

City of South St. Paul

Economic Development Authority Agenda

Tuesday, September 3, 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 August 5, 2024

5. GENERAL BUSINESS:

A. Review and Approve 2025 EDA Levy and Budget, Resolution 2024 – 16

B. Review and Approve 2025 HRA Levy and Budget, Resolution 2024 – 17

C. Termination of Development Agreement, Resolution 2024 – 18 (Blue River Holdings, LLC)

6. ITEMS FOR FUTURE FOLLOW-UP:

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

7. ADJOURNMENT:

Respectfully Submitted,



Ryan Garcia, EDA Executive Director

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

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

Regular Meeting
August 5, 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 August 5, 2024, in the Council Chambers of City Hall, 125 3rd Avenue North, South St. Paul. President Francis called the meeting to order at 7:53 PM.

2. ROLL CALL

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

Members Absent: Commissioner Podgorski

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

3. AGENDA

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

Vote: 6 ayes / 0 nays, motion carried.

4. CONSENT

A. EDA Special Meeting Minutes of July 15, 2024

~~B. Accept Proposal and Authorize Execution of Services Agreement by and between the South St. Paul Housing and Redevelopment Authority and Nan McKay & Associates, Inc. - Removed~~

C. Termination of Preliminary Development Agreement – Wakota Crossing

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

Vote: 6 ayes / 0 nays, motion carried.

Item B Removed the consent agenda:

Motion/Second: Commissioner Hansen moved and Commission Seaberg seconded Acceptance of Proposal and Authorize Execution of Services Agreement by and between the South St. Paul Housing and Redevelopment Authority and Nan McKay & Associates, Inc.

Vote: 6 ayes / 0 nays, motion carried.

5. GENERAL BUSINESS:

- A.** Approval of Tax Increment Revenue Note, Series 2024A – 225 Concord Exchange North (The Backyards), Resolution 2024 - 15

Motion/Second: Commissioner Seaberg moved, and Commissioner Bakken moved approval of Resolution 2024-15, 2024A – 225 Concord Exchange North (The Backyards).

Vote: 6 ayes / 0 nays, motion carried .

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:

Motion/Second: Commissioner Bakken moved, and Commissioner Kaliszewski seconded the motion to adjourn the meeting

Vote: 6 ayes / 0 nays, motion carried.

The meeting was adjourned at 8:01 PM.

Approved: September 3, 2024

Deanna Werner, EDA Secretary



EDA Agenda Item Report

Date: September 3, 2024

EDA Executive Director: 

5-A

Agenda Item: Review and Approve 2025 EDA Levy and Budget, Resolution 2024 – 16

Action to be considered:

Motion to Adopt Resolution 2024-16, A Resolution Approving the Proposed 2025 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 2025 Preliminary Budget for the EDA, totaling \$433,778. The following notes summarize the key points about this year's proposed budget and levy:

- State Statutes provide that a City may levy an Annual EDA Property Tax Levy in an amount not to exceed 0.01813 percent of estimated market value (EMV). For 2025, that amount is equal to \$433,778. This is an increase of 5.23% against 2024's levy.
- Professional Services (\$105,000 or 24.2%) and Other Contracted Services (\$65,000 or 15.0%) make up a significant portion of the 2025 EDA Budget. These line items account for Legal costs, maintenance costs at the EDA's vacant properties and gateway corridor streetscapes, the EDA's investment in Progress Plus and Open to Business, and for the utilization of an Economic Development consultant in the furtherance of the City's Economic Development Strategy. Utilizing these services in a targeted manner has allowed the EDA to reduce personnel costs (\$78,723 or 18.1% in 2025) and frees up additional funds to focus on other targeted programs and priorities.
- Operating Transfers account for the most significant portion (35.5%) of the budget for 2025, as follows:
 - A transfer of \$30,000 (6.9% of the 2025 Budget) goes to the general fund to assist with payment to the Development Services functions of the City (Planning/Zoning, Building) which provide significant value to our Economic Development Program.
 - A transfer of \$100,000 (23.1% of the 2025 Budget) is proposed to be transferred to the Business and Development Loan Fund (Fund 20283). This fund provides financing to local businesses that can assist in expansions, renovations, equipment, and other activities that foster job creation and growth of the city's property tax base.
 - A transfer of \$23,908 (5.5% of the 2025 Budget) is proposed to be transferred to the EDA's Development Fund (Fund 20284). Fund 20284 is a Fund that is targeted at implementing the EDA's Economic Development Strategy and redevelopment efforts along Concord Street and in the Hardman Triangle.

Funding Sources and other fiscal considerations:

2025 EDA Property Tax Levy and Budget.

Attachments:

Resolution 2024-16

Preliminary 2025 EDA Property Tax Levy and Budget Documents

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2024 – 16

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 2025 tax levy for economic development purposes in the amount of \$433,778;

WHEREAS, the South St. Paul EDA proposes a 2025 annual budget in the amount of \$433,778 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 \$433,778 to be collected in 2025 pursuant to Minnesota Statutes 469.107.
2. The EDA request that the South St. Paul City Council adopt the 2025 annual budget in the amount of \$433,778.

Adopted this 3rd day of September, 2024.

President, James P. Francis

Executive Director, Ryan Garcia

FUNCTION: Community Development	DEPT. & DIV: 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.
- Administration of portfolio of vacant properties located throughout the City and held for future resale and redevelopment, including managing property maintenance issues.

