



CITY OF SOUTH ST. PAUL MEETING AGENDA

WORK SESSION

Training Room
125 3rd Avenue North
South St. Paul, MN 55075

Monday, November 25, 2024
7:00 PM

1. CALL TO ORDER

2. DISCUSSION ITEMS

- A. Joint Worksession with the Planning Commission: South Concord Corridor Market Study and SWOT Results Discussion
- B. Discuss Cannabis Ordinance and Planning Commission Recommendation
- C. 2025 Budget Update Discussion
- D. Local Affordable Housing Aid Follow-Up Discussion
- E. Council Appointments to Various Boards and Commissions
- F. City Administrator's Update (No Attachment)

3. COUNCIL COMMENTS & QUESTIONS



WORK SESSION AGENDA REPORT

DATE: November 25, 2024
DEPARTMENT: Planning & Zoning
PREPARED BY: Michael Healy
AGENDA ITEM NUMBER: 2.A.

MEETING TYPE

Regular Meeting

AGENDA ITEM

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

- Review results of September Strengths-Weaknesses-Opportunities-Threats (SWOT) exercise.
- Discuss the draft market study and what it means for the development of a vision for the South Concord Corridor.

OVERVIEW

Background

The “South Concord Corridor” refers to land that is in the southeastern corner of South St. Paul between Interstate 494 and the community’s southern border with Inver Grove Heights. The corridor sits at the bottom of a 100-foot-tall river bluff. The bluff forms the corridor’s western boundary, and the Mississippi River forms its eastern boundary. The backbone of the corridor is Concord Street, a north-south arterial road that is owned by Dakota County and was the main thoroughfare in the region until the construction of US-52 in the 1970’s. There are two steeply graded local roads that provide connectivity between the South Concord Corridor and the residential neighborhoods at the top of the bluff. A large part of the South Concord Corridor consists of industrial properties located between Concord Street and the river which are served by a small network of low-amenity local roads. The local road network serving the industrial businesses is punctuated by multiple at-grade railroad crossings.

South St. Paul adopted its 2040 Comprehensive Plan in October of 2020. The adopted comprehensive plan identifies the South Concord Corridor as a future redevelopment area and calls for a study of the corridor to take place within 5-10 years. The City’s official zoning map and the 2040 Comprehensive Plan’s future land use map are not currently in alignment when it comes to many of the parcels on the South Concord Corridor. State Statute requires that the zoning map and future land use map be brought into alignment, but this cannot be completed until the City completes its study and determines what the long-term vision is for this corridor.

Selection of Swanson Haskamp Consulting, LLC as Project Consultant

The City released a Request for Proposal (RFP) for the corridor study in June of 2024. The City received four proposals and selected a proposal from Swanson Haskamp Consulting, LLC with Michael Lamb Consulting, LLC as a subcontractor. This same team of consultants assisted the City with the successful North Concord Mixed Use District Update project in 2021.

Overview of Project Scope

The project consists of three main tasks:

1. Complete a market study of the corridor.
2. Develop a corridor vision.
3. Implement the corridor vision. *Implementation may include updates to the future land use map, updates to the zoning map, and updates to the zoning code.*

What has Taken Place so Far?

City Staff and the consultant team met on August 15th to discuss the status of the corridor and go over challenges and opportunities that have been identified by City Staff. The meeting included an exchange of background documents and a walking tour which focused on key redevelopment opportunities. The consultant team facilitated a Strengths-Weaknesses-Opportunities-Threats (SWOT) exercise at a Joint Worksession of the Planning Commission and City Council on September 23rd. The consultant team recently completed a draft of the market study and have submitted this draft for review by City Staff, the Planning Commission, and the City Council.

Purpose of November 25th Joint Worksession

The consultant team will share the results of the SWOT exercise and will present the market study. The Planning Commission and City Council can discuss and ask questions. This discussion will start to frame the visioning process for the corridor which will begin in earnest in 2025.

LINKS

Memo from May 28th City Council Worksession meeting with additional project background:
https://www.southstpaul.org/AgendaCenter/ViewFile/Agenda/_05282024-1319

Project webpage with maps & historical documents related to the South Concord Corridor:
<https://www.southstpaul.org/909/South-Concord-Corridor-Zoning-Study>

SOURCE OF FUNDS

This project has a \$60,000 “not to exceed” budget. A Redevelopment Incentive Grant (RIG) from the Dakota County Community Development Agency (CDA) is covering \$25,000 of that cost. The remaining \$35,000 is being covered by the South St. Paul Economic Development Authority’s Redevelopment Fund.

ATTACHMENTS

1. Map of South Concord Corridor
2. Consultant's Memo
3. South Concord Corridor Market Study

**ATTACHMENT 1
MAP OF THE SOUTH CONCORD CORRIDOR**





Date: November 21, 2024

To: Michael Healy, Planning Manager

CC: Mike Lamb, AICP

RE: City Council Work Session
Market Study and SWOT Summary

MARKET STUDY SUMMARY

The draft Market Study is complete, and we will present an overview of the study and findings at the upcoming work session on Monday evening. Please note that the study is in draft form, and we will continue to update/refine the document until it is presented as a final draft at the conclusion of the Project.

The Market Study includes findings and recommendations that are intended to serve as a foundation for the next steps of the process. Key findings, or “high risers” of the market study include development capacity within the Study Area, types of development that are compatible with existing development patterns, as well as overall market trends that may impact or influence the potential for redevelopment. The high-risers were used to form the recommendations for the highest-and-best land uses and redevelopment opportunity areas identified within the report.

SWOT

After the September work session, we compiled the SWOT worksheet responses. An overview of the SWOT responses will be presented for discussion. The SWOT responses, in combination with the Market Study findings, will be used as a baseline to begin the visioning process.

NEXT STEPS

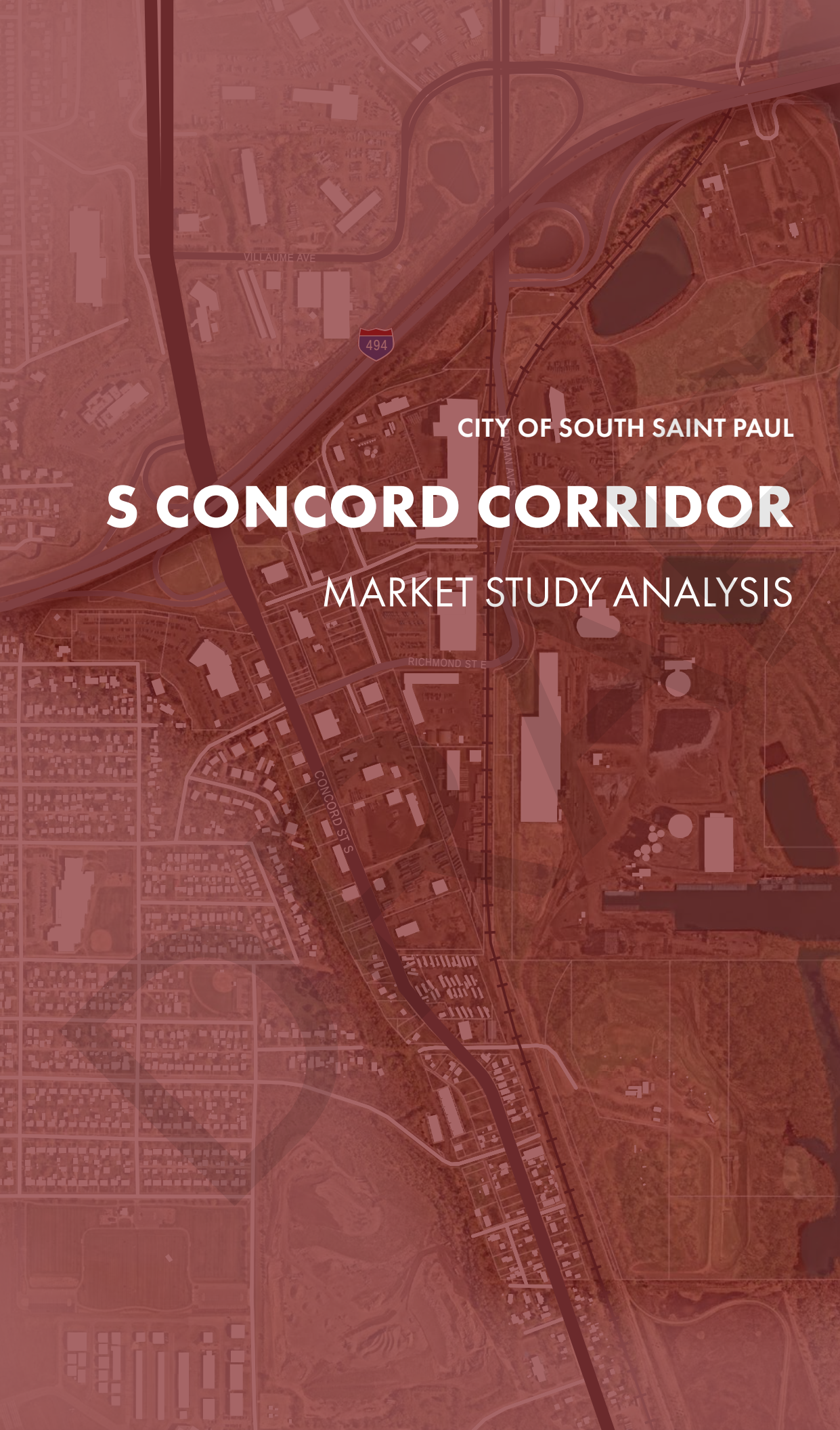
The next phase of the Project is to begin the Visioning process for the Study Area. We anticipate that the visioning phase of the process will be initiated shortly after the new year.



CITY OF SOUTH SAINT PAUL

S CONCORD CORRIDOR

MARKET STUDY ANALYSIS





CONTENTS

I. EXECUTIVE SUMMARY	3
II. INTRODUCTION + BACKGROUND	9
III. NATIONAL AND TWIN CITIES METROPOLITAN AREA (TCMA) MARKET TRENDS	11
IV. SOUTH CONCORD CORRIDOR SUBMARKET TREND ANALYSIS	27
V. SOUTH CONCORD CORRIDOR STUDY AREA (MACRO + MICRO AREA ANALYSIS)	37
VI. FINDINGS + RECOMMENDATIONS	64

I. EXECUTIVE SUMMARY

PROJECT INTRODUCTION

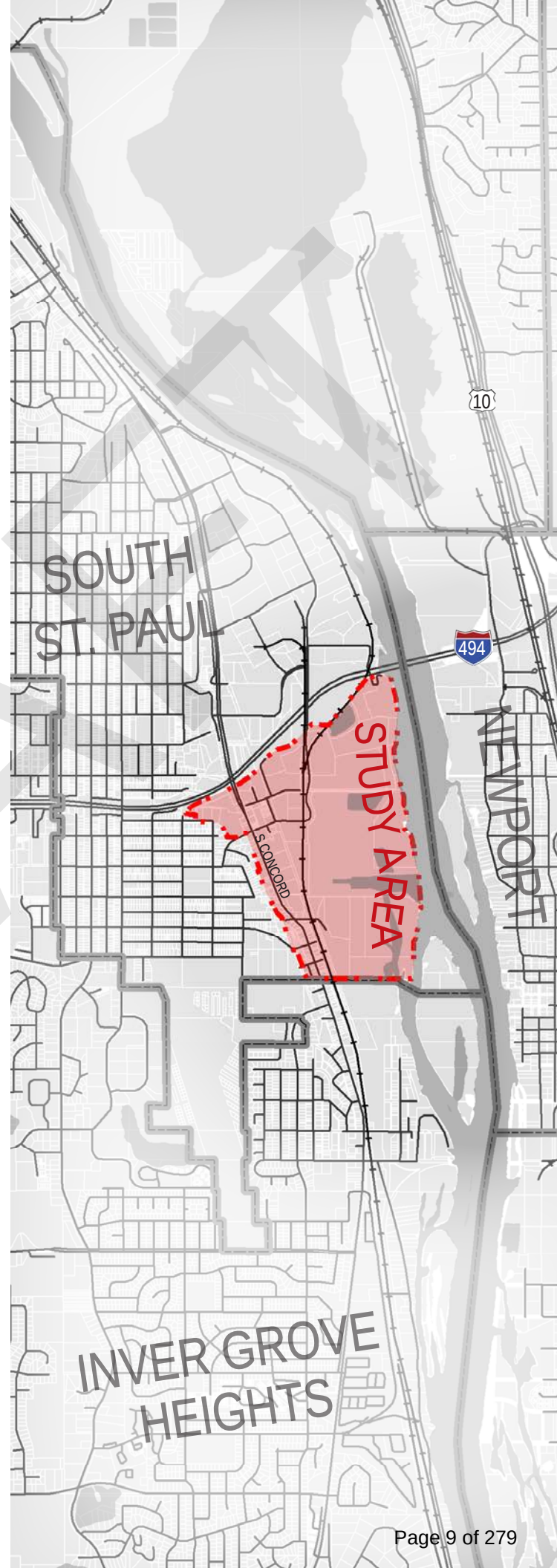
The City of South St. Paul initiated the South Concord Corridor Study (“Project”) to evaluate the economic development and redevelopment potential within the Study Area. The Study Area is defined generally as the land lying south of I-494, west of the Mississippi River, north of Linden Street and east of the bluffline abutting the Concord Street corridor. The Project scope addresses three primary components to be prepared in the following order:

1. Market Study
2. Corridor Vision
3. Zoning and Comprehensive Plan Amendments/Updates

The City selected Swanson Haskamp Consulting, LLC (SHC) and Michael Lamb Consulting, LLC as the consultant team to complete the Project. The intent is that the Market Study guide the preparation of the Corridor Vision which will subsequently require certain amendments to the Comprehensive Plan and the Zoning Ordinance.



Figure 1. South Concord Corridor Study Area
Sources: MNDOT, Net Council. MNDNR





MARKET STUDY OBJECTIVES

The purpose of the Market Study is to determine the highest-and-best land uses within the Project Area. The City has identified the Study Area as an area with development and redevelopment potential, but the area lacks a cohesive vision. Existing land uses are co-mingled, intermittent and aging leading to non-conformities and other inconsistencies that make redevelopment and development challenging within the corridor. One objective of the Study is to evaluate the market potential for future development and redevelopment. To that end, the following key objectives for the Market Study were identified by the City:

- Through market data determine if the existing/current development pattern constitutes the highest-and-best land use within the Study Area.
- If the existing conditions are not optimal, provide recommendations rooted in market realities for potential land use/development changes within the corridor.
- Based on the outcomes of the highest-and-best land use analysis identifies if any changes to the zoning and land use are necessary to support future redevelopment and/or reinvestment in the Study Area.

RESEARCH METHODOLOGY

The data analyzed within the market study was collected using various resources as identified throughout the report. The data was collected in the third and fourth quarters of 2024. The analysis includes both quantitative and qualitative data as referenced throughout the report. Data collection was supplemented by interviews and conversations with local developers that are active within the submarket area. For the purposes of the market analysis national, regional and local trends within the commercial real estate market were evaluated. The most significant data collection was compiled utilizing the Minnesota Commercial Association of Realtors data.

FINDINGS, OUTCOMES AND ECONOMIC OPPORTUNITIES

The market data analysis focused on four primary commercial development sectors including industrial, office, retail and to a lesser extent multi-family. The industrial, office and retail sectors are all present within the existing land use and development patterns within the Study Area. Known redevelopment plans were included within the analysis. The following findings, outcomes and economic opportunities were identified within the market study:



NATIONAL/REGIONAL TRENDS:

- Both at the national and regional level the industrial market sector continues to experience moderate growth that has largely stabilized over the past two years.
- Industrial development has transitioned from a speculative market during the pandemic peak to build-to-suit as the market contracted to pre-pandemic typical growth patterns.
- The office market remains challenged as work-from-home and hybrid work environments continue to become more common. While some return-to-work mandates have been issued, most companies continue to have hybrid work environments which has reduced the amount of square footage needed and desired by those businesses. As a result, demand for highly amenitized offices and locations are experiencing some demand but suburban office parks and Class B/C offices continue to decline.
- The retail/service sector continues to be strong with increasing demand for experience-based opportunities. Certain types of retail that fit this category do not require traditional retail environments and have relocated into industrial, light industrial, and creative office locations.
- Multi-family development/redevelopment peaked in the latter part of 2023 with continued delivery of new units in 2024. However, in 2024 new permits and builds had declined significantly due to the higher interest rate environment. The recent fed cut in the fourth quarter of 2024 combined with expected additional rate cuts in the first half of 2025 may loosen up the multi-family market, but the delivery of those units will be delayed likely into 2026 or 2027.

LOCAL TRENDS

- The Southeast Submarket area as defined by MNCAR demonstrates that there is continued demand for industrial space within the market particularly for existing space as well as smaller single-tenant spaces that are less than 100,000 square feet.
- The market data shows more than 3.2 million square feet of entitled industrial space that is scheduled to come online within the southeast submarket, if and when, tenants (build-to-suit) are identified. The majority of the entitled and approved projects are for multi-tenant industrial warehouse and distribution space.
- Industrial uses within the submarket have been most successful when the project location is accessible to major transportation infrastructure. The Study Area is well positioned within the region with efficient access to the I-494/I-694 loop, rail and river. The access and geographic proximity to the region make the land desirable especially for industrial users.
- Industrial uses since the pandemic have focused on distribution warehouse space which demands taller clear heights ranging from 28-36'. New industrial space is designed to meet this expectation, but aging buildings that predate the 2010s were not built to meet this expectation. Much of the existing industrial product within the southeast submarket does not meet the modern expectations with typical clear heights ranging from 16-24'.



RECOMMENDATIONS

The following recommendation regarding the highest-and-best uses within the corridor, and subsequent changes to the City's land use and zoning are provided:

- The land use pattern within the Study Area is impacted by existing physical constraints and conditions. The parcel configurations and existing land uses can be organized into subareas (See Figure 2), and the development/redevelopment potential is heavily influenced by the physical characteristics and constraints of the parcel configurations.
- Each Subarea has a different set of physical characteristics, constraints and development/redevelopment opportunities based on the parcel configurations and existing land uses. Land Use recommendations by Subarea are shown on Figure 2. The subareas identified are:
 - » Subarea A – Large Land Parcels
 - » Subarea B – Balanced Land + Building Parcels
 - » Subarea C – Bluff Constrained Parcels
 - » Subarea D – Small Dominant Residential Parcels
- The following summary recommendations are provided by Subarea:
 - » Subarea A – Large Land Parcels: Opportunity sites provide locations for large scale/footprint industrial development and redevelopment. This subarea has adequate land area to support targeted redevelopment with multi-tenant industrial development that exceeds 100,000 square feet. Industrial uses, including modern clear heights, are best suited to this area. Considerations for access, including rail crossings, should be evaluated in subsequent sections of this Study.
 - » Subarea B – Balanced Land + Building Parcels: Opportunities for development or redevelopment within the subarea may require consolidation and/or combinations to create adequate land area. Existing parcel configurations may support redevelopment for single-tenant industrial uses for buildings with 10,000 to 50,000 square feet and opportunities for outdoor storage. Demand for this type of demand is high and there is a lack of supply within the market.
 - » Subarea C – Bluff Constrained Parcels: The highest-and-best use for the subarea is similar to the existing development pattern. Continued support for a mix of uses will promote infill and redevelopment that responds to market demand. Wholesale redevelopment is unlikely due to the expense associated with consolidation, demolition and the presence of multiple owners within the subarea.
 - » Subarea D – Small Dominant Residential Parcels: The highest-and-best land use for the subarea is similar to the existing development patterns. Residential uses in the corridor support continued opportunities for more affordable home ownership, and this can be protected and reinforced within this subarea. The character of the subarea is different from the other subareas, which makes the continuation of residential uses reasonable.

SUBAREA A: LARGE LAND PARCELS

- Highest-and-best use is for industrial
- Opportunity sites provide significant redevelopment of industrial users
- Multi-tenant industrial buildings with smaller suites (25,000 – 50,000+) are in-demand within the market areas
- The UP Railroad presents both an opportunity and a challenge
- Future development/redevelopment should address additional (and connected) access

SUBAREA B: BALANCED LAND + BUILDING PARCELS

- Opportunities within Subarea B require consolidation/combination of parcels
- Parcel areas support potential redevelopment with smaller single-user industrial buildings (10,000-50,000 SF)
- Parcels within the subarea are not constrained by natural features
- Regulations should address the appropriate site-building balance, and the regulations associated with outdoor storage

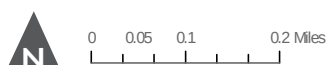
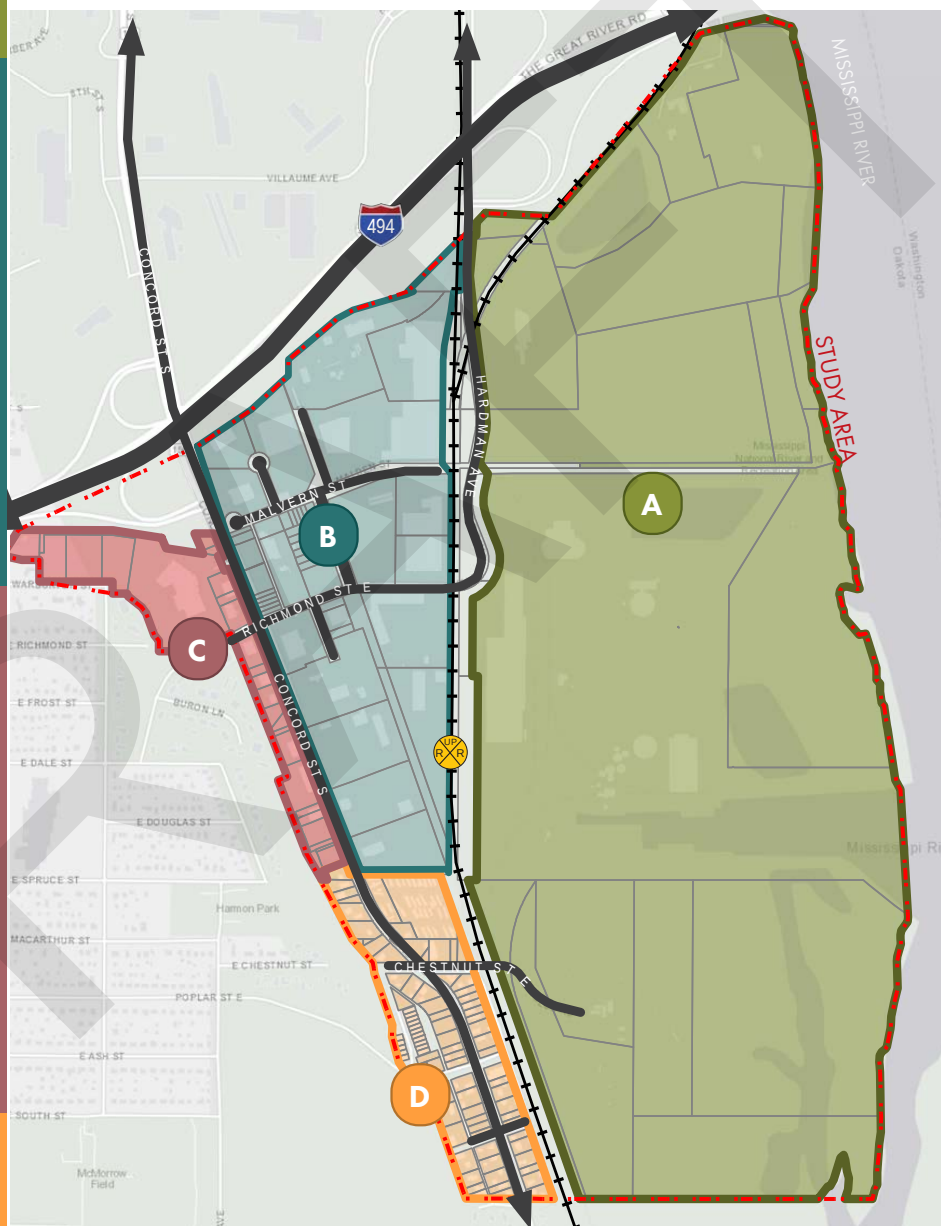
SUBAREA C: BLUFF CONSTRAINED PARCELS

- Highest-and-best use is likely similar to the existing use/development pattern
- Mix of uses provides greatest market potential
- Parcels are generally constrained by physical characteristics, so flexibility of use provides options to property owners
- Conversion and reuse of structures should be addressed within zoning/land use regulations

SUBAREA D: SMALL DOMINANT RESIDENTIAL PARCELS

- Highest-and-best use is likely similar to the existing use/development pattern
- Residential uses in the Subarea provide naturally occurring affordable housing
- Infill and redevelopment will be most marketable if it fits the character of the surrounding area
- Allowing for a mix of properly scaled uses would further support the character of the Subarea

Figure 2. Subarea Recommendations Summary



Sources: FEMA, MNDOT, Met Council, ESRI, HERE, Garmin, (c) OpenStreetMap Contributors & GIS User Community



- Zoning and Land Use Considerations:

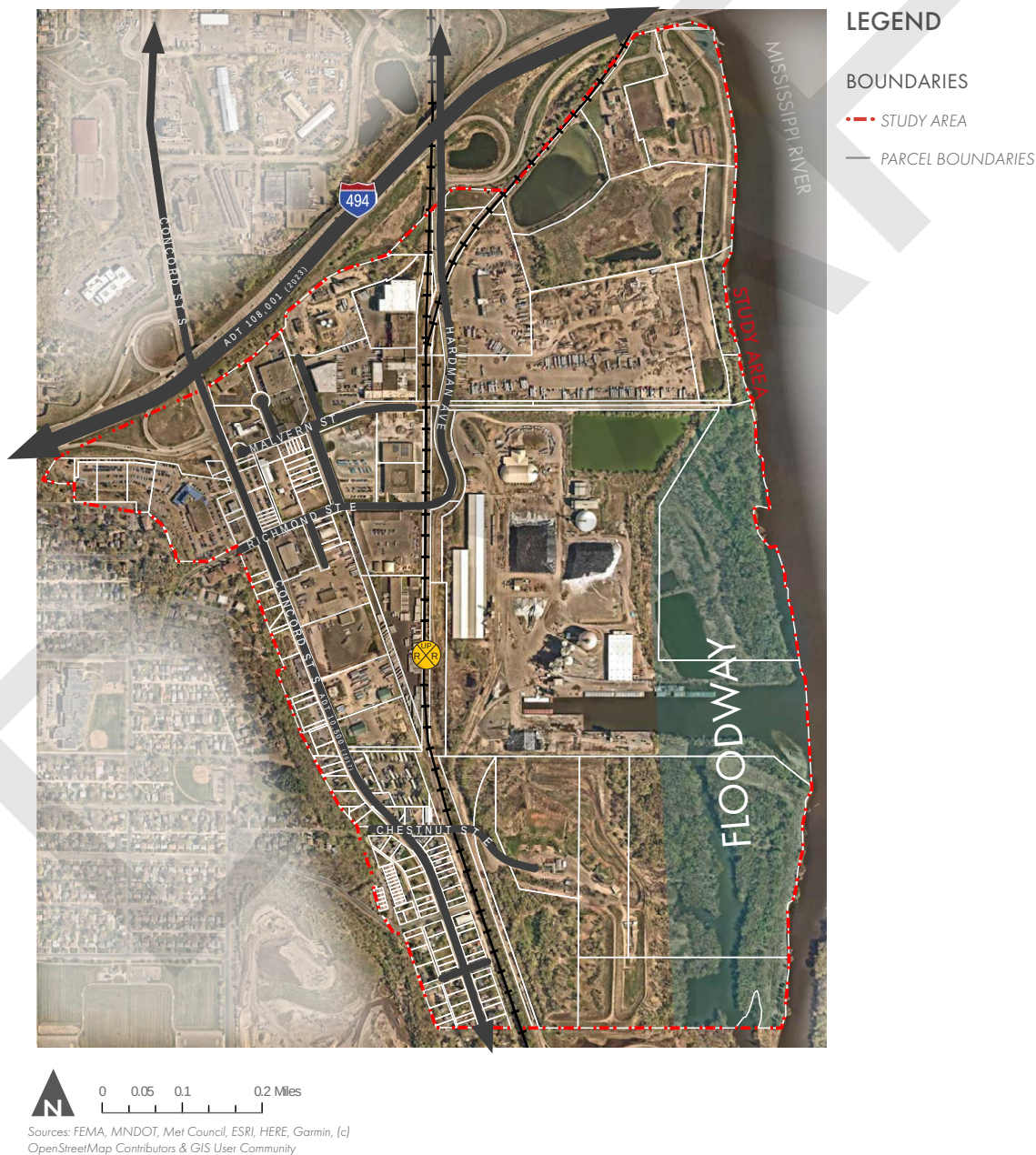
- » Review, and modification where necessary, of the industrial zoning district dimensional standards should be performed as part of the subsequent phases of this Project. Dimensional standards should 1) support the established vision for the Study Area; and 2) respond to market expectations to encourage development and/or redevelopment.
- » Mixed-use opportunities within the corridor are not likely multi-family dominant. Opportunities for a mix of smaller-scale residential, light industrial, office and makers space is possible particularly within Subarea C. Revisions to the land use plan, as well as rezoning within the subarea should be considered as part of the visioning phase of this Project.
- » Rezoning within Subarea D should be considered if the City determines that it is important to support and reinforce existing land use patterns. Rezoning would clearly signal a desire to support reinvestment within the existing housing stock while allowing for redevelopment within the subarea with similar residential uses. Consideration of incorporating a mix of small-scale retail/office uses within the rezoning should also be evaluated given current uses and the potential to allow for opportunities to introduce neighborhood scale businesses within the land use pattern.



IV. INTRODUCTION + BACKGROUND

The South Concord Corridor Study Area (Study Area) is geographically bound by I-494 on the north, the Mississippi River on the east, Linden Street on the south, and the bluffline west of Concord Street (Figure 3. South Concord Corridor Market Study Area). The Study Area comprises approximately 430 acres surrounding approximately 4,800 linear feet of the Concord Street Corridor. Historically the Study Area has been developed with a mix of uses and development intensities from single-family detached homes to heavy transportation-centric industrial uses. The range of development intensity and uses creates a unique corridor that lacks a cohesive development pattern and character. The City initiated this Study to 1) better understand market trends and likely redevelopment opportunities for the corridor; and 2) to establish a Vision for development and redevelopment rooted in market realities.

Figure 3. South Concord Corridor Market Study Area





MARKET STUDY OBJECTIVES

The purpose of this Market Study is to define the real estate and development context from which a Vision for the corridor can be developed. Past planning efforts in the Study Area lacked market context and ignored the strength of the existing businesses within the corridor, calling for the removal of industrial businesses through the eventual reguiding and rezoning for retail and multifamily residential redevelopment. Given the previous vision, this market analysis considers the viability of mixed-use (retail/multifamily) development within the corridor and considers where, and if, this type of development or redevelopment may be suitable given the physical and socio-economic characteristics of the corridor. Since the mixed-use vision did not gain traction, the existing land uses and development patterns have remained relatively intact for the past decade but little redevelopment has occurred. This market study seeks to answer 1) if the existing/current development pattern constitutes the highest and best use; 2) if current and expected market trends warrant changes to the future land use and development pattern for the area; and 3) what, if any, changes to zoning and land use would support the future redevelopment and/or reinvestment plans in the corridor.

The following report and analysis are structured as follows:

- **Overview of National and Twin Cities Metropolitan Area TCMA Market Trends.** This section will provide a description of the national market trends that impact each commercial real estate sector, followed by TCMA data collected from the Minnesota Commercial Association of Realtors (MNCAR) quarterly market reports for the Office, Industrial and Retail Sectors.
- **South Concord Corridor Market Trend Analysis.** Based on identified National and TCMA trends, further refinement and data of the local market including directly comparable geographic areas to the South St. Paul commercial real estate market is provided.
- **South Concord Corridor – (Macro + Micro Area Analysis).** Building on the market analysis and data collected, an existing condition, land use and zoning analysis will provide a baseline to consider what the recommended highest-and-best use for the corridor.
- **Findings and Recommendations.** The Findings and Recommendations for the corridor are presented, and specific opportunity sites are given a closer look at (re)development potential.



V. NATIONAL AND TWIN CITIES METROPOLITAN AREA (TCMA) MARKET TRENDS

INTRODUCTION

National market trends influence and impact our local market and economy including the real estate industry. As a midwestern state, Minnesota often experiences trends and changes within our real estate market slightly delayed from the coasts where trends are often frequent, fast and can be volatile. In some cases, our geographic position isolates us from trends altogether, or our markets may not experience as much volatility because of size, population and geography. Given that not all trends equally impact us, it is important to evaluate what is happening at the national level and then determine how such activity may or may not affect our real estate market. The following macro-level summary of national economic and real estate characteristics and trends is provided as an overview, and subsequent sections of this report will evaluate the regional, subregional and local market characteristics.

ECONOMIC SNAPSHOT

As of the second quarter of 2024, the US economy was relatively strong and gross domestic product (GDP) was estimated to grow at an annualized rate of 2.8%. Unemployment remained low, though it was an increase of approximately 80 basis points year-over-year from 2023 to 4.3% (Bureau of Labor Statistics). The increase in the unemployment rate is the first significant increase since the pandemic, however, it remains low and has not caused extreme concern by economists yet – though some have indicated some increasing concern over the potential for recession in 2025.

Nationally, the Federal Open Market Committee (FOMC) establishes the interest rates which have been high in an effort to curb inflation. After several years of increasing interest rates, the FOMC cut interest rates by 50 basis points in September, which is the first cut in nearly four (4) years. Per JP Morgan Global Insights, additional interest rate cuts are expected over the next 12-18 months, as inflation is expected to continue its downward trend toward 2% which is the FOMC targeted inflationary rate. Direct impact to reduce consumer interest rates on products such as mortgages and car loans will likely lag behind these cuts, but provided they continue, will eventually be passed onto the borrower.

The national GDP, inflation and interest rates impact the local economy and directly influence the real estate market. Since interest rates peaked over the past couple of years the real estate market has contracted because money is more expensive, and it has been difficult to make projects pencil out making new construction difficult to finance. This has had the effect of a contraction in nearly every commercial real estate market and sector across the US including the TCMA.

COMMERCIAL REAL ESTATE MARKETS/SECTORS

Commercial Real Estate as a market is further segregated into Office, Industrial, Retail/Commercial, and Multifamily Housing sectors. Note that mixed-use that includes multifamily and some commercial/office use are typically grouped with the more dominant principal use – in most cases, that is multifamily. A brief summary of national trends in each sector is provided:

OFFICE SECTOR

Nationally, the Office market sector continues to struggle with high vacancy rates, lower values and many owners/investors either in default or in need of refinancing. This shift is most pronounced in major metropolitan areas with a core Central Business District (CBD). NAIOP, the commercial real estate development association, studies national trends and classifies markets in Large, Medium and Small Markets (Note the Minneapolis/St. Paul market is classified as one of the Largest 51 Markets). As demonstrated in Table 1, the biggest hit in transaction volumes occurred year-over-year from 2022 to 2023, with some further contraction (though not as significant) in 2023/2024. Whether this indicates a bottoming out remains to be seen, however, many believe that the office market is at or approaching its bottom, but recovery will be slow and may not look the same as pre-pandemic.

Table 1. Aggregate Changes in Transaction Volume Among the Largest 102 Office Markets

Office	Q1-over-Q1			
	2022/2019	2023/2022	2024/2023	2024/2019
Largest 51 Markets	31.4%	-72.6%	-18.9%	-70.8%
Second Largest 51 Markets	89.5%	-62.9%	-2.2%	-31.3%
Total Top 102	35.0%	-71.8%	-17.0%	-68.3%

Source: NAIOP Market Monitor, 2024

Minneapolis/St. Paul MSA Observations:

Office absorption (when it does happen) over the past couple years has changed with respect to the type of space, square footage per employee, location and amenities demanded. Businesses are trending towards smaller office footprints, in highly amenitized locations that may, or oftentimes is not, in one of the CBDs. This trend towards smaller, amenitized offices is dominating the TCMA market which has significantly impacted vacancy rates in both the Minneapolis CBD and Saint Paul CBD and in large suburban office parks. Per the NAIOP Market Report, the Minneapolis/St. Paul market volatility is classified as moderate which is consistent with recent noted trends, and is similar to other large midwestern markets. Many industry professionals speculate that office market transactions will continue to decline until the ‘bottom’ in asset prices is identified and lower interest rates are available – which we may be approaching in the TCMA according to some local real estate analysts.



The MNCAR Q2 Market Trends Report shows that high vacancy rates remain in the local market, particularly in certain subareas. The Mpls-St. Paul market consists of 126.7 million square feet of space across the 7-county metro area. Total vacancy rates across the entire area were at approximately 18.3% with some areas, including parts of downtown Minneapolis with significantly higher rates. There were just six construction projects active with a total of 1.3 million square feet under construction, but the fact that there was any construction within the office sector could be viewed as a positive indicator. Another positive indicator in the market is that during the second quarter of the year the market's leasing activity resulted in 299 transactions with more than 1.0 million square feet of absorption. However, the southeast market posted the most negative absorption in the local market with US Bank vacating 329,800 square feet of space, resulting in a total negative absorption in the subarea of 446,000 square feet.

Table 2. Mpls/St. Paul Office Q2 Market Summary

Total Inventory	31.4%
Total Buildings (tracked)	89.5%
Absorption	35.0%
Vacancy	18.3%
Asking Rate (FSG)	\$27.25
New Construction	1,375,466 SF

Source: MNCAR Q2 2024 Office Report

The trend of large companies vacating suburban office campus/businesses parks is consistent with the post-pandemic office trends previously noted (i.e. smaller footprints, in highly amenitized locations, etc.) It is worth noting that several of these large campuses/business parks are within the southeast subarea including Unisys, Blue Cross Blue Shield, Thomson Reuters, and the afore mentioned US Bank, to name a few. Such large campuses are not desirable to the current office market and many, if not all, are being repurposed and redeveloped into other uses that are planned for conversion to industrial, mixed-use, retail and residential uses. Many of these campuses have been placed on the market and are now mostly vacant contributing to the high vacancy rates and for-sale footage identified in the following data.



The following analysis focuses on the southeast subarea, which includes the City of South St. Paul and compares the activity and rates within the subarea to the total Mpls/Saint Paul market for reference. Table 3 provides a summary of all second quarter market statistics by office building class. As shown, the southeast subarea makes up approximately 10% of the total building inventory square footage, but was responsible for nearly 63% of the year-to-date negative absorption across the entire seven-county metro area.

Table 3. Southeast Submarket and Total Q2 Market Area Statistics by Office Building Class

Market	Bldg. Class	# of Buildings	Inventory	Total Available (SF)	Total Vacant (SF)	Total Absorption (SF)	YTD Total Absorption (SF)	Vacancy Rate
Southeast Subarea	A	16	3,781,324	636,577	584,296	-337,358	-318,870	15.5%
	B	124	7,466,629	1,454,026	1,521,833	-74,200	-173,586	20.4%
	C	39	3,142,246	65,521	551,025	-34,533	-45,205	17.5%
	Subtotal	179	14,390,199	2,786,126	2,657,154	-446,091	-537,661	18.5%
Mpls/St. Paul MSA	A	143	52,585,019	11,655,323	10,323,796	-398,375	-547,255	19.6%
	B	724	63,407,303	11,768,359	11,165,295	-172,632	-232,798	17.6%
	C	170	10,765,178	1,530,190	1,734,543	-63,157	-78,241	16.1%
	Total*	1,037	126,757,500	24,953,872	23,223,634	-634,165	-858,294	18.3%

Source: MNCAR Q2 2024 Office Report

As shown in Table 4, vacancy rates are also higher in the southeast subarea as compared to the seven county metro area. As previously noted, there are several large corporate campuses and business parks located in the southeast metro area that have been vacated and put on the market. The square footage associated with these campuses, in some cases, is included within the vacancy rate for the subarea.

Table 4. Southeast Submarket and Total Q2 Market Area - Vacancy Rates

Market	Bldg. Class	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate	Q4 2023 Vacancy Rate	Q1 2024 Vacancy Rate	Q2 2024 Vacancy Rate
Southeast Subarea	A	6.6%	6.9%	7.0%	6.5%	15.5%
	B	19.3%	18.8%	18.7%	20.3%	20.4%
	C	16.9%	16.6%	16.7%	16.4%	17.5%
	Subtotal	15.5%	15.2%	15.2%	15.8%	18.5%
Mpls/St.Paul MSA	Total *	13.7%	14.3%	14.3%	15.1%	15.6%

Source: MNCAR Q2 2024 Office Report, Q2 2024 Mpls/St. Paul Office, Market Trends, REDi Moody's, MNCAR

*Total excludes all Minneapolis CBD subareas.

The lease rate in the southeast subarea blended across all building types is approximately 15% lower than the lease rates across the seven-county metropolitan area. Table 5, demonstrates continuing decline in the lease rates across all building classes, except within Class A buildings which showed signs of stabilization in the first two quarters of 2024.

Table 5. Southeast Submarket and Total Q2 Market Area – Lease Rates (Direct + Sublease)

Market	Bldg. Class	Q2 2023 Lease Rate	Q3 2023 Lease Rate	Q4 2023 Lease Rate	Q1 2024 Lease Rate	Q2 2024 Lease Rate
Southeast Subarea	A	\$30.16	\$30.19	\$29.99	\$28.65	\$28.65
	B	\$22.85	\$23.16	\$22.84	\$23.79	\$23.42
	C	\$18.67	\$17.93	\$18.60	\$18.34	\$17.81
	Blended Subarea	\$22.92	\$23.04	\$22.61	\$23.24	\$22.93
Mpls/St.Paul MSA	Total *	\$26.51	\$26.87	\$26.74	\$27.08	\$27.25

Source: MNCAR Q2 2024 Office Report

*Total excludes all Minneapolis CBD subareas.

INDUSTRIAL SECTOR

The Industrial market sector continues to perform well; however, net absorption is trending down significantly (though many suggest more towards a normalized market) since the pandemic peak of 2021/2022. Per the NAIOP Quarterly Report, “total U.S. industrial net absorption in the first half of 2024 totaled 67.1 million square feet, down substantially from a historic peak in absorption in 2021, when it totaled 749.3 million square feet for the year...” During the peak, demand for warehouse/distribution space was driven by shifting expectations of consumers for same-day delivery of goods which was driven by the COVID pandemic. Contraction in the industrial market came as a result of increased interest rates over the past couple of years and the slowing of retailer logistics space to serve e-commerce deliveries.

Table 6. Aggregate Changes in Transaction Volume Among the Largest 102 Industrial Markets

Office	Q1-over-Q1			
	2022/2019	2023/2022	2024/2023	2024/2019
Largest 51 Markets	62.0%	-44.8%	-12.0%	-21.3%
Second Largest 51 Markets	92.3%	-56.1%	17.9%	-0.4%
Total Top 102	65.3%	-46.4%	-8.5%	-18.7%

Source: NAACP Market Monitor, 2024

Recent demand for industrial space is once again largely attributed to the strong retail market and continued growth trajectory in the e-commerce industry. E-commerce reached 15.9% of total retail sales in the first quart of 2024, up from 14.9% in the prior year and is approaching the historical peak of 16.4% which occurred in the second quarter of 2024 . Demand for distribution and last-mile facilities continues to grow, which places secondary pressure on other industrial building types that may be converted to serve the e-commerce industry.

Since the pandemic peak, industrial has contracted and adjusted towards a more normalized growth trend line that was present pre-pandemic. Per the NAIOP Industrial Space Demand Forecast, “Total net absorption for the second half of 2024 is forecast to be approximately 114 million square feet, full-year absorption in 2025 is forecast to be around 249 million square feet, and absorption in the first half of 2026 is forecast to be approximately 154 million square feet...” The forecast assumes that there is no significant macroeconomic impact such as recession and assumes that there will be a gradual lowering of interest rates as inflation falls and employment remains relatively stable . Vacancy rates year-over-year have increased slightly, but still remain the average of 6.3%. Rents are up year-over-year 4.3% which is consistent with a healthy market, and are likely to continue to grow provided there is no macroeconomic shock in the economy.



Minneapolis/St. Paul MSA Observations:

Per the Minnesota Commercial Association of Realtors (MNCAR) Q2 2024 Industrial Market Report, the TCMA industrial market consists of 295.4 million square feet of industrial space in eight counties. The year-to-date total industrial space absorption in 2024 is approximately 1.1 million square feet of positive absorption. The overall vacancy rate for the quarter was 5.3% with slightly higher vacancies reported for multi-tenant buildings. As of Q2 2024, there was 3.3 million square feet of space in 29 projects under construction, and 3.1 million square feet has been brought online this year. South St. Paul is within the MNCAR southeast submarket, which performed better than all other submarkets for the quarter with 456,700 square feet of positive absorption. This information is summarized in Table 7.

Table 7. Mpls/St. Paul Industrial Q2 Market Summary

Total Inventory	295,421,375 SF
Total Buildings (tracked)	3,309
Absorption	228,025 SF
Vacancy	5.3%
Asking Rent Low (NNN)	\$8.43
Asking Rent High (NNN)	\$11.17
New Construction	3,294,792 SF

Source: MNCAR Q2 2024 Industrial Report





Table 8 provides a summary of market statistics by market area for each property type year-to-date. The Southeast subarea has higher vacancy rates in the Flex/R&D and Warehouse Distribution Space than other subareas. The vacancy rates and available space can be attributed to some of the large suburban campuses on the market, and some of the new warehouse/distribution spaces that were built on spec over the past couple of years in the Woodbury and Cottage Grove markets.

Table 8. Southeast Submarket and Total Q2 Market Area Statistics by Industrial Property Type

Market	Property Type	# of Buildings	Inventory	Total Available (SF)	Total Vacant (SF)	Total Absorption (SF)	YTD Total Absorption (SF)	Vacancy Rate
Southeast Subarea	Flex/R&D	132	8,058,622	1,337,070	908,559	-46,464	-41,427	11.3%
	Warehouse Distribution	145	28,456,236	2,880,908	2,685,157	325,708	586,112	9.4%
	Warehouse Office	419	26,233,039	1,254,682	612,582	177,510	332,178	2.3%
	Subtotal	696	62,747,897	5,472,660	4,206,244	456,754	876,863	6.7%
Mpls/St. Paul MSA	Total *	3,309	295,421,375	22,952,465	15,793,925	228,025	1,178,523	5.3%

Source: MNCAR Q2 2024 Industrial Report

*Total excludes all Minneapolis CBD subareas.





When comparing vacancy rates year-over-year, the southeast subarea has remained relatively flat with no significant changes within the property types except warehouse distribution which increased by nearly 5% between 2023 Q3 and Q4. The increase in vacancy within this property type represents nearly 5% higher vacancy rates within this property type as compared to the eight-county metropolitan area. This indicates that there may be an oversupply of this product type, at least in the near term. Notably, the Warehouse Office property type is below the blended vacancy rate within the metropolitan area, which indicates there may be some additional demand for new warehouse/industrial space. Generally, the vacancy rates in all other industrial property types indicate that there continues to be available SF, and that some larger spaces have either not found tenants or there is negative absorption occurring within the southeast subarea.

