100% due when the borrower sells, transfers ownership, cash-out refinance or no longer occupies the property as the borrower's primary residence.

Eligible Properties:

1-4 unit owner-occupied properties located within the geographical boundaries of the City of South St. Paul. Townhomes and Condominiums are eligible.

Ineligible Properties: Dwellings that are more than 4 units, cooperatives, mobile homes, properties held in a Trust and properties used for commercial purposes.

Eligible Borrowers: At least one borrower must be at least 55 years of age and have owned and occupied the property for at least the past 5 years prior to loan application. All borrowers must be legal residents of the United States.

Ineligible Borrowers: Include but are not limited to nonresident owners, non-occupant co-borrowers, business entities and properties held in the name of a Trust.

Ownership / Occupancy: Owner-occupied. Contract for Deeds are eligible.

Loan- to-Value Ratio: 110%

Income Limit: 120% AMI based on family size. Income shall be determined by the adjusted gross income from the most recent Federal Tax Return. If a tax return is not required to be filed by the borrower(s) the income will be based on projected income for the next 12 months.

Debt- to-Income Ratio: Not applicable

Multiple Loans per Property/Borrower: Multiple Senior Deferred Loans are allowed if the outstanding balance is within the maximum loan limit.

Eligible Improvements: Most permanent exterior or interior projects, including but not limited to: roofing, siding, windows/doors, insulation, solar, HVAC, electrical, plumbing, garage repair-replacement or new construction, interior remodeling, driveways, sidewalks/steps, painting, fences and permanent landscaping.

Contractors must be properly licensed and permits must be obtained when required. Assessments from an Association are NOT eligible.

Ineligible Improvements: Payment for work initiated prior to the loan being approved and closed, unless due to emergency. Recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas, whirlpools, etc.), furniture, non-permanent appliances, and funds for working capital, debt service, homeowner labor or refinancing existing debts are NOT allowed.

Bidding: 1 bid is required. Bids must detail the scope of the work to be completed, the associated cost(s) and any rebates. All contractors must be properly licensed.

Sweat Equity: Not permitted

Property Inspection: Required. Eligible improvements will be determined through an analysis of the inspection of the property. A CEE representative will perform the analysis to prioritize the project eligibility.

Post Installation Inspection: Properties are subject to a post installation inspection by a CEE representative when a permit is not required. Where a permit is required, the work must be signed-off by a City inspector prior to release of funds.

Work Completion: All work must be completed within 120 days of loan closing. Extensions may be granted by CEE.

Borrower Fees: Borrower will be responsible for a 1% Origination Fee, Document Preparation Fee, title work, mortgage filing and service fees, flood certificate, credit report fees and any other applicable fees. All may be financed in the loan amount.

Underwriting Decision: Borrowers must be current on all mortgage payments and property taxes.

Loan Security: All loans will be secured with a mortgage (lien for manufactured homes) in favor of the South St. Paul Economic Development Authority.

General Program Conditions

Application Processing: Loans will be distributed on a first come first serve basis as borrowers qualify. **Applicants must provide a completed application package including the following in order to be considered for funding.**

- Completed and signed application form
- Proof of income
- Bids or estimates for proposed projects
- Other miscellaneous documents loan officers may require.

Contractors/Permits: Contractors must be properly licensed to work in the City of South St. Paul. Permits must be obtained when required by city ordinance.

Program Costs: Loan origination, post installation inspection and remodeling advisor visit fees ARE NOT paid out of the Program Budget. Loan program marketing efforts will be billed directly to the South St. Paul EDA and is a separate expense should the EDA choose to commission CEE for marketing support. Borrowers will pay all mortgage filing fees and related closing costs.