Budget Highlights and Changes:

Significant Revisions - 2024 Original vs. 2024 Revisions

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Notable Expenditure Changes for 2025

- Staff is proposing an increase in professional services (6302) for 2025, as we recommend continuing to work with our economic development consultant to assist with business attraction, marketing, and deal-making efforts related to the Hardman Triangle and Concord / Concord Exchange corridors in particular.
- Staff is proposing a \$1,000 increase in Conferences, Training and Travel (6331) for 2025. Given all of the City's recent and anticipated experience and examples of Contaminated Site cleanup and development, we think this conference is an opportunity to possibly highlight our experiences and work (as presenter) and also for an EDA member to potentially attend.
- Staff is proposing an operating transfer of \$100,000 to the City's Business and Development Loan Program. This program has seen a slight uptick in activity in the past year and staff recommends using a portion of the EDA levy to support this important economic development tool.

FUNCTION: Community Development	DEPT. & DIV: Community Development - Economic Development	BUSINESS UNIT: 20280
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Revenues

- (Estimated) Maximum EDA levy is \$433,778

Notable Capital Project or Asset Acquisitions for 2025

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Staffing

	2022	2023	2024	2024
City Administrator	-	0.06	0.06	0.06
Community Development Director	1.00	-	-	-
Associate Planner	0.50	0.50	0.50	0.50
Department Support Specialist	0.20	0.10	0.10	0.10
Total Staffing	<u>1.70</u>	<u>0.66</u>	<u>0.66</u>	<u>0.66</u>

ECONOMIC DEVELOPMENT GENERAL							
SUMMARY OF REVENUES AND EXPENDITURES							
	2022 Actual	2023 Actual	2024		2025		Requested 2024 vs 2025
			Original	Revised	Requested	Final	
Revenues							
Operational	315,878	420,426	412,221	412,221	433,778	-	21,557
Capital Outlay	-	-	-	-	-	-	-
Total	315,878	420,426	412,221	412,221	433,778	-	21,557
Expenditures							
Operational	211,717	141,142	220,959	220,959	279,870	-	58,911
Capital Outlay/Debt Service/Transfers	30,071	80,000	191,262	191,262	153,908	-	(37,354)
Total	241,788	221,142	412,221	412,221	433,778	-	21,557
Change in Fund Balance	74,090	199,284	-	-	-	-	
Cash and Investment Balance	160,394	378,776	378,776	378,776	378,776	378,776	

ECON DEV GENERAL							
SUMMARY OF REVENUE							
Description	2022 Actual	2023 Actual	2024 Original Budget	April 2024 Actual	2024 Revised Budget	2025 Requested Budget	2025 Final Budget
20280 - ECON DEV GENERAL							
REVENUE							
TAXES							
4110 - CURRENT AD VALOREM TAX	260,218	284,748	412,221	0	412,221	433,778	
4120 - DELINQUENT AD VALOREM TAX	3,861	3,002	0	0	0	0	
4125 - PENALTIES & INT ON AD VAL TAX	(3)	(9)	0	0	0	0	
4130 - MOBILE HOME TAX	49	45	0	0	0	0	
4140 - FISCAL DISPARITIES	77,261	68,816	0	0	0	0	
TAXES	341,386	356,602	412,221	0	412,221	433,778	
INTEREST							
4671 - INTEREST EARNINGS	11,817	46,042	0	0	0	0	
4681 - UNREALIZED GAIN/LOSS ON INV	(37,754)	17,282	0	0	0	0	
INTEREST	(25,937)	63,325	0	0	0	0	
MISCELLANEOUS							
4672 - OTHER	0	460	0	0	0	0	
4675 - INSURANCE DIVIDEND	428	40	0	0	0	0	
MISCELLANEOUS	428	500	0	0	0	0	
REVENUE	315,878	420,426	412,221	0	412,221	433,778	

ECON DEV GENERAL							
SUMMARY OF EXPENDITURES							
Description	2022 Actual	2023 Actual	2024 Original Budget	April 2024 Actual	2024 Revised Budget	2025 Requested Budget	2025 Final Budget
20280 - ECON DEV GENERAL							
EXPENDITURES							
PERSONNEL SERVICES							
6101 - FULL-TIME EMPLOYEES-REG	110,946	51,664	53,316	17,888	53,316	58,285	
6102 - FULL-TIME EMPLOYEES-OVERTIME	306	0	0	0	0	0	
6108 - ACCUMULATED VACATION/COMP LEAV	2,446	555	186	0	186	521	
6120 - EMPLOYER CONTR FOR RETIREMENT	16,560	7,742	8,093	2,700	8,093	8,762	
6130 - EMPLOYER PAID INSURANCE	18,330	8,499	8,552	3,638	8,552	9,345	
6150 - WORKERS COMPENSATION	980	351	396	234	396	449	
6170 - EMPLOYER CONTR TO HCSP	910	1,654	1,264	203	1,264	1,361	
PERSONNEL SERVICES	150,478	70,464	71,807	24,663	71,807	78,723	
SUPPLIES							
6201 - OFFICE SUPPLIES	228	0	500	0	500	500	
6230 - BOOKS, MATERIALS & PERIODICALS	0	0	125	0	125	200	
SUPPLIES	228	0	625	0	625	700	
OTHER SERVICES AND CHARGES							
6302 - PROFESSIONAL SERVICES	20,699	5,592	70,000	1,464	70,000	105,000	
6331 - CONFERENCES, TRAINING, TRAVEL	2,343	1,031	1,500	570	1,500	2,500	
6341 - ADVERTISING	338	87	0	0	0	0	
6361 - INSURANCE	3,883	1,112	1,350	623	1,350	1,179	
6365 - INS CLAIMS WITHIN DEDUCTIBLE	0	1,738	0	0	0	0	
6374 - ADMINISTRATION SUPPORT FEE	21,100	23,978	24,757	8,256	24,757	24,278	
6375 - OTHER CONTRACTED SERVICES	8,056	34,535	50,000	19,110	50,000	65,000	
6378 - COPIER MAINTENANCE AGREEMENT	1,992	492	0	0	0	0	
6388 - TECHNOLOGY EQUIP CHARGE	570	621	120	40	120	240	
6390 - POSTAGE AND TELEPHONE	1,436	762	300	301	300	1,500	
OTHER SERVICES AND CHARGES	60,418	69,948	148,027	30,364	148,027	199,697	
MISCELLANEOUS							
6430 - MISCELLANEOUS	30	20	0	0	0	0	
6471 - DUES & SUBSCRIPTIONS	563	710	500	0	500	750	
MISCELLANEOUS	593	730	500	0	500	750	