Table 9. Southeast Submarket and Total Q2 Market Area - Industrial Vacancy Rates

Market	Bldg. Class	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate	Q4 2023 Vacancy Rate	Q1 2024 Vacancy Rate	Q2 2024 Vacancy Rate
Southeast Subarea	Flex/R&D	10.3%	11.1%	10.8%	10.7%	11.3%
	Warehouse Distribution	5.3%	4.8%	9.6%	9.4%	9.4%
	Warehouse Office	2.0%	2.5%	3.2%	2.8%	2.3%
	Subtotal	4.6%	4.7%	7.1%	6.8%	6.7%
Mpls/St.Paul MSA	Total *	3.9%	4.3%	4.9%	5.0%	5.3%

Source: MNCAR Q2 2024 Office Report

* Total excludes all Minneapolis CBD subareas.



As shown in Table 10, the average low and high lease rates by property type within the southeast area are approximately 5-10% less than the eight-county metropolitan area average rates. While there is likely some correlation between the higher vacancy rates in the subarea and lower lease rates there are likely other metrics such as the age of the building stock, clear heights, and size that also impact the lease rates.

Table 10. Southeast Submarket and Total Q2 Market Area - Industrial Lease Rates

Market	Property Type	Q2 2023 Avg. Lease Rate		Q3 2023 Avg. Lease Rate		Q4 2023 Avg. Lease Rate		Q1 2024 Avg. Lease Rate		Q2 2024 Avg. Lease Rate	
		Low	High	Low	High	Low	High	Low	High	Low	High
Southeast Subarea	Flex/R&D	\$7.97	\$10.92	\$8.24	\$10.71	\$8.91	\$11.99	\$8.20	\$12.17	\$8.32	\$12.16
	Warehouse Distribution	\$6.75	\$6.75	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25
	Warehouse Office	\$5.54	\$9.54	\$5.65	\$9.45	\$5.10	\$8.21	\$5.81	\$8.06	\$6.17	\$9.81
	Subtotal	\$7.28	\$10.38	\$7.49	\$10.17	\$7.80	\$10.76	\$7.56	\$10.93	\$7.46	\$11.08
Mpls/St.Paul MSA	Total *	\$7.92	\$11.20	\$8.10	\$11.31	\$8.21	\$11.47	\$8.33	\$11.21	\$8.43	\$11.17

Source: MNCAR Q2 2024 Industrial Report

*Total excludes all Minneapolis CBD subareas.

The industrial market is continuing to deliver new square footage to the market with a notable shift towards build-to-suit. Tables 11 and 12 show new industrial under construction and newly delivered space as of the second quarter of 2024. The southeast submarket has the most industrial space under construction by nearly double compared to any other submarket.

Table 11. Industrial (all Property Types) Under Construction Q2 2024

Submarket Area	Building SF
Northeast	660,693 SF
Northwest	597,809
Southeast	1,280,639
Southwest	616,751
West	138,900
TOTAL	3,294,792

Source: MNCAR Q2 2024 Industrial Report

Table 12. Year-to-Date Deliveries 2024

Submarket Area	Building SF
Northeast	401,592
Northwest	1,251,464
Southeast	811,589
Southwest	718,666
TOTAL	3,183,311

Source: MNCAR Q2 2024 Industrial Report

RETAIL/COMMERCIAL SECTOR

The retail sector, which includes some experience-based retail, continues to be strong throughout the nation. Prior to the pandemic the retail sector had contracted significantly as e-commerce increased. Given that the most significant contraction occurred prior to the pandemic, the retail sector stabilized a bit during the pandemic even when stores were closed to the public. In the years since the pandemic, the retail sector has continued to recover, albeit in a different manner that now balances both in-person and e-commerce to meet consumer demand.

As reported in the Jones Lang Lasalle (JLL) U.S. Retail Dynamics -Q2 2024 research report , the retail sector experienced approximately 7,702,288 square feet of positive absorption across all retail subtypes in the second quarter. This positive absorption was strongest in the General Retail subtype which is defined as single-tenant freestanding general-purpose commercial buildings that have associated on-site parking.

The report notes an increase in specific subtypes and also identifies certain retailers that were most active within the quarter. Experiential tenants were active in the quarter which includes operators such as Sky Zone, Altitude Trampoline Park and Club Pickleball. These types of tenants often seek spaces off of the retail main street and are looking at building types such as office/industrial conversions where lease rates are lower. Discount retailers remain the most active with retailers such as Kohl's, Dollar Tree, Bob's Discount Store and Nordstrom Rack specifically noted. Other retailers such as Planet Fitness, Club Pilates and food services included Wingstop, Krispy Kreme and Crumbl Cookies were noted.





Minneapolis/St. Paul MSA Observations:

The Minneapolis-St. Paul seven county metropolitan area has continued to experience lower than national average unemployment rates, with job growth in the retail, leisure and hospitality sectors. According to the Bureau of Labor Statistics (BLS), the Mpls/St. Paul seven county metro area had an unemployment rate of 2.6% which was 30 basis points when compared to Q2 2023. The relatively strong economy is supporting a relatively strong retail real estate market over the past couple of years, which is consistent with national trends. As shown in Table 13, vacancy rates remain relatively low at 7.8%, though are slightly higher in multi-tenant retail buildings, which is higher than national rates which are hovering around 4-4.5%. Some of the discrepancy can be associated to the high vacancy rate in the regional malls – which is also the highest property type vacancy rate in the market nationally. The southeast submarket has the lowest vacancy rates compared to all other submarkets with a vacancy rate of 5.9%, while the Minneapolis CBD had the highest vacancy rate at 32.5%. More than a half of a million square feet of retail space is under construction as of the second quarter of 2024, and approximately 171,000 square feet of retail space had been delivered year-to-date.

Table 13. Mpls/St. Paul Retail Q2 Market Summary

Total Inventory	93,546,215 SF
Total Buildings (tracked)	1,929
Absorption	187,083 SF
Vacancy	7.8%
Asking Rate (NNN)	\$18.54
New Construction	591,925 SF

Source: MNCAR Q2 2024 Retail Report

As shown in Table 14, certain property types are performing better than others within the southeast submarket.

The Neighborhood Centers are the second largest property type within the retail sector, and have the highest amount of positive absorption over the year despite a 6.4% vacancy rate. This is in contrast to the community center, freestanding/big box and mixed-use properties that all lost tenancy and posted negative absorption over the same period. When the southeast submarket is compared to the Minneapolis/St. Paul seven county metropolitan area, the vacancy rate is nearly 2% lower, indicating that the submarket remains relatively strong within the region.

Table 14. Southeast Submarket and Total Q2 Market Area Statistics by Retail Property Type

Market	Property Type	# of Buildings	Inventory	Total Available (SF)	Total Vacant (SF)	Total Absorption (SF)	YTD Total Absorption (SF)	Vacancy Rate
Southeast Subarea	Community Center	20	3,342,689	251,644	463,910	1,607	-28,435	13.9%
	Freestanding/ Big Box	184	12,155,369	243,516	243,516	0	-73,262	2.0%
	Mixed Use	30	1,004,788	89,749	78,920	-15,167	-24,826	7.9%
	Neighborhood Center	110	6,051,601	510,040	385,123	49,391	56,941	6.4%
	Regional Center	1	609,991	206,374	206,374	0	0	33.8%
	Strip Center	211	3,077,399	211,943	180,999	-5,769	-15,091	5.9%
	Blended Subtotal	556	26,241,837	1,513,266	1,558,842	3,062	-84,673	5.9%
Mpls/St. Paul MSA	Total *	1,929	93,546,215	6,587,823	7,331,439	187,083	112,614	7.8%

Source: MNCAR Q2 2024 Retail Report

*Total excludes all Minneapolis CBD subareas.



The blended retail lease rates within the southeast submarket are approximately 3-5% less than the Minneapolis/St. Paul seven county metropolitan area but are generally comparable. As shown in Table 15, The Strip Center retail subtype posted the strongest lease rates in the market and exceeded the blended regional rate.

The blended retail lease rates within the southeast submarket are approximately 3-5% less than the Minneapolis/St. Paul seven county metropolitan area but are generally comparable. As shown in Table 15, The Strip Center retail subtype posted the strongest lease rates in the market and exceeded the blended regional rate.

Table 15. Southeast Submarket and Total Q2 Market Area – Retail Lease Rates (NNN)

Market	Bldg. Class	Q2 2023 Lease Rate	Q3 2023 Lease Rate	Q4 2023 Lease Rate	Q1 2024 Lease Rate	Q2 2024 Lease Rate
Southeast Subarea	Community Center	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00
	Freestanding/Big Box	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
	Mixed Use	\$16.50	\$16.67	\$16.50	\$15.63	\$15.63
	Neighborhood Center	\$14.35	\$14.35	\$15.17	\$15.33	\$15.43
	Regional Center					
	Strip Center	\$19.22	\$21.08	\$20.71	\$20.99	\$21.64
	Blended Submarket	\$16.84	\$17.86	\$17.99	\$18.15	\$17.76
Mpls/St. Paul MSA	Total *	\$17.52	\$18.03	\$18.40	\$18.40	\$18.54

Source: MNCAR Q2 2024 Retail Report

*Total excludes all Minneapolis CBD subareas.



As of the second quarter, retail leasing activity was strongest in the southeast submarket with approximately 176,608 square feet of absorption. As shown in Table 16, the southeast submarket represents 40% of the total square footage absorbed in the Minneapolis/St. Paul seven county metropolitan area. Likewise, in Table 17, approximately 255,235 square feet of retail space was sold, which is nearly 20% of the total square footage sold.

Table 16. Year-to-Date Retail Lease 2024

Submarket Area	Building SF
Mpls CBD	14,604
Northeast	68,113
Northwest	51,542
Saint Paul CBD	158
Southeast	176,608
Southwest	89,754
West	11,903
TOTAL	412,682

Source: MNCAR Q2 2024 Retail Report

Table 17. Year-to-Date Sold 2024

Submarket Area	Building SF
Mpls CBD	17,439
Northeast	685,511
Northwest	90,083
Saint Paul CBD	2,000
Southeast	255,235
Southwest	138,953
West	104,675
TOTAL	1,293,896

Source: MNCAR Q2 2024 Retail Report

There was nearly 600,000 square feet of retail space under construction in the first half of 2024, and approximately 170,000 square feet of space had been delivered. Of the total for the metropolitan area, approximately 200,000 square feet of space in the southeast submarket has either been delivered or was under construction. (Tables 18 and 19)

Table 18. Retail (all Property Types) Under Construction Q2 2024

Submarket Area	Building SF
Mpls CBD	74,891
Northeast	89,278
Northwest	42,500
Southeast	163,451
Southwest	204,705
West	17,100
TOTAL	591,925

Source: MNCAR Q2 2024 Retail Report

Table 19. Year-to-Date Deliveries 2024

Submarket Area	Building SF
Mpls CBD	74,891
Northeast	89,278
Northwest	42,500
Southeast	163,451
Southwest	204,705
West	17,100
TOTAL	591,925

Source: MNCAR Q2 2024 Retail Report



MULTIFAMILY HOUSING

As interest rates increased over the past couple of years, the number of new multifamily projects and housing units decreased. However, many projects were in the pipeline before significant increases and therefore delivery of those units/projects to the market was delayed. In 2024, those units/projects were delivered, bringing approximately 440,000 new units online, with an additional 900,000 under construction and expected to be delivered to the market in the next 6-12 months. The number of units, nationally, represents a slight oversupply of units leading to a slight uptick in vacancy and deceleration in rent growth.

Despite the slight oversupply, overall demand should keep occupancy rates at about 94% which remains a fairly balanced market.

In the first half of 2024, interest rates remained elevated and volatile, which has affected transaction volume in the multi-family sector. According to Fannie Mae, cap rates have been steadily increasing which has led to a cap rate spread that is less than half the long-run average going back to 2021. Cap rate increases have occurred while property prices fell nearly 19% from their high in 2022. Some modest rebound from 2023 estimates could occur in the second half of the year if market conditions improve.

Minneapolis/St. Paul MSA Observations:

The multi-family housing sector hit its peak a couple of years ago when interest rates were low and demand for housing was high. Over the past two years 20,000 new apartments have been delivered in the Minneapolis/St. Paul metropolitan area, but that construction peak is expected to taper off significantly in the coming years. As reported by the Minnesota Star Tribune, market rate multi-family construction is expected to decelerate in 2024, with further contraction in 2025 with new permits down significantly from the past few years. Over the past two years, more than 60% of all new apartment construction has been in the southwest metro and in Minneapolis where absorption has remained relatively high. Based on Marquette Advisors data, the average monthly rent at the end of March 2024 was 3.6% higher year-over-year. Rent growth is expected to continue as the supply becomes further depleted. Vacancies are less than 4% in many suburban markets, which is anticipated to be further reduced with the lack of construction activity in the market over the next couple of years. Locally, investors and developers are projecting that new projects will become more viable as interest rates come down but there will still be a lag in the delivery of those units because they are not yet entitled or under construction.

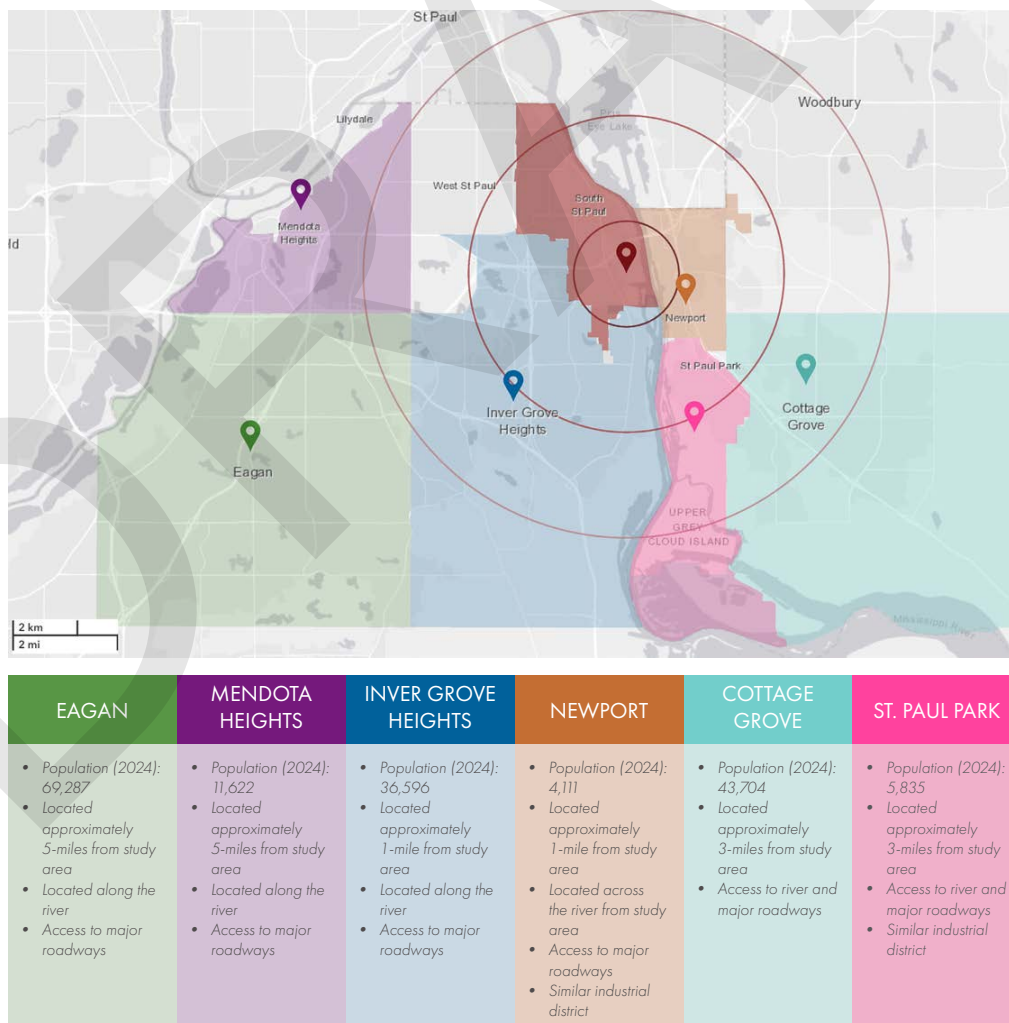
IV. SOUTH CONCORD CORRIDOR SUBMARKET TREND ANALYSIS

INTRODUCTION

National, Regional and subregional market trends have an impact on the local level, but to determine potential demand within the South Concord Corridor further refinement of the data is necessary. The submarket analysis that follows utilizes the same Minnesota Association of Commercial Realtors (MNCAR) dataset, but further refines the southeast submarket geographic area to better align with the market conditions in the City of South St. Paul South Concord Corridor.

As shown in Figure 4, the Concord Submarket area is a subset of the southeast submarket area and includes the cities of Inver Grove Heights, Eagan, Newport, Cottage Grove, Mendota Heights and Saint Paul Park as comparable. Because the Concord Submarket is smaller than the southeast submarket area previously described, the data contained in this analysis is not limited to the most recent quarters. Therefore, the data must be considered for the time it was recorded and whether the data point is from the pre-pandemic or post-pandemic era.

Figure 4. South Concord Corridor Market Study Area



MNCAR SOUTHEAST SUBMARKET FINDINGS

This section builds on the MNCAR southeast submarket data and responds to the existing land use pattern in the South Concord Corridor Study Area. The Study Area is predominantly developed for industrial uses, with some single-family residential uses on the south end and intermittent retail uses along the Concord Street Corridor. As shown in the previous section, the office market continues to contract and there is an oversupply with the southeast submarket; therefore, the recommendations contained in this report do not recommend guiding land within the Study Area for traditional business park or office uses. The MNCAR southeast submarket analysis also demonstrated that retail uses can be viable, but the type of retail and prime locations are necessary in today's market. Given that retail in the corridor is likely to remain intermittent (similar to the existing pattern), the southeast submarket analysis is adequate and no further analysis in the Corridor submarket is needed. Instead, recommendations regarding permitted/conditionally permitted retail uses are incorporated into the subarea analysis.

As demonstrated by the southeast submarket analysis, within the region, the industrial market is the strongest with the lowest vacancies and subsequently likely the most short-term demand. Demand for industrial space type is also a factor, and therefore understanding the local submarket is important to be able to identify what types of buildings and uses might be most viable within the Study Area. Further, distinctions between multi-tenant and single-tenant industrial uses should be considered. Market data collected as part of the southeast submarket analysis demonstrates that single-tenant spaces perform better, both from a rental rate and vacancy rate perspective, than multi-tenant spaces. This is further evaluated in the subsequent analysis.

Finally, the residential market within the Study Area is also different than the commercial multifamily housing market identified in previous sections. Therefore, digging into the existing single-family housing market in the Corridor Submarket will help inform the ultimate recommendations for the continued low-density residential uses in the Study Area.



INDUSTRIAL SECTOR ANALYSIS – SOUTH CONCORD CORRIDOR MARKET AREA

The Concord Submarket area industrial sector analysis includes the City of South St. Paul, and comparable cities including Eagan, Mendota Heights, Inver Grove Heights, Newport, Cottage Grove, and Saint Paul Park. The following table (Table 20) summarizes the physical characteristics that make it a comparable city.

Table 20. Comparable City Analysis

Eagan	- Industrial zoned property similar proximity/accessibility to I-494 - Active Railroad through Industrial Park - Similar building age - Similar/comparable clear heights - Dakota County – similar tax rates, etc.
Mendota Heights	- Industrial zoned property similar proximity/accessibility to I-494 - Similar building age - Similar/comparable clear heights - Dakota County – similar tax rates, etc.
Inver Grove Heights	- Industrial land located with proximity to major highways/interstate - Similar building age (older industrial park area) - Similar clear heights (older industrial park area) - Dakota County – similar tax rates, etc.
Newport	- Industrial zoned property similar proximity/accessibility to I-494 from Hwy 61 - Active Railroad through Industrial Park - Industrial area adjacent to Mississippi River - Similar building age - Similar clear heights
Cottage Grove	- Industrial land located with proximity to major highways/interstate - Active Railroad through Industrial Park - Similar building age (older industrial park area) - Similar clear heights (older industrial park area)
Saint Paul Park	- Industrial zoned property similar proximity/accessibility to I-494 from Hwy 61 - Active Railroad through Industrial Park - Industrial area adjacent to Mississippi River - Similar building age - Similar clear heights

Table 21 summarizes the sales data in the Concord Submarket over the past 10 years. Because the data is somewhat limited, a 10-year time period was utilized for data collection. Sold data is the most informative because it indicates at what price the market will transact business. Both the Median and Average sales price per square foot are shown because the Median can often times be a better indicator of whether there is a significant spread in the data. For example, the South St. Paul market age is consistent with construction of buildings predominantly in the 1970s – 1990s; whereas the Cottage Grove market has new buildings in combination with older buildings so the average skews higher while the median is much older.

Table 21. Concord Area Submarket Industrial Sales (2019-2024 Yr)

City			Building Size	Ceiling Height	% Building	Sale Price/SF	Year Built
South Saint Paul	Average		16,651	19	26%	\$74.01	1981
	Median		8,800	18	25%	\$74.47	1979
Eagan	Average		44,000	23	21%	\$95.10	1991
	Median		40,160	23	23%	\$93.37	1996
Mendota Heights	Average		80,826	25	29%	\$99.35	1991
	Median		64,550	22	25%	\$99.35	1997
Inver Grove Heights	Average		34,598	23	19%	\$73.23	1980
	Median		25,756	23	14%	\$70.07	1982
Newport	Average		19,877	21	10%	\$75.61	1991
	Median		11,200	21	25%	\$72.58	1986
Cottage Grove	Average		96,907	21	30%	\$102.34	1993
	Median		52,778	22	27%	\$97.01	1994
Saint Paul Park	Average		12,680	18	26%	\$101.02	1988
	Median		13,057	18	22%	\$101.02	1991
All	Average		43,402	21	24%	\$88.66	1987
	Median		28,271	22	23%	\$93.37	1991

Source: MNCAR REDl, September 2024



Table 22 shows lease data across the local Concord Submarket area. The data demonstrates that the City of South St. Paul's rents are approximately 5-15% less than comparable cities in the Concord Submarket area but that clear heights and average age are also lower which decreases lease rates. The cities with the highest rent rates also have higher ceiling heights approaching 30+ feet and the buildings are younger. When comparing these rates to the Southeast Submarket in Table 10, the average rental rate in South St. Paul is approximately 10% lower than the average rental rates. Most of the leases signed in the past six years are associated with the Bridgepoint Drive campus which is a multi-tenant industrial space that is divided into small industrial condos. Per the MNCAR industrial report, multi-tenant industrial spaces have slightly higher vacancy rates which may be contributing to a lower lease rate per square foot to attract interest and improve occupancy rates.

Table 22. Concord Area Submarket Industrial Lease (2019-2024 Yr) TO BE UPDATED

City		Building Size	Ceiling Height	Year Built	Rent Rate
South Saint Paul	Average				
	Median				
Eagan	Average				
	Median				
Mendota Heights	Average				
	Median				
Inver Grove Heights	Average				
	Median				
Newport	Average				
	Median				
Cottage Grove	Average				
	Median				
Saint Paul Park	Average				
	Median				
All	Average				
	Median				

Source: MNCAR REDI, September 2024



There are limited industrial properties for sale in the Concord Submarket area and many are listed with negotiable asking prices. In the current market, both Inver Grove Heights and Newport have not existing industrial space for-sale. Of those that are listed, industrial properties with lower clear heights (less than 20 feet) and that are older than 20 years are generally listed between \$90 and \$120 per square foot, while newer buildings and the industrial condo property types garner higher rents per square foot. The listing prices are higher than what the buildings have sold for as shown on Table 21. The following table (Table 23) identifies current listings and total available square footage.

Table 23. For Sale, Active Market

Address	City	SF	Listing Price	\$/SF
205 Hardman Ave S	SSP	58,836	\$5,400,000	\$92.63
165-167 Bridgepoint Dr	SSP	8,658	\$1,000,000	\$116
1200 Trapp Rd	Eagan	89,951	Negotiable	NA
2805 W Service Rd	Eagan	48,062	\$6,000,000	\$124.84
3000 Ames Crossing Road	Eagan	116,549	Negotiable	NA
3199 Pilot Knob Rd	Eagan	312,495	Negotiable	NA
3285 Northwood Cir	Eagan	44,511	Negotiable	NA
3370 Mike Collins Dr	Eagan	20,096	\$2,700,000	\$134.36
511 Moto Dr (condo)	Eagan	1,204	\$275,000	\$228.41
521 Classic Ct	Eagan	2,832	\$595,000	\$210.10
8200 97th St	Cottage Grove	44,650	\$5,581,250	\$125
100th St S & Jamaica	Cottage Grove	180,000	Negotiable	NA
9800 Hemingway Ave	Cottage Grove	46,591	\$5,060,000	\$108.60
2500 Lexington	Mendota Heights	13,975	\$2,750,000	\$196.77
1315 Mendota Heights Rd	Mendota Heights	70,000	\$8,000,000	\$114.29
2400 Pilot Knob Rd	Mendota Heights	38,083	\$6,000,000	\$157.55
TOTAL SF AVAILABLE:		1,096,493		



Current lease offerings identify negotiable terms for most listings, especially those that are new to the market and have not been previously leased. As shown in Table 24, asking rents are consistent across all cities within the Concord Submarket with the higher end of the lease rate associated with newer construction and/or office-warehouse space. Most listings provide separate rates for warehouse versus warehouse/office space as opposed to providing a blended rate. As shown in both Table 24 and Table 25, there is more than three (3) million square feet of proposed industrial space that has not yet been constructed. This space is accounted for within the active market but is considered “build to suit” and could not be delivered for 12-24 months.

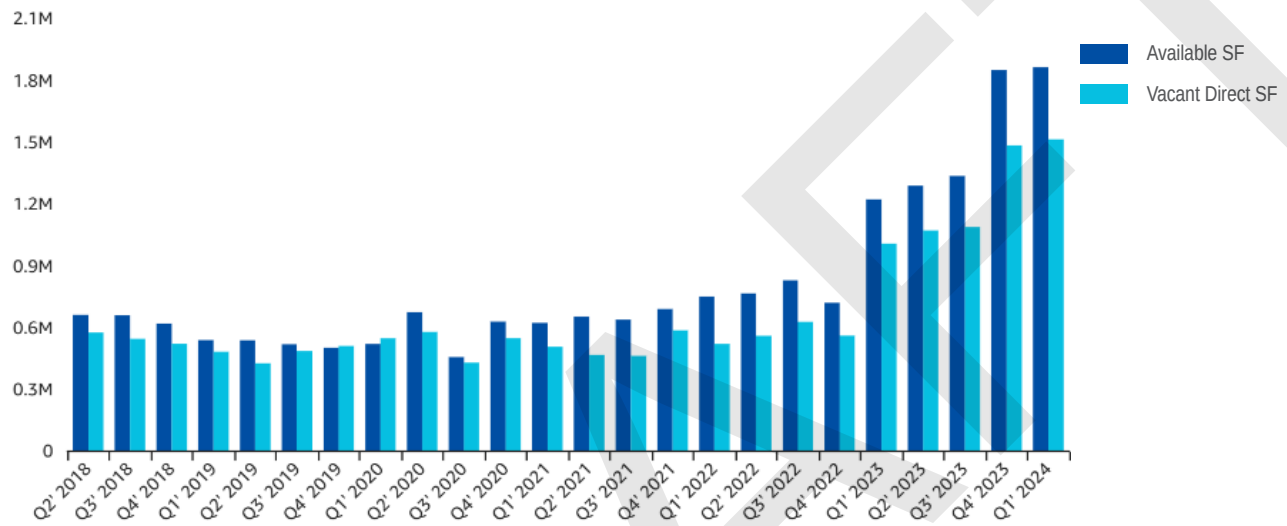
Table 24. Total Industrial for Lease by City, Active Market

City	For Lease	Rent \$/SF - Range
South St. Paul	67,494	\$7 - 12
Inver Grove Heights	436,361	\$8 - 16
Eagan	1,148,973	\$7 - 14
Mendota Heights	284,249	\$8 - 16
Newport	18,600	\$10
Cottage Grove	3,635,932	NA
St. Paul Park	190,308	\$8 - 18
Sub Total (Proposed + Existing)		5,849,847
Proposed (Table 25)		(3,206,500)
TOTAL Existing		2,643,347



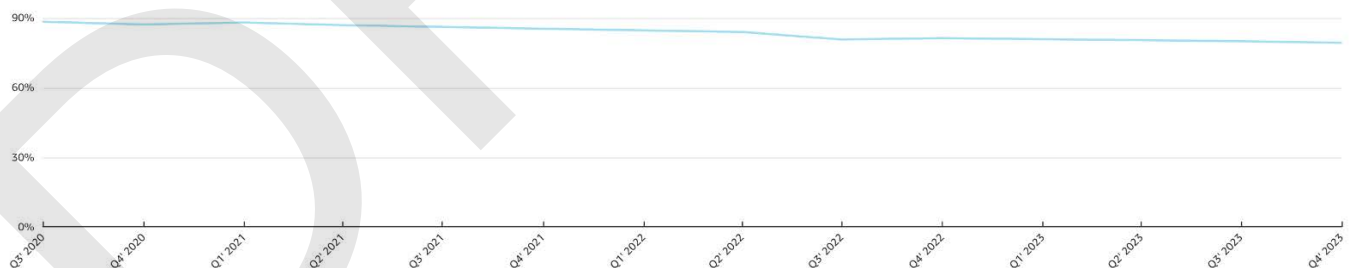
Vacant and available space is tracked separately to differentiate between space that is no longer occupied, and space that is anticipated to become available that is still leased and/or occupied by a tenant that will soon vacate. Figure 5 shows both increasing available square footage and vacant square footage in Q4 2023 and Q1 2024. As shown, in Q1 2024 nearly 2 million square feet were available across the Concord submarket, and of that approximately 1.5 million square feet were vacant. Based on the information contained in Table 24, this trend appears to be increasing rather than trending downward.

Figure 5. Concord Submarket Vacant Space and Available SF



Shown as occupancy rates, the same data demonstrates a slow decline in occupancy rates over a similar time period. As shown on Figure 6, in Q4 2023 occupancy rates were below 90% which matches up with the delivery of new square footage in the Cottage Grove market as shown on Table 24.

Figure 6. Concord Submarket Occupancy Rate



In addition to the active for sale and for lease market for existing inventory, there are several build-to-suit and speculative buildings proposed in the Concord Submarket area. The following projects are in various stages of development and entitlement. The Cottage Grove Logistics Park accounts for more than 80% of the proposed square footage within the Concord Submarket.

Table 25. Built-to-Suit and/or Under Construction (Proposed)

Development Name	City	Proposed SF (Land)	Approved (Y/N)	Notes
Yankee Doodle	Eagan	50,000	Y	
Cottage Grove Logistics Park (Buildings 3 – 9)	Cottage Grove	2,613,000	Y	Building 1 and 2 are constructed; Bldg 1 fully leased, Bldg 2 available for lease and included in Table 24. Total SF of Logistics Park is 3.6 MSF
Inver Grove Heights Industrial Center – Building 2	Inver Grove Heights	120,000	Y	Building 1 is constructed, and a portion of the building is for lease and identified in Table 24
1620 80th St E	Inver Grove Heights	48,000	Y	
Bailey Rd – Bldg A	Newport	270,500	Y	
Bailey Rd – Bldg B	Newport	105,000	Y	
TOTAL		3,206,500		

CONCORD SUBMARKET SUMMARY FINDINGS & MARKET OBSERVATIONS

The data collected for the Concord Submarket demonstrates consistency across the comparable municipalities with respect to price per square foot and asking rents. Several factors and/or metrics are associated with the market and pricing including the following:

- The 2021 spike in demand for industrial has since contracted and now more closely aligns with the modest growth trajectory pre-pandemic. The sector continues to grow, and as described in national trends, remains strong. However, there has been a softening of the market compared to the spike.
- The contraction of the market back to a more normal trend has resulted in less speculative development and now more than 70% of new development is build-to-suit. This trend is reflected in the Proposed square footage, which is marketed for lease but requires a tenant for the developer to actually construct the building.
- The age of the structure is directly correlated to ceiling heights (“clear heights”) in most cases.



- Across the submarket area, buildings constructed in the 1970s-1990s have average clear heights between 16 and 20' which results in lower average price per square foot and lease rates when compared to newer products.
- New/modern industrial is developed with a minimum of 28-foot clear heights, and in most cases are constructed between 30 and 36' tall.
- Demand for taller clear heights is driven by e-commerce that need warehouse storage and are more often turning to automation. This is both a national and regional trend that is also present within the Concord Submarket area.
- Proposed buildings in the submarket are mostly large multi-tenant spaces that exceed 100,000 square foot footprints, and in many cases exceeds 150,000 square feet.
- The Cottage Grove Logistics Park is proposed to include more than 3.6 million square feet at completion but has been slow to gain traction and to lease up. More than 2.3 million square remain unbuilt and in a proposed phase.
- Demand remains strong for smaller buildings, new or old, that are between 25,000 and 100,000 square feet. This is consistent with developer interviews from 2023 . This space size/type is hard to find with only a handful of buildings in the submarket available for sale or lease.
- Land Area and Building footprint in new industrial areas is averaging 25-30%. This allows for large truck courts, stormwater management/ponding and parking. There is little, to no, outdoor storage associated with most new projects in the submarket.





V. SOUTH CONCORD CORRIDOR STUDY AREA (MACRO + MICRO AREA ANALYSIS)

INTRODUCTION

The following physical and regulatory corridor analysis is intended to supplement the national, regional and local market data contained in this market study. As noted above, the commercial real estate sector is dynamic and supply and demand for space fluctuates with the economy. Growth of a specific sector that outpaces supply may result in operators/users accepting less than optimal spaces and or locations, but this condition cannot be expected and therefore it is best to plan and guide land for its highest-and-best use. Each commercial real estate sector seeks different physical land and building characteristics based on the industry, property type, and class expectations for the asset. These general expectations can be matched with the physical characteristics of an area so that the planning/guiding for that area will support the intended user and/or operator. Development, redevelopment and/or reuse of a property or wholesale master planning efforts must be realistic for the market to deliver. Understanding the physical characteristics, constraints, and regulatory framework of the property within the Study Area in conjunction with the market data provides a baseline for the highest and best use recommendations contained within Section VI of this report.

EXISTING CONDITIONS

The following existing conditions analysis focuses on the who, what, and where of the corridor today. A brief socio-economic and demographic snapshot in the corridor and surrounding area sets the foundation for the physical characteristics analysis within the Study Area.

STUDY AREA OVERVIEW

As shown in Figure 1, the South Concord Corridor Study Area (Study Area) contains approximately 430 Acres and is bound by I-494 on the north, the Mississippi River on the east, Linden Street ROW on the south, and the bluffline to the west. The Study Area is diverse with multiple land uses and development patterns from single-family residential to heavy industrial users.

Historically, the Concord Street corridor served as the north-south artery through South St. Paul's main industrial and business district dating back to the late 1800s. This industrial/commercial area was "down the hill" from the residential neighborhoods and areas where many of the workers lived. Connections between the neighborhoods "up the hill" and the commerce and industry on Concord Street were limited given the steep grades of the Mississippi River bluffline bordering the western edge of the Study Area. Developed as the main commercial thoroughfare in the area, Concord frontage was developed with smaller parcels and a mix of retail, general commercial and lighter industrial users that had some public facing activities.



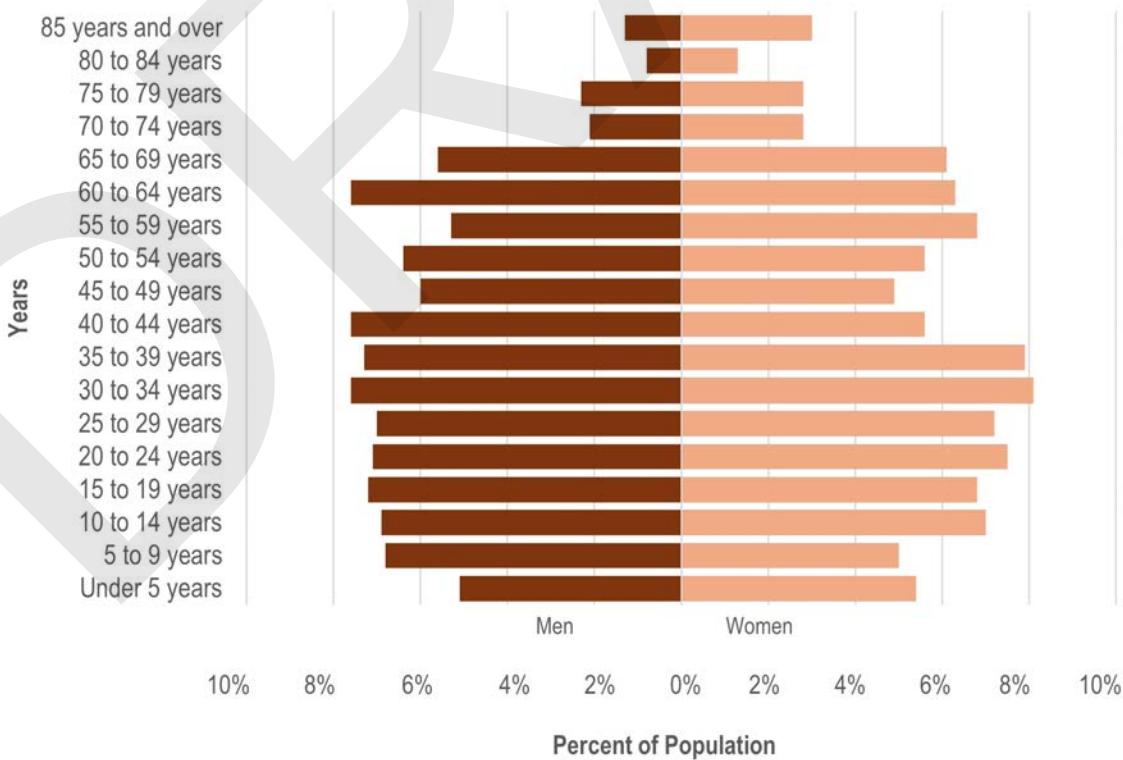
Lying east of the Concord frontage are larger parcels and users that have historically leveraged both the Union Pacific (UP) Railroad and the Mississippi River as part of their operations. The south end of the Corridor becomes less intensely developed as the Study Area transitions to a residential development pattern predominantly developed with single-family detached uses.

Much of this historic development pattern remains present today. Roadways, railroads, spurs, and parcel configurations remain intact with modern businesses leveraging many of the same physical assets that defined the corridor historically. Today, connecting Concord Street with I-494 is essential to the successful (re) development of the Study Area for commerce and industry. The I-494 bridge crossing over the Mississippi northeast of the Study Area results in significant topographic changes within the Study Area which results in some areas having unobscured visible accessibility from the interstate, while others are less visible. In 2016, the ADT on I-494 was 119,000 ADT and the Concord Street corridor was approximately 14,400 ADT, and Concord Street S is projected increase to 19,000 ADT by 2040 . The trip counts are significant both from a visibility/market perspective, as well compatibility with certain land uses.

SOCIO-ECONOMIC AND DEMOGRAPHIC SNAPSHOT

As of 2024, the City of South St. Paul has a total population of 20,500, and the surrounding Concord Submarket area has a total population of 191,660. The age distribution of the South St. Paul population is shown in Figure 7.

Figure 7. City of South St. Paul Age Distribution (2022)





A key location consideration for operators and businesses is the labor shed, given the tightening labor market as the baby boomer population ages out of the workforce. As shown in Table 26 and in Figure 7, within the Concord Submarket area there are more than 105,000 people between the ages of 18 and 60. There is also a fairly large population younger than 18 with the submarket who will eventually become working age. Generally, the labor shed within proximity to the Study Area is relatively strong, which should help to attract new investment and businesses to the area.

Table 26. Concord Market Area Population (2024)

City	Total Population	Population Age 16 - 60	Percent of Total Population Age 18 - 60	Percent of Blue Collar Workers	Percent of White Collar Workers
South Saint Paul	20,505	11,657	57%	24.9%	57.2%
Eagan	5,835	3,194	55%	29.9%	53.3%
Mendota Heights	43,704	24,033	55%	20.6%	67.8%
Inver Grove Heights	4,111	2,283	56%	23.4%	55.9%
Newport	11,622	5,261	45%	8.1%	82.2%
Cottage Grove	36,596	19,880	54%	18.2%	69.2%
Saint Paul Park	69,287	38,790	56%	14.2%	74.1%
TOTAL	191,600	105,098			

Source: ESRI Business Analyst, 2024

There are 24 businesses within the Corridor (Figure 8). All the retail-focused businesses are located adjacent to the S Concord St frontage, while industrial and warehousing businesses are generally located along or east of the UP rail lines.

Figure 8. Existing Businesses



- 1 South St. Paul Compost Site
Hardman Avenue & Verderosa Ave
- 2 Danner, Inc.
843 Hardman Ave S
- 2 Twin City Hide
491 Malden St
- 4 River Country Cooperative
425 Clinton Ave
- 5 Mathias Die Company
391 Malden St
- 6 TEM Properties LLC
929 Concord St S
- 7 MN Total Refrigeration
949 Concord St S
- 8 Fury Motors St Paul
1000 Concord St S
- 9 Holiday Station
1040 Concord St S
- 10 LKQ Heavy Truck
316 Malden St
- 11 Carpet Brothers & Flooring
1100 Concord St S
- 12 Battery Mart
1111 Concord St S
- 13 Mendota Valley
390 Richmond St E
- 14 Comprehensive Services, Inc
1210 Concord St S
- 15 Lutheran World Relief
398 Richmond St E
- 16 Midwest Fabrics
1226 Concord St S
- 17 Amiri Auto Sales
1304 Concord St S
- 18 Bestway
1201 Concord St S
- 19 Dakota Bulk Terminal
925 Hardman Ave S
- 20 Kamish Excavating, Inc
1301 Concord St S
- 21 Taiwanese Sausages
1443 Concord St S
- 22 Auto Body Lopez
1449 Concord St S
- 23 Quality Tape
1607 Concord St S
- 24 South St Paul Rod & Gun Club
600 Chestnut St

LEGEND

BOUNDARIES

--- STUDY AREA

— PARCEL BOUNDARIES

USES

INDUSTRIAL/WAREHOUSE/RECREATIONAL

PLANNED UNIT DEVELOPMENT

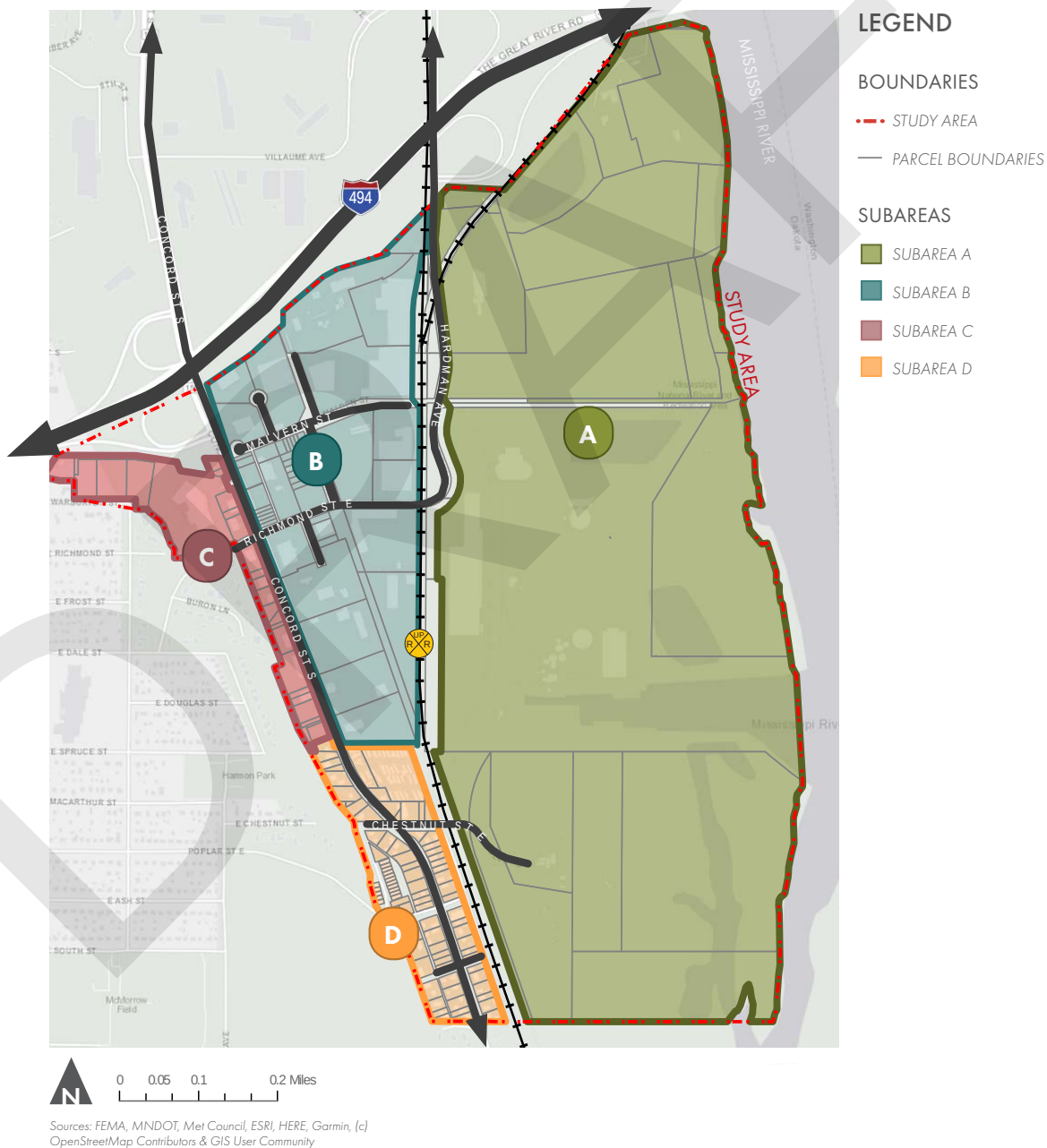
RETAIL

LAND USE + URBAN CONTEXT ANALYSIS

SUBAREAS IN THE STUDY AREA (FIGURE 9)

The physical characteristics of the land within the Study Area create a dynamic land use pattern that includes residential, recreational, business and industrial activities. Both natural and man-made physical attributes create smaller subareas within the corridor, and within each subarea a different land use/development pattern has emerged over the past several decades (Figure 9). The defining natural attributes include the river, the associated bluffline, wetlands and FEMA floodplain area which are intertwined and bisected by man-made attributes such as roadways, the railroad and rail spurs. The physical characteristics establish a boundary or land constraint that influences the development pattern within the subarea.

Figure 9. Study Area Subareas





The existing development pattern within each subarea has been influenced by not only the physical characteristics, but also the existing zoning districts and land use designations (Figures 10 - 11).