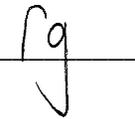
Disbursement Process: Payment to the contractor (or owner in sweat equity situations) will be made upon completion of work. An inspection will be performed by a City Inspector and/or CEE to verify the completion of the work. The following items must be received prior to final disbursement of funds:

- Final invoice or proposal from contractor (or materials list from supplier);
- Final inspection verification by a City Inspector (or CEE);
- Completion certificate(s) signed by borrower and contractor;
- Lien waiver for entire cost of work;
- Evidence of city permit (if required)



EDA Agenda Item Report

Date: February 5, 2024

EDA Executive Director: 

5-C

Agenda Item: Approving Fund Transfers and Closure of Certain EDA-Controlled Funds

Action to be considered:

Through separate motions, approval of the following Resolutions:

- Resolution 2024 – 1, authorizing the transfer of fund balance from Fund 20287 to Fund 20284, and the closure of Fund 20287
- Resolution 2024 – 2, authorizing the transfer of fund balance from Fund 20292 to Fund 20284, and the closure of Fund 20292
- Resolution 2024 – 3, authorizing the transfer of fund balance from Fund 20260 to Fund 20284
- Resolution 2024 – 4, authorizing the transfer of fund balance from Fund 20280 to Fund 20284
- Resolution 2024 – 6, authorizing the transfer of fund balance from Fund 20293 to Fund 20298, and the closure of Fund 20293
- Resolution 2024 – 7, authorizing the transfer of fund balance from Fund 20294 to Fund 20298, and the closure of Fund 20294

Overview:

The South St. Paul Economic Development Authority (EDA) was established in 2015 as a special purpose unit of government empowered by Minnesota Statutes §469.001 through §469.047 and §469.090 through §469.1082 for the purpose of facilitating development and redevelopment in the City. Since its establishment, the EDA has served an important role in the continued advancement of the City's vision and goals for job creation, increase of the commercial and industrial property tax base, and reclamation and revitalization of blighted or otherwise underutilized property within the City. Per its enabling resolution and the powers vested in it through the aforementioned statutes, the EDA has levied annual property taxes to support its statutory purpose. In addition, the EDA has assumed the functional role of the City's Housing and Redevelopment Authority (HRA) for all matters besides public housing. Among these are several "legacy" programs and funding sources to support business development, redevelopment, and reinvestment in the City's housing stock.

The City's Economic Development Strategy, most recently updated in 2021, lists among one of its five central goals to "leverage and expand the City's redevelopment toolbox". Strategic actions identified under this goal point squarely at the importance of dynamic funding programs and policies to address the challenges that are inherent with redevelopment. To this end, Staff and the Board of Commissioners convened multiple times in late 2023 to examine the EDA's current funding tools holistically, and identified an opportunity strategically align and begin deploying these tools to meet the City's most pressing redevelopment needs. Based on the discussion with the Board, Staff has prepared several Resolutions to implement the following recommendations:

1. Allocate \$625,522 in HRA Levy from Budget Years 2020 through 2023 to Fund 20284, the EDA's existing "Development" fund. Originally, these levy dollars were generally levied for "MHS Implementation". Through other sources, it appears that there is sufficient funding to support MHS Implementation.

2. Allocate \$109,006 in EDA Levy from 2023 to Fund 20284. In the 2023 budget, these funds were levied to support the Business/Development Loan Fund (20283). The existing loan fund appears to have sufficient funding to support current demand in the program.
3. Transfer \$196,082.36 in fund balance from Fund 20287 (Bond Fees) to Fund 20284 (Development) and close Fund 20287 as it has seen no activity in at least 10 years and appears to be a remnant of previous HRA conduit debt fees.
4. Transfer \$5,046.46 in fund balance from Fund 20292 (Rediscover) to Fund 20284 and close Fund 20292 as it has seen no activity in more than five years and the program was terminated by resolution of the HRA/EDA/City Council in 2017.
5. Establish a Housing Reinvestment Fund, transferring all cash (\$625,050.55 est.) and receivables (\$629,208.07 est.) from existing Funds 20293 and 20294, which are legacy HRA loan funds which provided rehab loans to low- and moderate-income households. The Low/Mod home rehab loan program is now administered by Dakota County CDA.

Summary of Economic Development Funds Impacted by Recommended Actions (all figures as of 12/31/2023)