ECON DEV GENERAL					
DETAIL OF EXPENDITURES					
CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2024 Revised Budget	2025 Requested Budget	2025 Final Budget
EXPENDITURES					
MATERIALS & SUPPLIES					
6201	OFFICE SUPPLIES	General office (envelopes, business cards, toner, copy paper)	500	500	
6230	BOOKS, MATERIALS & PERIODICALS	Minneapolis/St. Paul Business Journal	125	200	
SERVICES AND OTHER CHARGES					
6302	PROFESSIONAL SERVICES	Legal Services, Economic Development Consultant, Audit 1000	70,000	105,000	
6331	CONFERENCES, TRAINING, TRAVEL	Chamber & MREJ Events, National Brownfields Conference	1,500	2,500	
6361	INSURANCE	Property & Liability	1,350	1,179	
6374	ADMINISTRATION SUPPORT FEE		24,757	24,278	
6375	OTHER CONTRACTED SERVICES	JPA w/ Dakota Co. CDA for Small Bus Advisor; Progress Plus Investment, Property Maintenance Vacant Lots and Gateway Corridors	50,000	65,000	
6388	TECHNOLOGY EQUIP CHARGE	amortization of technology equipment	120	240	
6390	POSTAGE AND TELEPHONE	Mailings, Legal Notices	300	1,500	
MISCELLANEOUS					
6471	DUES & SUBSCRIPTIONS	River Heights Chamber (President and Exec. Director), ULIMN	500	750	
TRANSFERS					
6720	OPERATING TRANSFERS	City Admin & Planning Costs \$30,000, Business Loan Fund (20283) \$100,000, Redevelopment Fund (20284) \$23,908	191,262	153,908	



EDA Agenda Item Report

Date: September 3, 2024

EDA Executive Director: _____

5-B

Agenda Item: Review and Approve 2025 HRA Levy and Budget, Resolution 2024 – 17

Action to be considered:

Motion to Adopt Resolution 2024-17, A Resolution Approving the Proposed 2025 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 .0185% of the taxable market value of the City. For 2025, an HRA Property Tax Levy of \$442,631 is proposed. Attached is the 2025 Preliminary Budget for the HRA. The following notes summarize the key points about this year's proposed levy and budget:

- The HRA General Housing budget totals \$442,631. The 2025 budget reflects a 5.2% increase over 2024. Including the HUD-funded public housing program, the total 2025 HRA operating budget amounts to \$1,226,964.
- An HRA Property Tax Levy of \$442,631 is proposed for 2025. This is an increase of 5.23% as compared to 2024 and tracks with the increase in EMV in the City from Pay 2023 to Pay 2024 (5.23%).
- 12.8% of all budgeted costs for 2024 are related to department staffing.
- The 2025 HRA Budget proposes an operating transfer of \$220,452 (49.8% of the budget) to Fund 20284. This Fund, the EDA's Development Fund, is targeted at implementing the EDA's Economic Development Strategy and redevelopment efforts along Concord Street and in the Hardman Triangle.
- The 2025 HRA Budget proposes an operating transfer of \$100,000 (22.6%) to Fund 20298. This Fund is the Housing Reinvestment Fund, authorized by EDA Resolution 2024-5 and which helps residential property owners in South St. Paul by offering favorable loan terms to make a wide range of investments in and improvements to homes throughout the community.

Funding Sources and other fiscal considerations:

The proposed 2025 HRA Property Tax Levy and Budget will guide the income and expenditures for Housing and Redevelopment activities next year.

Attachments:

Resolution 2024-17

Preliminary 2025 HRA Property Tax Levy and Budget Documents

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2024-17

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 2025 tax levy for housing and redevelopment purposes in the amount of \$442,631;

WHEREAS, the South St. Paul EDA proposes a 2025 annual budget in the amount of \$442,631 to support its Public Housing Program, 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 \$442,631 to be collected in 2025 pursuant to Minnesota Statutes 469.033.
2. The EDA requests that the South St. Paul City Council adopt the 2025 annual budget for housing and redevelopment purposes in the amount of \$442,631.

Adopted this 5th day of September, 2023.

President, James P. Francis

Executive Director, Ryan Garcia

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

The Housing program is accountable for:

- Administration of the City's HUD Public Housing for Seniors program at the John Carroll and Nan McKay Public Highrises.
- Providing professional and technical support to contracted support 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 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 - 2024 Original vs. 2024 Revisions

-

Notable Expenditure Changes for 2025

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Revenues

- (Estimated) Maximum HRA levy is \$442,631
- Administrative charge to the public housing program is \$784,333; this revenue source comes from HUD and funds the program staff.