Figure 10. Study Area Zoning Districts

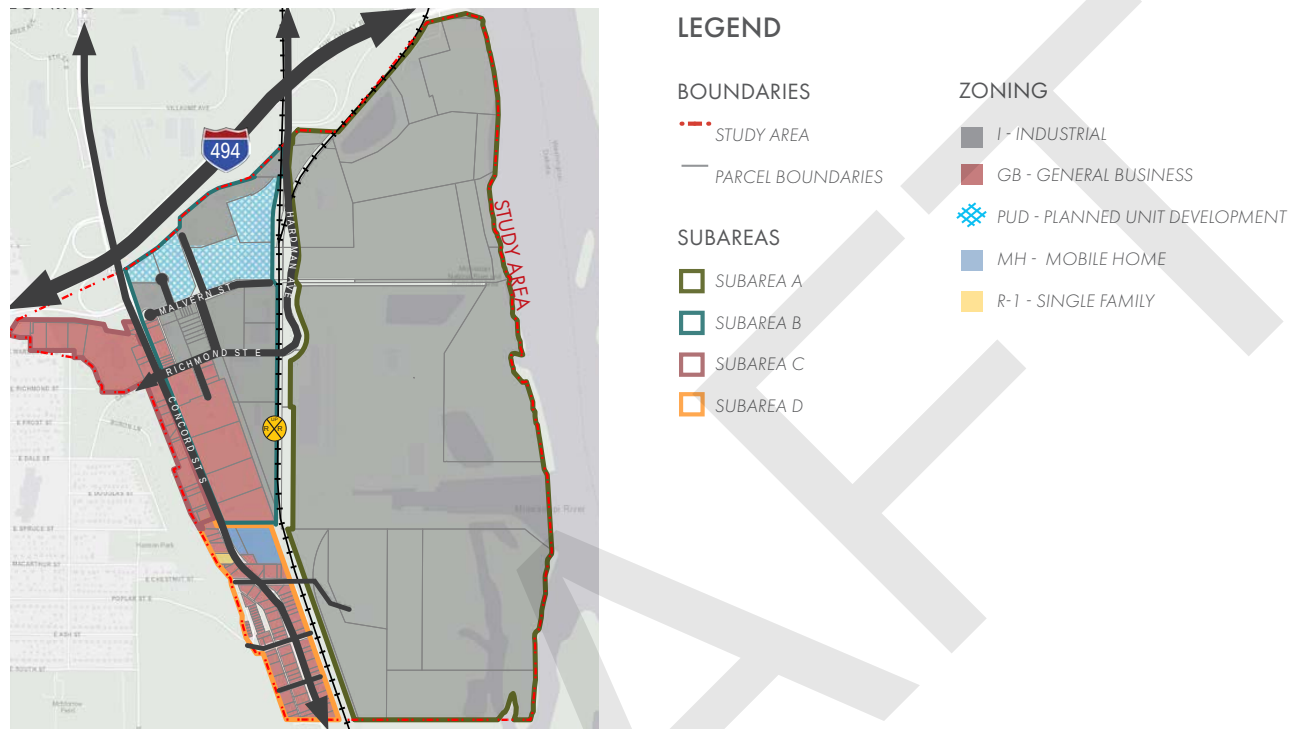
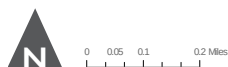


Figure 11. Study Area Future Land Use



It has also been influenced by common ownership patterns (Figure 12). These characteristics are correlated to the market and what it will deliver with respect to development and/or redevelopment. This is demonstrated by the existing uses and development patterns that populate the corridor and subareas today, which are reflected by existing market values that have a significant range dependent on the intensity of development present on a parcel or collection of parcels (Figure 13). Reinforcement of the development pattern occurs when zoning is established which further dictates acceptable uses, development intensity and dimensional standards. All of these characteristics must be considered collectively to determine the highest-and-best land use for a property and to identify the most immediate or short-term opportunities for (re)development in the Study Area. The following analysis of each Subarea is provided.

Figure 12. Common Ownership

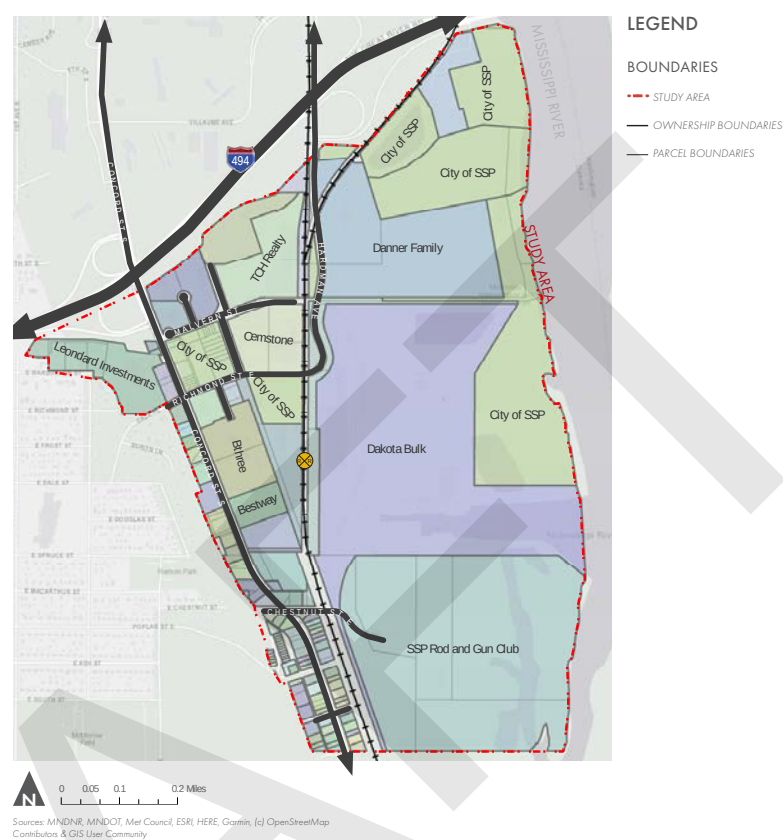
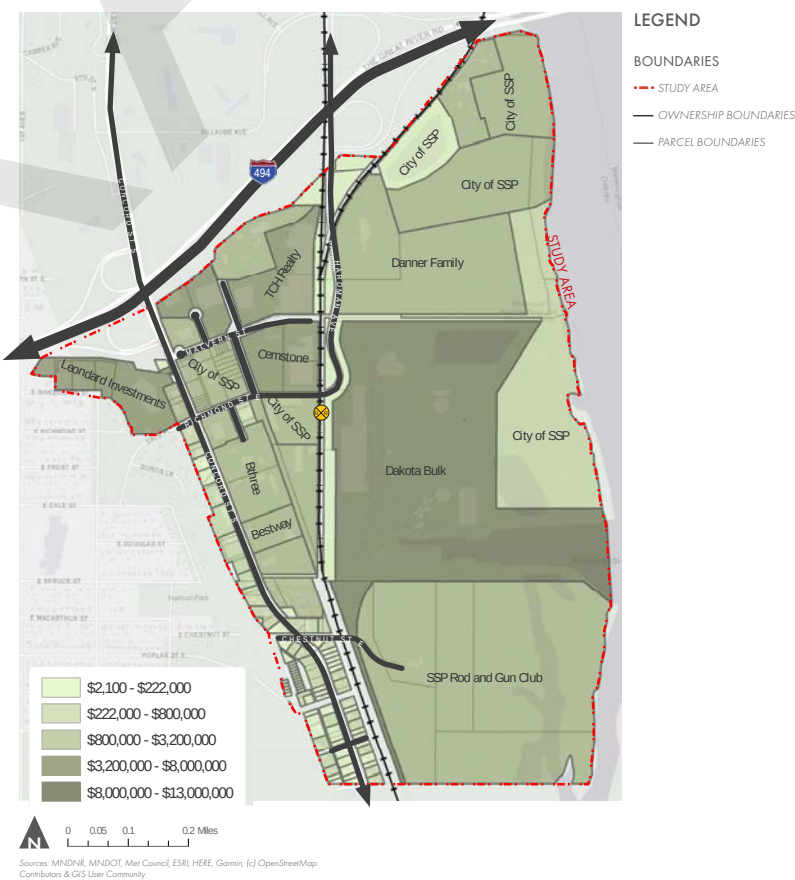


Figure 13. Market Value Analysis: Total Estimated Value

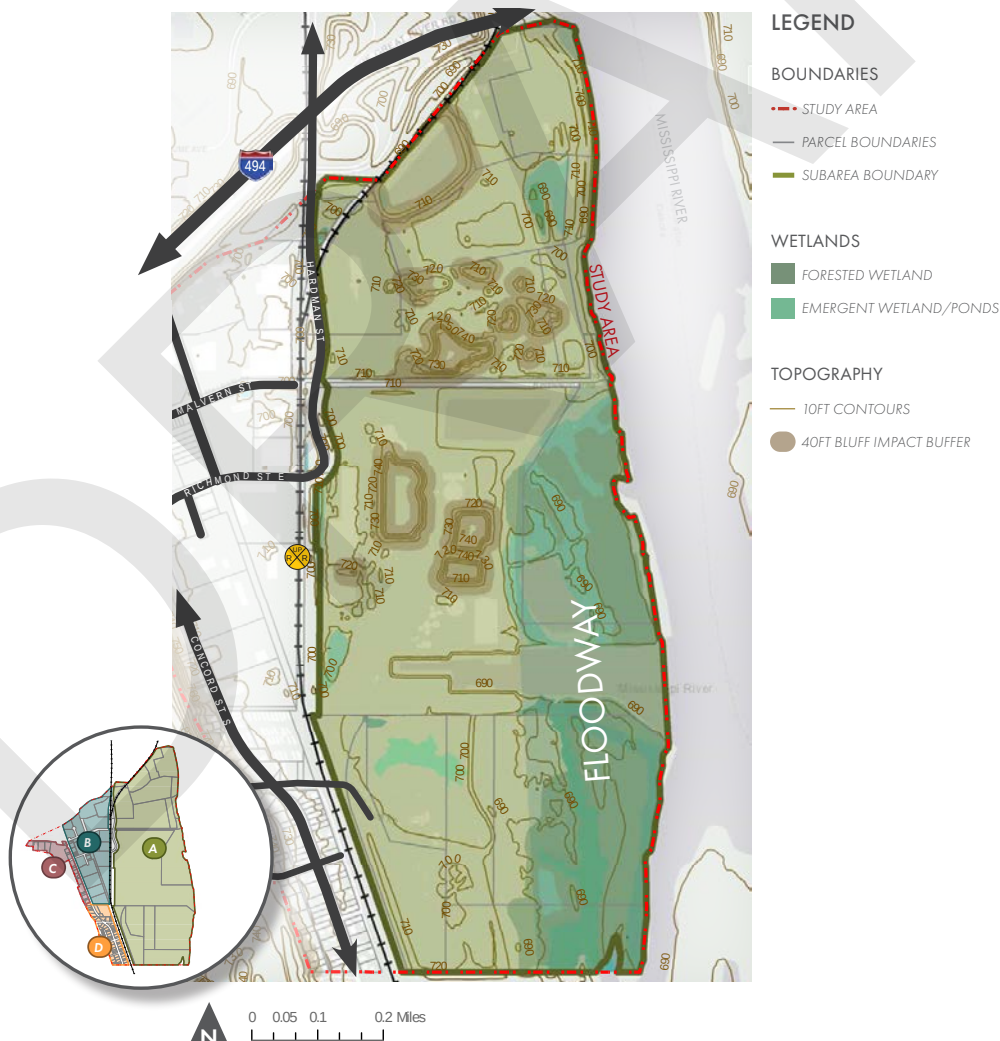


SUBAREA A: LARGE LAND AREA (FIGURE 14)

Physical Characteristics:

Subarea A contains approximately 283 acres of land and is located between the Union Pacific (UP) Railroad on the west, the Mississippi River on the east, and is bound by I-494 on the north and Linden Street on the south. This subarea is clearly bound by both natural and manmade physical attributes that establish clear boundaries and/or edges. Within Subarea A, approximately 80-acres is within the floodplain and a freight port serving Dakota Bulk extends through the designated floodway. These physical characteristics have impacted the development pattern over time, which has resulted in large open space areas, outdoor storage and surface water bodies. The land naturally slopes downward towards the river and existing and prior landowners have brought fill into the area to slowly increase the elevation of parcels within the area to make parcels more buildable which is visible from historical aerials. Access to the local roadway network is challenging given the presence of the UP Railroad on the west boundary of the subarea. Site reconnaissance and observation indicates that the railroad crossing at Richmond Street/Hardman Avenue can significantly delay egress and ingress into the subarea when trains temporarily block the intersections.

Figure 14. Subarea A: Physical Constraints



Development and Ownership Patterns:

Subarea A is dominated by open space and industrial uses with a dominant outdoor storage component. The users are predominantly within the transportation/storage and commercial recreation sectors. Vacant and/or underutilized land is also present. As shown in Table 27. Subarea A Ownership and Market Values, the majority of the Subarea is owned by five (5) landowners which affects the market potential for redevelopment. Large private landowners in the area include Dakota Bulk, South St. Paul Rod & Gun Club, and the Danner Family Trust. Public entities such as the MnDNR, South St. Paul EDA and the Metropolitan Sewer Board make up the remainder of the ownership in the subarea.

Table 27. Subarea A: Ownership and Market Values

PID	Ownership	Ownership	Acres	Estimated Market Value - Land	Estimated Market Value - Total
360260058013 360260060012 360260060013 360260060020 360350003012 368320000010 360350004011	Yankee Doodle	City of S St. Paul	52.8	\$1,460,800.00	\$1,555,300.00
360350050010 360350051010 360350055010 360350057010 360350058010 360350060010	Cottage Grove Logistics Park (Buildings 3 – 9)	S St. Paul Rod & Gun Club	79.6	\$1,149,800.00	\$1,262,500.00
360350060010 366582138131	Inver Grove Heights Industrial Center – Building 2	Dakota Bulk Property, LLC	93.5	\$6,075,600.00	\$12,158,000.00
368320000020 368320001010 368320001020	1620 80th St E	Danner Family Limited Partnership	33.5	\$2,026,000.00	\$3,026,500.00
368321000010	Bailey Rd – Bldg A	Metro Sewer Board	23.9	\$1,561,700.00	\$1,896,000.00

Source: Dakota County GIS

Except for Dakota Bulk, there are limited development improvements present in the subarea and the market value is established primarily by the quantity of land available (See Figures 15 and 16). Dakota Bulk's operations leverage the Mississippi River as a "Working River" and provide bulk storage and access to the region. Their property is improved with a port and several structures that create the highest building/improvement market value within Subarea A. Lying south of Dakota Bulk, is the South St. Paul Rod & Gun Club which is a commercial recreational use. There are minimal structural improvements on the property and the value is largely established by the size of the land area. The Gun Club use is compatible with the surrounding land uses including the railroad, river and Dakota Bulk operations. Both Dakota Bulk and the South St. Paul Rod & Gun Club have operated in the Subarea for decades and there are no known plans to move or modify their operations significantly. The remaining parcels are owned by the South St. Paul EDA (~16 acres) and the Danner Family Trust (~33 acres). The St. Paul EDA and Danner Parcels are largely undeveloped or underdeveloped based on the established market values. The Danner Parcels are minimally improved with outdoor storage/graveled areas and a filling station/small structure, while the South St. Paul EDA property is undeveloped. Both the EDA and Danner properties are impacted by the UP Railroad which bifurcates the land in the subarea from the parcels to the local roadway network.

Figure 15. Market Value Analysis: Estimated Building Value

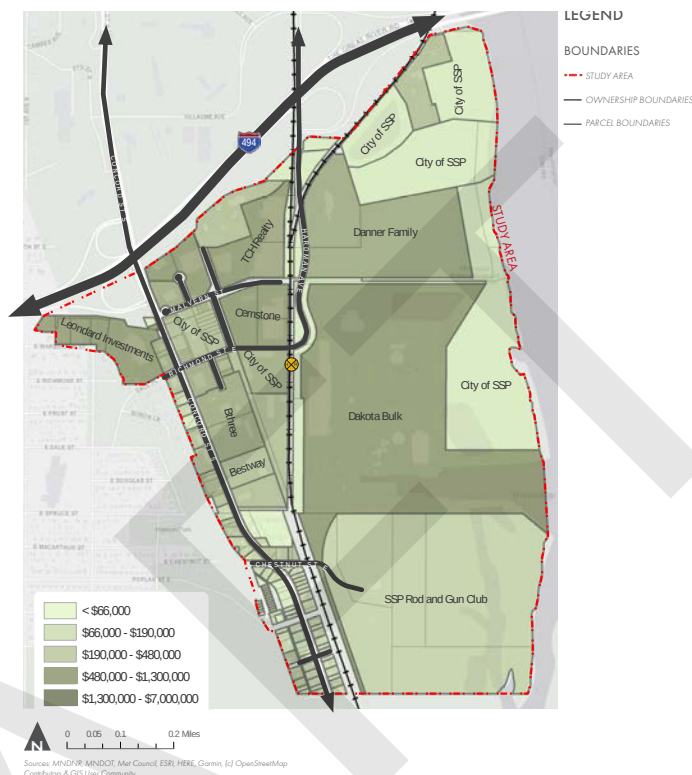
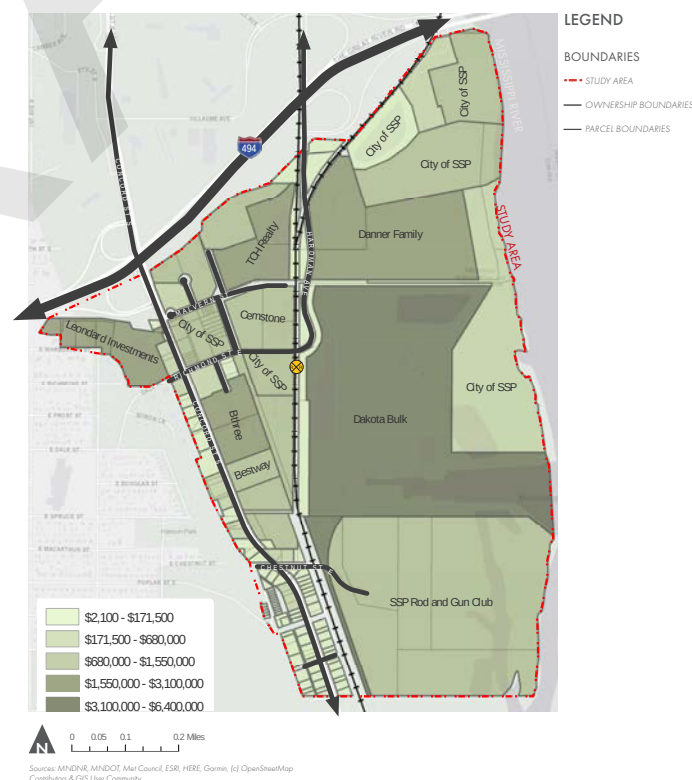


Figure 16. Market Value Analysis: Estimated Land Value



Land Use and Zoning:

The 2040 Comprehensive Plan guides the subarea for a mix of Industrial, Light Industrial, Utility and Open Space Uses (Figure 9). The key differentiation between the light industrial and industrial land use designations is that the Light Industrial land use is more visible from the I-494 corridor and therefore different uses and standards may be permitted within the supporting zoning.

The entire Subarea is zoned Industrial per the 2023 Official Zoning Map. The Industrial zoning district establishes specific standards for development and/or redevelopment. The purpose of the Industrial Zoning District is stated as, “...to provide for the continuation and establishment of industrial and manufacturing uses that are of high quality and can be built to high performance standards. All new uses in the industrial zone that are not going into existing facilities or are going into existing structures that are being structurally modified shall go before the city council for site plan approval.”

Uses within the Industrial Zoning District include warehousing, manufacturing, distribution, etc., provided such activities are conducted indoors. Exceptions for outdoor principal uses are provided but are set to/or have expired, and permissions were given only for certain parcels for a certain time period. General Commercial and retail uses, including restaurants, bars, motels/hotels, etc., are permitted with a Conditional Use Permit. Residential uses are largely prohibited, unless a caretaker associated with the industrial/business use is needed.

Dimensional standards with the Industrial Zoning District include a minimum lot size of 1.0 acres, and floor area ratio minimum of 0.2. As an example, the South St. Paul EDA site in the subarea is approximately 15.62 acres and requires a minimum of 136,081 square feet to be constructed per the zoning district requirements.

Market Observations:

- As shown on Figures 15 and 16, the land value exceeds the building value which is an indicator that redevelopment/development may be viable.
- The fill brought into the subarea towards the river frontage has not been verified and it is unknown the quality and/or if it is buildable in its current condition. Additional corrections or special construction methods may be required if development is proposed. This will impact the value of the land.
- The UP Railroad crossing at Hardman Ave blocks the intersections at various times throughout the day causing ingress/egress delays into and from the site. This may impact market demand for the sites.
- Industrial uses within the Subarea are most compatible with existing uses in the adjacent Subareas. Existing businesses such as Twin Cities Hyde have recently made significant capital investments in the area, and therefore are not likely to move out of the area.
- Multi-family residential development in the subarea is unlikely to meet current developer metrics for new construction. The area lacks amenities and is adjacent to several heavy/light industrial uses. Multi-family (re)development is more likely to occur in the North Concord Corridor as part of a master planned area.

- Based on market data, vacancy rates in South St. Paul's industrial market and the larger southeast submarket remain tight. Additional industrial square footage is needed to meet demand. However, given that more than 4 million square feet is in the pipeline in the area, differentiators within the SSP market must be established to be competitive.
- Build-to-suit is a more conservative approach, however, preliminary entitlements should be obtained to be competitive with other proposed industrial development with the southeast submarket.

Opportunity Sites:

Several properties within the Subarea could be more intensely developed or redeveloped, however, given current operators the most likely short-term opportunities include the Danner Family properties (Figure 17) and the South St. Paul Economic Development Authority Land (Figure 18). Both properties have been conceptually planned with large-scale industrial buildings/uses. A summary of the development/land capacity analysis of each opportunity site is provided.

Figure 17. Opportunity Site: Danner Properties

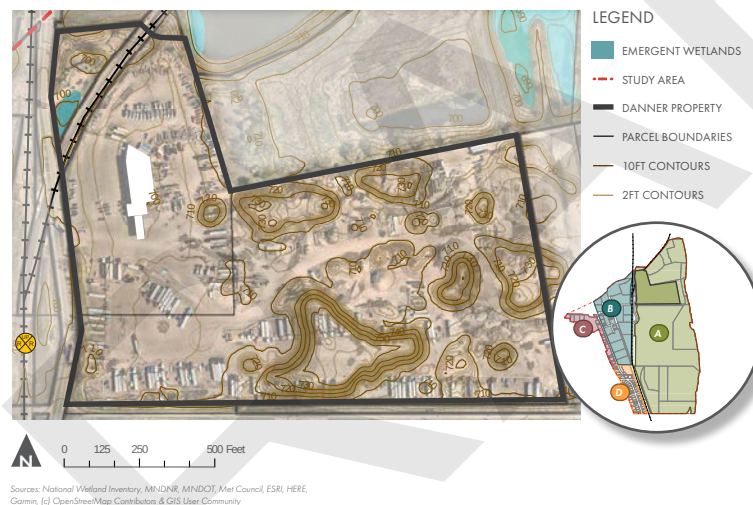
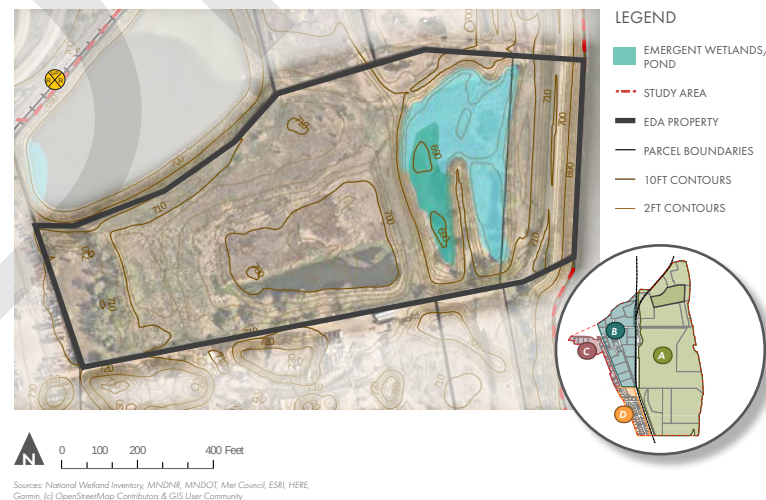


Figure 18. Opportunity Site: South Saint Paul Economic Development Authority





As shown in Table 28, the opportunity sites are largely vacant and can support significant industrial square footage if the existing land use and zoning is implemented. The concept plans show an opportunity for more than a half million square feet of industrial space that would be constructed in four large multi-tenant buildings. This building type is similar to what is proposed in the Cottage Grove Logistics Park and other similar industrial campuses across the metropolitan area.

Table 28. Opportunity Site Development Capacity

Property	Acres (SF)	Use/ Zoning	FAR Minimum (0.2)	Concept Plan	Concept Plan Notes
SSP EDA PID 368321001020, 368321000010 Figure 16	18.18 (791,921)	Industrial	158,345 SF of constructed/ indoor building space	161,725 SF	- One large industrial structure - Road connection north and to west - Connected road network south Danner properties/development - Stormwater ponding east and west of building area - SSP EDA plans to sell the site to developer/owner(s)
Danner Family Limited Partnership PID 368320001020, 368320001010 Figure 15	32.33 (1,408,295)	Industrial	281,659 SF of constructed/ indoor building space	417,480 SF	3 Buildings: 105,000 SF, 132,600 SF, 161,980 SF - Connected road/access master plan with north SSP EDA site - Build-to-suit, Danner Family retains ownership with long-term lease structure
TOTAL	50.51 Ac.		440,004 SF	579,205 SF	

SUBAREA B: BALANCED LAND + BUILDING (FIGURE 19)

Physical Characteristics:

Subarea B contains approximately 65 acres and is bound by I-494 on the north, the UP Railroad on the east, the shared property line with the mobile home park on the south, and Concord St on the west. The parcels within this Subarea are generally flat, with parcel configurations ranging between one (1) and six (6) acres. The physical attributes that define this subarea are manmade and are not created by the natural features or attributes of the corridor, which is different than the other subareas within the Study Area. The lack of natural constraints would allow for lot combinations and replats to allow for redevelopment. However, the local roadway network within the subarea provides connectivity to Subarea A, which is challenged given the presence of the UP Railroad and the constraints already present due to the crossing at Richmond Street/Hardman Avenue.

Figure 19. Subarea B: Physical Constraints



Sources: National Wetland Inventory, MNDNR, MNDOT, Met Council, ESRI, HERE, Garmin, (c) OpenStreetMap Contributors & GIS User Community



Development and Ownership Patterns

Subarea B includes a mix of landowners and light industrial uses. The parcels within the Subarea are generally developed with small or medium size buildings, accessory structures, parking lots and outdoor storage areas. Given the lack of common ownership, parcels tend to range between half (1/2) and six (6) acres and different owners share property lines. Some exceptions including the South St. Paul EDA block generally bound by Concord, Malden, Schumacher and Richmond and Cemstone that has purchased three parcels lying southeast of the Malden and Schumacher intersection. Structures in the Subarea, based on the estimated market values, have intermittent capital improvements and investments.

Table 29. Subarea B: Ownership and Market Values

PID	Ownership	Acres	Estimated Market Value - Land	Estimated Market Value - Total
367150015293	AJK PROPERTIES LLC	2.9	\$825,100.00	\$1,066,800.00
367150019211	BBND MINNESOTA LLC	1.6	\$596,600.00	\$1,531,500.00
367150015291	BESTWAY INC	3.1	\$740,100.00	\$980,900.00
367150017171	BTHREE LLC	8.1	\$1,873,500.00	\$2,260,800.00
367150016250				
360340005020	CEMSTONE PRODUCTS COMPANY	8.4	\$1,196,900.00	\$5,253,400.00
360340005010				
360340004010				
360270080050	CHICAGO & NW TRANS CO	1.0	\$11,800.00	\$11,800.00
360340006010	CITY OF S ST PAUL	4.7	\$986,300.00	\$1,734,100.00
360270082010	FARMERS UNION COOP OIL ASSN	6.0	\$1,057,600.00	\$1,309,100.00
360340010010	MIDWEST WAREHOUSE HOLDINGS LLC	6.1	\$879,200.00	\$1,904,600.00
360340008011				
360340007010				
367150018250	SOUTH ST PAUL ECONOMIC DEVELOP AUTHORI	1.5	\$433,700.00	\$452,200.00
367150018240				
367150018230				
367150018220				
367150018210				
367150018200				
367150018143				
367150018142				
367150018080				
367150018060				
360340001021	TCH REALTY INC	10.4	\$1,870,800.00	\$5,900,000.00
360270082021				
364752001020	TEM PROPERTIES LLC	4.7	\$1,126,800.00	\$4,584,200.00
364752001010				

367150018350	THOMPSON PROPERTIES LLC	4.0	\$776,700.00	\$1,031,000.00
367150018050				
367150011160				
367150011120				
367150011110				
367150011100				
367150011090				
367150011080				
367150011070				
367150011060				
367150011050				
367150011040				
367150011030				
367150011020				
367150011010				
367150017291	TWANG HOLDINGS 3 LLC	1.8	\$545,300.00	\$1,037,100.00
367150012050	WESMOE HOLDINGS LLC	0.6	\$135,900.00	\$749,100.00

Source: Dakota County GIS

Land Use and Zoning:

The 2040 Comprehensive Plan guides Subarea B for Light Industrial, Institutional, and Mixed-Use land use designations (Figure 10). The Light Industrial and Institutional uses are consistent with the existing uses and ownership which includes a mix of light industrial, outdoor storage and vacant land. The Mixed-Use land use designation is guided for the parcels south of Richmond Street lying between Concord Street on the west and the UP-Railroad corridor on the east. The Mixed-Use land use designation is defined as, "...intended to allow for developments which combine residential, office, retail, and commercial uses through planned development. These uses may be mixed within the same building (vertical mixed use) or may be in separate buildings that are mixed within the same area (horizontal mixed use). Overall, throughout all mixed-use areas, 40% of development is expected to be residential..." is inconsistent with the current development and land ownership pattern.

Subarea B is zoned General Business and Industrial. The General Business zoning is established along the Concord Street frontage with the east half of the parcels adjacent to the UP Railroad corridor zoned Industrial. The current General Business/Industrial zoning along the Concord Street corridor within this Subarea splits parcels and does not follow parcel lines. This is not consistent with current/existing uses that utilize the full parcel for light industrial or general business uses.

Figure 20. Subarea B: Zoning



Sources: MNDNR, MNDOT, Met Council, City of SSP, ESRI, HERE, Garmin, (c) OpenStreetMap Contributors & GIS User Community



Market Observations:

- Parcel consolidation and combinations may be more difficult given the current ownership, use and development patterns.
- If industrial zoning is applied, parcels between 1.0 and 6.0 acres require building improvements between 8,712 and 52,272 square feet. This is similar to the existing development patterns, though several parcels/buildings would be undersized from the FAR requirements.
- Industrial users that occupy buildings between 5,000 and 25,000 square feet typically require/expect outdoor storage opportunities as well as onsite parking, which may not be feasible from a market demand perspective given building size requirements based on the industrial FAR.
- Market rate mixed-use redevelopment adjacent to, and abutting, existing industrial users and outdoor storage is not likely to generate enough rent to support the redevelopment of the site. Wholesale redevelopment and elimination of industrial uses (even if projected long-term) would likely be necessary to support a more traditional mixed-use development pattern described in the comprehensive plan.
- Certain businesses within the subarea have reinvested significant amounts of money and made recent capital improvements. These users are not likely to be bought out, or to change operations in the near future.
- Compatible uses are likely to be most marketable, especially if efforts to attract smaller general business and industrial users are prioritized.



Opportunity Sites:

Given the current ownership patterns and lot configurations, opportunity sites within the Subarea are somewhat limited unless existing (or prospective) businesses and/or developers were to assemble larger parcel areas. Larger contiguous properties that have equal or higher land values as compared to the building values present the greatest short-term opportunity. Parcels/owners that meet these conditions are identified in Table 29. The analysis provided considers existing land uses that are predominantly industrial, which is consequently the recommendation for the Subarea as described in Section VI of this report.

Table 29. Opportunity Site Development Capacity

Property	Acres (SF)	Use/ Zoning	FAR Minimum (0.2)	Concept Plan Notes
River Country Coop PID 360270082010 Figure 19	6.05 (263,538)	Industrial	52,708 SF	3,280 SF of finished building space are present on the current parcel. While the existing user is spread across the property, there may be future opportunities for redevelopment.
City of SSP PID 360340006010 Figure 20	4.66 (202,990)	Industrial	40,598 SF	33,065 SF of finished building space are present on the property. SSP currently uses the site for public works and storage.
SSP EDA PID Multiple Figure 21	~5.33 (232,175)	Industrial	46,435 SF	The site is an assembly of several smaller parcels. A new industrial building 40,000 SF+ is consistent with market expectations and demands.

Figure 21. Opportunity Site: River County CO-OP



Sources: MNDNR, MNDOT, Met Council, ESRI, HERE, Garmin, (c) OpenStreetMap Contributors & GIS User Community

SUBAREA C: BLUFF-CONSTRAINED PARCELS (FIGURE 21)

Physical Characteristics:

Subarea C contains approximately 18.5 acres and is comprised of small parcels ranging from approximately 0.2 to 6.0 acres. The parcels in this subarea are generally west of Concord and east of the bluff line. The developable area on the parcels are generally described as at the toe of the bluff. The dominant natural feature in the subarea is the bluff which is identified within the Mississippi River Corridor Critical Area (MRCCA) overlay as the Bluff Impact Zone (BIZ). The City has adopted a MRCCA ordinance that identifies the BIZ, and subsequently requires verification of the bluff line as part of any development proposal. The developable area of the parcels is further constrained by Concord which abuts the easterly frontage of the parcels within the subarea.

Figure 21. Subarea C: Physical Constraints



Sources: National Wetland Inventory, MNDNR, MNDOT, Met Council, ESRI, HERE, Garmin, (c) OpenStreetMap Contributors & GIS User Community



Table 30. Subarea C: Ownership and Market Values

PID	Ownership	Acres	Estimated Market Value – Land	Estimated Market Value – Total
367150023160	AMIRI HOSSEIN	1.4	\$248,200.00	\$506,600.00
367150023112				
367150022342				
367150022300				
367150022290				
367150022280				
367150022230				
367150022210				
367150022100	COMPREHENSIVE SERVICES INC	0.6	\$121,400.00	\$352,300.00
367150022020				
367150021071	GREVAS DANIEL J	0.5	\$203,900.00	\$407,300.00
367150020220	HOLIDAY STATIONSTORES INC	1.0	\$374,700.00	\$1,020,000.00
367150020160				
364480000012				
367150023200	KRUEGER ANDREW R	0.2	\$16,400.00	\$16,400.00
367150020051	LEONARD INVESTMENTS LLC	10.2	\$3,322,300.00	\$6,490,400.00
364510001080				
364510001070				
364510001060				
364510001050				
364510001040				
364510000010				
367150023106	MIDWEST FABRICS PROPERTIES LLC	1.0	\$163,700.00	\$393,300.00
364510001100	NGUYEN JAMES	0.0	\$91,400.00	\$428,900.00
367150021120	R M DREYLING CONST INC	0.4	\$122,400.00	\$302,900.00
367150021090				
367150022010	SOUTH ST PAUL ECONOMIC DEV AUTHORITY	0.4	\$68,000.00	\$68,000.00
367150021181				
367150020030	STATE OF MN - DOT	0.2	\$2,100.00	\$2,100.00
367150021172	VITEK DALE E	0.3	\$127,700.00	\$193,800.00

Source: Dakota County GIS

Development and Ownership Patterns

The parcels within the subarea are owned and developed by several different property owners and businesses. Consolidation and combinations in the subarea are possible, and some common contiguous ownership exists such as on the Fury Motor parcels. However, consolidation and combinations are challenging, given the current development patterns which are largely developed with smaller user/operators that include a principal building/structure, outdoor storage and parking lot areas. Many of the parcels were developed prior to the adoption of the MRCCA standards, and therefore several structures and parking lot areas are within the Bluff Impact Zone. While not a concern for existing users, the standards established in the new MRCCA ordinance would require improvements to be located outside of the Bluff Impact Zone.





Land Use and Zoning:

The 2040 Comprehensive Plan guides the north end of the subarea (north of Dale St) for Commercial uses, and all other parcels south of Dale St. as Mixed-Use (Figure 21). As described within the Subarea B analysis, the parcels within this Subarea are constrained and were developed prior to the adoption of the MRCCA overlay district. Existing land uses in the subarea are dominated by small commercial, retail, office, and light industrial uses. A few single-family residential uses and structures remain on the south end of the subarea.

The parcels within Subarea C are all zoned General Business. The existing development and uses within Subarea C are generally consistent with the purpose and intent of the General Business zoning district. However, it should be noted that the existing residential uses are legally non-conforming, however, any redevelopment or development of new single-family residential uses would not be permitted.

Figure 21. Subarea C: Zoning



Sources: MNDNR, MNDOT, Met Council, City of SSP, ESRI, HERE, Garmin, (c) OpenStreetMap Contributors & GIS User Community



Market Observations:

- As shown on Figure 20. Subarea C Physical Constraints, the buildable/developable area within the subarea is severely constrained.
- Any new construction will be required to be constructed outside the bluff impact zone, which results in limited or no buildable area on several parcels.
- New uses will be required to obtain a Conditional Use Permit, which may, or may not, be viewed as an additional hurdle within the marketplace.
- Given the presence of the bluff, the highest and best use within the subarea is likely to preserve/retain the existing site improvements to avoid the rules/requirements with respect to the bluffline. It should be noted that the variance process is available for any redevelopment, but the process requires review by the MnDNR.

Opportunity Sites:

In both the short-term and long-term the highest-and-best use of this area is likely similar to the existing use patterns that allow for retail, light industrial, office and some residential. As demonstrated in Table 30, the land value within the corridor makes up less than half the total estimated value across the subarea, which is an indicator that redevelopment may be challenging and may not be viable. There are no clear and/or obvious opportunity sites given the estimated market values in the Subarea. However, there will likely be opportunities for repurpose, reuse and small infill development as property ownership turns over in the Subarea.

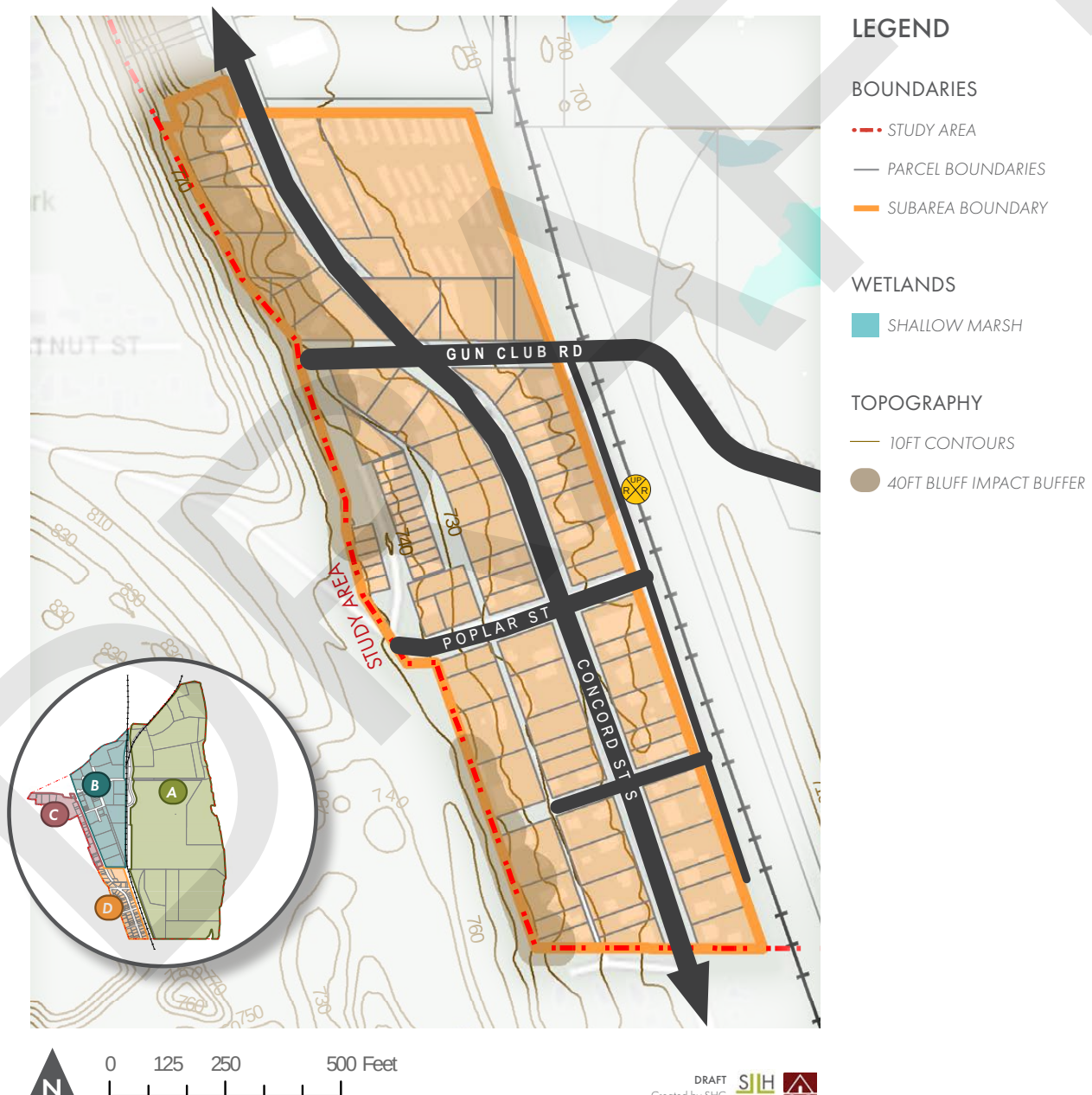


SUBAREA D: SMALL DOMINANT RESIDENTIAL PARCELS (FIGURE 22)

Physical Characteristics:

Subarea D contains approximately 16 acres and parcel sizes range from approximately 0.10 acres to 2.5 acres. The median parcel size is approximately 0.20 acres and the predominant use in the Subarea is for single-family residential detached uses. The Subarea includes property on both the east and west side of Concord Street and includes the Mobile Home Park. The parcels on the west side of Concord are minimally constrained by the bluffline on the west and Concord on the east side, while the parcels on the east side of Concord are constrained by the Concord St. right-of-way and the railroad on the east.

Figure 22. Subarea D: Physical Constraints



Sources: National Wetland Inventory, MNDNR, MNDOT, Met Council, ESRI, HERE, Garmin, (c) OpenStreetMap Contributors & GIS User Community

DRAFT
Created by SHC
10.21.2024



Subarea D is the only Subarea within the Study Area that is developed with predominantly single-family residential uses. A few small businesses are co-mingled into the neighborhood fabric, but the majority of the parcels are developed with single-family detached homes constructed between the late 1890s and the 1950s. Several lot owners have purchased adjacent small lots/properties which have enlarged their individual lots. In many of those cases (per GIS records) the parcel combinations have not been formally consolidated, however, the residual/small lots are not likely buildable given current zoning standards. However, there are a few vacant undeveloped lots within the subarea internal to a block. These parcels, as currently zoned, could not be developed with similar single-family detached uses, but could be developed with multi-family uses or mixed-use if a commercial/business was located on the first floor.

Land Use and Zoning:

The 2040 Comprehensive Plan guides Subarea D as Mixed-Use except the Mobile Home Park which is guided Medium Density Residential (MDR) (Figure 10).

Parcels within Subarea D are zoned General Business with the exception of the Mobile Home Park which is zoned Mobile Home. The subarea is dominated by detached single-family residential uses that were constructed between approximately 1890 and 1950. The existing single-family residential uses are considered legally non-conforming and can remain into perpetuity, however, no new single-family detached or attached units could be constructed in the subarea based on the current zoning regulations. The current zoning does include a provision to permit apartment homes and/or residential units above commercial uses within the zoning district – but would prohibit the construction of a new single-family or two-family residential structures.

Figure 23. Subarea D: Zoning





Market Observations:

- The single-family detached homes have retained their value based on the available comparable residential market data.
- Redevelopment for similar density/development types would be consistent with the character of the subarea and would likely be well received by the market.
- The existing General Business zoning district, as written, makes redevelopment challenging given that parcel sizes are relatively small and would not make multi-family development viable without additional lot combinations.
- Co-mingling of small, low-intensity businesses is consistent with the character of the subarea.
- (Re)Development of parcels for mixed-use would require densities to exceed 20 dwelling units per acre, and to include a commercial/retail component. The current multi-family market remains constrained as referenced within the national and regional market analysis, and given the small parcel size is unlikely to be delivered by the market.

Opportunity Sites:

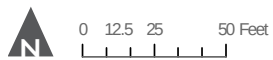
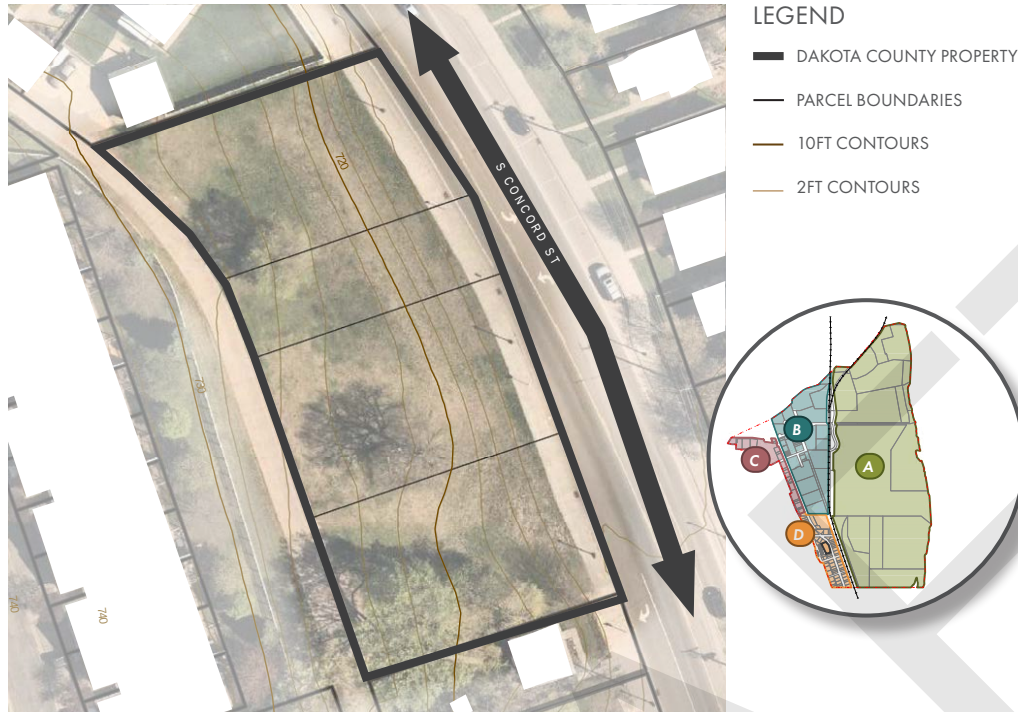
Within Subarea D there are two areas that have been acquired for (re)development. The first collection of parcels is owned by Dakota County and is contains approximately 0.65 acres and South St. Paul owns the second area which contains approximately 0.39 acres. Both sites are most likely to support some type of residential uses to be compatible with the surrounding neighborhood. Rezoning for consistency with either the Mixed-Use land use designation would provide the opportunity for both residential and small infill commercial/retail uses. The following capacity analysis considers the mixed-use land use designation that guides residential uses at 20+ dwelling units/acre.