- ***Fund 20260 (Housing)***
 - From 2020 – 2023, annual budgets have cumulatively levied \$625,522 for Operating Transfers, for “Master Housing Strategy (“MHS”) Implementation”. Through other sources, it appears that there is sufficient funding to support MHS Implementation
 - Staff recommendation is to transfer the \$625,522 in previously levied Operating Transfers to Fund 20284 (below) for redevelopment purposes
 - Approved 2024 budget identified a transfer of \$325,175 to Fund 20284 for redevelopment purposes (as part of maximum HRA levy after all other budgeted expenditures)
- ***Fund 20280 (Economic Development)***
 - In the 2023 annual budget, an operating transfer of \$50,000 was proposed to support the Business/Development Loan fund (20283). The existing loan fund appears to have sufficient funding to support current demand in the program.
 - Staff recommendation is to transfer the \$50,000 in 2023 levied Operating Transfers to Fund 20284 (below) for redevelopment purposes
 - Approved 2024 budget identified a transfer of \$111,262 to Fund 20284 for redevelopment purposes (as part of maximum EDA levy after all other budgeted expenditures)
- ***Fund 20284 (Development)***
 - This fund has \$645,246.33 in fund balance.
 - Staff Recommendation is to dedicate fund 20284 towards strategic priorities for redevelopment purposes (Hardman Triangle), which may include acquisitions, demolitions, site preparation/remediation, etc.
- ***Fund 20287 (Bond Fees)***
 - This fund has \$196,082.36 in fund balance
 - Fund does not appear to have any discernible liabilities/obligations
 - Staff recommendation is to transfer the \$196,082.36 in cash balance to Fund 20284 and close this fund.
- ***Fund 20292 (Rediscover Housing)***

- This fund has \$5,046.46 in cash and no discernible liabilities/obligations
- Staff recommendation is to transfer the cash balance to Fund 20284 and close this fund.

- ***Fund 20293/20294 (Rehab Loans – Small Cities)***
 - Funds 20293 and 20294 collectively have accumulated just over \$625,000 in fund balance and could be designated towards MHS implementation.
 - Funds 20293 and 20294 collectively have \$398,769.41 in loans receivable
 - Funds 20293 and 20294 collectively have \$230,486.66 in interest receivable
 - Total “potential” funds available to revolve between these two funds is \$1,254,258.62
 - Staff recommendation would be to transfer current fund balance (\$625,050.55) from these funds to the Housing Reinvestment Fund (20298), which is the fund established to implement the new housing loans derived from the MHS
 - Staff would recommend that as loans in 20293 and 20294 are paid off over time, those loan proceeds be transferred to Fund 20298

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2024-1

**RESOLUTION TO AUTHORIZE THE TRANSFER OF FUND BALANCE FROM FUND
20287 TO FUND 20284, AND THE CLOSURE OF FUND 20287**

WHEREAS, the Housing and Redevelopment Authority in and for the city of South St. Paul, Minnesota (the “HRA”) was created by Resolution of the City Council on May 4, 1964 for the purpose of, among other things, carrying out those actions necessary to mitigate conditions inflicting blight on the economic value of certain areas within the city and impairing the value of private investments thus threatening the source of public revenues; and

WHEREAS, the HRA historically managed Fund 20287, a fund used for the accumulation of fees earned through the sale of bonds by and through the HRA;

WHEREAS, the HRA historically managed Fund 20284, a fund used by the HRA to undertake various redevelopment and economic development activities as articulated in its statutory authority;

WHEREAS, on March 16, 2015, the City established the South St. Paul Economic Development Authority (the “EDA”) and conferred upon it all statutory powers of a housing and redevelopment authority and of an economic development authority; and

WHEREAS, on December 21, 2015, the City transferred all programs, projects, funds and employees of the HRA, including the TIF District, to the EDA; and

WHEREAS, on December 21, 2015, the EDA accepted the transfer from the HRA, effective January 1, 2016; and

WHEREAS, on December 22, 2015, the HRA acknowledged, agreed and accepted the transfer to the EDA.

NOW THEREFORE, BE IT RESOLVED THAT the South St. Paul Economic Development Authority hereby finds and determines as follows:

1. Fund 20287 has a current fund balance of \$196,082.36.
2. Fund 20287 does not have any outstanding payment obligations, nor is Fund 20287 necessary for the EDA to earn fees from bond sales now or in the future.
3. The EDA desires to transfer \$196,082.36 from fund balance in Fund 20287 to Fund 20284, effective 12/31/2023 for accounting purposes.
4. The EDA desires to close Fund 20287 effective 12/31/2023.

Adopted this 6th day of February, 2024.

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 5th day of October, 2020 as shown by the minutes of the meeting in my possession.