FUNCTION: Community Development	DEPT. & DIV: Housing Division	BUSINESS UNIT: 20260
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Notable Capital Project or Asset Acquisitions for 2025

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<u>Staffing</u>	2022	2023	2024	2025
Community Development Director	0.20	-	-	-
Housing Manager	1.00	1.00	1.00	1.00
HRA Property Manager	-	2.00	2.00	2.00
HRA Maintenance	-	2.00	2.00	2.00
HRA Caretaker	-	2.00	2.00	2.00
Department Support Specialist	0.80	0.90	0.90	0.90
Total Staffing	2.00	7.90	7.90	7.90

HOUSING GENERAL							
SUMMARY OF REVENUE							
Description	2022 Actual	2023 Actual	2024 Original Budget	April 2024 Actual	2024 Revised Budget	2025 Requested Budget	2025 Final Budget
20260 - HOUSING GENERAL							
REVENUE							
TAXES							
4110 - CURRENT AD VALOREM TAX	265,685	290,562	420,634	0	420,634	442,631	
4120 - DELINQUENT AD VALOREM TAX	4,090	3,195	0	0	0	0	
4125 - PENALTIES & INT ON AD VAL TAX	(3)	(9)	0	0	0	0	
4130 - MOBILE HOME TAX	56	46	0	0	0	0	
4140 - FISCAL DISPARITIES	78,749	70,263	0	0	0	0	
TAXES	348,577	364,057	420,634	0	420,634	442,631	
CHARGES FOR SERVICES							
 ADMINISTRATIVE CHARGES							
4409 - ADMINISTRATIVE CHARGE	131,140	0	0	0	0	0	
 ADMINISTRATIVE CHARGES	131,140	0	0	0	0	0	
CHARGES FOR SERVICES	131,140	0	0	0	0	0	
INTEREST							
4671 - INTEREST EARNINGS	12,978	48,398	0	0	0	0	
4681 - UNREALIZED GAIN/LOSS ON INV	(41,573)	18,775	0	0	0	0	
INTEREST	(28,595)	67,173	0	0	0	0	
MISCELLANEOUS							
4672 - OTHER	525	0	0	0	0	0	
4675 - INSURANCE DIVIDEND	31	52	0	0	0	0	
MISCELLANEOUS	556	52	0	0	0	0	
REVENUE	451,679	431,282	420,634	0	420,634	442,631	

HOUSING GENERAL							
SUMMARY OF REVENUE							
Description	2022 Actual	2023 Actual	2024 Original Budget	April 2024 Actual	2024 Revised Budget	2025 Requested Budget	2025 Final Budget
20261 - HOUSING-ADMIN SAL&BENEFITS							
REVENUE							
CHARGES FOR SERVICES							
COMMUNITY DEVELOPMENT							
4493 - OTHER CHARGE FOR SERVICE - COM	59,982	355,286	370,709	128,542	370,709	407,131	
COMMUNITY DEVELOPMENT	59,982	355,286	370,709	128,542	370,709	407,131	
CHARGES FOR SERVICES	59,982	355,286	370,709	128,542	370,709	407,131	
REVENUE	59,982	355,286	370,709	128,542	370,709	407,131	
20267 - HOUSING-NM SAL&BENEFITS							
REVENUE							
CHARGES FOR SERVICES							
COMMUNITY DEVELOPMENT							
4493 - OTHER CHARGE FOR SERVICE - COM	33,489	124,580	159,967	52,075	159,967	176,638	
COMMUNITY DEVELOPMENT	33,489	124,580	159,967	52,075	159,967	176,638	
CHARGES FOR SERVICES	33,489	124,580	159,967	52,075	159,967	176,638	
REVENUE	33,489	124,580	159,967	52,075	159,967	176,638	
20268 - HOUSING-JC SAL&BENEFITS							
REVENUE							
CHARGES FOR SERVICES							
COMMUNITY DEVELOPMENT							
4493 - OTHER CHARGE FOR SERVICE - COM	37,001	190,969	176,384	69,374	176,384	200,564	
COMMUNITY DEVELOPMENT	37,001	190,969	176,384	69,374	176,384	200,564	
CHARGES FOR SERVICES	37,001	190,969	176,384	69,374	176,384	200,564	
REVENUE	37,001	190,969	176,384	69,374	176,384	200,564	

HOUSING GENERAL							
SUMMARY OF EXPENDITURES							
Description	2022 Actual	2023 Actual	2024 Original Budget	April 2024 Actual	2024 Revised Budget	2025 Requested Budget	2025 Final Budget
TRANSFERS							
6720 - OPERATING TRANSFERS	0	625,522	325,175	0	325,175	320,452	
TRANSFERS	0	625,522	325,175	0	325,175	320,452	
TOTAL EXPENDITURES	254,590	719,009	420,634	32,129	420,634	442,631	
CHANGE 2024 REVISED TO 2025 REQUESTED							21,997
PERCENT CHANGE 2024 REVISED TO 2025 REQUESTED							5.23%