Table 32. Opportunity Site Development Capacity

Property	Acres (SF)	Use/ Zoning	Mixed-use Density (25 -60 DU/Ac)	Notes & Observations
Dakota County Property PID 364530011220 PID 364530011200 PID 364530011191 PID 364530011170 Figure 24	0.65 (28,314)	Use: Vac. Zoning: GB	16-39 DU; must include commercial use	A new zoning district may be better matched that does not require commercial/ retail uses within the same project. Density range is unrealistic given the parcel size and should be addressed.
SSP EDA Property PID 364530010140 PID 364530010120 PID 364530010110 Figure 25	0.39 (16,988)	Use: Vac. Zoning: GB	10-23 DU; must include commercial use	A new zoning district may be better matched that does not require commercial/retail uses within the same project. Density range is unrealistic given the parcel size and should be addressed.

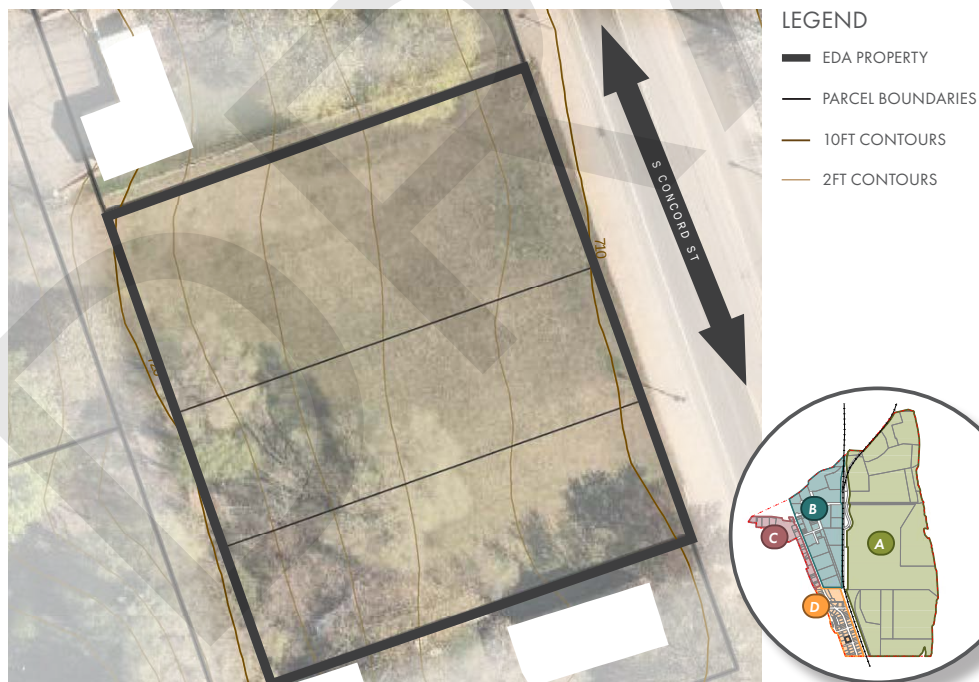


Figure 24. Opportunity Site: Dakota County



Sources: MNDNR, MNDOT, Met Council, ESRI, HERE, Garmin, (c) OpenStreetMap Contributors & GIS User Community

Figure 24. Opportunity Site: South Saint Paul Economic Development Authority



Sources: MNDNR, MNDOT, Met Council, ESRI, HERE, Garmin, (c) OpenStreetMap Contributors & GIS User Community



VI. FINDINGS + RECOMMENDATIONS

Based on the national, regional and local market findings the Study Area is well positioned for development and/or redevelopment with a dominant industrial land use pattern. The Study Area is geographically positioned within the region to leverage the existing transportation resources including proximity to the I-494 loop and the UP Railroad that is integral to the success of industrial uses. Because of South Concord Street's historical development patterns, there is also an opportunity to develop and support small retail businesses, creative industrial opportunities and compatible low-medium-and-high residential uses all within the context of Subarea A and B that are best suited for industrial uses. As described within this analysis, the corridor can (and does) have different levels of development and intensity along the corridor – and this can be maintained and supported as redevelopment occurs. The Subareas are a way to organize the existing land use patterns, to describe the different market expectations and to establish a long-term vision for the corridor. The subareas can serve as a foundation for the land use and zoning analysis that follows this market study. The following observations/recommendations by Subarea are summarized:

Table 33. Findings and Recommendations by Subarea

Subarea	Observations/Recommendations
A Large Land Parcels	• Highest-and-best use is for industrial. Industrial uses are dominant and existing patterns should be respected. • Opportunity sites provide significant redevelopment of industrial users that are consistent with the market. • Multi-tenant industrial buildings with smaller suites are in-demand and there is a lack of supply in the market. Spaces from 25,000 – 50,000+ are hard to find within the Southeast subarea and the Concord Submarket. • Analysis assumes that Dakota Bulk and the Gun Club will not relocate in the short or long term. As such, their development capacity is not identified as opportunity sites. If either operator were to leave, the extensive land area would be a prime opportunity. • The UP Railroad presents both an opportunity and a challenge. Industrial uses can leverage access to the railroad, however, access is constrained by the lack of egress/ingress options. • Future development/redevelopment of the Opportunity Sites within the Subarea should address additional (and connected) access to improve the marketability of the area.



B Balanced Land + Building Parcels	• Opportunities within Subarea B require consolidation/combination of parcels. • Parcel areas support potential redevelopment with smaller single-user industrial buildings. The single-tenant, small (10,000-50,000 SF) industrial market is in demand, but there is a lack of available existing buildings or land to support the use. • Parcels within the subarea are not constrained by natural features which makes redevelopment easier with greater opportunities for flexibility through regulation. • Outdoor storage is often demanded by smaller industrial users because this subtype typically includes businesses such as landscapers, utility contractors, etc., that have materials on site. Regulations should address the appropriate site-building balance, and the regulations associated with outdoor storage.
C Bluff Constrained Parcels	• The highest-and-best use within Subarea C is likely similar to the existing use/development pattern. • Allowing for a mix of uses including retail/commercial, light industrial and office within this subarea provides the greatest market potential. • Since parcels are generally constrained by the bluff, bluff impact zone and the Concord right-of-way, flexibility of use provides options to property owners to be creative with development or redevelopment. • Conversion and reuse of structures in the corridor is likely given the existing bluff conditions and use patterns. This should be addressed within the zoning/land use regulations for the Subarea.
D Small Dominant Residential Parcels	• The highest-and-best use within Subarea D is likely similar to the existing residential patterns. • Residential uses in the Subarea provide naturally occurring affordable housing options to the community and can be protected and reinforced through the zoning/land use update process. • Infill and redevelopment will be most marketable if it fits the character of the surrounding area. Review of the existing land use and zoning should look for opportunities to align the current pattern with regulations. • Allowing for a mix of properly scaled uses would further support the character of the Subarea while providing opportunities for further investment.



WORK SESSION AGENDA REPORT

DATE: November 25, 2024
DEPARTMENT: Planning & Zoning
PREPARED BY: Michael Healy
AGENDA ITEM NUMBER: 2.B.

MEETING TYPE

Regular Meeting

AGENDA ITEM

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

- Review Planning Commission recommendation regarding zoning rules for cannabis businesses.
- Review additional feedback and information provided by the City Attorney and Police Department
- Provide City Staff with direction about what version of the cannabis zoning ordinance should be brought forward for a first reading.

OVERVIEW

Background

The City Council reviewed a draft cannabis zoning ordinance at their October 28th Worksession and asked City Staff to bring the ordinance to the Planning Commission for a public hearing. The draft ordinance had been prepared based on guidance provided by the City Council at a previous Worksession in May of 2024. Specifically, the City Council asked City Staff to prepare an ordinance that only allowed cannabis businesses in the commercial and industrial areas along Concord Street and Concord Exchange and did not allow cannabis businesses in the neighborhood commercial areas “up the hill” which all have C-1 Retail Business zoning. Additionally, the City Council requested that all cannabis businesses citywide require a conditional use permit and case by case review.

There are still some unanswered questions about cannabis businesses because the State’s new Office of Cannabis Management (OCM) has experienced delays and has not completed

rulemaking. Most Minnesota cities are racing to adopt cannabis ordinances by the end of 2024 because that is when all moratoriums on cannabis businesses expire. Cities may need to amend their cannabis ordinances in 2025 after OCM's rulemaking is complete and the final statewide regulatory framework for these businesses is fully understood.

Planning Commission Public Hearing and Recommendation

The Planning Commission reviewed the draft ordinance at their November 6th meeting (see attached Planning Commission memo) and there was a spirited discussion regarding what was proposed:

- Commissioner Krueger was supportive of the draft ordinance as written.
- Commissioner Felton, who also sits on the School Board, shared that some members of the school board are concerned about cannabis businesses being located anywhere near a school. He voiced support for the draft ordinance and keeping cannabis businesses “down the hill” near Concord and Concord Exchange. He did ask, however, that the buffer zone between cannabis businesses and schools be increased from 750 feet to the maximum 1,000-foot buffer allowed under State Law. *The buffer had been set at 750 feet to mirror the existing buffer requirement between schools and liquor stores. There are no schools on Concord Exchange and Concord Street, so the buffer requirement is mostly a moot point if cannabis businesses are only allowed in those areas.*
- Commissioner Hart expressed that he was in general agreement with Commissioner Felton and also wanted to see the buffer for schools increased to 1,000 feet.
- Commissioners Fehrman, Fournier, Miller, and Hoffman agreed that manufacturing and cultivation of cannabis should be limited to the Concord Street and Concord Exchange area because of potential odor issues. However, all four commissioners expressed support for allowing cannabis retail sales in the C-1 Retail Business district. They generally believe that it is important that residents be able to walk to these businesses from their homes if the demand is there. Some residents with mobility issues who do not have cars may not be able to easily shop “down the hill.” The four also felt that the stigma attached to cannabis retail businesses is unwarranted and that this type of business is like a liquor store and should be allowed in zoning districts that allow liquor stores.

Commissioner Krueger made a motion to recommend approval of the draft ordinance as written. This motion failed on a 5-2 vote with only Commissioner Krueger and Commissioner Hart voting in support.

Commissioner Fehrman made a motion to recommend approval of the draft ordinance with two modifications:

1. Allow cannabis retail sales in the C-1 Retail Business District with a conditional use permit.
2. Increase the buffer between schools and cannabis businesses to 1,000 feet.

Commissioner Fehrman's motion passed on a 4-3 vote. Commissioner Krueger, Commissioner Hart, and Commissioner Felton voted against the motion.

Attachment #2 at the end of this staff memo is a map that shows which commercial properties in town could support a cannabis retail business if the Planning Commission's recommendation is implemented. The properties with C-1 Retail Business zoning are all called out in pink.

Information From City Attorney Regarding Interim Use Permits

City Staff reviewed the Planning Commission's recommendation with the City Attorney following the public hearing. The City Attorney shared that some of her other communities, such as Forest Lake and Little Canada, are considering temporarily making cannabis businesses an interim use instead of a conditional use. The idea is that they would figure out permanent rules for cannabis businesses in the future after the Office of Cannabis Management (OCM) finishes its rulemaking and it becomes clearer whether these businesses belong in certain zoning districts or whether they will create a nuisance.

Unlike a conditional use permit, an interim use permit does not run with the land or confer any permanent property rights. It expires after a certain amount of time has passed or after a specific event has occurred. Interim Use Permits are often designed to be non-transferable. The main benefit of an Interim Use Permit is that it allows the City to sunset a business by declining to renew the interim use permit after it expires. The main downside is that cannabis businesses are likely to actively avoid cities that implement an interim use permit requirement. Business owners may be reluctant to invest in making improvements to a property if there is no long-term guarantee that they can operate their business. It seems very unlikely that a business owner would take a major step like constructing a new building if only an interim use permit is available. Even retrofitting an existing commercial space as a cannabis business is very expensive because of all the security requirements. Most business owners want the ability to build up equity in their business so that they can potentially retire and sell it to a different operator. That becomes difficult if an interim use permit is involved.

New Information Regarding Lighting Requirements for Cannabis Businesses

City Staff recently learned that OCM's draft cannabis rules include the following provision regarding exterior lighting:

Subp. 10. Lighting. A cannabis business must maintain all lighting in good working order inside

and outside of a cannabis business premises and temporary cannabis event. Lighting must deter nuisance and criminal activity by allowing observers to see, and cameras to record any activity within a radius of at least 20 feet around all entrances and exits. Exterior lighting must make efforts to not disturb surrounding businesses or neighbors by adjusting the lumens or radius of lighting to only illuminate the necessary areas outlined in these rules. Any deficient or inoperable lighting must be repaired within 48 hours of detection.

OCM is going to be requiring cannabis businesses to install a significant amount of new exterior lighting when they take over a commercial property. The City Code does not allow a business to spill more than .4 footcandles of light across a property line that is shared with a residential property. Realistically, the only way to enforce this provision is by requiring cannabis businesses to submit a lighting and photometric plan as part of their conditional use permit application. Staff will make this adjustment to the draft ordinance prior to the first reading.

Additional Feedback From Police Department

City Staff reviewed the Planning Commission recommendation with Police Chief Brian Wicke. Wicke stated that the Police Department would prefer to see cannabis businesses initially restricted to being "down the hill" in the Concord Exchange and Concord Street area. Their primary concern is that some people visiting cannabis businesses may engage in undesirable behavior and loitering and this will have a more pronounced negative impact in the C-1 Retail Business area, which has a lot of neighborhood foot traffic and is close to houses and schools.

ACTION NEEDED

The City needs to get a cannabis ordinance "on the books" by the end of December because that is when the current moratorium on cannabis businesses is set to expire. State Statute does not allow the moratorium to be extended.

The City Council is asked to discuss the Planning Commission recommendation and the City Attorney's information and provide City Staff with direction regarding whether any changes should be made to the draft ordinance before it is brought forward for a 1st reading at the December 2nd meeting.

SOURCE OF FUNDS

NA

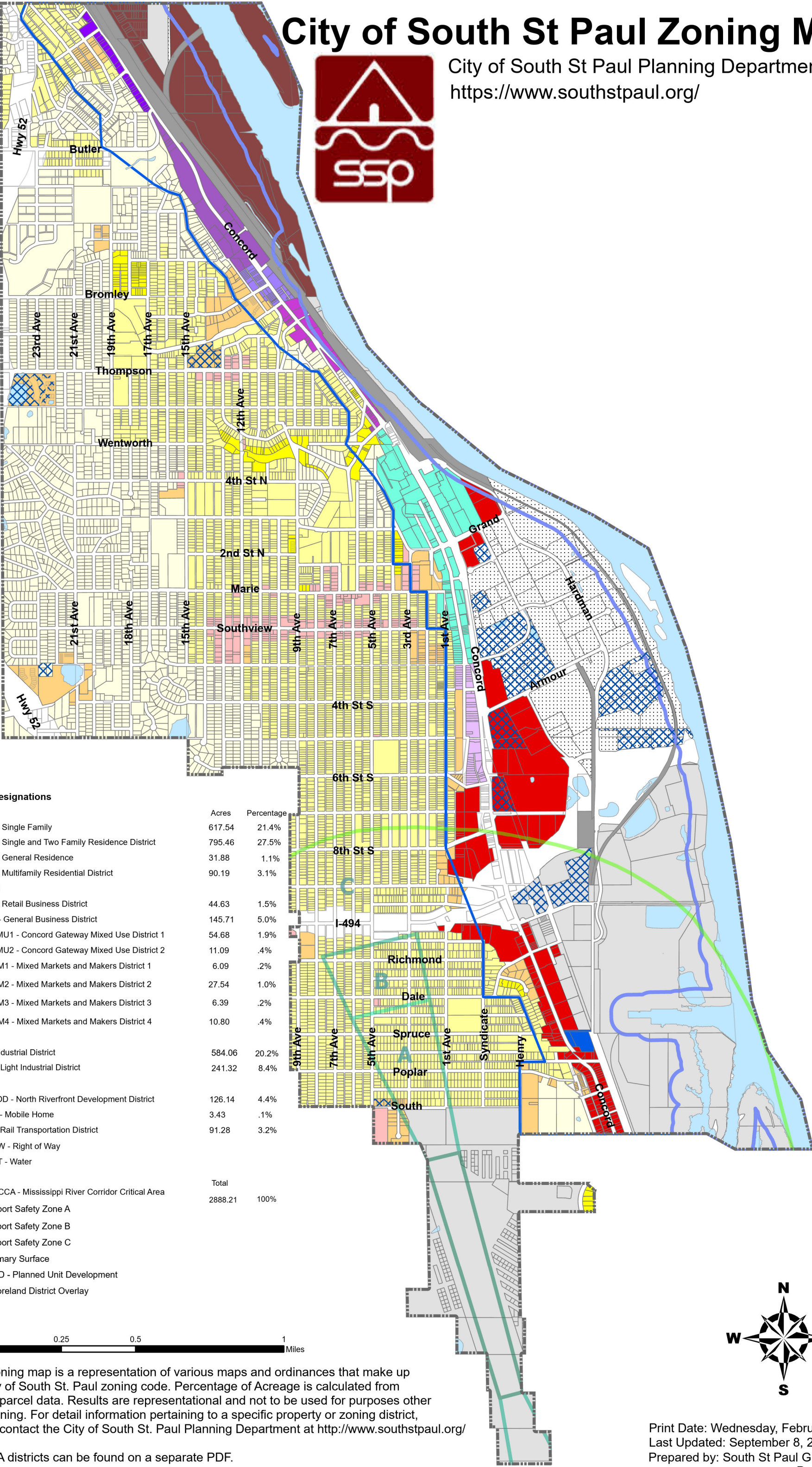
ATTACHMENTS

1. Zoning Map
2. Proposed Zoning Restrictions for Cannabis Businesses
3. Planning Commission Memo
4. Public Comments Received After Planning Commission Meeting

City of South St Paul Zoning Map



City of South St Paul Planning Department
<https://www.southstpaul.org/>



Zoning Designations

- Residential

R1 - Single Family

R2 - Single and Two Family Residence District

R3 - General Residence

R4 - Multifamily Residential District
- Commercial

C1 - Retail Business District

GB - General Business District

CGMU1 - Concord Gateway Mixed Use District 1

CGMU2 - Concord Gateway Mixed Use District 2

MMM1 - Mixed Markets and Makers District 1

MMM2 - Mixed Markets and Makers District 2

MMM3 - Mixed Markets and Makers District 3

MMM4 - Mixed Markets and Makers District 4
- Industrial

I - Industrial District

I-1 - Light Industrial District
- Other

NRDD - North Riverfront Development District

MH - Mobile Home

RT- Rail Transportation District

ROW - Right of Way

WAT - Water
- MRCCA - Mississippi River Corridor Critical Area

Airport Safety Zone A

Airport Safety Zone B

Airport Safety Zone C

Primary Surface

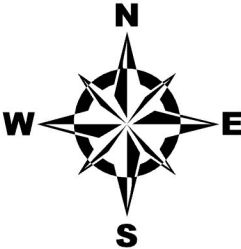
PUD - Planned Unit Development

Shoreland District Overlay

Acres	Percentage
617.54	21.4%
795.46	27.5%
31.88	1.1%
90.19	3.1%
44.63	1.5%
145.71	5.0%
54.68	1.9%
11.09	.4%
6.09	.2%
27.54	1.0%
6.39	.2%
10.80	.4%
584.06	20.2%
241.32	8.4%
126.14	4.4%
3.43	.1%
91.28	3.2%
Total	2888.21 100%

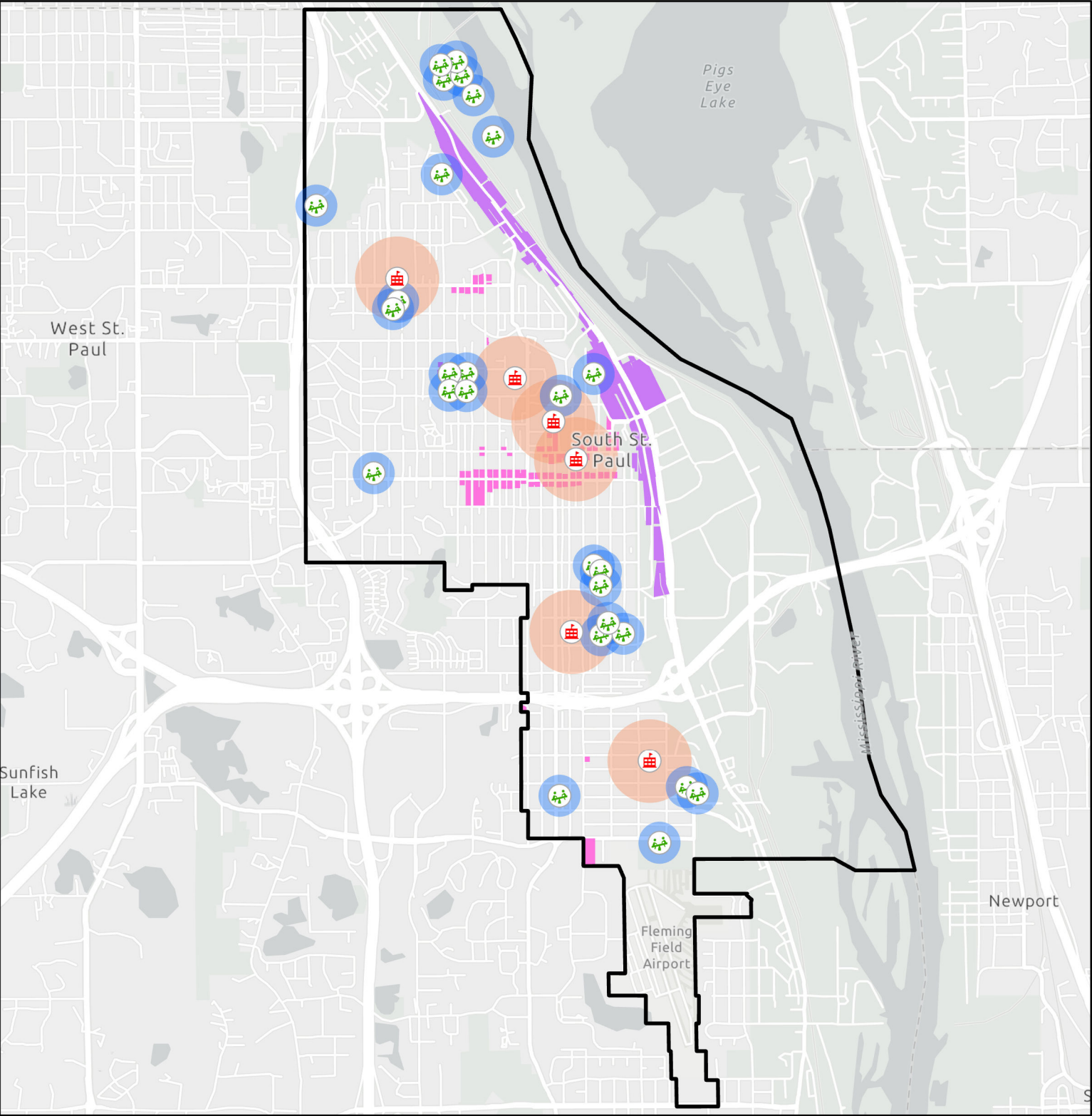
This Zoning map is a representation of various maps and ordinances that make up the City of South St. Paul zoning code. Percentage of Acreage is calculated from county parcel data. Results are representational and not to be used for purposes other than zoning. For detail information pertaining to a specific property or zoning district, please contact the City of South St. Paul Planning Department at <http://www.southstpaul.org/>

MRCCA districts can be found on a separate PDF.



Print Date: Wednesday, February 7, 2024
Last Updated: September 8, 2023
Prepared by: South St Paul GIS

Proposed Zoning Restrictions for Cannabis Businesses



-  Schools
-  Playgrounds and Athletic Fields
-  500 foot buffer
-  1000 foot buffer
-  City Boundary
-  Supported Parcels
-  Supported Parcels - C1

0 0.25 0.5 1 Miles





AGENDA ITEM 4.C

South St. Paul Planning Commission

Prepared By: Michael Healy, Planning Manager	Meeting Date: 11/6/2024
Item Description: Public Hearing for an Ordinance Establish Zoning Regulations for Cannabis Businesses	

ACTION REQUESTED

A motion recommending approval of an ordinance establishing zoning regulations for cannabis businesses, either as presented or with modifications.

BACKGROUND/ DISCUSSION

OVERVIEW

Application

The Applicant is the City of South St. Paul.

The City Council discussed regulations for cannabis businesses at their May 28, 2024 Worksession and provided City Staff with early policy direction about how to approach this issue. The Office of Cannabis Management (OCM) released a model ordinance this past summer and City Staff used the model ordinance and Council direction to draft zoning rules for cannabis businesses in South St. Paul. The City Council reviewed the draft ordinance at their October 28th Worksession and asked City Staff to move forward with bringing it to the Planning Commission “as written” for a public hearing.

Background

In 2022, the Minnesota State Legislature passed a law which legalized the sale of lower-potency hemp-derived edibles that contain THC. This includes drinks like THC seltzers as well as gummies and other edible products. Currently, businesses that want to sell this type of product simply must register with the State of Minnesota to operate legally. There are over 4,000 lower-potency hemp edible businesses registered throughout Minnesota. Hat Trick Liquors, Big Discount Liquors, Kwik Trip, Sam’s Tobacco, Sam’s Mini-Mart, Bugg’s Bar, Knowlan’s Grocery Store, and South Tobacco are all currently registered with the State to sell lower-potency hemp-derived edibles in South St. Paul.

In 2023, the Legislature passed a law which legalized adult-use recreational cannabis and established the “Office of Cannabis Management (OCM)” to regulate the sale of cannabis. Minnesotans who are over the age of 21 are now legally able to use cannabis, but it will not be legal for stores to sell cannabis until a

statewide licensing system “goes live” at some point in 2025 after OCM completes its rulemaking process. Cannabis sales are already lawfully taking place on some Indian reservations in Minnesota.

All cannabis business licensing will be handled at the State level by OCM. This is different than alcohol and tobacco which are licensed at the local level with guidance from the State. OCM is requiring cities to “register” cannabis retail businesses at the local level which is different than licensing but does provide some level of local oversight for these businesses. State Statute also allows cities to use their zoning codes to regulate the “time, place, and manner” in which cannabis businesses can operate. This means that cities can decide which zoning districts will allow cannabis businesses and can also decide to place restrictions on these businesses either through fixed performance standards or by requiring a conditional use permit for cannabis businesses and placing “case by case” conditions on each business.

State Mandates

To provide all Minnesota adults who are over 21 with access to legal cannabis, the State Legislature and OCM have put several mandates in place that provide a framework for how cities can regulate cannabis businesses:

- The State has created 13 different license types for cannabis businesses. Each municipality must allow each type of business somewhere in the community.
- Every community must allow at least one (1) cannabis retail business to operate in city limits for each 12,500 residents. OCM has decided that cities must “round up” which means that South St. Paul must allow at least two (2) cannabis retail businesses.
- Communities may require minimum distances between cannabis businesses and certain other land uses. Communities may require cannabis businesses to be:
 - Up to 1,000 feet away from all grade schools and high schools.
 - Up to 500 feet from play features in parks that attract children, such as ballfields and playgrounds.
 - Up to 500 feet from licensed daycares.
 - Up to 500 feet from licensed residential treatment facilities.
 - A minimum distance from other cannabis businesses.
- Cities that want to limit the hours of operation for cannabis retail businesses must allow these businesses to at least be open between 10 AM and 9 PM.
- Cities are capped at what fees they can charge for registration of cannabis retail businesses.
- Cities can adopt a moratorium on new cannabis businesses while they study the issue and prepare a cannabis zoning ordinance and a cannabis registration ordinance but the moratoriums must expire by January of 2025. *South St. Paul has a moratorium currently in place that will expire on January 1st. Even*

though OCM likely will not begin licensing cannabis businesses until April or May of 2025, the City should try to get a cannabis ordinance “on the books” prior to the expiration of the moratorium.

This past summer, OCM released a model ordinance and provided cities with guidance about how this new type of business could be regulated. OCM has updated the model ordinance several times since its initial release and many cities have waited to move forward with drafting cannabis ordinances until OCM’s rulemaking is closer to concluding and the final rules have become clearer. Because rulemaking is still taking place, it is possible that cities may have to update their cannabis ordinances again in 2025 after OCM completes the rulemaking process.

City Council Policy Direction at May 28th Worksession

The City Attorney facilitated a discussion with the City Council at the May 28, 2024 Worksession regarding cannabis businesses. At that time, the City Council provided the City Attorney and City Staff with the following guidance:

- Cannabis businesses should be restricted to the “down the hill” mixed-use and industrial areas along Concord Exchange and Concord Street.
- The City should adopt a cap on the number of cannabis retail businesses and should not allow more of these businesses than is required based on the community’s population.
- Cannabis businesses should require a conditional use permit so the City can place “case by case” performance standards on each cannabis business.

The City Attorney and the Planning Manager have worked together to prepare a cannabis registration ordinance and a cannabis zoning ordinance that reflect the direction that was given by the City Council in May, new guidance from OCM, and “best practices” that have emerged as other Minnesota cities have begun drafting their cannabis ordinances.

Role of the Planning Commission in Developing Cannabis Business Regulations

The Planning Commission is asked to hold a public hearing for the draft cannabis zoning ordinance and provide the City Council with a recommendation. The City must adopt cannabis regulations to be compliant with State Statute, so it is not feasible to simply leave the zoning code “as-is.” The Planning Commission is asked to either recommend approval of the draft ordinance as presented or to recommend changes.

The Planning Commission is only being asked to weigh in on the zoning aspects of regulating cannabis businesses. The City Council is also considering a cannabis registration ordinance which will establish procedures for registering cannabis businesses, administering proof-of-age compliance checks, and suspending a registration if there is noncompliance. As part of the registration ordinance, the City Council will decide whether to place a cap on the total number of cannabis retail businesses that can operate in South St. Paul.

Status of Lower-Potency Hemp-Derived Edibles Within the New Regulatory Framework

As previously mentioned, South St. Paul businesses are currently allowed to sell lower-potency hemp-derived edibles if they register with the State. Several local businesses have taken advantage of this to diversify their business operations including all of SSP’s tobacco stores and liquor stores, Kwik Trip, and

Bugg's Bar. Knowlan's Grocery Store has registered with the State to sell lower-potency hemp-derived edibles, but it is unclear if they have stocked any products.

Lower-potency hemp-derived edibles have proven to largely be a "non-issue" for the South St. Paul community and City Staff is not aware of any significant problems being caused by edibles being sold at local businesses as an "accessory use." Hemp is fundamentally different than cannabis because it is legal at the federal level and can be bought and sold using credit cards and standard banking procedures. This means that businesses that sell hemp products do not have to handle sales with an "all cash" model like most cannabis businesses and are less likely to be the target of crimes where robbers are searching for cash.

When OCM begins issuing licenses for cannabis in 2025, they will begin also requiring a license for lower-potency hemp edible sales and this will provide these businesses with additional oversight. Per guidance from OCM, State Statute guarantees some types of businesses the right to sell lower-potency hemp-derived THC beverages regardless of their zoning district. For instance, liquor stores and bars/restaurants are allowed to sell THC beverages as part of their liquor license. OCM does not consider a lower-potency hemp derived edible retailer to be the same thing as a cannabis retailer and hemp businesses do not "count towards" the minimum of 2 cannabis retail businesses that South St. Paul must allow.

Many Minnesota cities are going the route of treating the sale of lower-potency hemp-derived edibles the same as the sale of 3.2% beer when it comes to zoning regulations. In South St. Paul and many other Minnesota communities, retail businesses (such as gas stations and grocery stores) are allowed to offer 3.2% beer for retail sale if it is an "accessory use" and is not their main business. SSP requires full liquor stores to get a conditional use permit and adhere to buffering requirements from schools and churches but does not impose these requirements on a retail business that only wants to have a shelf of 3.2% beer. City Staff believes that this would be a good model for regulating lower-potency hemp derived edibles in South St. Paul. This approach would maintain the "status quo" that has been in effect since lower-potency hemp-derived edibles were legalized in 2022.

It is unclear how popular lower-potency hemp-derived edibles will remain once actual cannabis is widely available for sale in 2025. According to some industry watchers, other states that have fully legalized cannabis have generally seen the market for hemp-derived edibles shrink because it is viewed by consumers as an inferior product in the same manner that 3.2% beer is viewed by many beer drinkers as an inferior product to full-strength beer.

Summary of Draft Cannabis Zoning Ordinance

- Cannabis businesses are only allowed in the "down the hill" mixed-use and industrial zoning districts- CGMU (Concord Gateway Mixed Use), MMM (Mixed Markets and Makers), I (Industrial), and I-1 (Light Industrial).
 - The two mixed-use districts, MMM and CGMU, will allow cannabis retail businesses along with "craft production" businesses where a cannabis product is manufactured and sold on-site. This is the same approach that is taken with breweries which are allowed in both districts as long as they have a taproom or retail operation. Cannabis businesses will not be allowed in the MMM-1 subdistrict which is the northern end of Concord Street North which is largely low-density residential housing.
 - The I and I-1 allow cultivation, manufacturing, and wholesaling of cannabis products as well as some on-site retail if it is accessory to cultivation or manufacturing. This is consistent with how

these two districts treat breweries and other manufacturing. Both districts already allow retail sales counters as an accessory use.

- All four districts will allow cannabis testing facilities with a conditional use permit. *These are essentially just labs that do quality control testing.*
- All cannabis businesses require a conditional use permit. Hours of operation for each business can be established as part of the conditional use permit.
- Lower-potency hemp derived edible retailers are allowed as an “accessory use” in all of the City’s zoning districts that allow retail and restaurant uses. *This will maintain the “status quo” that has been in effect since 2022.*
- All cannabis businesses must be at least 750 feet from a school. *This is how the City already regulates liquor stores. This is currently a moot point because there are no schools “down the hill.”*
- All cannabis businesses must be at least 500 feet from a playground or athletic field in a public park.
- All cannabis businesses must be at least 500 feet from each other.
- The distance requirements will not apply to businesses that just sell lower-potency hemp-derived edibles as an accessory use (i.e. Hat Trick Liquor and Sam’s Tobacco which are only 300 feet from each other)
- Industrial cannabis businesses in the industrial zoning districts only must adhere to the distance requirement for schools. *The City likely does not want to block an industrial cannabis operation that meets all other zoning rules from opening in the industrial park if it is a good fit for a site just because it is slightly closer than 500 feet to the DNR Boat Launch Park or Wildflower Levee Park.*
- The draft ordinance would prohibit people operating a cannabis business or hemp-derived edible business as a home occupation. The only exception to this rule is that a licensed “cannabis event organizer” may office out of their home. A cannabis event organizer is an office worker who plans temporary cannabis events and this is the same as any other “work from home” office job.
- Cannabis businesses and hemp-derived edible businesses with a cultivation or manufacturing component shall submit an odor management and air filtration plan which will be evaluated as part of the conditional use permit review. Cannabis odors must be undetectable at the property line.
- Outdoor commercial cultivation of cannabis is prohibited due to odor concerns.
- Cannabis businesses that do cultivation or manufacturing are prohibited from operating in multi-tenant buildings. *Per the City Attorney, this has been an issue in other states because multi-tenant buildings typically have HVAC system setups that can lead to odor contamination between units if one unit has a cannabis cultivation or manufacturing business in it.*
- Cannabis retail businesses must operate and maintain a closed-circuit television surveillance system. The system must operate for 24 hours per day, seven days per week, and visually record all sales areas and all points of exit and entry.

- State Statute requires the City to allow Temporary Cannabis Sales Events but the City gets to decide which zoning districts will allow them and the City gets to decide whether cannabis can be consumed at these events.
 - The draft ordinance would allow these events “down the hill” in the CGMU district and the MMM-2, MMM-3, and MMM-4 districts.
 - The draft ordinance would not allow cannabis to be consumed at these events.

COMMENTS FROM OTHER DEPARTMENTS

The Planning Department sent the draft ordinance out to the other City departments for review and collected comments that are summarized below:

Police Department

The Police Department has reviewed the draft ordinance and is comfortable with the ordinance moving forward. The Police Department is recommending that the City proceed cautiously with temporary cannabis events and prohibit on-site consumption of cannabis at these events.

Fire Department

The Fire Department has some concerns about large indoor grow facilities and will need to learn more about how other states have regulated sprinkler requirements for these facilities. *The Fire Department will be invited to review any proposed facility as part of the conditional use permit*

DISCUSSION

The relevant City departments have all reviewed the draft cannabis business zoning ordinance and believe that it will create an effective regulatory framework for dealing with this issue. There are some regulatory tools that the State Statute would technically allow that City Staff is not recommending:

- The State Statute allows cities to require a 500-foot setback from licensed daycares. *The City does not track in-home daycares and this would be logistically challenging to enforce. It is likely a moot point because cannabis businesses are only being allowed “down the hill” in areas where there are no single-family homes that could be turned into in-home daycares and there are currently no daycare centers. Daycare centers locating in a commercial area generally expect to have commercial businesses as neighbors.*
- The State Statute allows cities to require a 500-foot setback from residential treatment facilities. *The City does not track residential treatment facilities and this would be logistically challenging to enforce. State-licensed residential care facilities are completely prohibited in the MMM, CGMU, I, and I-1 zoning districts where cannabis businesses will be located so this is likely a moot point.*

The draft ordinance does not allow cannabis businesses to operate in the GB-General Business zoning district because that district is currently being evaluated as part of the South Concord Zoning Study that launched in August. The area zoned GB along South Concord that is zoned GB includes many single-family homes. Final decisions about the “use list” for the GB zoning district will be made in mid-2025 when the zoning study concludes.

NEXT STEPS

If the Planning Commission is ready to provide a recommendation at this meeting, the City Council will likely move forward with a first reading of both the cannabis zoning ordinance and the cannabis business registration ordinance at their November 18th meeting. A second reading would be held in December so that the ordinances can be placed “on the books” prior to the expiration of the citywide moratorium on cannabis businesses in January. State Statute does not allow for the moratorium to be extended.

ACTION REQUESTED

The City must adopt cannabis business regulations to comply with State Statute. The Planning Commission is asked to provide a recommendation on whether the draft ordinance should be approved “as presented” or with modifications.

LINKS

Office of Cannabis Management (OCM) Model Ordinance:

[mn.gov/ocm/assets/Minnesota OCM LG Guide tcm1202-627967.pdf](https://mn.gov/ocm/assets/Minnesota_OCM_LG_Guide_tcm1202-627967.pdf)

League of Minnesota Cities FAQ about Cannabis Business Regulations:

<https://www.lmc.org/resources/adult-use-cannabis-what-cities-need-to-know/>

ATTACHMENTS

- A. Zoning Map
- B. Draft Cannabis Zoning Ordinance

**City of South St. Paul
Dakota County, Minnesota**

Ordinance No. 14XX

AN ORDINANCE ESTABLISHING ZONING RULES FOR CANNABIS BUSINESSES

The City Council of the City of South St. Paul does ordain:

SECTION 1. AMENDMENT. South St. Paul City Code Section 118-249 is hereby amended as follows:

Sec. 118-249. Home occupations and home offices.

(c) *Prohibited home occupations.* The following uses are never allowed as home occupations:

- (1) Flea markets.
- (2) General retail or wholesale operations that allow walk-in customers.
- (3) Restaurants, cafés, and similar types of commercial food service.
- (4) Manufacturing or machine shops.
- (5) Repair, service, building, rebuilding, or painting of motor vehicles, including trucks and boats.
- (6) Junkyards, motor vehicle salvage operations, and recycling processing centers.
- (7) The sale, lease, trade, or transfer of firearms and/or ammunition.
- (8) Headquarters or dispatch centers where persons come to the site and are dispatched to other locations.
- (9) Sexually oriented land uses.
- (10) Commercial kennels.
- (11) Body art establishments.
- (12) Cannabis businesses, except that an entity in possession of a cannabis event organizer license issued under Minnesota Statutes, Chapter 342 shall be permitted as a home office.
- (13) A lower-potency hemp edible business as defined in Chapter 118-278.
- ~~(12)~~ (14) Any use that involves any type of exterior storage of equipment, goods, or materials, except that personal passenger vehicles used in the home occupation may be parked on site.
- ~~(13)~~ (15) Any use that involves hazardous materials or activities.

- (~~1416~~) Any use that produces light, glare, noise, odor, electrical interference, or vibration that will in any way have an objectionable effect upon adjacent or nearby property or right-of-way.

SECTION 2. ENACTMENT. South St. Paul City Code Section 118-278 is hereby enacted as follows:

Sec. 118-278 Cannabis Businesses

- (a) *Purpose.* The purpose of this section is to establish reasonable restrictions on the time, place, and manner of the operation of cannabis businesses, hemp businesses, and temporary cannabis events, as allowed by State Statute.
- (b) *Definitions.* The definitions of words and phrases contained in Minn. Stat. § 342.01 and the Rules promulgated by the Office of Cannabis Management shall apply to this section unless defined differently herein. The following words and phrases shall have the meanings stated:

Cannabis business. A commercial enterprise involved in cultivating, processing, distributing, or selling cannabis for recreational or medical use. For zoning purposes, "cannabis business" pertains to the land use activity at a site, not the state-issued license.

Cannabis cultivation. Planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts for recreational or medical use.

Cannabis delivery service. A person or entity that purchases cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis and lower-potency hemp edible businesses and transports and delivers those products to customers.

Cannabis retailers. An entity that acquires, possesses, transfers, sells, dispenses, or distributes medical or recreational cannabis, products containing cannabis, and related supplies and products to the public.

Cannabis or lower-potency hemp edible manufacturing. An entity that creates cannabis concentrate and manufactures cannabis products and hemp-derived consumer products for recreational or medical public consumption; an entity that purchases hemp and artificially derived cannabinoids to make hemp concentrate, and manufactures artificially derived cannabinoids and hemp edibles for public consumption; an entity that packages and labels lower-potency hemp edibles for sale to customers; an entity that sells hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles to other cannabis businesses and hemp businesses.

Cannabis testing facility. A facility licensed to obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products.

Cannabis transporter. An entity that transports immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products from a cannabis business to a cannabis business.

Cannabis wholesaler. An entity that obtains, stores, and sells or otherwise transfers medical or recreational cannabis or hemp seeds, plants, flower, or other products for the purpose of resale or other transfer to a cannabis business, but not to consumers.

Lower-potency hemp edible business. A lower-potency hemp edible manufacturer, lower-potency hemp edible retailer, or any business that produces, manufactures, transports, or sells lower-potency hemp edible products. All lower-potency hemp edible businesses must be licensed by the State of Minnesota prior to operation.

Lower-potency hemp edible retailer. An entity that possesses, transfers, sells, dispenses, or distributes lower-potency hemp edible products and related supplies and products.

On-site consumption, cannabis. On-site consumption of cannabis shall be allowed accessory to a cannabis retailer with an on-site consumption endorsement from the State of Minnesota. Such on-site consumption must comply with all regulations under Minnesota Statutes, Chapter 342, and rules adopted pursuant to the chapter. Smoking, including smoking for the purpose of the sampling of products, is prohibited within the indoor area of any on-site consumption use established under this chapter.

On-site consumption, lower-potency hemp edible products. On-site consumption of lower-potency hemp edible products shall be allowed accessory to a lower-potency hemp edible retailer. Such on-site consumption must comply with all regulations under Minnesota Statutes, Chapter 342, and rules adopted pursuant to the chapter.

Temporary Cannabis Event. An event lasting no more than 4 days at which cannabis products, cannabis flower, lower-potency hemp edibles, and hemp-derived consumer products may be sold and for which the organizer has a cannabis event organizer license issued by the Office of Cannabis Management.

(c) *Cannabis Businesses in South St. Paul Zoning Districts.*

- (1) A cannabis business or lower-potency hemp edible business shall only be allowed in a zoning district if that type of business is explicitly listed as being a permitted, conditional, or accessory use in the district.
- (2) Outdoor commercial cultivation of cannabis and hemp is prohibited.

- (3) Proposed cannabis businesses and lower-potency hemp-derived edible businesses that have a cultivation or manufacturing component shall submit an odor management and air filtration plan which will be evaluated as part of the conditional use permit process. Odors from the operation must not be discernable beyond the property line.
- (4) A cannabis business that has a cultivation or manufacturing component must be located within a freestanding building and shall not be allowed to occupy a space in a multitenant building.
- (5) Cannabis retailers must operate and maintain a closed-circuit television (CCTV) surveillance system. The CCTV video surveillance system must operate for 24 hours per day, seven days per week, and visually record all sales areas and all points of exit and entry. This requirement shall not apply to a business that is only selling lower-potency hemp-derived edibles as an accessory use.
- (6) Cannabis cultivation businesses shall provide adequate security in accordance with state licensing requirements. This may include fencing, lighting, alarms, door and window locks, and/or secure storage and waste.

(d) *Buffering.* A cannabis business shall not be located within:

- (1) 750 feet of an elementary or secondary school (K-12 grades)
- (2) 500 feet of an attraction within a public park that is regularly used by minors, including a playground or athletic field.
- (3) 500 feet of another cannabis business, measured by a line from the nearest point on the property boundary line of the property on which the existing business is located to the nearest property boundary line of the property on which a business is proposed to be located.

(e) *Exceptions to the buffering requirement.*

- (1) The buffering requirement shall not apply to an existing licensed and registered cannabis retailer in operation if one of the uses that triggers a buffering requirement commences operation within the buffer area.
- (2) Cannabis businesses located in the I-1 Light Industrial and I-Industrial zoning districts shall not be required to observe the 500-foot buffer from public parks or the 500-foot buffer from other cannabis businesses.
- (3) The buffering requirement shall not apply to a non-cannabis business that sells lower-potency hemp-derived edibles as an accessory use.

(f) *Temporary Cannabis Events*. The following restrictions shall be in effect for temporary cannabis events:

- (1) Temporary cannabis events shall only be allowed in the CGMU-1, CGMU-2, MMM-2, MMM-3, and MMM-4 zoning subdistricts.
- (2) The event may last no longer than four (4) days or 96 hours.
- (3) The event must comply with any buffering requirements that apply to cannabis businesses in the underlying zoning district.
- (4) Consumption or use of cannabis at or on the property of a temporary cannabis event is prohibited.

SECTION 3. AMENDMENT. South St. Paul City Code Section 118-8 is hereby amended as follows:

Sec. 118-8. Lots, distances, and definitions.

Office uses means the commercial activities that take place in office buildings, where goods are not produced, sold, or repaired. These shall include, but are not limited to, banks, professional offices, governmental offices, insurance offices, real estate offices, telephone exchanges, utility offices, radio broadcasting, cannabis event organizers' offices, and similar uses.

SECTION 4. AMENDMENT. South St. Paul City Code Section 118-125 is hereby amended as follows:

Sec. 118-125. CGMU, Concord Gateway mixed-use district.

(b) *Permitted uses*. Within either the CGMU-1 or CGMU-2 subdistricts, no structure or land may be used except for one or more of the following uses, provided such use is less than 10,000 square feet in gross floor area:

- (1) Accessory store, apparel.
- (2) Altering, pressing and repair of wearing apparel.
- (3) Appliance store.
- (4) Art gallery.
- (5) Bakery.
- (6) Banks and other financial institutions without drive-through facilities.
- (7) Barbershop.
- (8) Beauty shop.
- (9) Body art establishment (defined and regulated by section 118-276).
- (10) Bookstore.