Dated this ____ day of _____, 20__

Renee Schmitt, Secretary

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2024-2

**RESOLUTION TO AUTHORIZE THE TRANSFER OF FUND BALANCE FROM FUND
20292 TO FUND 20284, AND THE CLOSURE OF FUND 20292**

WHEREAS, the Housing and Redevelopment Authority in and for the city of South St. Paul, Minnesota (the “HRA”) was created by Resolution of the City Council on May 4, 1964 for the purpose of, among other things, carrying out those actions necessary to mitigate conditions inflicting blight on the economic value of certain areas within the city and impairing the value of private investments thus threatening the source of public revenues; and

WHEREAS, the HRA historically managed Fund 20292, a fund used to support the Rediscover South St. Paul program which purchased and demolished residential properties which exhibited conditions of blight; and

WHEREAS, the HRA historically managed Fund 20284, a fund used by the HRA to undertake various redevelopment and economic development activities as articulated in its statutory authority; and

WHEREAS, on March 16, 2015, the City established the South St. Paul Economic Development Authority (the “EDA”) and conferred upon it all statutory powers of a housing and redevelopment authority and of an economic development authority; and

WHEREAS, on December 21, 2015, the City transferred all programs, projects, funds and employees of the HRA, including the TIF District, to the EDA; and

WHEREAS, on December 21, 2015, the EDA accepted the transfer from the HRA, effective January 1, 2016; and

WHEREAS, on December 22, 2015, the HRA acknowledged, agreed and accepted the transfer to the EDA; and

WHEREAS, on November 13, 2017, the EDA adopted Resolution 2017 – 37, cancelling the Rediscover South St. Paul program effective January 1, 2018.

NOW THEREFORE, BE IT RESOLVED THAT the South St. Paul Economic Development Authority hereby finds and determines as follows:

1. Fund 20292 has a current fund balance of \$5,046.46.
2. Fund 20292 does not have any outstanding payment obligations, nor does Fund 20292 hold any assets for resale.
3. The EDA desires to transfer \$5,046.46 from fund balance in Fund 20292 to Fund 20284, effective 12/31/2023 for accounting purposes.

4. The EDA desires to close Fund 20292 effective 12/31/2023.

Adopted this 6th day of February, 2024.

President, James P. Francis

Executive Director, Ryan Garcia

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2024-3

**RESOLUTION TO AUTHORIZE THE TRANSFER OF FUND BALANCE FROM FUND
20260 TO FUND 20284**

WHEREAS, on March 16, 2015, the City established the South St. Paul Economic Development Authority (the “EDA”) and conferred upon it all statutory powers of a housing and redevelopment authority and of an economic development authority; and

WHEREAS, on December 21, 2015, the City transferred all programs, projects, funds and employees of the HRA, including the TIF District, to the EDA; and

WHEREAS, on December 21, 2015, the EDA accepted the transfer from the HRA, effective January 1, 2016; and

WHEREAS, on December 22, 2015, the HRA acknowledged, agreed and accepted the transfer to the EDA; and

WHEREAS, among its other duties, the EDA annually approves and presents to the South St. Paul City Council a property tax levy and budget for the operation of the HRA, which is Fund 20260; and

WHEREAS, the EDA manages Fund 20284, a fund used by the EDA to undertake various redevelopment and economic development activities as articulated in its statutory authority; and

WHEREAS, on September 3, 2019, the EDA adopted Resolution 2019 - 18, approving an HRA Levy and Budget which allocated \$50,000 for the implementation of the City’s Master Housing Strategy; and

WHEREAS, on September 8, 2020, the EDA adopted Resolution 2020 – 13, approving a 2021 HRA Levy and Budget which allocated \$150,000 for the implementation of the City’s Master Housing Strategy; and

WHEREAS, on September 7, 2021, the EDA adopted Resolution 2021 – 21, approving a 2022 HRA Levy and Budget which allocated \$150,000 for the implementation of the City’s Master Housing Strategy; and

WHEREAS, on September 6, 2022, the EDA adopted Resolution 2022 – 10, approving a 2023 HRA Levy and Budget which allocated \$275,522 for the implementation of the City’s Master Housing Strategy.