HOUSING GENERAL							
SUMMARY OF EXPENDITURES							
Description	2022 Actual	2023 Actual	2024 Original Budget	April 2024 Actual	2024 Revised Budget	2025 Requested Budget	2025 Final Budget
20261 - HOUSING-ADMIN SAL&BENEFITS EXPENDITURES							
PERSONNEL SERVICES							
6101 - FULL-TIME EMPLOYEES-REG	46,357	260,464	272,110	91,078	272,110	295,278	
6108 - ACCUMULATED VACATION/COMP LEAV	167	2,915	1,280	0	1,280	1,181	
6112 - SERVICE RECOGNITION	0	0	0	0	0	2,389	
6120 - EMPLOYER CONTR FOR RETIREMENT	7,032	39,185	41,323	13,554	41,323	45,015	
6130 - EMPLOYER PAID INSURANCE	5,514	44,489	45,631	20,343	45,631	51,789	
6150 - WORKERS COMPENSATION	392	1,666	2,289	1,026	2,289	2,571	
6170 - EMPLOYER CONTR TO HCSP	520	5,339	5,308	1,164	5,308	5,308	
PERSONNEL SERVICES	59,982	354,057	367,941	127,164	367,941	403,531	
OTHER SERVICES AND CHARGES							
6388 - TECHNOLOGY EQUIP CHARGE	0	0	668	224	668	800	
6390 - POSTAGE AND TELEPHONE	0	1,840	2,100	1,154	2,100	2,800	
OTHER SERVICES AND CHARGES	0	1,840	2,768	1,378	2,768	3,600	
TOTAL EXPENDITURES	59,982	355,898	370,709	128,542	370,709	407,131	
CHANGE 2024 REVISED TO 2025 REQUESTED							36,422
PERCENT CHANGE 2024 REVISED TO 2025 REQUESTED							9.82%

HOUSING GENERAL							
SUMMARY OF EXPENDITURES							
Description	2022 Actual	2023 Actual	2024 Original Budget	April 2024 Actual	2024 Revised Budget	2025 Requested Budget	2025 Final Budget
20267 - HOUSING-NM SAL&BENEFITS							
EXPENDITURES							
PERSONNEL SERVICES							
6101 - FULL-TIME EMPLOYEES-REG	23,796	83,380	114,567	33,311	114,567	125,974	
6102 - FULL-TIME EMPLOYEES-OVERTIME	896	7,418	0	1,257	0	0	
6108 - ACCUMULATED VACATION/COMP LEAV	78	0	95	938	95	0	
6120 - EMPLOYER CONTR FOR RETIREMENT	3,615	13,745	17,364	5,280	17,364	19,089	
6130 - EMPLOYER PAID INSURANCE	4,994	16,755	22,510	9,676	22,510	25,649	
6150 - WORKERS COMPENSATION	202	863	1,055	538	1,055	1,198	
6170 - EMPLOYER CONTR TO HCSP	358	2,296	1,934	563	1,934	2,088	
PERSONNEL SERVICES	33,939	124,457	157,525	51,564	157,525	173,998	
SUPPLIES							
6245 - CLOTHING ALLOWANCE	0	0	600	0	600	600	
SUPPLIES	0	0	600	0	600	600	
OTHER SERVICES AND CHARGES							
6388 - TECHNOLOGY EQUIP CHARGE	0	0	1,002	336	1,002	1,200	
6390 - POSTAGE AND TELEPHONE	0	245	840	175	840	840	
OTHER SERVICES AND CHARGES	0	245	1,842	511	1,842	2,040	
TOTAL EXPENDITURES	33,939	124,702	159,967	52,075	159,967	176,638	
CHANGE 2024 REVISED TO 2025 REQUESTED							16,671
PERCENT CHANGE 2024 REVISED TO 2025 REQUESTED							10.42%

HOUSING GENERAL							
SUMMARY OF EXPENDITURES							
Description	2022 Actual	2023 Actual	2024 Original Budget	April 2024 Actual	2024 Revised Budget	2025 Requested Budget	2025 Final Budget
20268 - HOUSING-JC SAL&BENEFITS							
EXPENDITURES							
PERSONNEL SERVICES							
6101 - FULL-TIME EMPLOYEES-REG	25,432	110,819	116,280	40,215	116,280	131,746	
6102 - FULL-TIME EMPLOYEES-OVERTIME	1,306	20,868	0	5,121	0	0	
6108 - ACCUMULATED VACATION/COMP LEAV	78	0	95	0	95	0	
6120 - EMPLOYER CONTR FOR RETIREMENT	3,939	18,816	17,623	6,430	17,623	19,963	
6130 - EMPLOYER PAID INSURANCE	5,655	35,971	36,157	15,696	36,157	41,990	
6150 - WORKERS COMPENSATION	202	869	1,070	550	1,070	1,252	
6170 - EMPLOYER CONTR TO HCSP	390	2,679	2,717	675	2,717	2,973	
PERSONNEL SERVICES	37,001	190,021	173,942	68,688	173,942	197,924	
SUPPLIES							
6245 - CLOTHING ALLOWANCE	0	0	600	0	600	600	
SUPPLIES	0	0	600	0	600	600	
OTHER SERVICES AND CHARGES							
6388 - TECHNOLOGY EQUIP CHARGE	0	0	1,002	336	1,002	1,200	
6390 - POSTAGE AND TELEPHONE	0	490	840	350	840	840	
OTHER SERVICES AND CHARGES	0	490	1,842	686	1,842	2,040	
TOTAL EXPENDITURES	37,001	190,511	176,384	69,374	176,384	200,564	
CHANGE 2024 REVISED TO 2025 REQUESTED							24,180
PERCENT CHANGE 2024 REVISED TO 2025 REQUESTED							13.71%