- (11) Cafe, cafeteria, restaurant, or delicatessen, without drive-through facilities.
 - (12) Camera store.
 - (13) Candy, nut or confectionery store.
 - (14) Club or lodge, private.
 - (15) Copy service or printing service.
 - (16) Craft production, including the production of alcoholic beverages, cannabis products, and lower-potency hemp edibles.
 - a. Must include a retail/eating/drinking/tasting component that is open to the public and occupies a minimum of ten percent of usable space. This space must front the street at the ground floor level or have a well-marked and visible entrance at the ground floor level.
 - b. All production, processing, and distribution activities except for the loading of finished products onto trucks are to be conducted within an enclosed building.
 - c. Craft production of alcoholic beverages shall require a conditional use permit for off-sale or on-sale liquor.
 - d. Craft production of cannabis products and lower-potency hemp edibles shall require a conditional use permit.
- (c) *Accessory uses.* Within the CGMU-1 or CGMU-2 subdistricts, the following uses shall be permitted accessory uses:
- (1) Off-street parking of automobiles for patrons or employees of a permitted use.
 - (2) Off-street loading areas as regulated herein.
 - (3) Signs, fences, and decorative landscape features as regulated herein.
 - (4) Customary uses incidental to the principal use as determined by the city council.
 - (5) Off-sale 3.2 percent malt liquor sales (licensed pursuant to chapter 6 of the City Code)
 - (6) Lower-potency hemp edible retailer.
 - (7) Cannabis transportation and delivery accessory to a cannabis business provided there is no on-site delivery vehicle fleet.
- (d) *Conditional uses, CGMU-1.* Within the CGMU-1 subdistricts, no structure or land may be used for any of the following uses except by conditional use permit:
- (1) On-sale and off-sale liquor establishments as regulated by this Code.
 - (2) Amusement or entertainment, as defined and regulated by this Code.
 - (3) Church.
 - (4) Medical uses (for animals).
 - (5) Residential dwelling units within the same building as nonresidential uses, if provisions for parking, security, noise, odors, and other related issues affecting the

residential units can be shown to be handled adequately and in keeping with the best interests of the residents.

- (6) Theaters.
- (7) Schools, public or private.
- (8) Adult day care facility.
- (9) Child day care facility.
- (10) Parking ramps or parking garages.
- (11) Buildings in excess of 50 feet in height, if such buildings will not block significant views from existing uses or views to significant features within the CGMU district, and if such buildings can be shown to be in keeping with the intent and character of the CGMU district and compatible with surrounding uses.
- (12) Any permitted use or any other conditional use, if 10,000 square feet or more in gross floor area, if such use can be shown to be in keeping with the intent and character of the CGMU district and compatible with surrounding uses.
- (13) Pet grooming and pet training provided that:
 - a. Unless expressly allowed by the conditional use permit, all activity must take place within a completely enclosed building with odor and sound control except for the walking of dogs. No outdoor kenneling shall be permitted.
 - b. There shall be no overnight kenneling of customers' pets and no animal may be present inside the business between the hours of 10:00 p.m. and 6:00 a.m. unless their owner is also present.
 - c. Any outdoor off-leash exercise/relief area that is provided shall be entirely enclosed by a fence. Pets may not be off-leash in these areas between the hours of 8:00 p.m. and 7:00 a.m.

(14) Cannabis retailer

(15) Cannabis testing facility

(16) Cannabis cultivation of up to 15,000 square feet of plant canopy when accessory to a cannabis dispensary or craft production facility producing cannabis products or lower-potency hemp edible products.

- (14) Other uses determined by the city council to be similar in purpose and character to other permitted or conditional uses in this district.

SECTION 7. AMENDMENT. South St. Paul City Code Section 118-126 is hereby amended as follows:

Sec. 118-126. C-1, retail business district.

- (d) *Accessory uses.* The following accessory uses shall be permitted:

- (1) Off-street parking and loading, signs, fences, and decorative landscape features, as regulated herein.
- (2) Temporary construction buildings and storage as may be approved by the zoning administrator.
- (3) Customary uses incidental to the principal use as may be approved by the zoning administrator.
- (4) Residential garage as allowed in the R-1 and R-2 districts.
- (5) Off-sale 3.2 percent malt liquor sales (licensed pursuant to chapter 6 of the City Code)
- (6) Lower-potency hemp edible retailer.

SECTION 5. AMENDMENT. South St. Paul City Code Section 118-127 is hereby amended as follows:

Sec. 118-127. MMM, mixed markets and makers district.

(c) *Table 1. Permitted, Conditional and Accessory Uses.*

Table 1 Principal Use	MMM1	MMM2	MMM3	MMM4	Notes
Single family detached dwelling	P	X	X	X	
Two family dwelling	P	X	X	X	
Three-family dwelling	P	X	X	X	
Multi-family dwelling (four or more units)	C	P	P	P	
Mixed residential and commercial building	C	P	P	P	
Live-work unit	P	P	P	P	(f)
Adult day care facility	C	P	P	P	
Auto repair	C	C	X	C	
Auto sales, leasing, and rental (may include service)	X	X	X	C	(f)
Body art establishment that offers body art procedures other than micropigmentation and cosmetic tattooing (defined and regulated by Section 118-276)	C	P	P	P	
Child day care facility	P	P	P	P	(f)
Catering	C	P	P	P	
<u>Cannabis retailer</u>	<u>X</u>	<u>C</u>	<u>C</u>	<u>C</u>	
<u>Cannabis testing facility</u>	<u>X</u>	<u>C</u>	<u>C</u>	<u>C</u>	
Churches, chapels & other worship buildings	P	P	P	P	
Contractor operations with no exterior storage or overnight parking of fleet vehicles & trailers	P	P	P	P	
Craft production	C	P/C	P/C	P/C	(f)

Essential services	P	P	P	P	
Funeral Homes and Mortuaries	C	P	P	P	
Gasoline service station	X	C	X	C	
General retail business (within a building)	P	P	P	P	
General service business (within a building)	P	P	P	P	
Health club, dance studio or similar uses	P	P	P	P	
Hotel or motel	X	P	P	P	
Indoor commercial recreation	X	C	C	C	
Medical or dental clinic	C	P	P	P	
Municipal buildings & uses	P	P	P	P	
Museum, library, theater & similar uses	C	P	P	P	
Office	P	P	P	P	
On-sale, off-sale liquor, beer or wine establishments	C	C	C	C	
Parking ramps, garages & surface lots	X	C	C	C	
Pet boarding, kenneling, training & grooming	C	C	C	C	(f)
Public & private parks & playgrounds	P	P	P	P	
Reception or meeting hall	X	C	C	C	
Recording studio	C	P	P	P	
Restaurant, cafe, coffee shop, cafeteria or deli	C	P	P	P	
School, public or private	C	P	P	P	
Small wireless facility (see Sec. 54-402)	P	P	P	P	
Veterinary Clinic	C	P	P	P	
Accessory Uses					
Car washes (accessory to gas station)	X	C	X	C	
Drive thru facilities	X	C	X	C	(f)
Exterior storage for contractor operations and craft production	X	C	X	C	(f)
Fences, signs, & decorative landscape features	P	P	P	P	
Garages & accessory structures (see Sec. 118-208)	P	P	P	P	
Home occupation (see Sec. 118-249)	P	P	P	P	
Commercial indoor storage	X	C	X	C	(f)
Off-sale 3.2 percent malt liquor sales (licensed pursuant to Chapter 6 of the City Code)	P	P	P	P	
<u>Lower-potency hemp edible retailer</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	
Off-site storage for contractor operations	X	C	X	C	(f)
Off-street parking and loading	P	P	P	P	
Outdoor display/sales (no vehicles, boats or trailers)	X	C	C	C	(f)
<u>Cannabis cultivation of up to 15,000 square feet of plant canopy when accessory to a cannabis dispensary or</u>	<u>X</u>	<u>C</u>	<u>C</u>	<u>C</u>	

<u>craft production facility producing cannabis products or lower-potency hemp edible products.</u>					
Vehicle Rental	X	C	X	C	(f)
P = Permitted Use					
C = Conditional Use					
X = Prohibited Use					
Note: Uses marked with an (f) have special performance standards that are unique to the MMM district which are listed in subdivision (f) of this section.					

(f) *Performance standards for specific uses.* In addition to performance standards found elsewhere in the City Code, the following performance standards are in effect for a number of specific uses in the MMM district:

(5) *Craft production.*

- a. Must include a retail/eating/drinking/tasting component that is open to the public and occupies a minimum of ten percent of usable space. This space must front the street at the ground floor level or have a well-marked and visible entrance at the ground floor level.
- b. All production and processing activities are to be conducted within an enclosed building. Distribution activities except for the loading of finished products onto trucks must be conducted within an enclosed building unless otherwise allowed by conditional use permit.
- c. May include accessory exterior storage by conditional use permit, subject to the provisions outlined in this section.
- d. Craft production of alcoholic beverages shall require a conditional use permit for off-sale or on-sale liquor.

e. Craft production of cannabis products and lower-potency hemp edibles shall require a conditional use permit.

ef. Any craft production use with a gross floor area that is greater than 15,000 square feet shall require a conditional use permit. This requirement shall not apply to craft production uses that are considered general retail uses such as bakeries and butcher shops.

SECTION 6. AMENDMENT. South St. Paul City Code Section 118-129 is hereby amended as follows:

Sec. 118-129. I, industrial district.

(c) *Uses by conditional use permit or interim use permit.* The following uses shall require a conditional use permit or an interim use permit, and all applications for such conditional use permits shall follow the review and procedural guidelines set forth in section 118-132 of this chapter, governing planned unit developments:

- (1) Armories, convention halls and similar uses.
- (2) Automobile, truck and other vehicle repair.

(3) Cannabis cultivation

(4) Cannabis retailer when accessory to a cannabis or lower-potency hemp edible manufacturing business or cannabis cultivation business.

(5) Cannabis or lower-potency hemp edible manufacturing.

(6) Cannabis wholesaler.

- (7 3) Commercial kennels, animal hospitals.
- (8 4) Child day care facility when located within the same building as the principal use and provided only for employees of the principal use.
- (9 5) Exterior processing on industrial zoned property south of I-494, except that part north of Richmond Street, west of Hardman Avenue north of vacated Malden Street from Hardman Avenue to the Mississippi River, the south one-half of section 35, T28N, R22W and the east one-half of the NW 1/4 of section 35, T28N, R22W.
- (10 6) Exterior storage (not as a principal use).
- (11 7) Exterior storage and open sales lot in conjunction with an approved use on the same site.
- (12 8) Exterior storage and processing of wood chips, accessory to an approved business, provided a detailed screening, parking, driveway, storage, and display plan for the wood chip processing and storage area and all off-street parking and driveway area is implemented, consistent with current city codes, subject to the city council review and approval.
- (13 9) Exterior storage as a principal use on industrial zoned property south of I-494, except that part north of Richmond Street, west of Hardman Avenue, north of vacated Malden Street, from Hardman Avenue to the Mississippi River, the south one-half of section 35, T28N, R22W and the east one-half of the NW 1/4 of section 35, T28N, R22W.
- (14 10) Exterior storage or exterior processing as a principal use on industrial zoned property described as follows:

That part of Government Lots 5 and 6, section 26, Township 28 N., Range 22 W., and that part of Government Lot 11, section 35, Township 28 N., Range 22 W., (Part of which as formerly platted as "South Saint Paul Syndicate Park No. 2, Dakota County, Minnesota" according to the plat thereof on file and of record in the office of the county recorder and now vacated), described as follows:

Commencing at the northwest corner of said section 35; thence southerly, along the west line of said Government Lot 11, a distance of 300.00 feet of the northerly line of Maltby Street as dedicated in said "South Saint Paul Syndicate Park No. 2, Dakota County, Minnesota," thence on a assumed bearing of N 89 degrees 13'32" E., along said northerly line of Maltby Street, a distance of 672.63 feet to the point of beginning of the tract to be described; thence N 2 degrees 11'13" W a distance of 714.32 feet; thence N 78 degrees 24'28" E a distance of 1,210.62 feet; thence N 61 degrees 11'38" E to the westerly shore line of the Mississippi River; thence southerly, along said westerly shore line to its intersection with the easterly extension of said northerly line of Maltby Street; thence westerly, along said northerly line of Maltby Street and its easterly extension to the point of beginning (old MWCC sewage settling pond property).

Such uses shall expire and not be available after December 31, 2009.

- (~~15 41~~) Hotel or motel.
- (~~16 42~~) Laundry and dry cleaning processing plants (not retail).
- (~~17 43~~) Metal clad building.
- (~~18 44~~) Other uses deemed by the city to be similar to those set forth in this subsection and consistent with the purpose set forth in subsection (a) of this section.
- (~~19 45~~) Pawnbrokers and precious metal dealers, as defined in article XIV of chapter 18 of this Code, 500 feet north of I-494 and south of Grand Avenue.
- (~~20 46~~) Private and business schools.
- (~~21 47~~) PWS antenna.
- (~~22 48~~) PWS tower.
- (~~23 49~~) Restaurants.
- (~~24 20~~) Sexually oriented uses, as defined in article XVIII of chapter 18, 500 feet north of I-494 and south of Grand Avenue.
- (~~25 21~~) Spur tracks.
- (~~26 22~~) Structures of any type over 50 feet in height.
- (~~27 23~~) Temporary on-site rock crushing operation when used for surcharging the land as an integral part of a land reclamation plan approved by the city engineer.
- (~~28 24~~) Temporary structures.
- (~~29 25~~) Truck stop.
- (~~30 26~~) Veterinary clinic.
- (~~31 27~~) Wholesaling.

(e) *Accessory uses.*

- (1) Bars and taverns located within a hotel or motel.
- (2) Dwelling units for security purposes.
- (3) Mini-storage facilities (not as a permitted principal use).
- (4) Off-street parking and loading, signs, fences and decorative landscape features as regulated herein.
- (5) Parking garage for public and/or employee use.
- (6) Retail outlet sales counter; provided that retail outlet floorspace cannot exceed ten percent of total building floorspace for that business.
- (7) Temporary construction buildings and storage during construction of the principal use as may be approved by the city engineer.
- (8) Cannabis transportation and delivery accessory to a cannabis business.
- (9) Lower-potency hemp retailer that is accessory to a retail use that is allowed in the I district or accessory to a restaurant, bar, or tavern.

SECTION 7. AMENDMENT. South St. Paul City Code Section 118-134 is hereby amended as follows:

Sec. 118-134. I-1, light industrial district.

- (d) *Uses by conditional use permit.* The following uses or other uses deemed to be similar shall require a conditional use permit:
- (1) Adult day care facility.
 - (2) Automobile, truck and other vehicle repair.
 - (3) Cannabis cultivation
 - (4) Cannabis retailer when accessory to a cannabis or lower-potency hemp edible manufacturing business or cannabis cultivation business.
 - (5) Cannabis or lower-potency hemp edible manufacturing
 - (6) Cannabis wholesaler
 - ~~(7 3)~~ Child day care facility.
 - ~~(8 4)~~ Commercial kennels, animal hospitals, dog/pet daycare or lodging.
 - ~~(9 5)~~ Enclosed mini-storage facilities.
 - (10 6) Exterior storage (not as a principal use) subject to the following:
 - a. Exterior storage use shall be incidental to an approved use on the same site.
 - b. Exterior storage shall be screened from adjacent properties and public view and shall meet the required performance standards of section 118-240.
 - c. The city may impose reasonable conditions on the exterior storage such as, but not limited to, maximum lot coverage, height, and type of the exterior storage.
 - ~~(11 7)~~ Open sales lot incidental to an approved use on the same site.
 - ~~(12 8)~~ Hotel or motel.
 - ~~(13 9)~~ Laundry and dry cleaning processing plants (not retail).
 - ~~(14 10)~~ On-sale liquor.
 - ~~(15 11)~~ Pawnbrokers and precious metal dealers, as defined in article XIV of chapter 18 of this Code, 500 feet north of I-494.
 - ~~(16 12)~~ Pet cremation.
 - ~~(17 13)~~ PWS antenna.
 - ~~(18 14)~~ PWS tower.
 - ~~(19 15)~~ Restaurants.
 - ~~(20 16)~~ Schools: Private, business, and vocational schools.
 - ~~(21 17)~~ Sexually oriented uses, as defined in article XVIII of chapter 18, 500 feet north of I-494 and south of Grand Avenue.
 - ~~(22 18)~~ Spur tracks.

- (~~23~~ ~~19~~) Structures of any type over 50 feet in height.
- (~~24~~ ~~20~~) Temporary on-site rock crushing operation when used for surcharging the land as an integral part of a land reclamation plan approved by the city engineer.
- (~~25~~ ~~21~~) Temporary structures.
- (~~26~~ ~~22~~) Truck stop.
- (~~27~~ ~~23~~) Veterinary clinic.
- (~~28~~ ~~24~~) Wholesaling.
- (~~29~~ ~~25~~) Exterior processing of wood chips, accessory to a permitted or conditional use and subject to the required performance standards in section 118-134(d)(4).

(f) *Accessory uses.*

- (1) Restaurants located within a hotel or motel.
- (2) Dwelling units for security purposes.
- (3) Off-street parking and loading, signs, fences and decorative landscape features as regulated herein.
- (4) Parking garage for public and/or employee use.
- (5) Retail outlet sales counter.
- (6) Temporary construction buildings and storage during construction of the principal use subject to City approval.
- (7) Cannabis transportation and delivery accessory to a cannabis business.
- (8) Lower-potency hemp retailer that is accessory to a retail use that is allowed in the I-1 district or accessory to a restaurant, bar, or tavern.

SECTION 8. SUMMARY PUBLICATION. Pursuant to Minnesota Statutes Section 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance:

This ordinance establishes zoning regulations for cannabis businesses.

SECTION 9. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved: _____

Published: _____

Deanna Werner, City Clerk

ATTACHMENT 4

Public Comments Received After Planning Commission Meeting

From: pierre guilfoile

Sent: Friday, November 8, 2024 10:45:09 AM

To: Pam Bakken <pbakken@southstpaul.org>; Jimmy Francis <jfrancis@southstpaul.org>; Matthew Thompson <mthompson@southstpaul.org>

Subject: C1 District Access

Hey team, i know the council is considering keeping cannabis out of the C1 district. I am not a cannabis utilizer (not a fan at all actually) but keeping a potential high traffic business from C1 seems awfully short sighted. In Minnesota you would find that customers of legal cannabis retail operations are pretty much the same demographic as the grocery store. It is ridiculous that we would have a liquor store in C1 and not a cannabis store. We have seen how Hat Trick was able to transform its retail operation with modern ownership and a cannabis store would be no different. At some point we need to overcome our personal stigma of cannabis, recognize it as a mainstream commodity, and do what is best for the city. Please give some consideration to the planning committee's recommendations and allow for a cannabis retail operation in C1.

Pierre Guilfoile
2401 Heimel St



WORK SESSION AGENDA REPORT

DATE: November 25, 2024
DEPARTMENT: Finance
PREPARED BY: Clara Hilger
AGENDA ITEM NUMBER: 2.C.

MEETING TYPE

Regular Meeting

AGENDA ITEM

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

Provide direction on the final levy and utility rates to be approved on December 2, 2024.

OVERVIEW

Summary reports for the 2025 Levy and Budgets for the City are included with this item. A complete Draft Capital Improvement Plan is also included.

General Fund

Since setting the preliminary levy with a 9.06% increase in September, we have updated information on workers' compensation and employee health insurance for 2025. Based on the information received, we recommend a decrease in the 2025 General Fund Levy of \$178,323. The adjusted Total Levy would be \$17,099,948 or 7.93% over the 2024 Levy amount. This would be an estimated reduction for the Average Residential Homestead Property of \$98 per year compared to the \$76 that was presented in September. Summary reports for the Levy and Budget amounts follow this memo.

At a previous City Council Worksession, Council discussed the possibility of maintaining a 2025 General Fund Levy as approved in September (9.06% increase) and "re-allocating" the \$178,323 towards other "needs" although no precise definition of needs was settled upon. Staff would suggest that, if there is a desire to follow this philosophy, the following options are at least theoretically on the table:

- The CIP (Attached) identifies the City's extensive list of investments in facilities, equipment, vehicles, and other infrastructure through 2029. These investments are programmed by staff strategically, but if there is a specific project in future years that the Council would like to accelerate (by moving to 2025) or plant a "nest egg" for, those should be presented for discussion on Monday night. Obviously, if the desire is to accelerate a project, Council should keep in mind that we're "only" dealing with about \$175,000 here, thus Council should be shopping in the \$175,000 range for projects to accelerate. If the concept is to plant a nest egg, staff would suggest deeper discussion about whether this is a one-time investment, or something the Council plans to commit to for multiple years. For example, if the plan is to set aside \$178,323 for a seed payment for a new aquatic facility (presumably to the Capital Programs Fund), then Council

should recognize that this sum will have a negligible impact on the bottom line of what we have to bond for if we try to construct in 2026 (as currently proposed in the CIP). Again theoretically, we could defer the aquatic project for any number of years and commit to this "set aside" approach, which would be similar to how we approach the Infrastructure Fund. However, in order to make a significant dent this would have to be a multiple year commitment, with an annual and reasonably significant impact on the City's property tax levy (1% - 2%).

- One recent development that may also track is the success of South Metro Fire Department in their award of a SAFER Grant for the hire of eight new positions. As Council is aware, these grants are somewhat of an illusion in that virtually all of the staff costs in the first 3 years of the Grant are paid for by outside sources, but after that, the personnel costs must be absorbed in the Department's budget (which in turn impact's the City's payment to the department for services). These impacts generally won't be realized until the 2028 Budget Year. These costs are currently estimated at approximately \$1.2 Million per year, generally with the assumption of a 2% - 5% increase annually.
- Also on the topic of SMFD, engine replacement is in the current SMFD CIP for 2030, with a budgeted cost of \$3,000,000. This major capital expenditure is another that the City may wish to attempt to feather in over multiple years in smaller increments.

Utility Rates - Fee Schedule

Changes were made to the Utility Rate fees and charges for 2025 based on the results of the Utility Rate Study performed in 2023.

- Water Utility
 - The usage rate increased by an average of 20% for all tiered rates. The \$0.75 per 1,000 gallons that was implemented beginning in 2024 to pay the principal and interest on the 2023A GO Drinking Water Revenue Note was not increased.
 - The meter charges and fixed charges were increased by 10%.
- Sanitary Sewer Utility
 - Both the fixed charges and the usage charges were increased by 6%.
- Discounted Utility Rates
 - The water usage rate for those accounts that qualify for discounted rates increased proportionately with the regular usage rates. The \$0.75 per 1,000 gallons that was implemented beginning in 2024 to pay the principal and interest on the 2023A GO Drinking Water Revenue Note was not increased.
 - The sanitary sewer rate for those accounts that qualify for the discounted rates increased proportionally with the regular usage rates.
- Storm Sewer Utility
 - Storm Sewer charges were proposed to increase 9% for all accounts. Updated 2025 capital project costs would have caused the cash balance in the fund to become negative by the end of the year. Therefore, staff are recommending that the increase be set at 15% for 2025.
- Street Light Utility
 - Street Light charges decrease by 11.6% for all accounts. The decrease is designed to offset the additional 6% increase in the Storm Sewer Utility charges for 2025.

An analysis of the Street Light Fund shows that this decrease will not have an adverse effect for 2025.

The complete Draft Fee Schedule for 2025 is attached for reference.

Comparison of the average residential utility bill for 2023-2025:

<u>Residential Quarterly</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Water Usage 15,000 gallons	0.0%	0.0%	0.0%
Water Usage Charge	55.39	45.93	45.93
Water Usage Charge (Treatment Plant)	11.25	11.25	-
Water Base	19.47	17.70	-
Meter Charge	8.80	8.00	17.58
MN Water Test	2.43	2.43	2.43
Sewer Usage Charge	123.60	116.55	115.20
Sewer Base	17.38	16.40	10.50
Storm	21.99	19.12	16.34
Streetlight	8.70	9.84	9.28
Total Quarterly Utility Bill	\$269.01	\$247.22	\$217.26

SOURCE OF FUNDS

N/A

ATTACHMENTS

1. 2025 Levy & Budget Summaries
2. 2025-2028 Cap Impr Plan DRAFT 20241125
3. 2025 Fee Schedule - DRAFT

SPENDING AND TAXES					
ALL TAX LEVY SUPPORTED FUNDS					
	Revised Budget 2023	Revised Budget 2024	Requested Budget 2025	2024 TO 2025	
				CHANGE	
				\$	%
<u>TAXES</u>					
General Fund	\$12,691,168	\$13,320,065	\$13,576,420	\$256,355	
Library	821,312	0	0	0	
Doug Woog Arena	323,000	323,000	323,000	0	
Capital/Infrastructure Program	350,000	725,000	1,725,000	1,000,000	
Debt Service	1,472,290	1,475,444	1,475,528	84	
TOTAL	\$15,657,770	\$15,843,509	\$17,099,948	\$1,256,439	7.93%
<u>SPENDING</u>					
General Fund	\$19,107,848	\$21,225,186	\$21,863,221	\$638,035	3.01%
Library	828,312	0	0	0	0.00%
Doug Woog Arena	1,062,077	1,521,421	1,436,100	(85,321)	-5.61%
Capital/Infrastructure Program	1,268,129	1,268,129	1,268,129	0	0.00%
Debt Service	1,472,290	1,475,444	1,475,528	84	0.01%
TOTAL	\$23,738,656	\$25,490,180	\$26,042,978	\$552,798	2.17%
Increased Taxes for:					
Operations					1.62%
Infrastructure Replacement					6.31%
Debt Service					0.00%
					7.93%

2025 BUDGET SUMMARY								
ALL LEVY SUPPORTED FUNDS								
	2025 Preliminary					Revised	2024 to 2025 Change	
	General	Doug Woog Arena	Capital Programs	Debt	Total Budget	2024 Budget		
<u>REVENUES</u>								
Property Tax Levy:								
Property Taxes	13,576,420	323,000	1,725,000	1,475,528	17,099,948	15,843,509	1,256,439	7.93%
Total Property Taxes	13,576,420	323,000	1,725,000	1,475,528	17,099,948	15,843,509	1,256,439	7.93%
Local Government Aid (LGA)	2,492,619	-	1,268,129	-	3,760,748	3,749,065	11,683	0.31%
Fees and Fines	2,175,595	-	-	-	2,175,595	2,160,455	15,140	0.70%
Intergovernmental	1,102,763	-	-	-	1,102,763	957,914	144,849	15.12%
Charges for Services	2,213,003	936,500	-	-	3,149,503	2,886,316	263,187	9.12%
Miscellaneous	112,821	30,000	-	-	142,821	122,000	20,821	17.07%
Transfers In	190,000	-	-	-	190,000	190,000	-	0.00%
TOTAL REVENUES	21,863,221	1,289,500	2,993,129	1,475,528	27,621,378	25,909,259	1,712,119	6.61%
<u>APPROPRIATIONS</u>								
General Government	3,238,818	-	-	-	3,238,818	3,159,485	79,333	2.51%
Public Safety	11,605,964	-	-	-	11,605,964	11,406,552	199,412	1.75%
Public Works	5,183,023	-	-	-	5,183,023	4,927,951	255,072	5.18%
Community Development	843,019	-	-	-	843,019	831,838	11,181	1.34%
Culture and Recreation	831,397	1,436,100	-	-	2,267,497	2,311,740	(44,243)	-1.91%
Contingency	161,000	-	-	-	161,000	109,041	51,959	47.65%
Debt Service (external)	-	-	-	1,475,528	1,475,528	1,475,444	84	0.01%
Capital Improvements	-	-	1,268,129	-	1,268,129	1,268,129	-	0.00%
TOTAL APPROPRIATIONS	21,863,221	1,436,100	1,268,129	1,475,528	26,042,978	25,490,180	552,798	2.17%

GENERAL FUND SUMMARY OF REVENUE								
Description	2022 Actual	2023 Actual	2024		2025		Revised 2024 vs Preliminary 2025	
			Original	Revised	Requested	Preliminary	\$	%
PROPERTY TAXES								
Property Taxes	11,664,311	12,687,172	13,320,065	13,320,065	13,754,743	13,576,420	256,355	1.92%
OTHER TAXES								
Tax Rate generated off TIF parcels	584,329	245,230	-	-	-	-	-	0.00%
FEES AND FINES								
Franchise Fees	1,650,588	1,546,225	1,550,000	1,550,000	1,525,000	1,525,000	(25,000)	-1.61%
Fines and Forfeits	121,207	132,500	111,000	111,000	138,000	138,000	27,000	24.32%
License and Permits - Business	132,936	130,101	113,755	113,755	132,445	132,445	18,690	16.43%
License and Permits - Non-business	551,488	448,487	385,700	385,700	380,150	380,150	(5,550)	-1.44%
TOTAL FEES AND FINES	2,456,219	2,257,313	2,160,455	2,160,455	2,175,595	2,175,595	15,140	0.70%
INTERGOVERNMENTAL REVENUE								
Federal Grants and Aids	-	-	166,500	166,500	175,000	175,000	8,500	5.11%
State Grants and Aid (includes LGA)	2,196,210	2,338,396	3,057,296	3,057,296	3,199,917	3,199,917	142,621	4.66%
County Grants and Payments	81,539	85,265	79,500	79,500	79,500	79,500	-	0.00%
Local Grants and Payments	150,099	219,796	135,554	135,554	140,965	140,965	5,411	3.99%
TOTAL INTERGOVERNMENTAL	2,427,848	2,643,457	3,438,850	3,438,850	3,595,382	3,595,382	156,532	4.55%

GENERAL FUND SUMMARY OF REVENUE								
Description	2022 Actual	2023 Actual	2024		2025		Revised 2024 vs Preliminary 2025	
			Original	Revised	Requested	Preliminary	\$	%
CHARGES FOR SERVICES								
Administration Charge	729,805	827,302	887,589	887,589	1,082,253	1,082,253	194,664	21.93%
Internal Service Charge	10,000	10,000	10,000	10,000	10,000	10,000	-	0.00%
PILOT (Payment in Lieu of tax)	50,679	49,013	50,000	50,000	49,000	49,000	(1,000)	-2.00%
Engineering Project Fees	-	-	350,000	350,000	400,000	400,000	50,000	14.29%
Parks and Recreation	149,259	179,425	167,100	167,100	168,800	168,800	1,700	1.02%
Rents	50,000	50,000	50,000	50,000	50,000	50,000	-	0.00%
Planning & Code Enforcement	139,729	99,077	89,500	89,500	64,500	64,500	(25,000)	-27.93%
Public Safety	1,788	2,475	1,600	1,600	1,100	1,100	(500)	-31.25%
Public Works - Streets	4,452	2,882	4,000	4,000	3,000	3,000	(1,000)	-25.00%
Antenna and Other Charges	217,321	182,847	195,000	195,000	160,000	160,000	(35,000)	-17.95%
Barge Terminal & Mooring Fees	174,613	178,106	181,667	181,667	185,300	185,300	3,633	2.00%
Other	99,040	71,634	37,360	37,360	39,050	39,050	1,690	4.52%
TOTAL CHARGES FOR SERVICE	1,626,686	1,652,761	2,023,816	2,023,816	2,213,003	2,213,003	189,187	9.35%
MISCELLANEOUS								
Interest on Investments	57,228	216,206	75,000	75,000	100,000	100,000	25,000	33.33%
Year-end adjust to Fair Value	(179,316)	83,574	-	-	-	-	-	0.00%
Other Revenue	40,657	24,546	17,000	17,000	12,821	12,821	(4,179)	-24.58%
TOTAL MISCELLANEOUS	(81,431)	324,326	92,000	92,000	112,821	112,821	20,821	22.63%

GENERAL FUND	
SUMMARY OF REVENUE	
1	2
3	4
5	6
7	8
9	10
11	12
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							Revised 2024 vs Preliminary 2025	
Description	2022 Actual	2023 Actual	2024		2025		\$	%
			Original	Revised	Requested	Preliminary		
TRANSFERS IN								
Transfers in Storm Water Fee	40,000	40,000	40,000	40,000	40,000	40,000	-	0.00%
Transfers in Water/Sewer	100,000	100,000	100,000	100,000	100,000	100,000	-	0.00%
Transfers In Street Light Utility	20,000	20,000	20,000	20,000	20,000	20,000	-	0.00%
Transfer from HRA/EDA/Library	57,150	43,570	30,000	30,000	30,000	30,000	-	0.00%
TOTAL TRANSFERS IN	217,150	203,570	190,000	190,000	190,000	190,000	-	0.00%
TOTAL REVENUES	18,895,112	20,013,829	21,225,186	21,225,186	22,041,544	21,863,221	638,035	3.01%
Surplus/(Deficit)	1,393,151	3,608,570	-	-	-	-		
<u>DETAIL OF TAX LEVY</u>								
Current and Delinquent	8,521,226	9,682,154	10,356,687	10,356,687	10,578,638	10,400,315	43,628	
Fiscal Disparities	3,143,085	3,005,018	2,963,378	2,963,378	3,176,105	3,176,105	212,727	
General Fund Levy	11,664,311	12,687,172	13,320,065	13,320,065	13,754,743	13,576,420	256,355	1.92%

GENERAL FUND SUMMARY OF EXPENDITURES								
Description	2022 Actual	2023 Actual	2024		2025		Revised 2024 vs Preliminary 2025	
			Original	Revised	Requested	Preliminary	\$	%
GENERAL GOVERNMENT								
Mayor and Council	156,796	173,657	178,459	178,710	186,144	185,884	7,174	4.01%
City Administration	492,679	570,617	607,774	636,052	596,994	595,113	(40,939)	-6.44%
Human Resources	258,894	270,118	282,269	297,000	345,688	344,991	47,991	16.16%
City Attorney	249,929	321,590	268,000	268,000	299,000	299,000	31,000	11.57%
City Clerk	232,308	222,137	313,997	279,215	237,056	240,859	(38,356)	-13.74%
Finance	401,185	481,786	487,827	524,305	538,335	540,049	15,744	3.00%
Information Technology	657,900	719,570	800,076	815,244	869,759	868,269	53,025	6.50%
Recycling	24,505	23,127	23,350	23,885	23,738	23,713	(172)	-0.72%
Community Affairs	122,721	131,259	131,687	137,074	141,271	140,940	3,866	2.82%
TOTAL GENERAL GOVERNMENT	2,596,917	2,913,861	3,093,439	3,159,485	3,237,985	3,238,818	79,333	2.51%
PUBLIC SAFETY								
Police Protection	6,652,751	7,304,019	8,263,184	8,634,370	8,973,156	8,810,167	175,797	2.04%
Fire Department	2,732,124	566,148	2,772,182	2,772,182	2,795,797	2,795,797	23,615	0.85%
TOTAL PUBLIC SAFETY	9,384,875	7,870,167	11,035,366	11,406,552	11,768,953	11,605,964	199,412	1.75%
PUBLIC WORKS								
Engineering	692,204	688,795	720,601	780,900	767,656	775,304	(5,596)	-0.72%
Public Works (Streets)	2,048,629	2,019,835	2,282,487	2,335,843	2,482,064	2,462,186	126,343	5.41%
Buildings	335,146	307,945	372,692	399,965	408,945	407,167	7,202	1.80%
Parks Facilities and Maintenance	1,099,165	1,162,822	1,376,503	1,411,243	1,554,430	1,538,366	127,123	9.01%
TOTAL PUBLIC WORKS	4,175,144	4,179,397	4,752,283	4,927,951	5,213,095	5,183,023	255,072	5.18%

GENERAL FUND SUMMARY OF EXPENDITURES								
Description	2022 Actual	2023 Actual	2024		2025		Revised 2024 vs Preliminary 2025	
			Original	Revised	Requested	Preliminary	\$	%
COMMUNITY DEVELOPMENT								
Development Services	567,164	575,193	619,384	643,535	642,772	650,683	7,148	1.11%
Code Enforcement	175,311	149,185	169,852	188,303	192,746	192,336	4,033	2.14%
TOTAL COMMUNITY DEVELOPMENT	742,475	724,378	789,236	831,838	835,518	843,019	11,181	1.34%
PARKS AND RECREATION								
Parks Administration	263,440	285,654	297,261	313,211	325,059	330,460	17,249	5.51%
Splash Pool	84,302	86,821	92,176	94,105	99,792	99,149	5,044	5.36%
Northview Pool	86,644	93,139	107,976	109,905	117,272	116,547	6,642	6.04%
Recreation Programs	168,164	251,842	257,449	273,098	282,870	285,241	12,143	4.45%
TOTAL PARKS AND RECREATION	602,550	717,456	754,862	790,319	824,993	831,397	41,078	5.20%
CONTINGENCY	-	-	800,000	109,041	161,000	161,000	51,959	47.65%
TRANSFERS OUT								
Transfer to Capital Project Funds	597,255	2,206,988	-	-	-	-	-	0.00%
Transfer to Central Garage	-	250,000	-	-	-	-	-	0.00%
Transfer excess fund balance	-	1,027,985	-	-	-	-	-	0.00%
TOTAL TRANSFERS OUT	597,255	3,484,973	-	-	-	-	-	0.00%
TOTAL EXPENDITURES	18,099,216	19,890,232	21,225,186	21,225,186	22,041,544	21,863,221	816,358	3.85%

DOUG WOOG ARENA							
SUMMARY OF REVENUES AND EXPENDITURES							
	2022 Actual	2023 Actual	2024		2025		Requested 2024 vs 2025
			Original	Revised	Requested	Final	
Revenues							
Operational	1,342,215	1,459,964	1,215,500	1,215,500	1,289,500		74,000
Capital Outlay	-	-	-	-	-	-	-
Total	1,342,215	1,459,964	1,215,500	1,215,500	1,289,500	-	74,000
Expenditures							
Operational	1,153,841	1,275,015	1,151,767	1,171,421	1,226,100	-	54,679
Capital Outlay/Debt Service/Transfers	53,664	14,753	350,000	350,000	210,000	-	(140,000)
Total	1,207,505	1,289,768	1,501,767	1,521,421	1,436,100	-	(85,321)
Change in Fund Balance	134,710	170,196	(286,267)	(305,921)	(146,600)	-	
Cash and Investment Balance *	(645,069)	(617,725)	(903,992)	(923,646)	(1,070,246)		
* - estimated for 2024 and 2025							

FUNCTION: Debt	FUND/PROGRAM: Debt Service Funds/Debt Service	BUSINESS UNIT: 303XX
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SUMMARY OF REVENUES AND EXPENDITURES

Business Unit	DESCRIPTION	Final Maturity	2022 Budget	2023 Budget	2024 Budget	2025 Proposed	2025 Final
	<u>REVENUES</u>						
	Property Taxes		1,511,385	1,472,290	1,475,444	1,475,528	-
	TOTAL REVENUES		1,511,385	1,472,290	1,475,444	1,475,528	-
	<u>EXPENDITURES</u>						
30318	GO Improvement & Refunding Bonds - 2012A	2/1/2030	316,569	271,839	278,952	278,322	-
30320	GO Park Referendum Bonds - 2014B	2/1/2035	487,581	490,639	492,608	492,555	-
30321	GO Park Referendum Bonds - 2015B	2/1/2036	218,361	220,671	217,626	219,070	-
30323	GO Bonds Series 2017B-equipment	2/1/2027	183,645	182,805	187,005	185,535	-
30323	GO Bonds Series 2017B-streets	2/1/2038	74,221	78,571	61,711	66,481	-
30324	GO Bonds 2019A - streets	2/1/2040	135,038	132,110	139,682	136,335	-
30324	GO Bonds 2019A - Fire equip	2/1/2029	95,970	95,655	97,860	97,230	-
	TOTAL EXPENDITURES		1,511,385	1,472,290	1,475,444	1,475,528	-

AIRPORT COMBINED FUNDS SUMMARY OF REVENUES AND EXPENDITURES							
Description	2022 Actual	2023 Actual	2024		2025		Change 2024 vs 2025
			Original	Revised	Requested	Final	
OPERATING FUND							
Revenues	1,606,138	1,641,569	1,427,720	1,427,720	1,443,681		15,961
Expenditures	1,510,606	1,544,080	1,626,847	1,645,951	1,852,833		206,882
Operating Surplus/(Deficit)	95,532	97,489	(199,127)	(218,231)	(409,152)	-	
Cash and Invest (Internal Loan)	(45,273)	102,289	(96,838)	(115,942)	(525,094)	(115,942)	
Cash surplus at 08/31/2024 is \$152,912							
CAPITAL FUND							
Revenues	3,559,952	209,532	2,558,700	2,558,700	1,875,000		(683,700)
Expenditures	3,653,746	861,171	2,575,700	2,575,700	1,890,000		(685,700)
Capital Surplus/(Deficit)	(93,794)	(651,639)	(17,000)	(17,000)	(15,000)	-	
Cash and Invest (Internal Loan)	(1,024,661)	(846,603)	(863,603)	(863,603)	(878,603)	(863,603)	
Cash deficit at 08/31/2024 is \$2,620,679							
COMBINED AIRPORT OPERATING & CAPITAL							
Revenues	5,166,090	1,851,101	3,986,420	3,986,420	3,318,681	-	(667,739)
Expenditures	5,164,352	2,405,251	4,202,547	4,221,651	3,742,833	-	(478,818)
Combined Surplus/(Deficit)	1,738	(554,150)	(216,127)	(235,231)	(424,152)	-	
Cash and Invest (Internal Loan)	(1,069,934)	(744,314)	(960,441)	(979,545)	(1,403,697)	(979,545)	
Combined Cash deficit at 08/31/2024 is \$2,467,767							

WATER AND SEWER FUND SUMMARY OF REVENUES AND EXPENDITURES							
	2022 Actual	2023 Actual	2024		2025		Final 2024 vs 2025
			Original	Revised	Requested	Final	
WATER							
Revenue (includes Interest & Misc Revenue)	2,909,327	3,364,392	11,883,262	11,883,262	13,037,198	-	1,153,936
Expense - Water Utility	1,618,231	2,139,792	12,832,086	12,438,099	10,040,495	-	(2,397,604)
Expense - Water Treatment Plant	-	-	-	409,402	864,983	-	455,581
Expense - Utility Administration	474,590	545,415	562,614	573,204	745,946	-	172,742
WATER INCOME (LOSS)	816,506	679,185	(1,511,438)	(1,537,443)	1,385,774	-	2,923,217
SEWER							
Revenue	4,669,399	5,170,095	5,093,975	5,093,975	5,695,000	-	601,025
Expense - Sewer Utility	4,514,852	4,205,197	6,245,483	6,262,088	5,029,772	-	(1,232,316)
SEWER INCOME (LOSS)	154,547	964,898	(1,151,508)	(1,168,113)	665,228	-	1,833,341
TOTAL INCOME (LOSS)	971,053	1,644,083	(2,662,946)	(2,705,556)	2,051,002	-	4,756,558
Year End Cash Balance	6,684,925	7,878,962	5,216,016	5,173,406	7,224,408	5,173,406	

STORM WATER FUND SUMMARY OF REVENUES AND EXPENDITURES							
	2022 Actual	2023 Actual	2024		2025		Final 2024 vs 2025
			Original	Revised	Requested	Final	
Revenues	850,272	825,062	800,420	800,420	986,783		186,363
Expenditures							
Operational	522,991	762,262	274,057	274,057	306,372		32,315
Capital Outlay/debt/transfers	71,903	477,518	741,475	741,475	928,325		186,850
Total	594,894	1,239,780	1,015,532	1,015,532	1,234,697	-	219,165
Change in Fund Balance	255,378	(414,718)	(215,112)	(215,112)	(247,914)	-	(32,802)
Cash and Investment Balance	726,392	509,559	294,447	294,447	46,533	294,447	
<u>SUMMARY BY CATEGORY</u>							
OPERATIONAL ACTIVITY							
Revenues	685,173	825,062	58,945	58,945	58,458	-	(487)
Expenditures	522,991	762,262	274,057	274,057	306,372	-	32,315
Operating Surplus/Deficit	162,182	62,800	(215,112)	(215,112)	(247,914)	-	(32,802)
CAPITAL/DEBT ACTIVITY							
Revenues	165,099	-	741,475	741,475	928,325	-	186,850
Expenditures	71,903	477,518	741,475	741,475	928,325	-	186,850
Surplus/Deficit	93,196	(477,518)	-	-	-	-	-
Net Change in Fund Balance	255,378	(414,718)	(215,112)	(215,112)	(247,914)	-	(32,802)

STREET LIGHT FUND SUMMARY OF REVENUES AND EXPENDITURES							
	2022 Actual	2023 Actual	2024		2025		Final 2024 vs 2025
			Original	Revised	Requested	Final	
Revenues							
Operational	330,238	379,538	375,385	375,385	345,060		(30,325)
Capital Outlay	-	-	-	-	-		-
Total	330,238	379,538	375,385	375,385	345,060	-	(30,325)
Expenditures							
Operational	250,889	219,125	296,501	296,501	318,922		22,421
Capital Outlay/Debt Service/Transfers	20,000	20,000	20,000	20,000	20,000		-
Total	270,889	239,125	316,501	316,501	338,922	-	22,421
Change in Fund Balance	59,349	140,413	58,884	58,884	6,138	-	
Cash and Investment Balance	354,928	485,702	544,586	544,586	550,724	544,586	

CENTRAL GARAGE FUND SUMMARY OF REVENUES AND EXPENDITURES							
	2022 Actual	2023 Actual	2024		2025		Requested 2024 vs 2025
			Original	Revised	Requested	Final	
Revenues							
Operational	829,570	1,001,114	1,018,592	1,018,592	1,027,884	-	9,292
Capital Outlay/Transfers **	832,912	1,125,826	868,200	868,200	1,104,244	-	236,044
Total	1,662,482	2,126,940	1,886,792	1,886,792	2,132,128	-	245,336
Expenditures							
Operational	1,047,612	1,036,527	1,018,148	1,018,148	1,072,344	-	54,196
Capital Outlay/Transfers	593,790	268,641	1,195,500	1,195,500	830,000	-	(365,500)
Total	1,641,402	1,305,168	2,213,648	2,213,648	1,902,344	-	(311,304)
Change in Fund Balance	21,080	821,772	(326,856)	(326,856)	229,784	-	556,640
Cash and Investment Balance *	2,966,281	3,789,317	3,462,461	3,462,461	3,692,245	-	
* - estimated for 2024 and 2025							
** \$250,000 for 2024 replacement charges was transferred from the General Fund 2022 excess fund balance in 2023							

2025 – 2029 Capital Improvement Plan



City of South St. Paul

	<u>Page</u>
Capital Improvement Plan Policy.....	1
Financing Methods.....	3
<u>Capital Improvement Summaries</u>	
Projects and Funding Sources by Department	6
Projects by Funding Sources.....	11
Sources and Uses of Funds – Capital Programs Fund.....	16
Sources and Uses of Funds – Infrastructure Fund.....	18
<u>Detail Project Descriptions</u>	
Airport.....	20
Buildings.....	36
Central Garage	41
City Administration.....	65
Doug Woog Arena	66
Engineering.....	80
Information Technology	98
Park & Recreation.....	100
Police Protection	117
Water and Sewer	127

 City of South St. Paul ADMINISTRATIVE POLICIES AND PROCEDURES	APP Department: Finance
	City Administrator Approval:
	City Council Approval: 11-21-11 Issue Date: 11-21-11 Revised 12-1-14 Date:
SUBJECT: CAPITAL IMPROVEMENT PLAN AND PROGRAM	

I. PURPOSE

The Capital Improvement Program (CIP) is a proposed multi-year plan that provides for the acquisition, construction, replacement and/or maintenance of the City's public infrastructure and major capital assets. The terms Capital Improvement Program and Capital Improvement Plan should be regarded as interchangeable.