NOW THEREFORE, BE IT RESOLVED THAT the South St. Paul Economic Development Authority hereby finds and determines as follows:

1. Between budget years 2020 through 2023, the EDA budgeted an aggregate allocation of \$625,522.00 for the implementation of the City's Master Housing Strategy. To date, none of these allocated funds have been expended for this or any other purpose.
2. The EDA has studied and determined that through other funding sources besides the levied and budgeted allocations identified above, the EDA has the capacity to implement the City's Master Housing Strategy.
3. The EDA has studied and determined that Fund 20284, the EDA's Development Fund, is a critical tool for implementing the City's Economic Development Strategy, most recently approved in 2021, and that Fund 20284 has anticipated expenditures exceeding its current fund balance.
4. The EDA desires to transfer \$625,522.00 from fund balance in Fund 20260 to Fund 20284, effective 12/31/2023 for accounting purposes.

Adopted this 6th day of February, 2024.

President, James P. Francis

Executive Director, Ryan Garcia

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2024-4

**RESOLUTION TO AUTHORIZE THE TRANSFER OF FUND BALANCE FROM FUND
20280 TO FUND 20284**

WHEREAS, on March 16, 2015, the City established the South St. Paul Economic Development Authority (the “EDA”) and conferred upon it all statutory powers of a housing and redevelopment authority and of an economic development authority; and

WHEREAS, among its other duties, the EDA annually approves and presents to the South St. Paul City Council a property tax levy and budget for the operation of the EDA, which is Fund 20280; and

WHEREAS, the EDA manages Fund 20284, a fund used by the EDA to undertake various redevelopment and economic development activities as articulated in its statutory authority; and

WHEREAS, the EDA manages Fund 20283, a revolving loan fund through which the EDA makes and collects on loans for various economic development activities; and

WHEREAS, on September 6, 2022, the EDA adopted Resolution 2022 – 9, approving a 2023 EDA Levy and Budget which allocated \$109,006 for the EDA’s Business and Development Loan Fund.

NOW THEREFORE, BE IT RESOLVED THAT the South St. Paul Economic Development Authority hereby finds and determines as follows:

1. The EDA has studied and determined that through other funding sources besides the levied and budgeted allocation identified in the EDA’s 2023 Annual Budget, the EDA has the capacity to implement the City’s Business and Development Loan Fund.
2. The EDA has studied and determined that Fund 20284, the EDA’s Development Fund, is a critical tool for implementing the City’s Economic Development Strategy, most recently approved in 2021, and that Fund 20284 has anticipated expenditures exceeding its current fund balance.
3. The EDA desires to transfer \$109,006.00 from fund balance in Fund 20280 to Fund 20284, effective 12/31/2023 for accounting purposes.

Adopted this 6th day of February, 2024.

President, James P. Francis

Executive Director, Ryan Garcia

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2024-6

**RESOLUTION TO AUTHORIZE THE TRANSFER OF FUND BALANCE FROM FUND
20293 TO FUND 20298, AND THE CLOSURE OF FUND 20293**

WHEREAS, the Housing and Redevelopment Authority in and for the city of South St. Paul, Minnesota (the “HRA”) was created by Resolution of the City Council on May 4, 1964 for the purpose of, among other things, carrying out those actions necessary to mitigate conditions inflicting blight on the economic value of certain areas within the city and impairing the value of private investments thus threatening the source of public revenues; and

WHEREAS, the HRA historically managed Fund 20293, a fund used to support the extension of rehabilitation loan financing to low- and moderate income households owing a single-family home in South St. Paul (the “Rehab Loan Program”); and

WHEREAS, on March 16, 2015, the City established the South St. Paul Economic Development Authority (the “EDA”) and conferred upon it all statutory powers of a housing and redevelopment authority and of an economic development authority; and

WHEREAS, on December 21, 2015, the City transferred all programs, projects, funds and employees of the HRA, including the TIF District, to the EDA; and

WHEREAS, on December 21, 2015, the EDA accepted the transfer from the HRA, effective January 1, 2016; and

WHEREAS, on December 22, 2015, the HRA acknowledged, agreed and accepted the transfer to the EDA; and

WHEREAS, on April 10, 2017, the EDA adopted Resolution 2017 – 6, transferring the administration of the Rehab Loan Program to the Dakota County Community Development Agency and ceasing the support and operation of such program at the local level; and

WHEREAS, on February 5, 2024, the EDA Adopted Resolution 2024 – 5, establishing Fund 20298 and the operation of a Housing Reinvestment Fund for the purposes of extending loan financing for certain improvements to housing units in South St. Paul owned by individuals earning up to 120% of the areawide median income.