HOUSING GENERAL					
DETAIL OF EXPENDITURES					
CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2024 Revised Budget	2025 Requested Budget	2025 Final Budget
EXPENDITURES					
MATERIALS & SUPPLIES					
6201	OFFICE SUPPLIES		2,000	2,000	
6210	OPERATING SUPPLIES	Shredding	500	500	
SERVICES AND OTHER CHARGES					
6302	PROFESSIONAL SERVICES	Audit, Legal	5,000	5,000	
6331	CONFERENCES, TRAINING, TRAVEL	Yardi Training	5,000	5,000	
6361	INSURANCE	Property & Liability	1,750	2,106	
6374	ADMINISTRATION SUPPORT FEE		25,920	46,886	
6388	TECHNOLOGY EQUIP CHARGE	Amortization of technology equipment, includes computers at NM & JC; will be included in administrative charge for staff and equipment	1,508	1,640	
6390	POSTAGE AND TELEPHONE	Housing Program Admin. Cell Phone, Postage	1,750	1,750	
MISCELLANEOUS					
6471	DUES & SUBSCRIPTIONS	MnNAHRO Agency Membership	500	500	
TRANSFERS					
6720	OPERATING TRANSFERS	Redevelopment Fund (20284) for Hardman Triangle Implementation (\$220,452), Housing Loan Fund (\$100,000)	325,175	320,452	

CITY OF SOUTH ST PAUL, MN

ANNUAL BUDGET

HOUSING-ADMIN SAL&BENEFITS DETAIL OF EXPENDITURES					
CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2024 Revised Budget	2025 Requested Budget	2025 Final Budget
EXPENDITURES					
SERVICES AND OTHER CHARGES					
6388	TECHNOLOGY EQUIP CHARGE	computer replacement charges	668	800	
6390	POSTAGE AND TELEPHONE	Phone allowance for Property Managers, Housing Manager	2,100	2,800	

CITY OF SOUTH ST PAUL, MN

ANNUAL BUDGET

HOUSING-NM SAL&BENEFITS DETAIL OF EXPENDITURES					
CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2024 Revised Budget	2025 Requested Budget	2025 Final Budget
EXPENDITURES					
MATERIALS & SUPPLIES					
6245	CLOTHING ALLOWANCE	for maintenance & caretaker at building	600	600	
SERVICES AND OTHER CHARGES					
6388	TECHNOLOGY EQUIP CHARGE	computer replacement charges	1,002	1,200	
6390	POSTAGE AND TELEPHONE	Cell phone benefit for mtnce & caretaker at building	840	840	

CITY OF SOUTH ST PAUL, MN

ANNUAL BUDGET

HOUSING-NM SAL&BENEFITS DETAIL OF EXPENDITURES					
CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2024 Revised Budget	2025 Requested Budget	2025 Final Budget
EXPENDITURES					
MATERIALS & SUPPLIES					
6245	CLOTHING ALLOWANCE	for maintenance & caretaker at building	600	600	
SERVICES AND OTHER CHARGES					
6388	TECHNOLOGY EQUIP CHARGE	computer replacement charges	1,002	1,200	
6390	POSTAGE AND TELEPHONE	Cell phone benefit for mtnce & caretaker at building	840	840	



EDA Agenda Item Report

Date: September 3, 2024

EDA Executive Director:

5-C

AGENDA ITEM:

Termination of Development Agreement – Resolution 2024 – 18 (Blue River Holdings, LLC)

ACTION TO BE CONSIDERED:

Motion to approve Resolution 2024 – 18

SUMMARY:

On November 1, 2021 the EDA adopted Resolution 2021-17, approving a Development Agreement with Blue River Holdings, LLC for EDA-owned property located on the 400 Block of Concord Exchange South. Several amendments (five, to be exact) to the Development Agreement have been approved in the past three years to extend the Closing, Commencement, and Completions Dates, as the continued in their efforts to find agreeable financing terms with their primary lender for a conventional loan. In addition, amendments have been approved to acknowledge the successful application to Dakota County CDA for a Redevelopment Incentive Grant, to help overcome geotechnical and environmental soil deficiencies at the site.

As currently amended, the Development Agreement stipulates that Closing was to occur on or before August 30, 2024 and that the project was to commence construction on or before October 1, 2024. In addition, the project was required to complete construction by December 31, 2025. In late-August 2024, the Developer elected to abandon efforts to negotiate with their lender, and is putting the project back out to market for financing. Blue River remains committed to the project, has approved plans and a commitment from SBA to guarantee the loan, and feels that the development is vital to the continued viability of the South St. Paul Animal Hospital's business. However, their intention to market the project for financing introduces another delay to the project's development schedule; indeed, we have passed the Closing Date in our Agreement.

Rather than amend the 2021 Development Agreement for a sixth time, Staff is of the opinion that the EDA should terminate the 2021 Agreement as Amended and take a beat while the developer's financing crystalizes. Once the developer has secured project financing, we would suggest "fresh" Development Agreement be drafted and approved to integrate the language pertaining to the CDA Grant and EDA Forgivable Loan (approved by EDA Resolution 2024 – 11 on June 3, 2024), as well as attainable Closing, Commencement, and Completion Dates.

FUNDING SOURCES AND OTHER FISCAL CONSIDERATIONS:

The EDA-owned property has been property tax exempt for a number of years. The proposed development should be expected to generate a total market value for taxable purposes of between \$2,500,000 and \$3,000,000, which would result in a total annual property tax bill (in 2024 figures) of between \$75,000 and \$93,000. At current tax rates, the City portion of this property tax bill is estimated at \$21,000 - \$26,000, while the SSD #6 portion is estimated at \$15,000 - \$19,000.

\$250,000 in RIG funding from the CDA is already approved for this project. RIG funding is provided on a 2:1 basis, meaning that for every dollar of RIG funding dedicated to the project, the grant recipient must match two dollars in funding. Matching funds will be provided for by the developer, well in excess of the 2:1 requirement.

The \$75,000 forgivable loan would essentially be a paper transaction in Fund 40490 (Concord TIF). Rather than receive the \$75,000 in proceeds at closing from the developer, the TIF Fund would provide the \$75,000 in the form of a loan which is then immediately paid to the TIF Fund as sales proceeds, essentially a net "\$0" transaction in the TIF.