Proposed CIP expenditures are grouped in the plan by type – **infrastructure** (streets/utilities) improvements, **facilities/grounds** projects, and **major equipment purchases** (vehicles/rolling stock, technology, and other specialized items). Proposed funding sources are also identified for each expenditure. Execution of the program requires a careful balancing of needs, wants and available resources.

The CIP is manifested as a list of proposed capital expenditures, with funding sources, scheduled for the next fiscal year and the four years thereafter. With maturation of the CIP process, the planning horizon for major capital expenditures may grow to a ten-year projection.

The CIP process is undertaken because it provides:

- An effective way to anticipate, plan, budget, and coordinate operational and capital needs across city departmental boundaries.
- A rational method for allocating scarce resources by prioritization.
- A tangible and coherent program that can be more strategically aligned with available State, federal and other outside funding opportunities.
- Defined capital commitments that may better mobilize public and private support.
- Evidence of effective financial management that may enhance bond ratings.
- A tool that can be used by Staff for long-range analysis and planning.

II. DEFINITIONS

Capital Improvement – an expenditure of Public funds for the acquisition, construction, replacement and/or maintenance of the City's infrastructure, facilities/grounds, and major equipment. A threshold of \$10,000 is used to define an expenditure as a capital expense appropriate for inclusion within the CIP.

III. POLICY

A 5-year CIP will be annually updated, reviewed and adopted by the City Council in conjunction with the City's annual budget process. Council and Staff consideration shall be given to the following factors when developing the plan:

- Availability of funding sources
- Retaining \$500,000 for emergency resources in the Capital Programs Fund
- Projected need and urgency for repair or replacement
- Likely demand for the improvement

- Estimated cost
- Impact to City debt levels
- Relative benefits and avoided costs if funds used for alternative purposes
- Subsequent operating costs that will flow from the proposed improvement
- Alternatives for addressing the improvement need through collaboration or cost sharing with others

IV. PROCEDURE

The CIP is prepared and developed by City Staff with direction provided by the City Council. The plan will be annually updated, reviewed, adopted and published. Department managers are responsible for annually updating information and for suggesting new items for the CIP. The Finance Director will centrally manage CIP information and documents and with the City Administrator, will facilitate annual discussion and decision making by the City Council.

Program expenditures proposed for the first year of a multi-year CIP would be included in the annual budget for that year, together with the chosen funding source(s). City Council review and revision of the CIP will occur at an early stage of the annual budget process so that potential tax levy impacts can be evaluated in conjunction with the discussion of proposed operational levies for the next calendar year.

Inclusion of CIP items in an annual budget does not constitute authorization for the expenditure. During the course of the budget year, each item will be presented to the City Council for specific consideration and spending authorization.

V. AUTHORITY FOR IMPLEMENTATION AND ENFORCEMENT

Management team members are responsible for annually reviewing and updating relevant information about CIP items within their operational jurisdiction and for appropriately sharing it with the Finance Director, City Administrator and the Mayor/City Council. The Finance Director is responsible for coordinating the ongoing implementation and enforcement of this Policy, under general supervision by the City Administrator and Mayor/City Council.

INTRODUCTION

Planning for capital improvements requires sound and economical financing. The City of South St. Paul is able to utilize several financing mechanisms ranging from cash reserves to special-purpose funds, as well as borrowing through bond sales. The exact financing method for each improvement is based on the general policies and jurisdiction and legal requirements. The final selection and scheduling of proposed capital improvements is then based on the ability of the City to draw upon various funds. The total cost for each project includes construction costs, administrative costs and interest.

The City's current capital improvement plan includes improvements, maintenance and construction of new capital assets or infrastructure with an estimated value of greater than \$10,000.

In analyzing the financial viability of the capital improvements in the current program, the following methods of financing were examined:

INTERNAL METHODS:

Special Assessments – Special assessments are based on the concept that when land is benefited from a particular improvement, all or part of the costs of the improvement should be levied against those properties to finance such improvements.

Since it often takes several years for the City to collect special assessments, the City may decide to issue bonds for cash flow purposes. For assessments using MN Stat. 429 for bonding, at least 20% of the project costs must be assessed. See Public Improvement Revolving Bonds for further description of this financing tool.

Enterprise Funds – The City's enterprise funds include the Water, Sanitary Sewer, Storm Water, and Street Light Utility Funds. Capital improvements or equipment purchased in the enterprise funds may be financed through enterprise fund revenues derived from user charges for the respective services, when available. Enterprise funds are designed for self-sustaining operations.

When an enterprise fund does not have enough cash to pay for a specific project, the City may decide to use money from another City source (usually the Capital Programs Fund) or the City may decide to issue Enterprise Revenue Bonds. See below for further description of these financing methods.

Tax Increment (TIF) Funds – These funds are derived from the TIF Districts in the City of South St. Paul. In tax increment districts, property owners pay ad valorem taxes at the full rate levied by the units of local government within the taxing jurisdiction. At the time the tax increment district is created, property values are “frozen.” The units of local government receive taxes based on the increase in property values since the district was created which is known as the “increment.” The increment revenue is then used to finance physical improvements within the district. The City may decide to issue Tax Increment Bonds for cash flow purposes, see below for further description of these bonds.

Capital Programs Fund – This fund is designed to provide financing for capital purchases and improvements. Revenues for this fund may be derived from such sources as Local Government Aid (LGA), tax revenue, closed bond fund balances, and transfers from other funds.

Infrastructure Fund – This fund is designed to provide financing for infrastructure improvements. Funding for this fund began in 2020 and will continue with an annual dedicated ad valorem tax levy.

Park Dedication Fund – This fund is designed to provide financing for park and recreation type infrastructure. Revenues for this fund are derived from Park Dedication fees pursuant to City ordinance.

Internal Debt – General Programs Fund – The City maintains a cash flow fund for many purposes. One purpose of this fund is to finance capital improvements.

EXTERNAL METHODS:

Municipal State Aid (MSA) – The Minnesota Department of Transportation (MnDOT) provides funding assistance for improvements to those municipal streets which are designated as part of its MSA system (20% of the City’s total street system can be designated). Money for this fund is supplied with a dedicated portion of revenues collected from road use and gasoline taxes and allocated to the City on an annual basis. Funds are released for improvements on those streets on the system whose design and construction meet MSA standards. Funds may be expended for an approved project on any street on the City’s MSA system. MSA funds may be accumulated over several years, but a maximum of 3 times the annual allotment is recommended by MnDOT to avoid penalties. MSA also gives the City the ability to bond for certain MSA projects, using future MSA allotments to pay off bonds.

Minnesota Department of Transportation – MnDOT provides financing assistance for maintenance and improvements on those highways included in the MnDOT trunk highway system and federal interstate system. These improvements could include intersecting local or county streets. In the City of South St. Paul, these highways are TH 52 (Lafayette Freeway), TH156 Concord St (north of I-494) and I-494.

Other – Other external sources of financing include grants, donations, and other local governments.

TYPES OF DEBT:

Public Improvement Revolving (PIR) Bonds – PIR bonds are issued to provide immediate liquidity to complete public improvement projects and are repaid with special assessment receipts over a specified time period. These bonds are supported through special assessments; therefore, no levy is required.

Revenue Bonds – Most of the Revenue Bonds that the City issues are typically for Utility Fund projects costs, but the City may issue Revenue Bonds for other enterprise-type operations (Doug Woog Arena and Airport) and for anticipated revenue streams such as MSA. These bonds are repaid with revenue from the enterprise-type facilities or from future revenue. Revenue bonds typically carry higher interest rates than general obligation debt due to a slightly higher risk of nonpayment.

Tax Increment Bonds – The City's Economic Development Authority (EDA) may issue Tax Increment Bonds to pay projects costs when the district does not have sufficient cash. These bonds are repaid with the tax increment revenue that is generated by the district; therefore, no additional levy is required.

Lease Revenue Bonds – This debt is issued through the Economic Development Authority to procure capital equipment or facilities supported with a lease purchase relationship agreement with the City. These bonds are backed by the full faith and credit of the City.

Capital Improvement Bonds – Capital Improvement bonds may be issued only for certain projects, including city halls, public safety buildings, public works facilities and libraries. These bonds are backed by the full faith and credit of the City and supported through the property tax levy.

Other General Obligation (GO) – There are several other types of GO debt available for the City to use. These types of GO debt typically require an ad valorem tax levy.

City of South St. Paul, Minnesota

Capital Improvement Plan

2025 thru 2029

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project #	2025	2026	2027	2028	2029	Total
Airport							
16 Unit T-Hangar (West Hangar Area) Design	AIR - 12-76			100,000			100,000
16 Unit T-Hangar (West Hangar Area) Site Prep	AIR - 12-86			425,000			425,000
16 Unit T-Hangar (West Hangar Area) Building	AIR - 12-96			1,500,000			1,500,000
Security Fence - South Clear Zone	AIR - 14-208					150,000	150,000
Reconstruct Terminal Parking Lot	AIR - 16-1					600,000	600,000
Fuel System Replacement	AIR - 19-2	1,400,000					1,400,000
Airfield Gate Replacement	AIR - 25-1	350,000					350,000
South T-Hangar Roof Rehabilitation	AIR - 25-2	125,000					125,000
Land Acquisition	AIR - 26-1			200,000			200,000
Airfield Crack Seal (West Building Area)	AIR - 26-2		100,000				100,000
Easement Acquisition	AIR - 26-3		150,000				150,000
Zero Turn Mower	AIR - 27-1			12,000			12,000
Pavement Rehabilitation (Ercoupe Lane)	AIR - 27-3			350,000			350,000
Runway and Taxiway Crack Seal	AIR - 28-1				100,000		100,000
West Taxiway Full Parallel Construction	AIR - 28-2				1,000,000		1,000,000
Mower Tractor and Attachments	AIR - 28-3				150,000		150,000
Airport Total		1,875,000	250,000	2,587,000	1,250,000	750,000	6,712,000
Airport Operating Fund		431,875	10,000	357,350	100,000	30,000	929,225
Federal - FAA		451,250	230,000	967,500	990,000	705,000	3,343,750
State		991,875	10,000	1,262,150	160,000	15,000	2,439,025
Airport Total		1,875,000	250,000	2,587,000	1,250,000	750,000	6,712,000
Buildings							
New Public Works Building	BLD - 22-2	3,000,000	27,000,000				30,000,000
Rooftop HVAC Units (3) at City Hall	BLD - 25-1	200,000	240,000	110,000			550,000
Fire Station Garage Floor	BLD - 25-2	30,000					30,000
City Hall Police Garage Door Replacement	BLD - 25-3	40,000					40,000
Renovation of Library Building	BLD- 22-01		1,500,000				1,500,000
Buildings Total		3,270,000	28,740,000	110,000			32,120,000
Capital Program Funds		270,000	1,740,000	110,000			2,120,000
Debt - Tax Levy		3,000,000	27,000,000				30,000,000
Buildings Total		3,270,000	28,740,000	110,000			32,120,000

Central Garage

Department	Project #	2025	2026	2027	2028	2029	Total
Police Vehicles	CG - 14-101	195,000	202,800	210,912	219,348	228,122	1,056,182
Unit 336 - Streets Department	CG - 17-06	330,000					330,000
Unit 338 - Utility Department	CG - 17-12	100,000					100,000
Unit 322 - Water Department	CG - 17-13			60,000			60,000
Unit 205 - Engineering Department	CG - 17-20	60,000					60,000
Replace Asphalt Tack Trailer	CG - 21-102			50,000			50,000
Replace John Deere Zero-Turn Mower	CG - 22-1		40,000	20,000			60,000
Unit 265 - Public Works/Parks & Rec	CG - 25-265			30,000			30,000
Unit 313 - Buildings/Arena	CG - 25-313				45,000		45,000
Unit 346 - Parks & Rec Department	CG - 25-346	53,000					53,000
Unit 331 - Streets Department	CG - 26-331		330,000				330,000
Unit 201 - Engineering Department	CG - 27-201			40,000			40,000
Unit 207 - Code Enforcement	CG - 27-207			35,000			35,000
Unit 301 - Building Inspections Department	CG - 27-301			40,000			40,000
Unit 306 - Water Department	CG - 27-306					60,000	60,000
Unit 328 - Parks Department	CG - 27-328			55,000			55,000
Unit 335 - Streets Department	CG - 27-335			330,000			330,000
Unit 311 - Parks Department	CG - 28-311				35,000		35,000
Unit 314 - Streets Department	CG - 28-314				47,500		47,500
Unit 319 - Streets Department	CG - 28-319				66,300		66,300
Unit 320 - Streets Department	CG - 28-320				66,300		66,300
Unit 325 - Parks Department	CG - 28-325				60,800		60,800
Unit 329 - Parks Department	CG - 28-329				71,800		71,800
Unit 337 - Streets Department	CG - 28-337				330,000		330,000

Central Garage Total	738,000	572,800	870,912	942,048	288,122	3,411,882
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Central Garage Fund	738,000	572,800	870,912	942,048	288,122	3,411,882
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Central Garage Total	738,000	572,800	870,912	942,048	288,122	3,411,882
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City Administration

ERP Replacement-Through LOGIS	ADM - 22-1	110,000					110,000
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City Administration Total	110,000					110,000
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Water Utility		110,000					110,000
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City Administration Total	110,000					110,000
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Doug Woog Arena

Replace Rooftop HVAC Units 6, 7, 8, 9, 10	DWA - 14-105	160,000					160,000
Concession Stand Remodel	DWA - 19-11		50,000				50,000
Replace HVAC Unit #1, 2, 3	DWA - 19-12	120,000					120,000
Rink 2 floor and dasher boards	DWA - 19-13		1,650,000				1,650,000
Scissor Lift Replacement	DWA - 19-3				32,000		32,000
Replace Drop Ceiling Tiles & Grid	DWA - 19-5				35,000		35,000
Mezzanine-Warm Viewing Area Flooring	DWA - 19-8	30,000					30,000
Woog Arena Sprinkler Fire Suppression System	DWA - 20-1				25,000		25,000

Department	Project #	2025	2026	2027	2028	2029	Total
Woog Arena Roof Replacement	DWA - 20-2		260,000				260,000
Replace Rink One Floor and Boards	DWA - 21-2			1,650,000			1,650,000
Zamboni Rink 2 Replacement (WA-1)	DWA - 23-3	200,000					200,000
Zamboni Rink 2 Refurbish (WA-2)	DWA - 23-5	40,000					40,000
Dehumidifiers for Rink 1	DWA - 24-1	280,000					280,000
Low Emissivity Ceiling for Rink 2	DWA - 27-02			60,000			60,000

Doug Woog Arena Total

830,000	1,960,000	1,710,000	92,000	4,592,000
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Central Garage Fund

Tax Levy - Arena

Doug Woog Arena Total

240,000				240,000
590,000	1,960,000	1,710,000	92,000	4,352,000
830,000	1,960,000	1,710,000	92,000	4,592,000

Engineering

Marie Ave Reconstruction - 3rd Ave to 9th Ave	ENG - 12-102	3,050,000					3,050,000
12th Avenue Reconstruction	ENG - 12-121		300,000	5,450,000			5,750,000
Stickney Improvement Project	ENG - 19-1				1,620,000		1,620,000
Warner Avenue Improvements	ENG - 24-2		15,000	475,000			490,000
4th Street S Pavement Rehabilitation	ENG - 25-3	545,500					545,500
Verderosa Extension Project	ENG - 25-4	3,300,000					3,300,000
2025 Sidewalk Repair Program	ENG - 25-5	260,000					260,000
Lead Service Line Replacement Project	ENG - 25-6	7,616,000					7,616,000
Marie Ave Reconstruction - 9th Ave to 21st Ave	ENG - 26-1	250,000	6,050,000				6,300,000
2026 Sidewalk Repair Program	ENG - 26-2	10,000	320,000				330,000
South St Reconstruction 5th St to 7th St	ENG - 26-3	20,000	780,000				800,000
Bircher/Willis Area Street Improvements	ENG - 27-1			300,000	2,300,000		2,600,000
2027 Sidewalk Repair Program	ENG - 27-3		15,000	260,000			275,000
16th and 17th Avenue Improvments	ENG - 28-1				350,000	3,400,000	3,750,000
Alley Improvements	ENG - 28-3			20,000	555,000		575,000
2028 Sidewalk Repair Program	ENG - 28-4			15,000	260,000		275,000
2029 Pavement Rehabilitation Project	ENG - 29-2					575,000	575,000
2029 Sidewalk Repair Program	ENG - 29-3				15,000	260,000	275,000

Engineering Total

15,051,500	7,480,000	6,520,000	5,100,000	4,235,000	38,386,500
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Assessments (Paid by Property Owners)

Federal

Infrastructure Fund

MSA Funds

Sanitary Sewer Utility

State

Storm Sewer Utility

Water Utility

Engineering Total

140,500	142,000	595,000	495,000	418,500	1,791,000
4,000,000	1,000,000				5,000,000
1,745,000	2,348,000	2,625,000	2,240,000	2,366,500	11,324,500
500,000	1,000,000	1,000,000	800,000	300,000	3,600,000
50,000	590,000	550,000	350,000	300,000	1,840,000
7,616,000					7,616,000
650,000	1,060,000	500,000	150,000	250,000	2,610,000
350,000	1,340,000	1,250,000	1,065,000	600,000	4,605,000
15,051,500	7,480,000	6,520,000	5,100,000	4,235,000	38,386,500

Information Technology

Fiber Network Project	IT - 13-103	29,980	29,980	29,980	29,980	29,980	149,900
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Department	Project #	2025	2026	2027	2028	2029	Total
Fiber Optic Cable Infrastructure	IT - 19-1		250,000		250,000		500,000
Information Technology Total		29,980	279,980	29,980	279,980	29,980	649,900

Capital Program Funds		29,980	279,980	29,980	279,980	29,980	649,900
Information Technology Total		29,980	279,980	29,980	279,980	29,980	649,900

Park & Recreation

McGuire Field Bleacher Replacement	PR - 08-100			35,000			35,000
Lorraine Hockey Rink Upgrades	PR - 16-1				200,000		200,000
Harmon Park Play Structure Replacement	PR - 18-10			150,000			150,000
Summit Play Structure Replace	PR - 18-6	150,000					150,000
Lorraine Park Play Structure Replacement	PR - 18-7	300,000					300,000
Kaposia Park Play Structure Replacement	PR - 18-8	175,000					175,000
Splash Pool Improvements	PR - 21- 10			200,000			200,000
Northview Pool Replacement	PR - 21 11		5,500,000				5,500,000
Kaposia Park Building Restoration	PR - 22-05	100,000					100,000
Grandview Park Playground Replacement	PR - 25-1	150,000					150,000
Kaposia Park Parking Lot Mill & Overlay	PR - 25-2	75,000					75,000
Summit Park Tennis Court	PR - 25-3	15,450					15,450
Spruce Park Playground Replacement	PR - 26-1		125,000				125,000
Ball field Rehabilitation	PR - 26-101		35,000				35,000
Jefferson Park Playground Replacement	PR - 26-2		125,000				125,000
Northview Playground Replacement	PR - 27-1			250,000			250,000
Veterans Field Playground Replacement	PR - 27-2			200,000			200,000
Park & Recreation Total		965,450	5,785,000	835,000	200,000		7,785,450

Bond Referendum			5,500,000				5,500,000
Capital Program Funds		957,725	285,000	835,000	200,000		2,277,725
Other Grants		7,725					7,725
Park & Recreation Total		965,450	5,785,000	835,000	200,000		7,785,450

Police Protection

Police Storage Building Loft	POL -20-1		25,000				25,000
Thermal Imaging-Handheld	POL -22-1		20,000	20,000			40,000
Outdoor Weather Warning Sirens	POL -22-10	25,000	25,000	25,000	25,000		100,000
Thermal Imaging-Squad Mounted	POL -22-2			15,000	15,000	15,000	45,000
Handguns	POL -22-4		30,000				30,000
Rifles	POL -22-5				50,000		50,000
Less Lethal - 40MM Launchers	POL -22-6				30,000		30,000
Digital Speed Signs	POL -22-7		25,000	25,000			50,000
AXON Body Worn and Squad Cameras	POL -23-3	90,000	90,000	90,000			270,000
Taser Replacement	POL -23-4				50,000		50,000
Police Protection Total		115,000	215,000	175,000	170,000	15,000	690,000

Capital Program Funds		115,000	215,000	175,000	170,000	15,000	690,000
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Department	Project #	2025	2026	2027	2028	2029	Total
Police Protection Total		115,000	215,000	175,000	170,000	15,000	690,000
Water & Sewer							
Hydrant replacement	WS - 22-01	125,000	125,000	125,000	125,000	125,000	625,000
Relining of Sanitary Sewers as Part of I/I	WS - 08-138		735,000		735,000		1,470,000
Chlorination Equipment at 4 Wells	WS - 12-96			1,200,000	1,200,000		2,400,000
Water Treatment Plant	WS - 21-1	1,094,000					1,094,000
Water & Sewer Total		1,219,000	860,000	1,325,000	2,060,000	125,000	5,589,000
Sanitary Sewer Utility			735,000		735,000		1,470,000
State		1,094,000					1,094,000
Water Utility		125,000	125,000	1,325,000	1,325,000	125,000	3,025,000
Water & Sewer Total		1,219,000	860,000	1,325,000	2,060,000	125,000	5,589,000
Grand Total		24,203,930	46,142,780	14,162,892	10,094,028	5,443,102	100,046,732

City of South St. Paul, Minnesota

Capital Improvement Plan

2025 thru 2029

PROJECTS BY FUNDING SOURCE

Source	Project #	2025	2026	2027	2028	2029	Total
Airport Operating Fund							
16 Unit T-Hangar (West Hangar Area) Design	AIR - 12-76			5,000			5,000
16 Unit T-Hangar (West Hangar Area) Site Prep	AIR - 12-86			21,250			21,250
16 Unit T-Hangar (West Hangar Area) Building	AIR - 12-96			300,000			300,000
Security Fence - South Clear Zone	AIR - 14-208					15,000	15,000
Reconstruct Terminal Parking Lot	AIR - 16-1					15,000	15,000
Fuel System Replacement	AIR - 19-2	420,000					420,000
Airfield Gate Replacement	AIR - 25-1	8,750					8,750
South T-Hangar Roof Rehabilitation	AIR - 25-2	3,125					3,125
Land Acquisition	AIR - 26-1			10,000			10,000
Airfield Crack Seal (West Building Area)	AIR - 26-2		2,500				2,500
Easement Acquisition	AIR - 26-3		7,500				7,500
Zero Turn Mower	AIR - 27-1			3,600			3,600
Pavement Rehabilitation (Ercoupe Lane)	AIR - 27-3			17,500			17,500
Runway and Taxiway Crack Seal	AIR - 28-1				5,000		5,000
West Taxiway Full Parallel Construction	AIR - 28-2				50,000		50,000
Mower Tractor and Attachments	AIR - 28-3				45,000		45,000
Airport Operating Fund Total		431,875	10,000	357,350	100,000	30,000	929,225
Assessments (Paid by Property Owners)							
Marie Ave Reconstruction - 3rd Ave to 9th Ave	ENG - 12-102	135,000					135,000
12th Avenue Reconstruction	ENG - 12-121			560,000			560,000
Stickney Improvement Project	ENG - 19-1				95,000		95,000
Warner Avenue Improvements	ENG - 24-2			35,000			35,000
4th Street S Pavement Rehabilitation	ENG - 25-3	5,500					5,500
Marie Ave Reconstruction - 9th Ave to 21st Ave	ENG - 26-1		130,000				130,000
South St Reconstruction 5th St to 7th St	ENG - 26-3		12,000				12,000
Bircher/Willis Area Street Improvements	ENG - 27-1				300,000		300,000
16th and 17th Avenue Improvements	ENG - 28-1					368,500	368,500
Alley Improvements	ENG - 28-3				100,000		100,000
2029 Pavement Rehabilitation Project	ENG - 29-2					50,000	50,000
Assessments (Paid by Property Owners) Total		140,500	142,000	595,000	495,000	418,500	1,791,000
Bond Referendum							
Northview Pool Replacement	PR - 21 11		5,500,000				5,500,000
Bond Referendum Total			5,500,000				5,500,000
Capital Program Funds							
Rooftop HVAC Units (3) at City Hall	BLD - 25-1	200,000	240,000	110,000			550,000
Fire Station Garage Floor	BLD - 25-2	30,000					30,000
City Hall Police Garage Door Replacement	BLD - 25-3	40,000					40,000

Source	Project #	2025	2026	2027	2028	2029	Total
Renovation of Library Building	BLD- 22-01		1,500,000				1,500,000
Fiber Network Project	IT - 13-103	29,980	29,980	29,980	29,980	29,980	149,900
Fiber Optic Cable Infrastructure	IT - 19-1		250,000		250,000		500,000
Police Storage Building Loft	POL -20-1		25,000				25,000
Thermal Imaging-Handheld	POL -22-1		20,000	20,000			40,000
Outdoor Weather Warning Sirens	POL -22-10	25,000	25,000	25,000	25,000		100,000
Thermal Imaging-Squad Mounted	POL -22-2			15,000	15,000	15,000	45,000
Handguns	POL -22-4		30,000				30,000
Rifles	POL -22-5				50,000		50,000
Less Lethal - 40MM Launchers	POL -22-6				30,000		30,000
Digital Speed Signs	POL -22-7		25,000	25,000			50,000
AXON Body Worn and Squad Cameras	POL -23-3	90,000	90,000	90,000			270,000
Taser Replacement	POL -23-4				50,000		50,000
McGuire Field Bleacher Replacement	PR - 08-100			35,000			35,000
Lorraine Hockey Rink Upgrades	PR - 16-1				200,000		200,000
Harmon Park Play Structure Replacement	PR - 18-10			150,000			150,000
Summit Play Structure Replace	PR - 18-6	150,000					150,000
Lorraine Park Play Structure Replacement	PR - 18-7	300,000					300,000
Kaposia Park Play Structure Replacement	PR - 18-8	175,000					175,000
Splash Pool Improvements	PR - 21- 10			200,000			200,000
Kaposia Park Building Restoration	PR - 22-05	100,000					100,000
Grandview Park Playground Replacement	PR - 25-1	150,000					150,000
Kaposia Park Parking Lot Mill & Overlay	PR - 25-2	75,000					75,000
Summit Park Tennis Court	PR - 25-3	7,725					7,725
Spruce Park Playground Replacement	PR - 26-1		125,000				125,000
Ball field Rehabilitation	PR - 26-101		35,000				35,000
Jefferson Park Playground Replacement	PR - 26-2		125,000				125,000
Northview Playground Replacement	PR - 27-1			250,000			250,000
Veterans Field Playground Replacement	PR - 27-2			200,000			200,000
Capital Program Funds Total		1,372,705	2,519,980	1,149,980	649,980	44,980	5,737,625

Central Garage Fund

Police Vehicles	CG - 14-101	195,000	202,800	210,912	219,348	228,122	1,056,182
Unit 336 - Streets Department	CG - 17-06	330,000					330,000
Unit 338 - Utility Department	CG - 17-12	100,000					100,000
Unit 322 - Water Department	CG - 17-13			60,000			60,000
Unit 205 - Engineering Department	CG - 17-20	60,000					60,000
Replace Asphalt Tack Trailer	CG - 21-102			50,000			50,000
Replace John Deere Zero-Turn Mower	CG - 22-1		40,000	20,000			60,000
Unit 265 - Public Works/Parks & Rec	CG - 25-265			30,000			30,000
Unit 313 - Buildings/Arena	CG - 25-313				45,000		45,000
Unit 346 - Parks & Rec Department	CG - 25-346	53,000					53,000
Unit 331 - Streets Department	CG - 26-331		330,000				330,000
Unit 201 - Engineering Department	CG - 27-201			40,000			40,000
Unit 207 - Code Enforcement	CG - 27-207			35,000			35,000
Unit 301 - Building Inspections Department	CG - 27-301			40,000			40,000
Unit 306 - Water Department	CG - 27-306					60,000	60,000
Unit 328 - Parks Department	CG - 27-328			55,000			55,000
Unit 335 - Streets Department	CG - 27-335			330,000			330,000
Unit 311 - Parks Department	CG - 28-311				35,000		35,000
Unit 314 - Streets Department	CG - 28-314				47,500		47,500
Unit 319 - Streets Department	CG - 28-319				66,300		66,300
Unit 320 - Streets Department	CG - 28-320				66,300		66,300
Unit 325 - Parks Department	CG - 28-325				60,800		60,800

Source	Project #	2025	2026	2027	2028	2029	Total
Unit 329 - Parks Department	CG - 28-329				71,800		71,800
Unit 337 - Streets Department	CG - 28-337				330,000		330,000
Zamboni Rink 2 Replacement (WA-1)	DWA - 23-3	200,000					200,000
Zamboni Rink 2 Refurbish (WA-2)	DWA - 23-5	40,000					40,000
Central Garage Fund Total		978,000	572,800	870,912	942,048	288,122	3,651,882

Debt - Tax Levy

New Public Works Building	BLD - 22-2	3,000,000	27,000,000				30,000,000
Debt - Tax Levy Total		3,000,000	27,000,000				30,000,000

Federal

Marie Ave Reconstruction - 3rd Ave to 9th Ave	ENG - 12-102	1,000,000					1,000,000
Verderosa Extension Project	ENG - 25-4	3,000,000					3,000,000
Marie Ave Reconstruction - 9th Ave to 21st Ave	ENG - 26-1		1,000,000				1,000,000
Federal Total		4,000,000	1,000,000				5,000,000

Federal - FAA

16 Unit T-Hangar (West Hangar Area) Design	AIR - 12-76			90,000			90,000
16 Unit T-Hangar (West Hangar Area) Site Prep	AIR - 12-86			382,500			382,500
Security Fence - South Clear Zone	AIR - 14-208					135,000	135,000
Reconstruct Terminal Parking Lot	AIR - 16-1					570,000	570,000
Airfield Gate Replacement	AIR - 25-1	332,500					332,500
South T-Hangar Roof Rehabilitation	AIR - 25-2	118,750					118,750
Land Acquisition	AIR - 26-1			180,000			180,000
Airfield Crack Seal (West Building Area)	AIR - 26-2		95,000				95,000
Easement Acquisition	AIR - 26-3		135,000				135,000
Pavement Rehabilitation (Ercoupe Lane)	AIR - 27-3			315,000			315,000
Runway and Taxiway Crack Seal	AIR - 28-1				90,000		90,000
West Taxiway Full Parallel Construction	AIR - 28-2				900,000		900,000
Federal - FAA Total		451,250	230,000	967,500	990,000	705,000	3,343,750

Infrastructure Fund

Marie Ave Reconstruction - 3rd Ave to 9th Ave	ENG - 12-102	365,000					365,000
12th Avenue Reconstruction	ENG - 12-121		300,000	1,790,000			2,090,000
Stickney Improvement Project	ENG - 19-1				410,000		410,000
Warner Avenue Improvements	ENG - 24-2		15,000	240,000			255,000
4th Street S Pavement Rehabilitation	ENG - 25-3	540,000					540,000
Verderosa Extension Project	ENG - 25-4	300,000					300,000
2025 Sidewalk Repair Program	ENG - 25-5	260,000					260,000
Marie Ave Reconstruction - 9th Ave to 21st Ave	ENG - 26-1	250,000	1,295,000				1,545,000
2026 Sidewalk Repair Program	ENG - 26-2	10,000	320,000				330,000
South St Reconstruction 5th St to 7th St	ENG - 26-3	20,000	403,000				423,000
Bircher/Willis Area Street Improvements	ENG - 27-1			300,000	750,000		1,050,000
2027 Sidewalk Repair Program	ENG - 27-3		15,000	260,000			275,000
16th and 17th Avenue Improvments	ENG - 28-1				350,000	1,581,500	1,931,500
Alley Improvements	ENG - 28-3			20,000	455,000		475,000
2028 Sidewalk Repair Program	ENG - 28-4			15,000	260,000		275,000
2029 Pavement Rehabilitation Project	ENG - 29-2					525,000	525,000
2029 Sidewalk Repair Program	ENG - 29-3				15,000	260,000	275,000

Source	Project #	2025	2026	2027	2028	2029	Total
Infrastructure Fund Total		1,745,000	2,348,000	2,625,000	2,240,000	2,366,500	11,324,500
MSA Funds							
Marie Ave Reconstruction - 3rd Ave to 9th Ave	ENG - 12-102	500,000					500,000
12th Avenue Reconstruction	ENG - 12-121			1,000,000			1,000,000
Stickney Improvement Project	ENG - 19-1				500,000		500,000
Marie Ave Reconstruction - 9th Ave to 21st Ave	ENG - 26-1		1,000,000				1,000,000
Bircher/Willis Area Street Improvements	ENG - 27-1				300,000		300,000
16th and 17th Avenue Improvments	ENG - 28-1					300,000	300,000
MSA Funds Total		500,000	1,000,000	1,000,000	800,000	300,000	3,600,000
Other Grants							
Summit Park Tennis Court	PR - 25-3	7,725					7,725
Other Grants Total		7,725					7,725
Sanitary Sewer Utility							
Marie Ave Reconstruction - 3rd Ave to 9th Ave	ENG - 12-102	50,000					50,000
12th Avenue Reconstruction	ENG - 12-121			500,000			500,000
Stickney Improvement Project	ENG - 19-1				100,000		100,000
Warner Avenue Improvements	ENG - 24-2			50,000			50,000
Marie Ave Reconstruction - 9th Ave to 21st Ave	ENG - 26-1		500,000				500,000
South St Reconstruction 5th St to 7th St	ENG - 26-3		90,000				90,000
Bircher/Willis Area Street Improvements	ENG - 27-1				250,000		250,000
16th and 17th Avenue Improvments	ENG - 28-1					300,000	300,000
Relining of Sanitary Sewers as Part of I/I	WS - 08-138		735,000		735,000		1,470,000
Sanitary Sewer Utility Total		50,000	1,325,000	550,000	1,085,000	300,000	3,310,000
State							
16 Unit T-Hangar (West Hangar Area) Design	AIR - 12-76			5,000			5,000
16 Unit T-Hangar (West Hangar Area) Site Prep	AIR - 12-86			21,250			21,250
16 Unit T-Hangar (West Hangar Area) Building	AIR - 12-96			1,200,000			1,200,000
Reconstruct Terminal Parking Lot	AIR - 16-1					15,000	15,000
Fuel System Replacement	AIR - 19-2	980,000					980,000
Airfield Gate Replacement	AIR - 25-1	8,750					8,750
South T-Hangar Roof Rehabilitation	AIR - 25-2	3,125					3,125
Land Acquisition	AIR - 26-1			10,000			10,000
Airfield Crack Seal (West Building Area)	AIR - 26-2		2,500				2,500
Easement Acquisition	AIR - 26-3		7,500				7,500
Zero Turn Mower	AIR - 27-1			8,400			8,400
Pavement Rehabilitation (Ercoupe Lane)	AIR - 27-3			17,500			17,500
Runway and Taxiway Crack Seal	AIR - 28-1				5,000		5,000
West Taxiway Full Parallel Construction	AIR - 28-2				50,000		50,000
Mower Tractor and Attachments	AIR - 28-3				105,000		105,000
Lead Service Line Replacement Project	ENG - 25-6	7,616,000					7,616,000
Water Treatment Plant	WS - 21-1	1,094,000					1,094,000
State Total		9,701,875	10,000	1,262,150	160,000	15,000	11,149,025
Storm Sewer Utility							

Source	Project #	2025	2026	2027	2028	2029	Total
Marie Ave Reconstruction - 3rd Ave to 9th Ave	ENG - 12-102	650,000					650,000
12th Avenue Reconstruction	ENG - 12-121			400,000			400,000
Stickney Improvement Project	ENG - 19-1				150,000		150,000
Warner Avenue Improvements	ENG - 24-2			100,000			100,000
Marie Ave Reconstruction - 9th Ave to 21st Ave	ENG - 26-1		925,000				925,000
South St Reconstruction 5th St to 7th St	ENG - 26-3		135,000				135,000
16th and 17th Avenue Improvments	ENG - 28-1					250,000	250,000
Storm Sewer Utility Total		650,000	1,060,000	500,000	150,000	250,000	2,610,000
Tax Levy - Arena							
Replace Rooftop HVAC Units 6, 7, 8, 9, 10	DWA - 14-105	160,000					160,000
Concession Stand Remodel	DWA - 19-11		50,000				50,000
Replace HVAC Unit #1, 2, 3	DWA - 19-12	120,000					120,000
Rink 2 floor and dasher boards	DWA - 19-13		1,650,000				1,650,000
Scissor Lift Replacement	DWA - 19-3				32,000		32,000
Replace Drop Ceiling Tiles & Grid	DWA - 19-5				35,000		35,000
Mezzanine-Warm Viewing Area Flooring	DWA - 19-8	30,000					30,000
Woog Arena Sprinkler Fire Suppression System	DWA - 20-1				25,000		25,000
Woog Arena Roof Replacement	DWA - 20-2		260,000				260,000
Replace Rink One Floor and Boards	DWA - 21-2			1,650,000			1,650,000
Dehumidifiers for Rink 1	DWA - 24-1	280,000					280,000
Low Emissivity Ceiling for Rink 2	DWA - 27-02			60,000			60,000
Tax Levy - Arena Total		590,000	1,960,000	1,710,000	92,000		4,352,000
Water Utility							
ERP Replacement-Through LOGIS	ADM - 22-1	110,000					110,000
Marie Ave Reconstruction - 3rd Ave to 9th Ave	ENG - 12-102	350,000					350,000
12th Avenue Reconstruction	ENG - 12-121			1,200,000			1,200,000
Stickney Improvement Project	ENG - 19-1				365,000		365,000
Warner Avenue Improvements	ENG - 24-2			50,000			50,000
Marie Ave Reconstruction - 9th Ave to 21st Ave	ENG - 26-1		1,200,000				1,200,000
South St Reconstruction 5th St to 7th St	ENG - 26-3		140,000				140,000
Bircher/Willis Area Street Improvements	ENG - 27-1				700,000		700,000
16th and 17th Avenue Improvments	ENG - 28-1					600,000	600,000
Hydrant replacement	WS - 22-01	125,000	125,000	125,000	125,000	125,000	625,000
Chlorination Equipment at 4 Wells	WS - 12-96			1,200,000	1,200,000		2,400,000
Water Utility Total		585,000	1,465,000	2,575,000	2,390,000	725,000	7,740,000
GRAND TOTAL		24,203,930	46,142,780	14,162,892	10,094,028	5,443,102	100,046,732

City of South St. Paul, Minnesota

Capital Improvement Plan

2025 thru 2029

SOURCES AND USES OF FUNDS

Source		2025	2026	2027	2028	2029
Capital Program Funds						
Beginning Balance		2,220,292	2,142,716	908,365	1,036,514	1,664,663
Revenues and Other Fund Sources						
<i>Revenue</i>						
Interest		10,000	10,000	10,000	10,000	10,000
LGA		1,268,129	1,268,129	1,268,129	1,268,129	1,268,129
Special Assessments		17,000	7,500	0	0	0
Total		1,295,129	1,285,629	1,278,129	1,278,129	1,278,129
Total Revenues and Other Fund Sources		1,295,129	1,285,629	1,278,129	1,278,129	1,278,129
Total Funds Available		3,515,421	3,428,345	2,186,494	2,314,643	2,942,792
Expenditures and Uses						
<i>Capital Projects & Equipment</i>						
<i>Buildings</i>						
Rooftop HVAC Units (3) at City Hall	BLD - 25-1	(200,000)	(240,000)	(110,000)	0	0
Fire Station Garage Floor	BLD - 25-2	(30,000)	0	0	0	0
City Hall Police Garage Door Replacement	BLD - 25-3	(40,000)	0	0	0	0
Renovation of Library Building	BLD- 22-01	0	(1,500,000)	0	0	0
Total		(270,000)	(1,740,000)	(110,000)	0	0
<i>Information Technology</i>						
Fiber Network Project	IT - 13-103	(29,980)	(29,980)	(29,980)	(29,980)	(29,980)
Fiber Optic Cable Infrastructure	IT - 19-1	0	(250,000)	0	(250,000)	0
Total		(29,980)	(279,980)	(29,980)	(279,980)	(29,980)
<i>Park & Recreation</i>						
McGuire Field Bleacher Replacement	PR - 08-100	0	0	(35,000)	0	0
Lorraine Hockey Rink Upgrades	PR - 16-1	0	0	0	(200,000)	0
Harmon Park Play Structure Replacement	PR - 18-10	0	0	(150,000)	0	0
Summit Play Structure Replace	PR - 18-6	(150,000)	0	0	0	0
Lorraine Park Play Structure Replacement	PR - 18-7	(300,000)	0	0	0	0
Kaposia Park Play Structure Replacement	PR - 18-8	(175,000)	0	0	0	0
Splash Pool Improvements	PR - 21- 10	0	0	(200,000)	0	0
Kaposia Park Building Restoration	PR - 22-05	(100,000)	0	0	0	0
Grandview Park Playground Replacement	PR - 25-1	(150,000)	0	0	0	0
Kaposia Park Parking Lot Mill & Overlay	PR - 25-2	(75,000)	0	0	0	0
Summit Park Tennis Court	PR - 25-3	(7,725)	0	0	0	0
Spruce Park Playground Replacement	PR - 26-1	0	(125,000)	0	0	0

Source		2025	2026	2027	2028	2029
Capital Program Funds						
Ball field Rehabilitation	PR - 26-101	0	(35,000)	0	0	0
Jefferson Park Playground Replacement	PR - 26-2	0	(125,000)	0	0	0
Northview Playground Replacement	PR - 27-1	0	0	(250,000)	0	0
Veterans Field Playground Replacement	PR - 27-2	0	0	(200,000)	0	0
<i>Total</i>		(957,725)	(285,000)	(835,000)	(200,000)	0
<u>Police Protection</u>						
Police Storage Building Loft	POL -20-1	0	(25,000)	0	0	0
Thermal Imaging-Handheld	POL -22-1	0	(20,000)	(20,000)	0	0
Outdoor Weather Warning Sirens	POL -22-10	(25,000)	(25,000)	(25,000)	(25,000)	0
Thermal Imaging-Squad Mounted	POL -22-2	0	0	(15,000)	(15,000)	(15,000)
Handguns	POL -22-4	0	(30,000)	0	0	0
Rifles	POL -22-5	0	0	0	(50,000)	0
Less Lethal - 40MM Launchers	POL -22-6	0	0	0	(30,000)	0
Digital Speed Signs	POL -22-7	0	(25,000)	(25,000)	0	0
AXON Body Worn and Squad Cameras	POL -23-3	(90,000)	(90,000)	(90,000)	0	0
Taser Replacement	POL -23-4	0	0	0	(50,000)	0
<i>Total</i>		(115,000)	(215,000)	(175,000)	(170,000)	(15,000)
Total Expenditures and Uses		(1,372,705)	(2,519,980)	(1,149,980)	(649,980)	(44,980)
Change in Fund Balance		(77,576)	(1,234,351)	128,149	628,149	1,233,149
Ending Balance		2,142,716	908,365	1,036,514	1,664,663	2,897,812

City of South St. Paul, Minnesota

Capital Improvement Plan

2025 thru 2029

SOURCES AND USES OF FUNDS

Source		2025	2026	2027	2028	2029
Infrastructure Fund						
Beginning Balance		1,500,000	1,718,750	1,463,363	1,469,954	2,015,643
<u>Revenues and Other Fund Sources</u>						
<i>Revenue</i>						
Billboard Rent		128,750	132,613	136,591	140,689	144,910
Excess TIF		110,000	110,000	110,000	110,000	110,000
Tax Levy		725,000	850,000	925,000	1,075,000	1,225,000
Tax Levy - Concord TIF		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Tax Levy - Lower Debt Levy		0	0	460,000	460,000	460,000
<i>Total</i>		1,963,750	2,092,613	2,631,591	2,785,689	2,939,910
Total Revenues and Other Fund Sources		1,963,750	2,092,613	2,631,591	2,785,689	2,939,910
Total Funds Available		3,463,750	3,811,363	4,094,954	4,255,643	4,955,553
<u>Expenditures and Uses</u>						
<i>Capital Projects & Equipment</i>						
<u>Engineering</u>						
Marie Ave Reconstruction - 3rd Ave to 9th Ave	ENG - 12-102	(365,000)	0	0	0	0
12th Avenue Reconstruction	ENG - 12-121	0	(300,000)	(1,790,000)	0	0
Stickney Improvement Project	ENG - 19-1	0	0	0	(410,000)	0
Warner Avenue Improvements	ENG - 24-2	0	(15,000)	(240,000)	0	0
4th Street S Pavement Rehabilitation	ENG - 25-3	(540,000)	0	0	0	0
Verderosa Extension Project	ENG - 25-4	(300,000)	0	0	0	0
2025 Sidewalk Repair Program	ENG - 25-5	(260,000)	0	0	0	0
Marie Ave Reconstruction - 9th Ave to 21st Ave	ENG - 26-1	(250,000)	(1,295,000)	0	0	0
2026 Sidewalk Repair Program	ENG - 26-2	(10,000)	(320,000)	0	0	0
South St Reconstruction 5th St to 7th St	ENG - 26-3	(20,000)	(403,000)	0	0	0
Bircher/Willis Area Street Improvements	ENG - 27-1	0	0	(300,000)	(750,000)	0
2027 Sidewalk Repair Program	ENG - 27-3	0	(15,000)	(260,000)	0	0
16th and 17th Avenue Improvments	ENG - 28-1	0	0	0	(350,000)	(1,581,500)
Alley Improvements	ENG - 28-3	0	0	(20,000)	(455,000)	0
2028 Sidewalk Repair Program	ENG - 28-4	0	0	(15,000)	(260,000)	0
2029 Pavement Rehabilitation Project	ENG - 29-2	0	0	0	0	(525,000)
2029 Sidewalk Repair Program	ENG - 29-3	0	0	0	(15,000)	(260,000)
<i>Total</i>		(1,745,000)	(2,348,000)	(2,625,000)	(2,240,000)	(2,366,500)

Source	2025	2026	2027	2028	2029
Infrastructure Fund					
Total Expenditures and Uses	(1,745,000)	(2,348,000)	(2,625,000)	(2,240,000)	(2,366,500)
Change in Fund Balance	218,750	(255,387)	6,591	545,689	573,410
Ending Balance	1,718,750	1,463,363	1,469,954	2,015,643	2,589,053

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Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Airport

Contact Andrew Wall

Type Improvement

Useful Life

Category Construction/Buildings

Project # AIR - 12-76

Project Name 16 Unit T-Hangar (West Hangar Area) Design

Finance Priority

Total Project Cost: \$100,000

Description

16 Unit T-hangar Design

Justification

Design of the 16 unit T-Hangar Project

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design			100,000			100,000
Total			100,000			100,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund			5,000			5,000
Federal - FAA			90,000			90,000
State			5,000			5,000
Total			100,000			100,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Airport

Contact Andrew Wall

Type Improvement

Useful Life 25

Category Construction/Buildings

Project # AIR - 12-86

Project Name 16 Unit T-Hangar (West Hangar Area) Site Prep

Finance Priority

Total Project Cost: \$425,000

Description

Grade and pave site in preparation for construction of a 16 Unit T-Hangar building on west side of Airport. Includes concrete slab construction.