NOW THEREFORE, BE IT RESOLVED THAT the South St. Paul Economic Development Authority hereby finds and determines as follows:

1. Fund 20293 has a current fund balance of \$392,756.27.

2. Fund 20293 has loans receivable in the principal amount of \$327,202.95, which principal will be paid back to the EDA according to the terms and conditions of those loans that were extended financing through Fund 20293.
3. Fund 20293 has interest receivable in the amount of \$187,460.98, which interest will be paid back to the EDA according to the terms and conditions of those loans that were extended financing through Fund 20293.
4. Fund 20293 does not have any outstanding payment obligations.
5. The EDA desires to transfer \$392,756.27 from fund balance in Fund 20293 to Fund 20298, effective 12/31/2023 for accounting purposes.
6. Any and all future principal and interest payments received by Fund 20293 according to the terms and conditions of those loans that were extended financing through Fund 20293 shall be transferred upon receipt to fund 20298.
7. At the time that all existing loans due and payable to Fund 20293 are matured and satisfied, Fund 20293 shall be closed.

Adopted this 6th day of February, 2024.

President, James P. Francis

Executive Director, Ryan Garcia

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2024-7

**RESOLUTION TO AUTHORIZE THE TRANSFER OF FUND BALANCE FROM FUND
20294 TO FUND 20298, AND THE CLOSURE OF FUND 20294**

WHEREAS, the Housing and Redevelopment Authority in and for the city of South St. Paul, Minnesota (the “HRA”) was created by Resolution of the City Council on May 4, 1964 for the purpose of, among other things, carrying out those actions necessary to mitigate conditions inflicting blight on the economic value of certain areas within the city and impairing the value of private investments thus threatening the source of public revenues; and

WHEREAS, the HRA historically managed Fund 20294, a fund used to support the extension of rehabilitation loan financing to low- and moderate income households owing a single-family home in South St. Paul (the “Rehab Loan Program”); and

WHEREAS, on March 16, 2015, the City established the South St. Paul Economic Development Authority (the “EDA”) and conferred upon it all statutory powers of a housing and redevelopment authority and of an economic development authority; and

WHEREAS, on December 21, 2015, the City transferred all programs, projects, funds and employees of the HRA, including the TIF District, to the EDA; and

WHEREAS, on December 21, 2015, the EDA accepted the transfer from the HRA, effective January 1, 2016; and

WHEREAS, on December 22, 2015, the HRA acknowledged, agreed and accepted the transfer to the EDA; and

WHEREAS, on April 10, 2017, the EDA adopted Resolution 2017 – 6, transferring the administration of the Rehab Loan Program to the Dakota County Community Development Agency and ceasing the support and operation of such program at the local level; and

WHEREAS, on February 5, 2024, the EDA Adopted Resolution 2024 – 5, establishing Fund 20298 and the operation of a Housing Reinvestment Fund for the purposes of extending loan financing for certain improvements to housing units in South St. Paul owned by individuals earning up to 120% of the areawide median income.

NOW THEREFORE, BE IT RESOLVED THAT the South St. Paul Economic Development Authority hereby finds and determines as follows:

1. Fund 20294 has a current fund balance of \$232,294.28.

2. Fund 20294 has loans receivable in the principal amount of \$71,566.46, which principal will be paid back to the EDA according to the terms and conditions of those loans that were extended financing through Fund 20294.
3. Fund 20294 has interest receivable in the amount of \$42,977.68, which interest will be paid back to the EDA according to the terms and conditions of those loans that were extended financing through Fund 20294.
4. Fund 20294 does not have any outstanding payment obligations, and shall not incur any additional payment obligations through any action of the EDA.
5. The EDA desires to transfer \$232,294.28 from fund balance in Fund 20294 to Fund 20298, effective 12/31/2023 for accounting purposes.
6. Any and all future principal and interest payments received by Fund 20294 according to the terms and conditions of those loans that were extended financing through Fund 20294 shall be transferred upon receipt to fund 20298.
7. At the time that all existing loans due and payable to Fund 20294 are matured and satisfied, Fund 20294 shall be closed.

Adopted this 6th day of February, 2024.

President, James P. Francis

Executive Director, Ryan Garcia