ATTACHMENTS:

Orientation Map

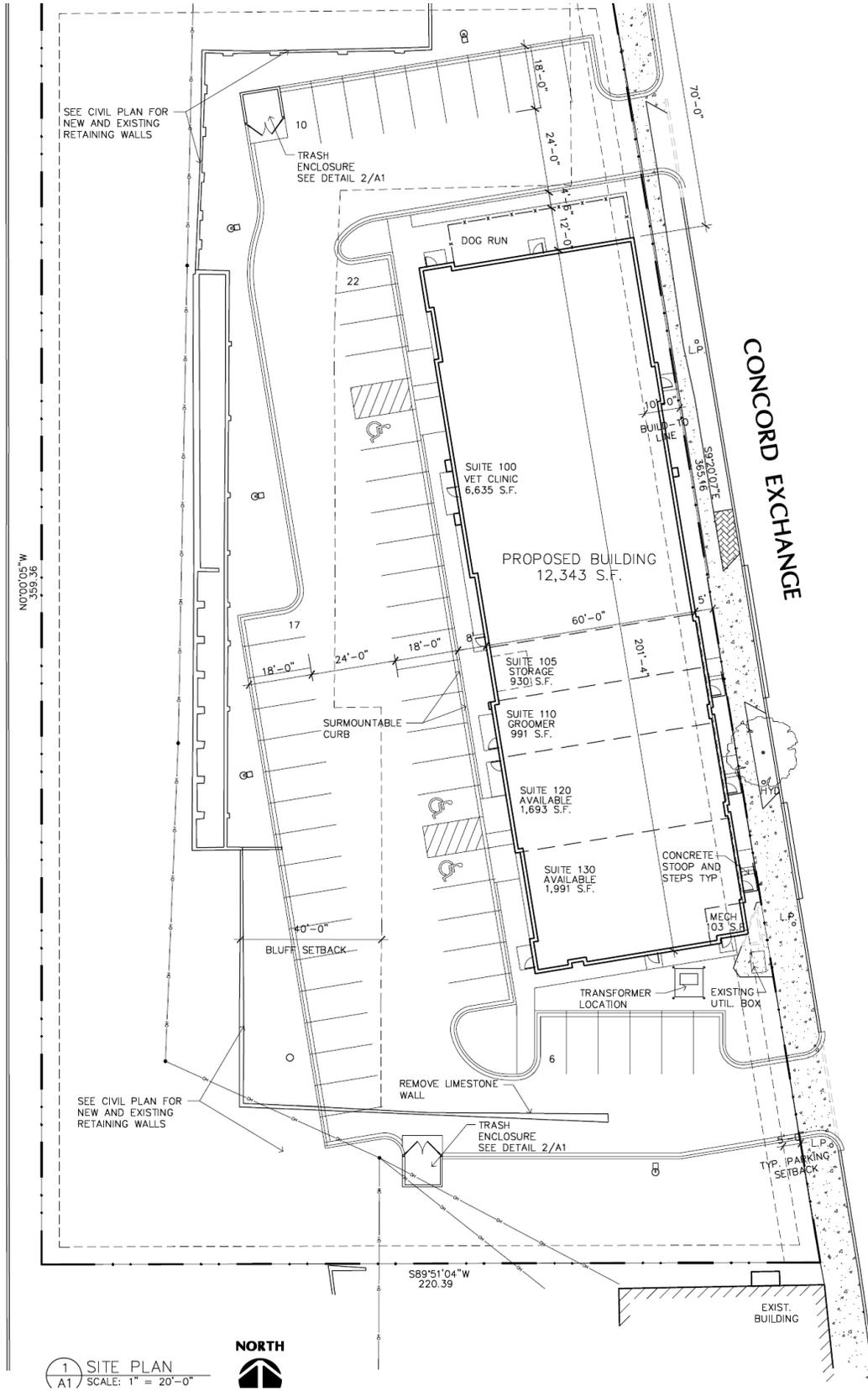
Approved Development Plan

Resolution 2024 – 18

PROPERTY/ORIENTATION MAP

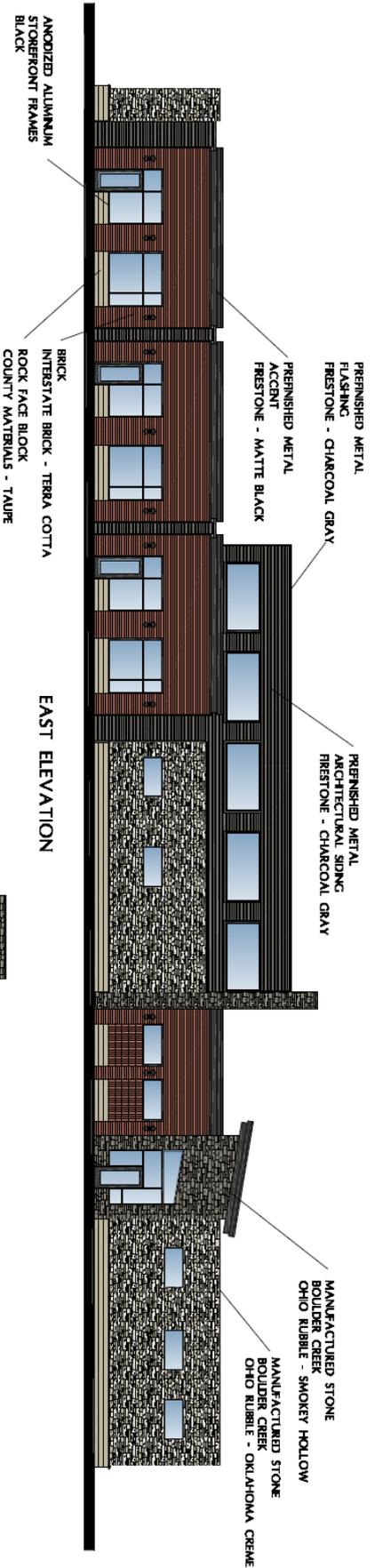


APPROVED DEVELOPMENT PLAN

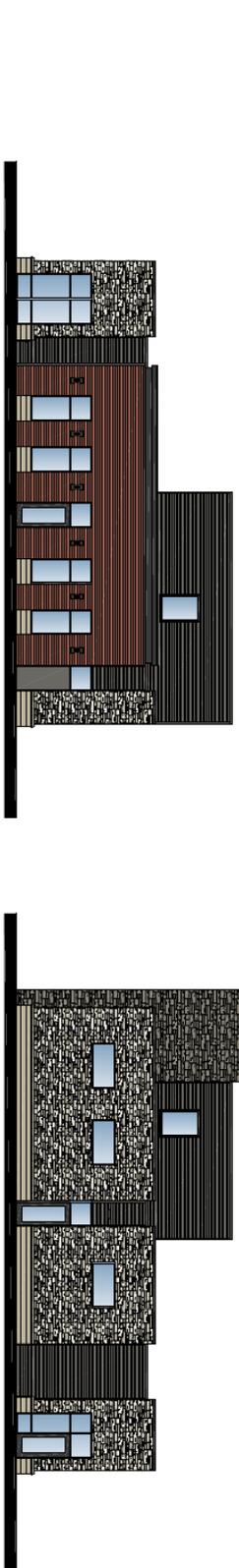


1 SITE PLAN
A1 / SCALE: 1" = 20'-0"



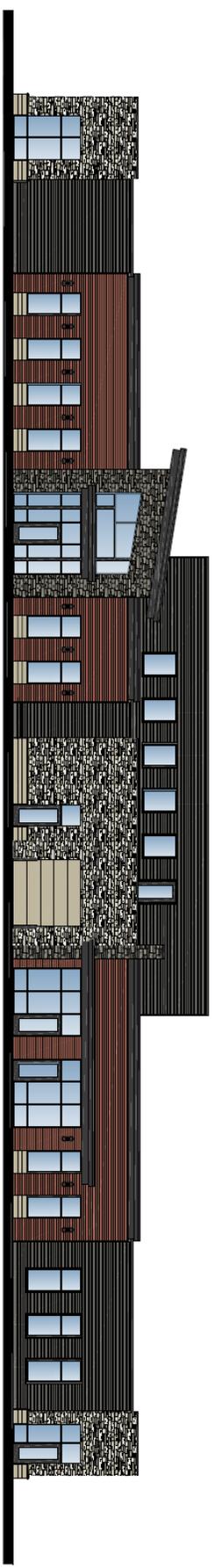


EAST ELEVATION



SOUTH ELEVATION

NORTH ELEVATION



WEST ELEVATION

The South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2024 – 18

RESOLUTION RECOGNIZING THE TERMINATION OF THE CONTRACT FOR
PRIVATE DEVELOPMENT BY AND BETWEEN SOUTH ST. PAUL ECONOMIC
DEVELOPMENT AUTHORITY AND BLUE RIVER HOLDINGS, LLC

WHEREAS, the South St. Paul Economic Development Authority (“EDA”) and Boue River Holdings, LLC a Minnesota limited liability company (“Developer”) entered into a Contract for Private Development dated November 1, 2021, as amended by that certain First Amendment to Development Agreement dated August 9, 2022, as further amended by that certain Second Amendment to Development Agreement dated December 5, 2022, as further amended by that certain Third Amendment to Development Agreement dated March 6, 2023, as further amended by that certain Fourth Amendment to Development Agreement dated August 7, 2023, and as further amended by that certain Fifth Amendment to Development Agreement dated April 1, 2024 (collectively “Contract”); and