Justification

Site prep and slab construction must be completed before the hangars can be constructed.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance			425,000			425,000
Total			425,000			425,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund			21,250			21,250
Federal - FAA			382,500			382,500
State			21,250			21,250
Total			425,000			425,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Airport

Contact Andrew Wall

Type Improvement

Useful Life 50

Category Construction/Buildings

Project # AIR - 12-96

Project Name 16 Unit T-Hangar (West Hangar Area) Building

Finance Priority

Description

Total Project Cost: \$1,500,000

Construction of 16 unit T-Hangar building in the West Hangar Area.

Justification

Hangar demand at airports continues to be high. The airport has a plot of land on the west side reserved for a third block of City owned T-hangars. MnDOT Aeronautics offers a hangar loan program which would fund the construction of the hangars at an 80% state, 20% local funding rate. The loan is interest free and is paid back over 20 years.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance			1,500,000			1,500,000
Total			1,500,000			1,500,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund			300,000			300,000
State			1,200,000			1,200,000
Total			1,500,000			1,500,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Airport

Contact Andrew Wall

Type Maintenance

Useful Life 20

Category Grounds & Maintenance

Project # AIR - 14-208

Project Name Security Fence - South Clear Zone

Finance Priority

Total Project Cost: \$150,000

Description

Extend the airport's security fence to the southerly property limits

Justification

The southerly portion of the Runway Protection Zone (RPZ) is outside the current security fence. The RPZ is supposed to be free of people. This unfenced area is being used by neighbors as a recreation area/dog park. FAA inspectors have advised the City to curtail the unauthorized use of the property. No trespass sign have not reduced the unauthorized activity. The relocation of the fence further from the runway will also reduce the chance of an aircraft striking the fence.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance					150,000	150,000
Total					150,000	150,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund					15,000	15,000
Federal - FAA					135,000	135,000
Total					150,000	150,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Airport

Contact Andrew Wall

Type Improvement

Useful Life 30

Category Land Improvements

Project # AIR - 16-1

Project Name Reconstruct Terminal Parking Lot

Finance Priority

Description

Total Project Cost: \$600,000

Reconstruct the Parking Lot in front of the Airport Terminal

Justification

The parking lot was installed when the terminal was built in 1997. With use by Wipaire and terminal employees it is starting to deteriorate past the point of patching. During reconstruction more spaces would be added.

Airport staff will look at possible shared funding from Wipaire as their employees utilize the majority of the parking spots in the lot.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance					600,000	600,000
Total					600,000	600,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund					15,000	15,000
Federal - FAA					570,000	570,000
State					15,000	15,000
Total					600,000	600,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Airport
 Contact Andrew Wall
 Type Equipment
 Useful Life 10
 Category Outdoor Equipment

Project # AIR - 19-2
 Project Name Fuel System Replacement

Finance Priority

Description

Total Project Cost: \$1,400,000

Fuel System Replacement to include underground tanks and above ground fuel dispensing equipment,

Justification

The fuel tanks and dispensing equipment are nearing the end of their useful life. The credit card system is outdated, the fuel pumps parts are becoming obsolete, and the tanks are becoming a leak risk as they age. This project would update everything to modern equipment that is more user friendly and environmentally sound.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings	1,400,000					1,400,000
Total	1,400,000					1,400,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund	420,000					420,000
State	980,000					980,000
Total	1,400,000					1,400,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Airport
Contact Andrew Wall
Type Improvement
Useful Life 20
Category Grounds & Maintenance

Project # AIR - 25-1
Project Name Airfield Gate Replacement

Finance Priority

Description

Total Project Cost: \$350,000

Replace 4 Airfield Gates at the Airport

Justification

The west gate at the airport was installed in 2026. The other 3 gates at the airport were installed prior to that and are nearing the end of their useful lives. Continuous maintenance is needed to keep the gates operational. We will also be upgrading the access control system as parts and software updates are no longer available for the current system.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	350,000					350,000
Total	350,000					350,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund	8,750					8,750
Federal - FAA	332,500					332,500
State	8,750					8,750
Total	350,000					350,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Airport

Contact Andrew Wall

Type Improvement

Useful Life 20

Category Grounds & Maintenance

Project # AIR - 25-2

Project Name South T-Hangar Roof Rehabilitation

Finance Priority

Description

Total Project Cost: \$125,000

Roof rehabilitation on the City owned South T-Hangars.

Justification

The City owns a bank of T-Hangars in the south hangar area at the airport. These hangars were constructed in 2005. The current roof is in need of constant maintenance to keep it from leaking into the tenants' hangars and causing damage to their aircraft. Airport staff are forced to go onto the roof of the hangar to patch holes which then reappear the following year. A new roof on the hangar is very expensive. The solution is an epoxy coating that is sprayed on the entire roof sealing up all joints, screws, and leaks. The cost of the rehabilitaton is far less than roof replacement.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	125,000					125,000
Total	125,000					125,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund	3,125					3,125
Federal - FAA	118,750					118,750
State	3,125					3,125
Total	125,000					125,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Airport
Contact Andrew Wall
Type Improvement
Useful Life
Category Land

Project # AIR - 26-1
Project Name Land Acquisition

Finance Priority

Description

Total Project Cost: \$200,000

Land Acquisition for the extension of the west parallel taxiway to the south.

Justification

In order for tenants on the west side of the airport to reach the end of the runway on the south side of the airport, they must cross the active runway to get there. This would eliminate that crossing thus improving safety.

Expenditures	2025	2026	2027	2028	2029	Total
Land Acquisition			200,000			200,000
Total			200,000			200,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund			10,000			10,000
Federal - FAA			180,000			180,000
State			10,000			10,000
Total			200,000			200,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Airport
Contact Andrew Wall
Type Improvement
Useful Life 10
Category Grounds & Maintenance

Project # AIR - 26-2
Project Name Airfield Crack Seal (West Building Area)

Finance Priority

Description

Total Project Cost: \$100,000

Pavement maintenance in the west hangar building area.

Justification

The west hangar building area was developed in 2006. Periodic maintenance is needed to get the most useful life out of the pavement.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance		100,000				100,000
Total		100,000				100,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund		2,500				2,500
Federal - FAA		95,000				95,000
State		2,500				2,500
Total		100,000				100,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Airport
Contact Andrew Wall
Type Improvement
Useful Life 10
Category Land

Project # AIR - 26-3
Project Name Easement Acquisition

Finance Priority

Description

Total Project Cost: \$150,000

Easemetn acquisition for the West Parallel Taxiway Extension.

Justification

Acquisition of an easement on the west side of the airport to facilitate the extension of the west parallel taxiway scheduled for 2028.

Expenditures	2025	2026	2027	2028	2029	Total
Land Acquisition		150,000				150,000
Total		150,000				150,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund		7,500				7,500
Federal - FAA		135,000				135,000
State		7,500				7,500
Total		150,000				150,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Airport
Contact Andrew Wall
Type Equipment
Useful Life 10
Category Outdoor Equipment

Project # AIR - 27-1
Project Name Zero Turn Mower

Finance Priority

Description

Total Project Cost: \$12,000

Purchase a new Zero Turn Mower, unit AP-08.

Justification

The current zero turn mower will have reached the end of its useful life at this point.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings			12,000			12,000
Total			12,000			12,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund			3,600			3,600
State			8,400			8,400
Total			12,000			12,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Airport
Contact Andrew Wall
Type Improvement
Useful Life 10
Category Grounds & Maintenance

Project # AIR - 27-3
Project Name Pavement Rehabilitation (Ercoupe Lane)

Finance Priority

Description

Total Project Cost: \$350,000

Pavement Rehabilitation for the pavement in front of the City owned North T-Hangars on Ercoupe Lane.

Justification

The pavement in front of the City owned T-Hangars on Ercoupe Lane is in need of maintenance to extend its useful life.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance			350,000			350,000
Total			350,000			350,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund			17,500			17,500
Federal - FAA			315,000			315,000
State			17,500			17,500
Total			350,000			350,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Airport
Contact Andrew Wall
Type Improvement
Useful Life 5
Category Grounds & Maintenance

Project # AIR - 28-1
Project Name Runway and Taxiway Crack Seal

Finance Priority

Description

Total Project Cost: \$100,000

Perform Crack Sealing pavement maintenance on the runway (2022) and taxiway (2024).

Justification

This preventive maintenance is necessary every 5-10 years to extend the useful life of the pavement.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance				100,000		100,000
Total				100,000		100,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund				5,000		5,000
Federal - FAA				90,000		90,000
State				5,000		5,000
Total				100,000		100,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Airport

Contact Andrew Wall

Type Improvement

Useful Life 20

Category Grounds & Maintenance

Project # AIR - 28-2

Project Name West Taxiway Full Parallel Construction

Finance Priority

Total Project Cost: \$1,000,000

Description

Extend the west parallel taxiway to the end of runway 34.

Justification

This project would extend the west side parallel taxiway to the end of runway 34. Currently aircraft in the west hangar area needing to depart from runway 34 have to cross the runway to get to the end. Crossing an active runway does pose a safety risk and extending the west side taxiway would help to mitigate the risk of runway incursions. The FAA is currently focusing on airports and their design and looking at solutions to decrease the possibility of future runway incursions.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance				1,000,000		1,000,000
Total				1,000,000		1,000,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund				50,000		50,000
Federal - FAA				900,000		900,000
State				50,000		50,000
Total				1,000,000		1,000,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Airport

Contact Andrew Wall

Type Equipment

Useful Life 10

Category Outdoor Equipment

Project # AIR - 28-3

Project Name Mower Tractor and Attachments

Finance Priority

Total Project Cost: \$150,000

Description

Purchase a new tractor and associated attachments for mowing and snow removal.

Justification

The current John Deere 6115 tractor was purchased in 2017 and will be nearing the end of its useful life at the time of procurement. The tractor is used year round for grass cutting and snow removal.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings				150,000		150,000
Total				150,000		150,000

Funding Sources	2025	2026	2027	2028	2029	Total
Airport Operating Fund				45,000		45,000
State				105,000		105,000
Total				150,000		150,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Buildings
 Contact Ryan Garcia
 Type Improvement
 Useful Life 50
 Category Construction/Buildings

Project # BLD - 22-2
 Project Name New Public Works Building

Finance Priority

Description

Total Project Cost: \$30,000,000

Provide for the construction of a new 82,000 sq ft Public Works facility. This facility would replace the 33,000 sq ft building that has many deficiencies that are impractical to resolve given the building's poor condition, its placement on the site, and the inability to add on to the current facility in an efficient manner.

Justification

The new facility will be designed to meet the City's needs for the next 50+ years and will be constructed with green/sustainable materials and practices.

This project does not include site costs.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design	3,000,000					3,000,000
Construction/Maintenance		27,000,000				27,000,000
Total	3,000,000	27,000,000				30,000,000

Funding Sources	2025	2026	2027	2028	2029	Total
Debt - Tax Levy	3,000,000	27,000,000				30,000,000
Total	3,000,000	27,000,000				30,000,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Buildings

Contact Howie Steenberg

Type Equipment

Useful Life 25

Category Construction/Buildings

Project # BLD - 25-1

Project Name Rooftop HVAC Units (3) at City Hall

Finance Priority

Description

Total Project Cost: \$550,000

Replace three rooftop HVAC units at City Hall.

Justification

The rooftop units at City Hall are past their useful life, and we are constantly doing repairs. This should help with temperature control within the building. The City may qualify for rebates from Ecel as part of the project that may offset some of the cost.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings	200,000	240,000	110,000			550,000
Total	200,000	240,000	110,000			550,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds	200,000	240,000	110,000			550,000
Total	200,000	240,000	110,000			550,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Buildings
 Contact Howie Steenberg
 Type Maintenance
 Useful Life 25
 Category Construction/Buildings

Project # BLD - 25-2
 Project Name Fire Station Garage Floor

Finance Priority

Description

Total Project Cost: \$30,000

Replace part of the concrete garage floor in Fire Station #2.

Justification

The concrete floor is becoming a trip hazard, especially by the floor drains, as they are popping up on the ends because of the broken concrete.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	30,000					30,000
Total	30,000					30,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds	30,000					30,000
Total	30,000					30,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Buildings
Contact Howie Steenberg
Type Equipment
Useful Life 20
Category Construction/Buildings

Project # BLD - 25-3
Project Name City Hall Police Garage Door Replacement

Finance Priority

Description

Total Project Cost: \$40,000

Replace the police garage door at City Hall.

Justification

With multiple repairs being done and the police need a functioning door, it is time to replace it.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings	40,000					40,000
Total	40,000					40,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds	40,000					40,000
Total	40,000					40,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Buildings

Contact Ryan Garcia

Type Improvement

Useful Life 40

Category Construction/Buildings

Project # BLD- 22-01

Project Name Renovation of Library Building

Finance Priority

Description

Total Project Cost: \$1,500,000

Place holder for renovations/remodel of the American Legion Memorial Library building.

Justification

As an iconic building in South St. Paul, the City Council has agreed to keep the library building in some form for its residents. It needs extensive updates (electrical, mechanical, technological, etc.) in order to be functional for future use.

A repurposing study is expected to be complete by June 2025.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance		1,500,000				1,500,000
Total		1,500,000				1,500,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds		1,500,000				1,500,000
Total		1,500,000				1,500,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
 Contact Howie Steenberg
 Type Equipment
 Useful Life 3
 Category Police & Fire Equipment

Project # CG - 14-101
 Project Name Police Vehicles

Finance Priority

Description

Total Project Cost: \$2,461,357

The annual replacement of police vehicles which are on a rotating schedule.

Justification

The replacement of police vehicles is programmed every year in order to minimize repair and maintenance costs of the vehicles. The useful life of a police vehicle varies by assignment, with a marked patrol vehicle having a serviceable lifespan of four to five years and non-patrol assigned vehicles having an expected lifespan of eight to ten years. For 2025, the following vehicles are tentatively scheduled for replacement:

Replace Squad Unit #2151 plus change over costs - 65,000.00

Replace Squad Unit #2152 plus change over costs - 65,000.00

Replace Squad Unit #2160 plus change over costs - 65,000.00

Prior	Expenditures	2025	2026	2027	2028	2029	Total
1,405,175	Equip/Vehicles/Furnishings	195,000	202,800	210,912	219,348	228,122	1,056,182
Total	Total	195,000	202,800	210,912	219,348	228,122	1,056,182

Prior	Funding Sources	2025	2026	2027	2028	2029	Total
1,405,175	Central Garage Fund	195,000	202,800	210,912	219,348	228,122	1,056,182
Total	Total	195,000	202,800	210,912	219,348	228,122	1,056,182

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Central Garage

Contact Howie Steenberg

Project # CG - 17-06

Project Name Unit 336 - Streets Department

Type Equipment

Useful Life 15

Category Licensed Vehicles

Finance Priority

Description

Total Project Cost: \$330,000

Replace Streets Department vehicle unit 336 - currently a Sterling tandem axel with dump box and plow.

Justification

The 2008 truck will be at the end of its useful life

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings	330,000					330,000
Total	330,000					330,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund	330,000					330,000
Total	330,000					330,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
Contact Howie Steenberg
Type Equipment
Useful Life 10
Category Licensed Vehicles

Project # CG - 17-12
Project Name Unit 338 - Utility Department

Finance Priority

Description

Total Project Cost: \$100,000

Replace Utility Vehicle unit 338 - currently a 2012 Ford F250 4x4 Supercab with an 8' utility box.

Justification

Vehicle is at the end of it's useful life.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings	100,000					100,000
Total	100,000					100,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund	100,000					100,000
Total	100,000					100,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
Contact Howie Steenberg
Type Equipment
Useful Life 10
Category Licensed Vehicles

Project # CG - 17-13
Project Name Unit 322 - Water Department

Finance Priority

Description

Total Project Cost: \$60,000

Replace Water Department vehicle unit 322 - currently a Ford 250 Transit Cargo Van

Justification

Vehivle is at the end of its useful life.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings			60,000			60,000
Total			60,000			60,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund			60,000			60,000
Total			60,000			60,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
 Contact Howie Steenberg
 Type Equipment
 Useful Life 10
 Category Licensed Vehicles

Project # CG - 17-20
 Project Name Unit 205 - Engineering Department

Finance Priority

Description

Total Project Cost: \$60,000

Replace Engineering Department vehicle unit 205 - currently a Ford F-150 crew cab with a topper and tool compartments.

Justification

Vehicle is on a 10 year cycle and is at the end of its useful life.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings	60,000					60,000
Total	60,000					60,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund	60,000					60,000
Total	60,000					60,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
Contact Howie Steenberg
Type Equipment
Useful Life 10
Category Machinery & Tools

Project # CG - 21-102
Project Name Replace Asphalt Tack Trailer

Finance Priority

Description

Total Project Cost: \$50,000

Replace asphalt tack trailer with like equipment.

Justification

Replace asphalt tack trailer that was purchased used in 2013 with like equipment. The used asphalt tack trailer has reached the end of its useful life.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings			50,000			50,000
Total			50,000			50,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund			50,000			50,000
Total			50,000			50,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
 Contact Howie Steenberg
 Type Equipment
 Useful Life 8
 Category Machinery & Tools

Project # CG - 22-1
 Project Name Replace John Deere Zero-Turn Mower

Finance Priority

Total Project Cost: \$98,600

Description

Replace John Deere Zero Turn Mowes.

Justification

End of useful life.

Prior	Expenditures	2025	2026	2027	2028	2029	Total
38,600	Equip/Vehicles/Furnishings		40,000	20,000			60,000
Total	Total		40,000	20,000			60,000

Prior	Funding Sources	2025	2026	2027	2028	2029	Total
38,600	Central Garage Fund		40,000	20,000			60,000
Total	Total		40,000	20,000			60,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Central Garage

Contact Howie Steenberg

Type Equipment

Useful Life 10

Category Licensed Vehicles

Project # CG - 25-265

Project Name Unit 265 - Public Works/Parks & Rec

Finance Priority

Total Project Cost: \$30,000

Description

Replace Public Works/Parks & Rec vehicle unit 265 - currently a Chevrolet Impala.

Justification

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings			30,000			30,000
Total			30,000			30,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund			30,000			30,000
Total			30,000			30,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
 Contact Howie Steenberg
 Type Equipment
 Useful Life 10
 Category Licensed Vehicles

Project # CG - 25-313
 Project Name Unit 313 - Buildings/Arena

Finance Priority

Description

Total Project Cost: \$45,000

Replace Buildings/Arena vehicle unit 313 - currently a Ford F-150 4x2 regular cab.

Justification

Vehicle is at the end of its useful life.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings				45,000		45,000
Total				45,000		45,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund				45,000		45,000
Total				45,000		45,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Central Garage

Contact Howie Steenberg

Type Equipment

Useful Life 10

Category Licensed Vehicles

Project # CG - 25-346

Project Name Unit 346 - Parks & Rec Department

Finance Priority

Description

Total Project Cost: \$53,000

Replace Parks & Rec Department vehicle unit 346 - currently a Ford 15 passenger van.

Justification

Vehicle is at the end of its useful life.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings	53,000					53,000
Total	53,000					53,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund	53,000					53,000
Total	53,000					53,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Central Garage

Contact Howie Steenberg

Type Equipment

Useful Life 10

Category Licensed Vehicles

Project # CG - 26-331

Project Name Unit 331 - Streets Department

Finance Priority

Description

Total Project Cost: \$330,000

Replace Streets Department vehicle unit 331 - currently a Mack single-axel with plow.

Justification

Vehicle is at the end of its usefule life.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings		330,000				330,000
Total		330,000				330,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund		330,000				330,000
Total		330,000				330,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
 Contact Howie Steenberg
 Type Equipment
 Useful Life 10
 Category Licensed Vehicles

Project # CG - 27-201
 Project Name Unit 201 - Engineering Department

Finance Priority

Description

Total Project Cost: \$40,000

Replace Engineering Department vehicle unit 201 - currently a Dodge Dakota.

Justification

Vehicle is at the end of its useful life.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings			40,000			40,000
Total			40,000			40,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund			40,000			40,000
Total			40,000			40,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
 Contact Howie Steenberg
 Type Equipment
 Useful Life 15
 Category Licensed Vehicles

Project # CG - 27-207
 Project Name Unit 207 - Code Enforcement

Finance Priority

Description

Total Project Cost: \$35,000

Replace Code Enforcement Department vehicle 207 - currently a 2014 Chevrolet Equinox

Justification

Vehicle will be at the end of its useful life

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings			35,000			35,000
Total			35,000			35,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund			35,000			35,000
Total			35,000			35,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
Contact Howie Steenberg
Type Equipment
Useful Life 10
Category Licensed Vehicles

Project # CG - 27-301
Project Name Unit 301 - Building Inspections Department

Finance Priority

Description

Total Project Cost: \$40,000

Replace Buidling Inspections Department vehicle unit 301 - currently a Chevrolet Colorado.

Justification

Vehicle is on a 10 year replacement cycle to reduce maintenance costs and still have resale value.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings			40,000			40,000
Total			40,000			40,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund			40,000			40,000
Total			40,000			40,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
 Contact Howie Steenberg
 Type Equipment
 Useful Life 10
 Category Licensed Vehicles

Project # CG - 27-306
 Project Name Unit 306 - Water Department

Finance Priority

Description

Total Project Cost: \$60,000

Replace Water Department vehicle unit 306 - currently a Ford Transit 150 Cargo Van.

Justification

Vehicle is at the end of its useful life.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings					60,000	60,000
Total					60,000	60,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund					60,000	60,000
Total					60,000	60,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
 Contact Howie Steenberg
 Type Equipment
 Useful Life 10
 Category Licensed Vehicles

Project # CG - 27-328
 Project Name Unit 328 - Parks Department

Finance Priority

Description

Total Project Cost: \$55,000

Replace Parks Department vehicle unit 328 - currently a Ford F-250 4x4 crew cab with lift gate.

Justification

Vehicle is at the end of its useful life.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings			55,000			55,000
Total			55,000			55,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund			55,000			55,000
Total			55,000			55,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
 Contact Howie Steenberg
 Type Equipment
 Useful Life 10
 Category Licensed Vehicles

Project # CG - 27-335
 Project Name Unit 335 - Streets Department

Finance Priority

Description

Total Project Cost: \$330,000

Replace Streets Department vehicle unit 335 - currently a Mack single-axel with plow.

Justification

Plow trucks are on a 10-year cycle to reduce downtime and maintenance costs.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings			330,000			330,000
Total			330,000			330,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund			330,000			330,000
Total			330,000			330,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
 Contact Howie Steenberg
 Type Equipment
 Useful Life 10
 Category Outdoor Equipment

Project # CG - 28-311
 Project Name Unit 311 - Parks Department

Finance Priority

Description

Total Project Cost: \$35,000

Replace Parks Department equipment unit 311 - currently a John Deere MY17 Prognator.

Justification

Equipment is on a 10-yr cycle to reduce maintenance cost.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings				35,000		35,000
Total				35,000		35,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund				35,000		35,000
Total				35,000		35,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
Contact Howie Steenberg
Type Equipment
Useful Life 10
Category Machinery & Tools

Project # CG - 28-314
Project Name Unit 314 - Streets Department

Finance Priority

Total Project Cost: \$47,500

Description

Equipment in Streets Department unit 314 - currently a Caterpillar Asphalt Roller.

Justification

Equipment is on a 10-year replacement schedule.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings				47,500		47,500
Total				47,500		47,500

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund				47,500		47,500
Total				47,500		47,500

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
 Contact Howie Steenberg
 Type Equipment
 Useful Life 10
 Category Licensed Vehicles

Project # CG - 28-319
 Project Name Unit 319 - Streets Department

Finance Priority

Description

Total Project Cost: \$66,300

Replace Streets Department vehicle unit 319 - currently a Ford F-250 4x4 regular cab.

Justification

Vehicle is on a 10-year replacement schedule.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings				66,300		66,300
Total				66,300		66,300

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund				66,300		66,300
Total				66,300		66,300

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Central Garage

Contact Howie Steenberg

Type Equipment

Useful Life 10

Category Licensed Vehicles

Project # CG - 28-320

Project Name Unit 320 - Streets Department

Finance Priority

Description

Total Project Cost: \$66,300

Replace Streets Department vehicle unit 320 - currently a Ford F-250 4x4 extended cab with plow.

Justification

Vehicle is on a 10-yr cycle to reduce maintenance cost and still have resale value.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings				66,300		66,300
Total				66,300		66,300

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund				66,300		66,300
Total				66,300		66,300

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
 Contact Howie Steenberg
 Type Equipment
 Useful Life 10
 Category Licensed Vehicles

Project # CG - 28-325
 Project Name Unit 325 - Parks Department

Finance Priority

Description

Total Project Cost: \$60,800

Replace Parks Department vehicle unit 325 - currently a Ford F-250 4x2 regular cab with utility box.

Justification

Vehicle is on a 10-yr cycle to reduce maintenance cost.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings				60,800		60,800
Total				60,800		60,800

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund				60,800		60,800
Total				60,800		60,800

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Central Garage
Contact Howie Steenberg
Type Equipment
Useful Life 10
Category Licensed Vehicles

Project # CG - 28-329
Project Name Unit 329 - Parks Department

Finance Priority

Description

Total Project Cost: \$71,800

Replce Parks Department vehicle unit 329 - currently a Ford F-350 4x4 with dump box and plow.

Justification

Vehicle is on a 10-yr cycle to reduce maintenance cost and still have resale value.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings				71,800		71,800
Total				71,800		71,800

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund				71,800		71,800
Total				71,800		71,800

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Central Garage

Contact Howie Steenberg

Project # CG - 28-337

Project Name Unit 337 - Streets Department

Type Equipment

Useful Life 10

Category Licensed Vehicles

Finance Priority

Total Project Cost: \$330,000

Description

Replace Streets Department vehicle unit 337 - currently a Mack single-axel with plow.

Justification

Plow trucks are on a 10-yr cycle to reduce downtime and maintenance cost.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings				330,000		330,000
Total				330,000		330,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund				330,000		330,000
Total				330,000		330,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department City Administration

Contact Clara Hilger

Type Equipment

Useful Life 20

Category Computer Equipment & Software

Project # ADM - 22-1

Project Name ERP Replacement-Through LOGIS

Finance Priority

Description

Total Project Cost: \$110,000

LOGIS began searching for a replacement ERP in 2021. This will include the Finance, HR/Payroll and Utility Billing software. The actual assessment from LOGIS for the new ERP will depend on the system selected.

The expectation is that this may be between \$300,000 and \$500,000 for SSP. Actual amounts received August 2022 - reduced amount to \$270,000 for both systems.

Justification

The LOGIS group began using JD Edwards (Finance and HR/Payroll) in 1999. The group has been using CIS (Utility Billing) since 2005. The expectation is that the system selected will accommodate the majority of the needs of the members of the LOGIS group.

Amount reduced in 2023 based on selection of software vendors. Potential implementation in 2025 for Finance and HR/Paroll, 2025 or 2026 for Utility Billing..

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings	110,000					110,000
Total	110,000					110,000

Funding Sources	2025	2026	2027	2028	2029	Total
Water Utility	110,000					110,000
Total	110,000					110,000

Budget Impact/Other

Selection of new software will result in an increase in operating costs of \$30,000 for Finance, HR/PR system for 2023-2027 with 2% increase in years 2028-2032. Operating costs for new Utility Billing software will increase less than \$500 in the first year.

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Doug Woog Arena

Contact John Wilcox

Type Equipment

Useful Life 15

Category Construction/Buildings

Project # DWA - 14-105

Project Name Replace Rooftop HVAC Units 6, 7, 8, 9, 10

Finance Priority

Description

Total Project Cost: \$200,000

Replace five rooftop units above Rink 2 locker rooms (1) in 2024 and above former school area (4) in 2025.

Justification

The four rooftop units (#7, #8, #9 & #10) above the former school area are past their useful life (original from building being built in 1998) and are experiencing a higher than normal rate of mechanical failures and it has become increasingly difficult to find parts to maintain. We are in the process of trying to find a tenant to rent our this space to generate additional revenue so having updated mechanicals would be beneficial to this.

Prior	Expenditures	2025	2026	2027	2028	2029	Total
40,000	Equip/Vehicles/Furnishings	160,000					160,000
Total	Total	160,000					160,000

Prior	Funding Sources	2025	2026	2027	2028	2029	Total
40,000	Tax Levy - Arena	160,000					160,000
Total	Total	160,000					160,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Doug Woog Arena

Contact John Wilcox

Type Improvement

Useful Life 30

Category Construction/Buildings

Project # DWA - 19-11

Project Name Concession Stand Remodel

Finance Priority

Description

Total Project Cost: \$50,000

Remodel concession stand to meet Minnesota Department of Health and ADA regulations.

Justification

The concession stand currently does not meet MDH or ADA regulations. The walls must be a non-permeable material, the storage areas below the counter must be NSF approved and the counter height does not meet ADA requirement.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance		50,000				50,000
Total		50,000				50,000

Funding Sources	2025	2026	2027	2028	2029	Total
Tax Levy - Arena		50,000				50,000
Total		50,000				50,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Doug Woog Arena

Contact John Wilcox

Type Maintenance

Useful Life 15

Category Construction/Buildings

Project # DWA - 19-12

Project Name Replace HVAC Unit #1, 2, 3

Finance Priority

Description

Total Project Cost: \$120,000

Replce HVAC units - #1-Concession and 1st floor Lobby, #2-2nd floor Rink 1, #3-1st floor Lobby Trophy

Justification

Unit is past its useful life (original to when building was built in 1998) and replacement parts are becoming hard to find.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	120,000					120,000
Total	120,000					120,000

Funding Sources	2025	2026	2027	2028	2029	Total
Tax Levy - Arena	120,000					120,000
Total	120,000					120,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Doug Woog Arena
 Contact John Wilcox
 Type Maintenance
 Useful Life 20
 Category Construction/Buildings

Project # DWA - 19-13
 Project Name Rink 2 floor and dasher boards

Finance Priority

Description

Total Project Cost: \$1,650,000

Replace Rink 2 refrigerated flooring and dasher boards

Justification

The current refrigerated floor and dasher boards are 22 years old. The effective useful life of a refrigerated floor is 20-25 years. The refrigerated floor will be more energy efficient and less likely to need costly repairs.

The dasher boards have deteriorated over time due to age and use and it would be most cost effective in replacing boards during floor replacement as it minimizes operational down time and makes the placement of support anchors much easier.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance		1,650,000				1,650,000
Total		1,650,000				1,650,000

Funding Sources	2025	2026	2027	2028	2029	Total
Tax Levy - Arena		1,650,000				1,650,000
Total		1,650,000				1,650,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Doug Woog Arena

Contact John Wilcox

Type Equipment

Useful Life 10

Category Machinery & Tools

Project # DWA - 19-3

Project Name Scissor Lift Replacement

Finance Priority

Description

Total Project Cost: \$32,000

Replace scissor lift - moved to 2023 due to new batteries and a tune up on existing lift

Justification

The scissor lift we currently own has no value it is a 2006 model year. The lift is at a point that it is becoming harder and harder to repair.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings				32,000		32,000
Total				32,000		32,000

Funding Sources	2025	2026	2027	2028	2029	Total
Tax Levy - Arena				32,000		32,000
Total				32,000		32,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Doug Woog Arena

Contact John Wilcox

Type Improvement

Useful Life 25

Category Construction/Buildings

Project # DWA - 19-5

Project Name Replace Drop Ceiling Tiles & Grid

Finance Priority

Description

Total Project Cost: \$35,000

Replace the drop ceiling tiles and grid in the Office, Front Lobby, Main Lobby, Lobby bathrooms and Mezzanine.

Justification

The current tiles and grids are in poor condition. Many areas have both broken track and tiles.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance				35,000		35,000
Total				35,000		35,000

Funding Sources	2025	2026	2027	2028	2029	Total
Tax Levy - Arena				35,000		35,000
Total				35,000		35,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Doug Woog Arena
Contact John Wilcox
Type Improvement
Useful Life 30
Category Construction/Buildings

Project # DWA - 19-8
Project Name Mezzanine-Warm Viewing Area Flooring

Finance Priority

Description

Total Project Cost: \$30,000

Replace flooring in the Mezzanine,wWarm viewing area and lobby entrance.

Justification

Current flooring has a life expectancy of 5-7 years and current flooring material was applied to floors in 2012 and 2014. Areas of flooring has chipped up and exposed cement flooring underneath. Current type of material makes mopping and cleaning difficult and unable to run floor scrubber over it for cleaning as it does not pick up all waste/materials due to texture of the flooring.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	30,000					30,000
Total	30,000					30,000

Funding Sources	2025	2026	2027	2028	2029	Total
Tax Levy - Arena	30,000					30,000
Total	30,000					30,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Doug Woog Arena

Contact John Wilcox

Type Maintenance

Useful Life 25

Category Construction/Buildings

Project # DWA - 20-1

Project Name Woog Arena Sprinkler Fire Suppression System

Finance Priority

Description

Total Project Cost: \$25,000

Replace and Install new sprinkler piping in Woog arena for the Building Fire Suppression system

Justification

Current Sprinkler Piping is starting to produce pin hole leaks. The piping is starting to require a large amount of maintenance and repairs.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance				25,000		25,000
Total				25,000		25,000

Funding Sources	2025	2026	2027	2028	2029	Total
Tax Levy - Arena				25,000		25,000
Total				25,000		25,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Doug Woog Arena

Contact John Wilcox

Type Maintenance

Useful Life 25

Category Construction/Buildings

Project # DWA - 20-2

Project Name Woog Arena Roof Replacement

Finance Priority

Total Project Cost: \$260,000

Description

Replace the tar/gravel flat roof of arena building, which is approximately 44,000 sq ft, that covers Rink 2, first and second floor lobby and school area.

Justification

Roof will reach the end of it's useful life in 2023 (25 years) and and would need to be replaced

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance		260,000				260,000
Total		260,000				260,000

Funding Sources	2025	2026	2027	2028	2029	Total
Tax Levy - Arena		260,000				260,000
Total		260,000				260,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Doug Woog Arena

Contact John Wilcox

Type Maintenance

Useful Life 20

Category Construction/Buildings

Project # DWA - 21-2

Project Name Replace Rink One Floor and Boards

Finance Priority

Description

Total Project Cost: \$1,650,000

Replace the Rink Boards and Floor in rink one

Justification

The rink floor and dasher boards are aging as they were replaced in 2004 and nearing end of useful life. The effective useful life of refrigerated floor is 20-25 years. The new refrigerated floor will be more energy efficient and less likely to need costly repairs.

The dasher boards have deteriorated over time and it would be most cost effective in replacing boards during floor replacement as it minimizes operational down time and makes placement of support anchors much easier.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance			1,650,000			1,650,000
Total			1,650,000			1,650,000

Funding Sources	2025	2026	2027	2028	2029	Total
Tax Levy - Arena			1,650,000			1,650,000
Total			1,650,000			1,650,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Doug Woog Arena

Contact John Wilcox

Type Equipment

Useful Life 12

Category Machinery & Tools

Project # DWA - 23-3

Project Name Zamboni Rink 2 Replacement (WA-1)

Finance Priority

Description

Total Project Cost: \$200,000

Replace Zamboni used on Rink 2

Justification

Zamboni used on Rink 2 was refurbished in 2014, is 25 yrs old (1997) and was set to be replaced with a new Zamboni in 2019. Along with it being 25 years old, it has been experiencing a number of mechanical breakdowns over the past year and is in need of replacement.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings	200,000					200,000
Total	200,000					200,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund	200,000					200,000
Total	200,000					200,000

Budget Impact/Other

Funds have been transferred into the Central Garage to pay for this replacement.

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Doug Woog Arena

Contact John Wilcox

Type Equipment

Useful Life 12

Category Machinery & Tools

Project # DWA - 23-5

Project Name Zamboni Rink 2 Refurbish (WA-2)

Finance Priority

Total Project Cost: \$40,000

Description

Refurbish Rink 1 Zamboni

Justification

Zamboni used on Rink 1 was purchased in 2014 and is 8 years old (2014) and is getting near the end of its useful life. It has experienced a number of mechanical breakdowns over the past year and is in need of body work due to rusting and would be refurbished to extend its useful life.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings	40,000					40,000
Total	40,000					40,000

Funding Sources	2025	2026	2027	2028	2029	Total
Central Garage Fund	40,000					40,000
Total	40,000					40,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Doug Woog Arena

Contact John Wilcox

Type Equipment

Useful Life 20

Category Construction/Buildings

Project # DWA - 24-1

Project Name Dehumidifiers for Rink 1

Finance Priority

Description

Total Project Cost: \$280,000

Add supplemental dehumidification units (2) in Rink 1.

Justification

The current mechanical dehumidifiers (2) are undersized for Rink 1 and do not perform adequately. This is especially true during the summer season as ice has remained in during the summer months due to ice demand. This will also supply fresh air into the building which will be needed due to area being properly sealed for leaks and the addition of sealed sides on roof.

Moved from 2024 to 2025.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings	280,000					280,000
Total	280,000					280,000

Funding Sources	2025	2026	2027	2028	2029	Total
Tax Levy - Arena	280,000					280,000
Total	280,000					280,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Doug Woog Arena

Contact John Wilcox

Type Improvement

Useful Life 20

Category Construction/Buildings

Project # DWA - 27-02

Project Name Low Emissivity Ceiling for Rink 2

Finance Priority

Total Project Cost: \$60,000

Description

Add low emissivity ceiling for Rink 2

Justification

Low emissivity ceilings reduce energy costs by reflecting radiant heat out of the arena, and will also help reduce condensation in the arena.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance			60,000			60,000
Total			60,000			60,000

Funding Sources	2025	2026	2027	2028	2029	Total
Tax Levy - Arena			60,000			60,000
Total			60,000			60,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Engineering
Contact Nick Guilliams
Type Improvement
Useful Life 50
Category Streets/Alleys

Project # ENG - 12-102
Project Name Marie Ave Reconstruction - 3rd Ave to 9th Ave

Finance Priority

Description

Total Project Cost: \$3,300,000

Street and Utility Reconstruction including realignment of Marie Avenue. Pedestrian, bicycle mobility, and safe routes to school enhancements in accordance with the City's adopted Bicycle and Pedestrian Plan. Removal and replacement of existing street lighting system.

Justification

The road has significant deterioration, much of the sidewalk does not meet ADA guidelines, better circulation and visibility is needed for the safe movement of pedestrians, and the roadway corridor does not contain a designated on-road bicycle facility. The current lighting system is beyond its useful life and requires replacement.

Prior	Expenditures	2025	2026	2027	2028	2029	Total
250,000	Planning/Design	50,000					50,000
Total	Construction/Maintenance	3,000,000					3,000,000
	Total	3,050,000					3,050,000

Prior	Funding Sources	2025	2026	2027	2028	2029	Total
250,000	Assessments (Paid by Property Owners)	135,000					135,000
Total	Federal	1,000,000					1,000,000
	Infrastructure Fund	365,000					365,000
	MSA Funds	500,000					500,000
	Sanitary Sewer Utility	50,000					50,000
	Storm Sewer Utility	650,000					650,000
	Water Utility	350,000					350,000
	Total	3,050,000					3,050,000

Budget Impact/Other

A Safe Routes to School Grant in the amount of \$1,000,000 has been awarded to fund the project. Design and construction is dependent on available funding.

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Engineering
Contact Nick Guilliams
Type Maintenance
Useful Life 50
Category Streets/Alleys

Project # ENG - 12-121
Project Name 12th Avenue Reconstruction

Finance Priority

Description

Total Project Cost: \$5,750,000

Street reconstruction and utility replacement along 12th Ave from Marie Ave to Thompson Ave. Road would be designed to facilitate multi-modal elements and speed reduction improvements.

Justification

The existing roadway was built in 1968 and rehabilitated in 1990. The pavement and utilities are beyond their useful life.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design		300,000				300,000
Construction/Maintenance			5,000,000			5,000,000
Other			450,000			450,000
Total		300,000	5,450,000			5,750,000

Funding Sources	2025	2026	2027	2028	2029	Total
Assessments (Paid by Property Owners)			560,000			560,000
Infrastructure Fund		300,000	1,790,000			2,090,000
MSA Funds			1,000,000			1,000,000
Sanitary Sewer Utility			500,000			500,000
Storm Sewer Utility			400,000			400,000
Water Utility			1,200,000			1,200,000
Total		300,000	5,450,000			5,750,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Engineering
Contact Nick Guilliams
Type Improvement
Useful Life 50
Category Streets/Alleys

Project # ENG - 19-1
Project Name Stickney Improvement Project

Finance Priority

Description

Total Project Cost: \$1,705,000

Street reconstruction and utility replacement along Stickney Ave and Evans Avenue from Bircher Ave to Annapolis St.

Justification

The pavement and utilities are beyond their useful life. A comprehensive program to rebuild streets is essential in maintaining a sound infrastructure system.

Prior	Expenditures	2025	2026	2027	2028	2029	Total
85,000	Planning/Design				20,000		20,000
Total	Construction/Maintenance				1,500,000		1,500,000
	Other				100,000		100,000
	Total				1,620,000		1,620,000

Prior	Funding Sources	2025	2026	2027	2028	2029	Total
85,000	Assessments (Paid by Property Owners)				95,000		95,000
Total	Infrastructure Fund				410,000		410,000
	MSA Funds				500,000		500,000
	Sanitary Sewer Utility				100,000		100,000
	Storm Sewer Utility				150,000		150,000
	Water Utility				365,000		365,000
	Total				1,620,000		1,620,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Engineering
 Contact Nick Guiliams
 Type Improvement
 Useful Life 30
 Category Streets/Alleys

Project # ENG - 24-2
 Project Name Warner Avenue Improvements

Finance Priority

Description	Total Project Cost: \$515,000
Reconstruction of Warner Avenue from including watermain replacement, new storm sewer, and sanitary sewer lining.	

Justification
The pavement and utilities are beyond their useful life. A comprehensive program to rebuild streets is essential in maintaining a sound infrastructure system.

Prior	Expenditures	2025	2026	2027	2028	2029	Total
25,000	Planning/Design		15,000				15,000
	Construction/Maintenance			475,000			475,000
Total	Total		15,000	475,000			490,000

Prior	Funding Sources	2025	2026	2027	2028	2029	Total
25,000	Assessments (Paid by Property Owners)			35,000			35,000
	Infrastructure Fund		15,000	240,000			255,000
	Sanitary Sewer Utility			50,000			50,000
	Storm Sewer Utility			100,000			100,000
	Water Utility			50,000			50,000
	Total		15,000	475,000			490,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Engineering
Contact Nick Guilliams
Type Maintenance
Useful Life 30
Category Streets/Alleys

Project # ENG - 25-3
Project Name 4th Street S Pavement Rehabilitation

Finance Priority

Description

Total Project Cost: \$545,500

Full Depth Reclamation of 4th Street South from 9th Street to 2nd Street.

Justification

Rehabilitation of the City's road network is essential for safe travel of residents.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design	10,000					10,000
Construction/Maintenance	500,000					500,000
Other	35,500					35,500
Total	545,500					545,500

Funding Sources	2025	2026	2027	2028	2029	Total
Assessments (Paid by Property Owners)	5,500					5,500
Infrastructure Fund	540,000					540,000
Total	545,500					545,500

Budget Impact/Other

Rehabilitation of streets is a long term maintenance strategy that extends the useful life of City roads.

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Engineering
Contact Nick Guilleams
Type Improvement
Useful Life 50
Category Streets/Alleys

Project # ENG - 25-4
Project Name Verderosa Extension Project

Finance Priority

Description

Total Project Cost: \$3,600,000

Extension of Verderosa Avenue to provide access to the proposed Wakota Crossing Project.

Justification

The development of the Wakota Crossing Project has been identified as a priority project by the EDA. Extension of Verderosa Avenue and utilities is necessary to accommodate the proposed development. Includes paving of compost site and construction of parking lot for community garden.

Prior	Expenditures	2025	2026	2027	2028	2029	Total
300,000	Planning/Design	100,000					100,000
Total	Construction/Maintenance	3,000,000					3,000,000
	Other	200,000					200,000
	Total	3,300,000					3,300,000

Prior	Funding Sources	2025	2026	2027	2028	2029	Total
300,000	Federal	3,000,000					3,000,000
Total	Infrastructure Fund	300,000					300,000
	Total	3,300,000					3,300,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Engineering
Contact Nick Guilleams
Type Maintenance
Useful Life 20
Category Sidewalks & Curbs

Project # ENG - 25-5
Project Name 2025 Sidewalk Repair Program

Finance Priority

Description

Total Project Cost: \$260,000

Repair of uplifted sidewalks throughout the City by grinding.

Justification

A comprehensive sidewalk repair program is vital to the long-term viability of the sidewalk infrastructure. Repairing sidewalks reduces trip/accident claims.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design	10,000					10,000
Construction/Maintenance	250,000					250,000
Total	260,000					260,000

Funding Sources	2025	2026	2027	2028	2029	Total
Infrastructure Fund	260,000					260,000
Total	260,000					260,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Engineering
 Contact Nick Guilliams
 Type Improvement
 Useful Life 100
 Category Collect & Distribute (Water/Se

Project # ENG - 25-6
 Project Name Lead Service Line Replacement Project

Finance Priority

Description

Total Project Cost: \$7,616,000

Removal and replacement of approximately 850 private lead and galvanized water services lines.

Justification

Lead water services have been linked to health related issues. Grant funding is available from the MDH to remove and replace these lines.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design	816,000					816,000
Construction/Maintenance	6,800,000					6,800,000
Total	7,616,000					7,616,000

Funding Sources	2025	2026	2027	2028	2029	Total
State	7,616,000					7,616,000
Total	7,616,000					7,616,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Engineering
Contact Nick Williams
Type Improvement
Useful Life 50
Category Streets/Alleys

Project # ENG - 26-1
Project Name Marie Ave Reconstruction - 9th Ave to 21st Ave

Finance Priority

Description

Total Project Cost: \$6,300,000

Street and Utility Reconstruction including realignment of Marie Avenue. Pedestrian, bicycle mobility, and safe routes to school enhancements in accordance with the City's adopted Bicycle and Pedestrian Plan from 9th Avenue to 21st Avenue. Removal and replacement of existing street lighting system.

Justification

The road has significant deterioration, much of the sidewalk does not meet ADA guidelines, better circulation and visibility is needed for the safe movement of pedestrians, and the roadway corridor does not contain a designated on-road bicycle facility. The current lighting system is beyond its useful life and requires replacement.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design	250,000	50,000				300,000
Construction/Maintenance		5,500,000				5,500,000
Other		500,000				500,000
Total	250,000	6,050,000				6,300,000

Funding Sources	2025	2026	2027	2028	2029	Total
Assessments (Paid by Property Owners)		130,000				130,000
Federal		1,000,000				1,000,000
Infrastructure Fund	250,000	1,295,000				1,545,000
MSA Funds		1,000,000				1,000,000
Sanitary Sewer Utility		500,000				500,000
Storm Sewer Utility		925,000				925,000
Water Utility		1,200,000				1,200,000
Total	250,000	6,050,000				6,300,000

Budget Impact/Other

A Safe Routes to School Grant has been awarded in the amount of \$1,000,000 to fund the project. Design and construction is dependent on available funding.