WHEREAS, EDA has provided Developer with written notice dated August 29, 2024, of EDA’s decision to terminate the Contract pursuant to Paragraph 6.2(A) (“Termination Notice”) attached hereto as Exhibit A.

NOW, THEREFORE, the EDA hereby confirms the following:

1. The Contract is hereby terminated and released.
2. The Property identified in the Contract is hereby released from the Contract.

Adopted this 3rd day of September, 2024.

President, James P. Francis

Executive Director, Ryan Garcia

EXHIBIT A



City of South St. Paul

Economic Development

Blue River Holdings LLC
c/o Dr. David Abramowicz, Manager
501 Concord Street North
South St. Paul, MN 55075

August 29, 2024

Re: Development Agreement by and Between South St. Paul Economic Development Authority and Blue River Holdings, LLC

Dear Dr. Abramowicz,

I am writing you today to notify you that the South St. Paul Economic Development Authority (“EDA”) is exercising its right to terminate the Development Agreement with Blue River Holdings, LLC in accordance with Section 6.2 (A) of said Agreement, that was executed on November 1, 2021 and Amended through five (5) separate Amendments to Development Agreement dated August 9, 2022, December 5, 2022, March 6, 2023, August 7, 2023, and April 1, 2024. August 30, 2024 is the Amended Closing Date as identified in the Fifth Amendment to Development Agreement, and you have advised the EDA that Blue River Holdings will not proceed to Close on the property on or before that date.

Sincerely,

Ryan Garcia
Executive Director
South St. Paul Economic Development Authority