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Engineering
Contact Nick Guillems
Type Maintenance
Useful Life 20
Category Sidewalks & Curbs

Project # ENG - 26-2
Project Name 2026 Sidewalk Repair Program

Finance Priority

Description

Total Project Cost: \$330,000

Removal and Replacement of uplifted sidewalks throughout the City.

Justification

A comprehensive sidewalk repair program is vital to the long-term viability of the sidewalk infrastructure. Removing and replacing sidewalks reduces trip/accident claims.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design	10,000	10,000				20,000
Construction/Maintenance		300,000				300,000
Other		10,000				10,000
Total	10,000	320,000				330,000

Funding Sources	2025	2026	2027	2028	2029	Total
Infrastructure Fund	10,000	320,000				330,000
Total	10,000	320,000				330,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Engineering
Contact Nick Guillems
Type Maintenance
Useful Life 20
Category Streets/Alleys

Project # ENG - 26-3
Project Name South St Reconstruction 5th St to 7th St

Finance Priority

Description

Total Project Cost: \$800,000

Reconstruction of South Street between 5th and 7th Street including replacement of utilities. Combined project with the City of Inver Grove Heights.

Justification

Rehabilitation of the City's road network is essential for safe travel of residents.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design	20,000	20,000				40,000
Construction/Maintenance		700,000				700,000
Other		60,000				60,000
Total	20,000	780,000				800,000

Funding Sources	2025	2026	2027	2028	2029	Total
Assessments (Paid by Property Owners)		12,000				12,000
Infrastructure Fund	20,000	403,000				423,000
Sanitary Sewer Utility		90,000				90,000
Storm Sewer Utility		135,000				135,000
Water Utility		140,000				140,000
Total	20,000	780,000				800,000

Budget Impact/Other

Rehabilitation of streets is a long-term maintenance strategy that extends the useful life of City roads.

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Engineering
 Contact Nick Guilleams
 Type Improvement
 Useful Life 50
 Category Streets/Alleys

Project # ENG - 27-1
 Project Name Bircher/Willis Area Street Improvements

Finance Priority

Description

Total Project Cost: \$2,600,000

Reconstruction of Bircher and Willis Streets, including watermain replacement.

Justification

The pavement and utilities are beyond their useful life. A comprehensive program to rebuild streets is essential in maintaining a sound infrastructure system.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design			300,000	200,000		500,000
Construction/Maintenance				2,100,000		2,100,000
Total			300,000	2,300,000		2,600,000

Funding Sources	2025	2026	2027	2028	2029	Total
Assessments (Paid by Property Owners)				300,000		300,000
Infrastructure Fund			300,000	750,000		1,050,000
MSA Funds				300,000		300,000
Sanitary Sewer Utility				250,000		250,000
Water Utility				700,000		700,000
Total			300,000	2,300,000		2,600,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Engineering
Contact Nick Guillems
Type Maintenance
Useful Life 20
Category Sidewalks & Curbs

Project # ENG - 27-3
Project Name 2027 Sidewalk Repair Program

Finance Priority

Description

Total Project Cost: \$275,000

Repair of uplifted sidewalks throughout the City.

Justification

A comprehensive sidewalk repair program is vital to the long-term viability of the sidewalk infrastructure. Repairing sidewalks reduces trip/accident claims.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design		15,000				15,000
Construction/Maintenance			250,000			250,000
Other			10,000			10,000
Total		15,000	260,000			275,000

Funding Sources	2025	2026	2027	2028	2029	Total
Infrastructure Fund		15,000	260,000			275,000
Total		15,000	260,000			275,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Engineering
 Contact Nick Guilliams
 Type Improvement
 Useful Life 50
 Category Streets/Alleys

Project # ENG - 28-1
 Project Name 16th and 17th Avenue Improvments

Finance Priority

Total Project Cost: \$3,750,000

Description

Reconstruction of 17th Avenue from Southview to 3rd Street N.
 Reconstruction of 16th Avenue south of Marie.
 Watermain replacement

Justification

The pavement and utilities are beyond their useful life. A comprehensive program to rebuild streets is essential in maintaining a sound infrastructure system.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design				350,000	200,000	550,000
Construction/Maintenance					3,200,000	3,200,000
Total				350,000	3,400,000	3,750,000

Funding Sources	2025	2026	2027	2028	2029	Total
Assessments (Paid by Property Owners)					368,500	368,500
Infrastructure Fund				350,000	1,581,500	1,931,500
MSA Funds					300,000	300,000
Sanitary Sewer Utility					300,000	300,000
Storm Sewer Utility					250,000	250,000
Water Utility					600,000	600,000
Total				350,000	3,400,000	3,750,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Engineering
 Contact Nick Guilliams
 Type Improvement
 Useful Life 50
 Category Streets/Alleys

Project # ENG - 28-3
 Project Name Alley Improvements

Finance Priority

Description

Total Project Cost: \$575,000

Reconstruction of various deteriorated public alleys throughout the City.

Justification

Many public alleys throughout the City are beyond their useful and require rehabilitation.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design			20,000	15,000		35,000
Construction/Maintenance				500,000		500,000
Other				40,000		40,000
Total			20,000	555,000		575,000

Funding Sources	2025	2026	2027	2028	2029	Total
Assessments (Paid by Property Owners)				100,000		100,000
Infrastructure Fund			20,000	455,000		475,000
Total			20,000	555,000		575,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 thru 2029

Department Engineering
Contact Nick Guilleams
Type Maintenance
Useful Life 20
Category Sidewalks & Curbs

Project # ENG - 28-4
Project Name 2028 Sidewalk Repair Program

Finance Priority

Description

Total Project Cost: \$275,000

Repair of uplifted sidewalks throughout the City.

Justification

A comprehensive sidewalk repair program is vital to the long-term viability of the sidewalk infrastructure. Repairing sidewalks reduces trip/accident claims.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design			15,000	10,000		25,000
Construction/Maintenance				250,000		250,000
Total			15,000	260,000		275,000

Funding Sources	2025	2026	2027	2028	2029	Total
Infrastructure Fund			15,000	260,000		275,000
Total			15,000	260,000		275,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Engineering
Contact Nick Guilliams
Type Improvement
Useful Life 20
Category Streets/Alleys

Project # ENG - 29-2
Project Name 2029 Pavement Rehabilitation Project

Finance Priority

Description

Total Project Cost: \$575,000

Full Depth Reclamation/Mill and Overlay of Various Streets throughout the City

Justification

Rehabilitation of the City's road network is essential for safe travel of residents.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design					30,000	30,000
Construction/Maintenance					500,000	500,000
Other					45,000	45,000
Total					575,000	575,000

Funding Sources	2025	2026	2027	2028	2029	Total
Assessments (Paid by Property Owners)					50,000	50,000
Infrastructure Fund					525,000	525,000
Total					575,000	575,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Engineering
Contact Nick Guilleams
Type Maintenance
Useful Life 20
Category Sidewalks & Curbs

Project # ENG - 29-3
Project Name 2029 Sidewalk Repair Program

Finance Priority

Description

Total Project Cost: \$275,000

Repair of uplifted sidewalks throughout the City by grinding.

Justification

A comprehensive sidewalk repair program is vital to the long-term viability of the sidewalk infrastructure. Repairing sidewalks reduces trip/accident claims.

Expenditures	2025	2026	2027	2028	2029	Total
Planning/Design				15,000	10,000	25,000
Construction/Maintenance					250,000	250,000
Total				15,000	260,000	275,000

Funding Sources	2025	2026	2027	2028	2029	Total
Infrastructure Fund				15,000	260,000	275,000
Total				15,000	260,000	275,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Information Technology

Contact Ian Hardie

Type Improvement

Useful Life 30

Category Computer Equipment & Software

Project # IT - 13-103

Project Name Fiber Network Project

Finance Priority

Total Project Cost: \$623,220

Description

Fiber agreement with Dakota County providing connections between City facilities. This is the backbone of the City's fiber optic network. This network is securely connects City facilities with City Hall and it's resources.

Justification

This agreement provides stable, reliable network connections between facilities.

Prior	Expenditures	2025	2026	2027	2028	2029	Total	Future
323,420	Construction/Maintenance	29,980	29,980	29,980	29,980	29,980	149,900	149,900
Total	Total	29,980	29,980	29,980	29,980	29,980	149,900	Total

Prior	Funding Sources	2025	2026	2027	2028	2029	Total	Future
323,420	Capital Program Funds	29,980	29,980	29,980	29,980	29,980	149,900	149,900
Total	Total	29,980	29,980	29,980	29,980	29,980	149,900	Total

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Information Technology

Contact Ian Hardie

Type Improvement

Useful Life 30

Category Computer Equipment & Software

Project # IT - 19-1

Project Name Fiber Optic Cable Infrastructure

Finance Priority

Description

Total Project Cost: \$1,350,000

This is an ongoing list of projects that will eventually connect most of the city's water infrastructure and parks facilities to the city's fiber optic cable network.

Justification

By maintaining city owned fiber between our water utility equipment staff can provide faster, more secure and reliable water management as well as adding security and a public benefit to city parks.

Prior	Expenditures	2025	2026	2027	2028	2029	Total
850,000	Construction/Maintenance		250,000		250,000		500,000
Total	Total		250,000		250,000		500,000

Prior	Funding Sources	2025	2026	2027	2028	2029	Total
850,000	Capital Program Funds		250,000		250,000		500,000
Total	Total		250,000		250,000		500,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 thru 2029

Department Park & Recreation
Contact Shannon Young
Type Equipment
Useful Life 30
Category Outdoor Equipment

Project #PR - 08-100

Project NameMcGuire Field Bleacher Replacement

Finance Priority

Description

Total Project Cost: \$35,000

Replacement of existing bleachers behind the backstop at McGuire Field.

Justification

The current bleachers at McGuire Field are over 20 years old. Updated structures are periodically needed due to safety and durability.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings			35,000			35,000
Total			35,000			35,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds			35,000			35,000
Total			35,000			35,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Park & Recreation

Contact Shannon Young

Type Improvement

Useful Life

Category Grounds & Maintenance

Project # PR - 16-1

Project Name Lorraine Hockey Rink Upgrades

Finance Priority

Description

Total Project Cost: \$200,000

The current hockey rink boards are in need of replacement as well as some asphalt repairs. Replace standard wood hockey boards and post with plastic / composite boards and new posts. Add concrete surface.

Justification

Existing hockey rink boards & posts are nearing the end of there useful life and are in need of replacing. Replace grass surface with concrete.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance				200,000		200,000
Total				200,000		200,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds				200,000		200,000
Total				200,000		200,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Park & Recreation

Contact Shannon Young

Type Equipment

Useful Life 20

Category Outdoor Equipment

Project # PR - 18-10

Project Name Harmon Park Play Structure Replacement

Finance Priority

Description

Total Project Cost: \$150,000

Replacement of existing play structure at Harmon Park.

Justification

The 2005 Master Plan recommended replacements and improvements to existing play structures in city parks. The useful life of a play structure is 18-20 years, the structure at Harmon Park is approaching 30 years old and in need of replacement.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance			150,000			150,000
Total			150,000			150,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds			150,000			150,000
Total			150,000			150,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Park & Recreation

Contact Shannon Young

Project # PR - 18-6

Project Name Summit Play Structure Replace

Type Equipment

Useful Life 20

Category Outdoor Equipment

Finance Priority

Description

Total Project Cost: \$150,000

Replacement of existing play structure at Summit Park.

Justification

The 2005 Master Plan recommended replacements and improvements to existing play structures in city parks. The useful life of a play structure is 18-20 years, the structures at Summit Park are approaching 30 years old and in need of replacement.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	150,000					150,000
Total	150,000					150,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds	150,000					150,000
Total	150,000					150,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Park & Recreation

Contact Shannon Young

Project # PR - 18-7

Project Name Lorraine Park Play Structure Replacement

Type Equipment

Useful Life 20

Category Outdoor Equipment

Finance Priority

Description

Total Project Cost: \$300,000

Replacement of existing play structure at Lorraine Park.

Justification

The 2005 Master Plan recommended replacements and improvements to existing play structures in city parks. The useful life of a play structure is 18-20 years, the structure at Lorraine Park is approaching 30 years old and in need of replacement.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	300,000					300,000
Total	300,000					300,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds	300,000					300,000
Total	300,000					300,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Park & Recreation

Contact Shannon Young

Type Equipment

Useful Life 20

Category Outdoor Equipment

Project # PR - 18-8

Project Name Kaposia Park Play Structure Replacement

Finance Priority

Description

Total Project Cost: \$175,000

Replacement of existing play structure at Kaposia Park.

Justification

The 2005 Master Plan recommended replacements and improvements to existing play structures in city parks. The useful life of a play structure is 18-20 years, the structure at Kaposia Park is approaching 30 years old and in need of replacement.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	175,000					175,000
Total	175,000					175,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds	175,000					175,000
Total	175,000					175,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Park & Recreation
 Contact Shannon Young
 Type Improvement
 Useful Life 30
 Category Grounds & Maintenance

Project # PR - 21- 10
 Project Name Splash Pool Improvements

Finance Priority

Description

Total Project Cost: \$200,000

Replace water features at the splash pad.

Justification

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance			200,000			200,000
Total			200,000			200,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds			200,000			200,000
Total			200,000			200,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Park & Recreation

Contact Shannon Young

Type Improvement

Useful Life 30

Category Land Improvements

Project # PR - 21 11

Project Name Northview Pool Replacement

Finance Priority

Total Project Cost: \$5,500,000

Description

Replace existing pool.

Justification

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance		5,500,000				5,500,000
Total		5,500,000				5,500,000

Funding Sources	2025	2026	2027	2028	2029	Total
Bond Referendum		5,500,000				5,500,000
Total		5,500,000				5,500,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Park & Recreation
 Contact Howie Steenberg
 Type Maintenance
 Useful Life 15
 Category Construction/Buildings

Project # PR - 22-05
 Project Name Kaposia Park Building Restoration

Finance Priority

Description

Total Project Cost: \$100,000

Restoration of the building at Kaposia Park to current building standards.

Justification

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	100,000					100,000
Total	100,000					100,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds	100,000					100,000
Total	100,000					100,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Park & Recreation

Contact Shannon Young

Type Equipment

Useful Life 20

Category Outdoor Equipment

Project # PR - 25-1

Project Name Grandview Park Playground Replacement

Finance Priority

Description

Total Project Cost: \$150,000

Replacement of existing play structure at Grandview Park.

Justification

The structure at Grandview Park I sapproaching 30 years old and in need of replacement.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	150,000					150,000
Total	150,000					150,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds	150,000					150,000
Total	150,000					150,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Park & Recreation

Contact Shannon Young

Type Improvement

Useful Life 20

Category Land Improvements

Project # PR - 25-2

Project Name Kaposia Park Parking Lot Mill & Overlay

Finance Priority

Total Project Cost: \$75,000

Description

Kaposia Park Parking Lot Mill & Overlay.

Justification

The Kaposia Park Parking lot is in need of a Mill & Overlay, Current parking lot is deteriorating and in need of repairs.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	75,000					75,000
Total	75,000					75,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds	75,000					75,000
Total	75,000					75,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Park & Recreation
 Contact Shannon Young
 Type Maintenance
 Useful Life 15
 Category Grounds & Maintenance

Project # PR - 25-3
 Project Name Summit Park Tennis Court

Finance Priority

Description

Total Project Cost: \$15,450

Resurface tennis court at Summit Park.

Justification

Summit Park tennis courts are in need of resurfacing in order to preserve the life of the pavement.

(USTA Northern Grant - \$7,725)

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance	15,450					15,450
Total	15,450					15,450

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds	7,725					7,725
Other Grants	7,725					7,725
Total	15,450					15,450

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Park & Recreation

Contact Shannon Young

Type Equipment

Useful Life 20

Category Outdoor Equipment

Project # PR - 26-1

Project Name Spruce Park Playground Replacement

Finance Priority

Total Project Cost: \$125,000

Description

Spruce Park Playground Replacement.

Justification

The structure at Spruce Park is nearing 30 years and in need of replacement.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance		125,000				125,000
Total		125,000				125,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds		125,000				125,000
Total		125,000				125,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Park & Recreation
 Contact Howie Steenberg
 Type Maintenance
 Useful Life 5
 Category Grounds & Maintenance

Project # PR - 26-101
 Project Name Ball field Rehabilitation

Finance Priority

Description

Total Project Cost: \$35,000

Rehabilitation of ball fields, add additional Ag lime, grade and correct drainage.

Justification

Bring the ball field up to standard for facilitated usage. Many ball fields through out the city are in need of corrective maintenance such as poorly draining fields, the addition of Ag lime and grading work to insure the safety and usability for residents.

McGuire field scheduled for 2026.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance		35,000				35,000
Total		35,000				35,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds		35,000				35,000
Total		35,000				35,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Park & Recreation

Contact Shannon Young

Type Equipment

Useful Life 20

Category Outdoor Equipment

Project # PR - 26-2

Project Name Jefferson Park Playground Replacement

Finance Priority

Description

Total Project Cost: \$125,000

Jefferson Park Playground Replacement.

Justification

The structure at Jefferson Park is nearing 30 years and in need of replacement.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance		125,000				125,000
Total		125,000				125,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds		125,000				125,000
Total		125,000				125,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Park & Recreation

Contact Shannon Young

Type Equipment

Useful Life 20

Category Outdoor Equipment

Project # PR - 27-1

Project Name Northview Playground Replacement

Finance Priority

Description

Total Project Cost: \$250,000

Northview Playground Replacement.

Justification

The structure at Northview Park is nearing 20 years and in need of replacement.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance			250,000			250,000
Total			250,000			250,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds			250,000			250,000
Total			250,000			250,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Park & Recreation

Contact Shannon Young

Type Equipment

Useful Life 20

Category Outdoor Equipment

Project # PR - 27-2

Project Name Veterans Field Playground Replacement

Finance Priority

Description

Total Project Cost: \$200,000

Veterans Field Playground Replacement.

Justification

The structure at Veterans Field Park is nearing 30 years and in need of replacement.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance			200,000			200,000
Total			200,000			200,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds			200,000			200,000
Total			200,000			200,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Police Protection
Contact Brian Wicke
Type Improvement
Useful Life 25
Category Construction/Buildings

Project # POL -20-1
Project Name Police Storage Building Loft

Finance Priority

Total Project Cost: \$25,000

Description

Add a storage loft to the Police Storage Building.

Justification

Adding a storage loft will maximize the space in the building allowing smaller items to be stored above and larger item below. The associated costs are for materials only as Public Works or Police staff will build the structure.

Expenditures	2025	2026	2027	2028	2029	Total
Construction/Maintenance		25,000				25,000
Total		25,000				25,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds		25,000				25,000
Total		25,000				25,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Police Protection
Contact Brian Wicke
Type Equipment
Useful Life
Category Police & Fire Equipment

Project # POL -22-1
Project Name Thermal Imaging-Handheld

Finance Priority

Description

Total Project Cost: \$40,000

Replace the existing handheld Thermal Imaging units in all police patrol units.

Justification

Thermal Imaging units are used to scan areas for suspects, locate victims, identify suspect vehicles and locate property/evidence using the "heat signature" to help locate persons or objects which cannot be seen by the naked eye. The handheld units are very portable and can be easily carried in an officers pocket. The portability of these units allows for use inside buildings, wooded areas, and in areas not accessible by vehicle. The current handheld Thermal Imaging units were purchased in 2014 and will be at the end of their useful life at the time of replacement.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings		20,000	20,000			40,000
Total		20,000	20,000			40,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds		20,000	20,000			40,000
Total		20,000	20,000			40,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Police Protection

Contact Brian Wicke

Type Equipment

Useful Life

Category Police & Fire Equipment

Project # POL -22-10

Project Name Outdoor Weather Warning Sirens

Finance Priority

Description

Total Project Cost: \$150,000

Replace one of the five (5) Outdoor Weather Sirens. The location will be based on the need at the time. Funds will only be used if there is a catastrophic failure of a siren.

Justification

The City of South St. Paul has five (5) Outdoor Weather Warning Sirens. The Alice Court siren was replaced in 2019, but the other four locations (City Hall, Kaposia Park, 17th Avenue North/3rd Street North and Warburton Street/1st Avenue South) have been operating for decades without replacement. In the last several years, some of the siren locations have been very unreliable, often failing and needing costly repairs. By beginning a replacement schedule now, the City will avoid costly repair and have a system of reliable Outdoor Weather Sirens.

Prior	Expenditures	2025	2026	2027	2028	2029	Total
50,000	Equip/Vehicles/Furnishings	25,000	25,000	25,000	25,000		100,000
Total	Total	25,000	25,000	25,000	25,000		100,000

Prior	Funding Sources	2025	2026	2027	2028	2029	Total
50,000	Capital Program Funds	25,000	25,000	25,000	25,000		100,000
Total	Total	25,000	25,000	25,000	25,000		100,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Police Protection
 Contact Brian Wicke
 Type Equipment
 Useful Life
 Category Police & Fire Equipment

Project # POL -22-2
 Project Name Thermal Imaging-Squad Mounted

Finance Priority

Description

Total Project Cost: \$60,000

Replace the existing squad spotlight mounted Thermal Imaging units in all police patrol units.

Justification

Thermal Imaging units are used to scan areas for suspects, locate victims, identify suspect vehicles and locate property/evidence using the "heat signature" to help locate persons or objects which cannot be seen by the naked eye. The squad spotlight mounted units can be viewed using the laptop computer in the squad and are valuable in patrolling alley and businesses to identify suspect hiding and lurking in the area. The exterior mounting of these units is important as Thermal Imaging will not work through glass, so using the handheld units is not ideal for general patrol use. The current squad spotlight mounted Thermal Imaging units were purchased starting in 2014 and will be at the end of their useful life at the time of replacement. The replacement of these units will be done during squad replacement change over to save on costs. (2027- 2030 replacement)

Expenditures	2025	2026	2027	2028	2029	Total	Future
Equip/Vehicles/Furnishings			15,000	15,000	15,000	45,000	15,000
Total			15,000	15,000	15,000	45,000	Total
Funding Sources	2025	2026	2027	2028	2029	Total	Future
Capital Program Funds			15,000	15,000	15,000	45,000	15,000
Total			15,000	15,000	15,000	45,000	Total

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Police Protection
Contact Brian Wicke
Type Equipment
Useful Life
Category Police & Fire Equipment

Project # POL -22-4
Project Name Handguns

Finance Priority

Description

Total Project Cost: \$30,000

Purchase new Department Issued Handguns which were last purchased in 2016

Justification

Since 1995, the Police Department has been issuing Department owned handguns. There are many benefits to this procedure, including simplification and standardization of training, ability to provide replacement weapons/parts when a repair is needed and the ability to share handgun magazines with other officers in critical incidents. The current handguns were purchased in 2016 and will be at the end of their useful life. The total project cost includes proceeds from the sale of the old firearms and the cost of new holsters.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings		30,000				30,000
Total		30,000				30,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds		30,000				30,000
Total		30,000				30,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Police Protection
 Contact Brian Wicke
 Type Equipment
 Useful Life
 Category Police & Fire Equipment

Project # POL -22-5
 Project Name Rifles

Finance Priority

Description

Total Project Cost: \$50,000

Replace the Police Department Rifles.

Justification

Most of the current Patrol Rifles in our marked squad cars would be best described as "Frankensteined". In the late 1990's we received several Vietnam era surplus rifles from the US Military. Over the years, we replaced various parts on those weapons to make them more usable as a modern police patrol rifles. This included the replacement of the upper receiver/barrel assembly including the addition of a quad rail for mounting accessories (digital sights and lights). The replacement of stock/buffer tube assembly with a adjustable stock which provided a better fit for all officers. And finally the replacement of the lower receiver/trigger assembly allowing us to return the surplus rifles to the military in 2015. At the time of replacement these rifles will be well past their useful life and need of replacement. (2028 Project)

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings				50,000		50,000
Total				50,000		50,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds				50,000		50,000
Total				50,000		50,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Police Protection
 Contact Brian Wicke
 Type Equipment
 Useful Life
 Category Police & Fire Equipment

Project # POL -22-6
 Project Name Less Lethal - 40MM Launchers

Finance Priority

Total Project Cost: \$30,000

Description

Replace the existing 40MM Less Lethal Launchers.

Justification

(2028 Replacement)

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings				30,000		30,000
Total				30,000		30,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds				30,000		30,000
Total				30,000		30,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Police Protection
Contact Brian Wicke
Type Equipment
Useful Life
Category Police & Fire Equipment

Project # POL -22-7
Project Name Digital Speed Signs

Finance Priority

Description

Total Project Cost: \$50,000

Replace the existing Digital Speed Limit Signs originally purchased in 2020.

Justification

Digital Speed Limit Signs are traffic calming devices designed to slow speeders down by alerting them of their speed. Currently the Police Department has five (5) battery powered / movable signs at their disposal. Digital Speed Limit signs have been very effective at slowing speeding drivers down and can be moved very quickly to address community concerns and placed on roadways impacted by detours from road construction projects.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings		25,000	25,000			50,000
Total		25,000	25,000			50,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds		25,000	25,000			50,000
Total		25,000	25,000			50,000

Budget Impact/Other

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Police Protection

Contact Brian Wicke

Type Equipment

Useful Life 5

Category Police & Fire Equipment

Project # POL -23-3

Project Name AXON Body Worn and Squad Cameras

Finance Priority

Description

Total Project Cost: \$440,000

Purchase AXON Body Worn and Squad Cameras

Justification

The South St. Paul Police Department has deployed and utilized squad mounted video recorders since the early 2000's and body worn cameras since 2019. Our entrance into body worn cameras was done through the lens of least expensive at the time while affording the technology market to stabilize before committing on a path for the future. AXON has proven to be the leading technology in this area and investment with them will lead to a reduction in support staff internally, while realizing efficiencies elsewhere in the system (prosecution services, internal Laserfische savings, etc).

Prior	Expenditures	2025	2026	2027	2028	2029	Total
170,000	Equip/Vehicles/Furnishings	90,000	90,000	90,000			270,000
Total	Total	90,000	90,000	90,000			270,000

Prior	Funding Sources	2025	2026	2027	2028	2029	Total
170,000	Capital Program Funds	90,000	90,000	90,000			270,000
Total	Total	90,000	90,000	90,000			270,000

Budget Impact/Other

Capital Improvement Plan
City of South St. Paul, Minnesota

2025 *thru* 2029

Department Police Protection
Contact Brian Wicke
Type Equipment
Useful Life 5
Category Police & Fire Equipment

Project # POL -23-4
Project Name Taser Replacement

Finance Priority

Description

Total Project Cost: \$50,000

Purchase Taser 7, cartridges, and weapon holsters from Axon

Justification

The department implemented Taser in 2004 and it has proven to be one of the most valuable tools in our industry in supporting a reduction in protracted hand to hand combat, officer injuries and offender injuries. As Taser has evolved over the years, the department has been able to implement the newer models while supporting the older as the cartridge utilized in all platforms remained unchanged. Taser has created and released the Taser 7 which replaces all previous models and fires a different cartridge, thus eliminating the interoperability we possessed as we upgraded. The department has refrained from upgrading to the new platform for a few years due to this conflict and our older devices are no longer supported.

Once implemented, the department will be able to resume its annual replacement cycle outside of the CIP until such time as Taser again evolves and changes their platform / cartridges.

Expenditures	2025	2026	2027	2028	2029	Total
Equip/Vehicles/Furnishings				50,000		50,000
Total				50,000		50,000

Funding Sources	2025	2026	2027	2028	2029	Total
Capital Program Funds				50,000		50,000
Total				50,000		50,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Water & Sewer
 Contact Nick Guilleams
 Type Improvement
 Useful Life 25
 Category Collect & Distribute (Water/Se

Project # WS - 22-01
 Project Name Hydrant replacement

Finance Priority

Total Project Cost: \$1,500,000

Description

Replace hydrants that are not operational.

Justification

Hydrants are required for fire protection and maintenance of the system (flushing).

Prior	Expenditures	2025	2026	2027	2028	2029	Total	Future
500,000	Construction/Maintenance	125,000	125,000	125,000	125,000	125,000	625,000	375,000
Total	Total	125,000	125,000	125,000	125,000	125,000	625,000	Total

Prior	Funding Sources	2025	2026	2027	2028	2029	Total	Future
500,000	Water Utility	125,000	125,000	125,000	125,000	125,000	625,000	375,000
Total	Total	125,000	125,000	125,000	125,000	125,000	625,000	Total

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Water & Sewer
 Contact Nick Guilleams
 Type Maintenance
 Useful Life 40
 Category Collect & Distribute (Water/Se

Project # WS - 08-138
 Project Name Relining of Sanitary Sewers as Part of I/I

Finance Priority 2

Total Project Cost: \$4,545,960

Description

Cured in place pipe (CIPP) lining of approximately 1 mile of sanitary sewer each year.

Justification

The City sanitary sewer system has areas of infiltration along with cracks and deteriorated joints in the 87 miles of aging sewer pipes. The lining of the sanitary sewer can result in a significant reduction in Inflow and Infiltration (I/I), which reduces MCEs treatment costs. Additionally, it can preserve the life of the pipe system and significantly reduce the maintenance costs for cleaning out root intrusions in the main line sanitary sewer.

Prior	Expenditures	2025	2026	2027	2028	2029	Total
3,075,960	Planning/Design		35,000		35,000		70,000
	Construction/Maintenance		700,000		700,000		1,400,000
Total	Total		735,000		735,000		1,470,000

Prior	Funding Sources	2025	2026	2027	2028	2029	Total
2,725,960	Sanitary Sewer Utility		735,000		735,000		1,470,000
Total	Total		735,000		735,000		1,470,000

Budget Impact/Other

The Met Council does have a grant program for reduction of Inflow/infiltration but grant funds are not always available.

Capital Improvement Plan

2025 *thru* 2029

City of South St. Paul, Minnesota

Department Water & Sewer

Contact Nick Guilliams

Type Equipment

Useful Life 20

Category Collect & Distribute (Water/Se

Project # WS - 12-96

Project Name Chlorination Equipment at 4 Wells

Finance Priority 2

Total Project Cost: \$2,540,000

Description

Add Chlorination Equipment at Wells #1,3,4 and 8. New MDH rules require significant building modifications is chlorination equipment is installed.

Justification

EPA and Department of Health will likely be mandating chlorination of the City's system on a permanent basis. There are only a few cities of our size without permanent chlorination.

Prior	Expenditures	2025	2026	2027	2028	2029	Total
140,000	Equip/Vehicles/Furnishings			1,200,000	1,200,000		2,400,000
Total	Total			1,200,000	1,200,000		2,400,000

Prior	Funding Sources	2025	2026	2027	2028	2029	Total
140,000	Water Utility			1,200,000	1,200,000		2,400,000
Total	Total			1,200,000	1,200,000		2,400,000

Budget Impact/Other

Capital Improvement Plan

City of South St. Paul, Minnesota

2025 *thru* 2029

Department Water & Sewer

Contact Nick Guilliams

Type Improvement

Useful Life 50

Category Construction/Buildings

Project # WS - 21-1
Project Name Water Treatment Plant

Finance Priority

Total Project Cost: \$8,594,000

Description

Design and construct a pressure water treatment plant for removal of radium at Well #3.

Justification

Well #3 has a maximum capacity of nearly 1,800 gpm and serves as a back-up for the City's primary source of water (Well #4). It is also used to provide peaking capacity in the higher demand summer months. Treatment is necessary due to radium levels which exceed the acceptable range determined by the MN Department of Health.

Prior	Expenditures	2025	2026	2027	2028	2029	Total
7,500,000	Construction/Maintenance	1,094,000					1,094,000
Total	Total	1,094,000					1,094,000

Prior	Funding Sources	2025	2026	2027	2028	2029	Total
7,500,000	State	1,094,000					1,094,000
Total	Total	1,094,000					1,094,000

Budget Impact/Other

Funding will be a low interest loan from MPFA to be repaid over 20 years.



City of South St. Paul

2025 Fee Schedule

Fees are effective January 1, 2025
Worksession Discussion November 25, 2024

Table of Contents

	Page
Changes Only Summarized	1
City Clerk	
Alcohol Licenses and Permits	6
Animal Licenses	6
Business Licenses	6
Election Fees	7
Compost Site Fees.....	7
Planning and Zoning – Permits, Fees, Escrows	8
City Wide Administrative Fees	8
Building Permits and Inspections	
Building Permits	9
Mechanical Permits.....	10
Miscellaneous Permits	10
Plumbing & Water/Sewer Permits.....	11
Buildings Official Inspection Fees	11
Time of Sale Fees	11
Code Enforcement	11
Electrical Permits	11
Engineering Permits and Fees	
Right of Way permits.....	12
Erosion Control Inspections	12
Miscellaneous permits.....	12
Cell Tower Antenna Escrow.....	12
Police Department Charges.....	13
Administrative Penalty per City Code	13
Parks and Recreation Charges	
Off-Leash Dog Area	14
Field and League Program Rental Fees	14
Outdoor Swimming Pool Fees	14
Facility Rentals.....	14
Community Gardens	15
Programs and Trips.....	15
Youth Athletic Association Park Fees	15
Disc Golf Fees.....	15
Memorial Program.....	15
Doug Woog Arena Fees and Charges.....	16
Utility Rates	
Water and Sewer	17
Storm Water	18
Street Lights	19
Other Water/Sewer and Delinquent Charges	19
Airport – Fleming Field Fees and Charges	20

FEES REMOVED FROM THE SCHEDULE FOR 2025

Engineering Permits and Fees		2025	2024
Miscellaneous Permit			
Special Assessment Search Fee	REMOVED		\$35.00
As-built Search Fee	REMOVED		\$80.00
Parks and Recreation		2025	2024
Fields & League Program Rental Fees			
Non-Resident adult softball player fee per team	REMOVED		\$30.00/player - \$210 maximum
Memorial Program			
Ground stake and 6" X 4" plaque	REMOVED		\$100.00

NEW FEES ADDED TO THE SCHEDULE FOR 2025

City Clerk Licenses, Permits and Fees	
Alcohol Licenses and Permits	
Cannabis	
Retail Cannabis – 1 License City Wide	\$500.00 first year, \$1,000.00 renewal
License Applicant Investigative Fee (Single)	\$100.00
License Applicant Investigative Fee (Partnership)	\$200.00
License Applicant Investigative Fee (Corporation)	\$300.00

FEES UPDATED FOR 2025

City Clerk Licenses, Permits and Fees	2025	2024
<u>Alcohol Licenses and Permits</u>		
Liquor		
Off Sale, On Sale, and Club On Sale Liquor Licenses were updated to reflect which ones require an additional fee for Sunday Liquor licensing.		
<u>Business Licenses</u>		
Housing Evaluator		\$60.00
Rental & TOS	\$200.00	
TOS Only	\$100.00	
Rental Housing		
Single Family Dwelling	\$100.00	\$50.00
Duplex	\$125.00	\$100.00
Residential Parking Permit	TBD	No Fee

Building Permits and Inspections	2025	2024
<u>Building Official Inspection Fees</u>		
Inspection outside normal business hours – minimum charge 4 hours 2 hours	\$80.00 per hour	\$63.25 per hour
Reinspection fee or special request for inspection	\$80.00 per hour	\$63.25 per hour
Additional plan review required by changes, additions or revisions to plans	\$80.00 per hour	\$63.25 per hour
<u>Code Enforcement</u>		
Reinspection Fee	\$50.00 first reinspection \$100.00 each additional reinspection	\$50.00

Engineering Permits and Fees	2025	2024
<u>Miscellaneous Permit</u>		
Grading/Filling/Land alteration escrow	\$3,000.00 minimum; \$3,000.00/acre or portion of acre	\$3,000.00/acre
Special Signage Request (i.e., Handicap signage)	\$300.00	\$150.00
Cell Tower Antenna Escrow	\$15,000.00	\$10,000.00

Parks & Recreation	2025	2024
<u>Facility Rentals (prices DO NOT include tax)</u>		
Kaposia Park Pavilion (Fri-Sun: 3 hr. min.)	\$100.00/hour resident \$120.00/hour non-resident	\$80.00/hour resident \$100.00/hour non-resident

Doug Woog Arena	2025	2024
<u>Ice Time</u>		
Prime Time (M-F 2:00PM-9:40PM, S-S 7:00AM-9:00PM)		
January 1 – March 31	\$235.00/hour + tax	\$230.00/hour + tax
October 1 – December 31	\$240.00/hour + tax	\$235.00/hour + tax

Utility Rates		2025	2024
Water Rates			
Residential Water Rates			
Fixed Charge		\$19.47 per quarter	\$17.70 per quarter
0 – 7000 gallons in a quarter		\$4.00 per 1,000 gallons	\$3.46 per 1,000 gallons
7,001 – 16,000 gallons in a quarter		\$4.83 per 1,000 gallons	\$4.12 per 1,000 gallons
Over 16,000 gallons in a quarter		\$6.87 per 1,000 gallons	\$5.77 per 1,000 gallons
Commercial Water Rates			
Fixed Charge		\$19.47 per quarter	\$17.70 per quarter
0 – 60,000 gallons in a quarter		\$4.00 per 1,000 gallons	\$3.46 per 1,000 gallons
60,001 – 325,000 gallons in a quarter		\$4.83 per 1,000 gallons	\$4.12 per 1,000 gallons
Over 325,000 gallons in a quarter		\$6.87 per 1,000 gallons	\$5.77 per 1,000 gallons
Multi-Family			
Fixed Charge		\$19.47 per dwelling unit per quarter	\$17.70 per dwelling unit per quarter
0 – 7000 gallons per unit per quarter		\$4.00 per 1,000 gallons	\$3.46 per 1,000 gallons
7,001 – 16,000 gallons per unit per quarter		\$4.83 per 1,000 gallons	\$4.12 per 1,000 gallons
Over 16,000 gallons per unit per quarter		\$6.87 per 1,000 gallons	\$5.77 per 1,000 gallons
High Volume Water Rates			
Fixed Charge		\$6.49 per month	\$5.90 per month
0 – 5,000,000 gallons in a month		\$4.00 per 1,000 gallons	\$3.41 per 1,000 gallons
5,000,001 – 10,000,000 gallons in a month		\$4.34 per 1,000 gallons	\$3.69 per 1,000 gallons
10,000,001 – 20,000,000 gallons in a month		\$4.72 per 1,000 gallons	\$4.00 per 1,000 gallons
Over 20,000,000 gallons in a month		\$5.07 per 1,000 gallons	\$4.29 per 1,000 gallons
Irrigation Water Rates			
All Usage		\$6.87 per 1,000 gallons	\$5.77 per 1,000 gallons
Water Rates for those properties on City of St. Paul Water*:			
Meter Fee/Fixed Charge		\$29.22 per quarter	\$28.53 per quarter
Residential Water Rates:			
Winter Water rate-March & June billings		\$7.03 per 1,000 gallons	\$6.42 per 1,000 gallons
Summer Water rate-September & December billings		\$7.25 per 1,000 gallons	\$6.63 per 1,000 gallons
* These rates will be based on the 2025 proposed rates from the City of St. Paul when they are released.			
Sewer Rates			
Residential Sewer Rates **			
Fixed Charge		\$17.38 per quarter	\$16.40 per quarter
Consumption Charge		\$8.24 per 1,000 gallons	\$7.77 per 1,000 gallons
Multi-Family Sewer Rates			
Fixed Charge		\$17.38 per dwelling unit per quarter	\$16.40 per dwelling unit per quarter
Consumption Charge		\$8.24 per 1,000 gallons	\$7.77 per 1,000 gallons
Commercial Sewer Rates			
Fixed Charge		\$17.38 per quarter	\$16.40 per quarter
Consumption Charge		\$8.24 per 1,000 gallons	\$7.77 per 1,000 gallons
High Volume Sewer Rates			
Fixed Charge		\$5.80 per month	\$5.47 per month
Consumption Charge		\$7.48 per 1,000 gallons	\$7.06 per 1,000 gallons
Non-Water Properties Sewer Rates			
Flat Rate		\$140.98 per quarter	\$132.95 per quarter
** Sewer set on winter quarter for residential & churches. Minimum usage/quarter is 4,000 gallons, except during winter quarter period ending in February, March or April.			

Utility Rates		2025	2024
Discounted Utility Rates			
Discounted Water Rates			
Fixed Charge		\$19.47 per quarter	\$17.70 per quarter
0 - 6000 gallons		\$2.38 per 1,000 gallons	\$2.11 per quarter
6,001 - 15,000 gallons		\$2.79 per 1,000 gallons	\$2.44 per quarter
Over 15,000 gallons		\$3.81 per 1,000 gallons	\$3.26 per quarter
Discounted Sewer Rates **			
Fixed Charge		\$17.38 per quarter	\$16.40 per quarter
Consumption Charge		\$6.18 per 1,000 gallons	\$5.96 per 1,000 gallons
** Sewer set on winter quarter for residential & churches. Minimum usage/quarter is 4,000 gallons, except during winter quarter period ending in February, March or April.			
Meter Charge	Quarterly Service Charge		
5/8" with integrated radio	\$8.80		\$8.00
3/4" with integrated radio	\$8.80		\$8.00
1" with integrated radio	\$14.70		\$13.36
1 1/2" with integrated radio	\$29.30		\$26.64
2" with integrated radio	\$46.90		\$42.64
3" Mach 10, 12" length	\$88.00		\$80.00
3" Mach 10, 17" length	\$88.00		\$80.00
4" Mach 10, 14" length	\$146.70		\$133.36
4" Mach 10, 20" length	\$146.70		\$133.36
6" Mach 10, 18" length	\$293.30		\$266.64
6" Mach 10, 24" length	\$293.30		\$266.64
5/8" exterior-mounted radio metering system	\$8.80		\$8.00
3/4" exterior-mounted radio metering system	\$8.80		\$8.00
5/8" exterior-mounted non-radio metering system ***	\$8.80		\$8.00
3/4" exterior-mounted non-radio metering system ***	\$8.80		\$8.00
*** Meter reading charge for non-radio meter systems	\$18.50 per quarter		\$16.80 per quarter
Storm Water Fees			
Single Family and Duplex Residential	\$21.99 flat rate		\$19.12 flat rate
Multi-Family Residential	\$121.65 per acre		\$105.78 per acre
Commercial	\$154.08 per acre		\$133.98 per acre
Industrial	\$162.20 per acre		\$141.04 per acre
Churches, Private Schools	\$97.35 per acre		\$84.65 per acre
Airport Hangars	\$162.20 per acre		\$141.04 per acre
Vacant Land	\$32.45 per acre		\$28.21 per acre
Street Light Fees			
Single Family Residential	\$8.70 flat rate		\$9.84 flat rate
Duplex (Side by Side, Twin)	\$8.70 per unit		\$9.84 flat rate
Duplex (up/down, front/back)	\$6.31 per unit		\$7.14 per unit
Multi-Family	\$3.93 per unit		\$4.45 per unit
Commercial/Industrial/Institution/Airport	\$25.27 per acre		\$28.58 per acre
Schools	\$25.27 per acre		\$28.58 per acre
Commercial/Industrial/Institutional/Airport minimum charge	\$17.84 per quarter		\$16.83 per quarter

South St. Paul Airport – Fleming Field		
City T-Hangars (lease agreement)		
North T-Hangars (10 units with 40-foot door) 2 units with extra storage at a higher rate	\$266.00 per month	\$259.00 per month
North T-Hangars (1 unit with 40-foot door with extra storage)	\$312.00 per month	\$303.00 per month
North T-Hangars (1 unit with 40-foot door with extra storage additional features)	\$363.00 per month	\$353.00 per month
South T-Hangars (18 units with 42-foot door)	\$289.00 per month	\$281.00 per month
South T-Hangars (2 units with 45-foot door)	\$319.00 per month	\$310.00 per month
South T-Hangars (2 units Garage/Storage)	\$191.00 per month	\$186.00 per month
Land Lease ***		
Non-Commercial	\$0.335 per square foot	\$0.325 per square foot
Commercial (Inside the Fence)	\$0.435 per square foot	\$0.422 per square foot
Commercial (On the Street)	\$0.569 per square foot	\$0.552 per square foot
Ramp Fees		
Dual Prop (fee waived with 30 gallon fuel purchase)	\$15.00 per occurrence	\$15.00 per night
Turbine (fee waived with 60 gallon fuel purchase)	\$25.00 per occurrence	\$25.00 per night
Jet (fee waived with 100 gallon fuel purchase)	\$35.00 per occurrence	\$35.00 per night

City Clerk Licenses, Permits and Fees		
Alcohol Licenses and Permits		
Beer		
Beer 3.2 On Sale	\$150.00	
Beer 3.2 Off Sale	\$50.00 per day	
Beer 3.2 On Sale Temporary	\$50.00 per day	
Liquor	<u>Standard Liquor</u>	<u>Sunday Liquor</u>
Liquor License Applicant Investigative Fee (Single)	\$100.00	N/A
Liquor License Applicant Investigative Fee (Partnership)	\$200.00	N/A
Liquor License Applicant Investigative Fee (Corporation)	\$300.00	N/A
Off Sale Intoxicating	\$380.00	N/A
On Sale Intoxicating	\$3,100.00	\$200.00
On Sale Wine	\$500.00	\$200.00
Club On Sale Intoxicating (Based on Membership)		
Under 200 Members	\$300.00	\$200.00
Between 201 and 500 Members	\$500.00	\$200.00
Between 501 and 1,000 Members	\$650.00	\$200.00
Between 1,001 and 2,000 Members	\$800.00	\$200.00
Between 2,001 and 4,000 Members	\$1,000.00	\$200.00
Between 4,001 and 6,000 Members	\$2,000.00	\$200.00
Over 6,000 Members	\$3,000.00	\$200.00
Temporary On Sale Liquor	\$50.00 per day	N/A
Woog Arena Liquor Permit	\$75.00 per day	N/A
Woog Arena 3.2 Malt Liquor Permit	\$75.00 per day	N/A
Consumption and Display Permit (Annual)	\$300.00	N/A
Consumption and Display Permit (One Day)	\$25.00	N/A
Other Alcohol Licenses		
On Sale Brewer Taproom	\$500.00	
On Sale Brew Pub	\$300.00	
Off Sale Brew Pub	\$200.00	
Cocktail Room	\$300.00	
Cannabis		
Retail Cannabis – 1 License City Wide	\$500.00 first year, \$1,000.00 renewal	
License Applicant Investigative Fee (Single)	\$100.00	
License Applicant Investigative Fee (Partnership)	\$200.00	
License Applicant Investigative Fee (Corporation)	\$300.00	
Animal Licenses		
Animal License – Lifetime	\$25.00	
Business Licenses		
Benches (Limit 25)	\$30.00 per bench	
Bowling Alley	\$50.00 First Lane \$10.00 Each Additional Lane	
Car Wash	\$75.00	
Chicken/Duck License – Lifetime	\$75.00	
Cigarette & Tobacco Sales	\$175.00	
Entertainment	\$100.00	
Fireworks	\$25.00	
Housing Evaluator		
Rental & TOS	\$200.00	
TOS Only	\$100.00	
Massage Therapy	\$100.00 per Applicant \$25.00 Investigative fee per Applicant	

City Clerk Licenses, Permits and Fees	
Business Licenses (continued)	
Pawnbrokers and Precious Metal Dealers	\$3,000.00 \$500.00 Investigative Fee (in MN) \$1,500.00 Investigative Fee (Out of State)
Peddlers	\$100.00 Company Registration \$25.00 investigative fee \$75.00 per Applicant
Petroleum Dealers	\$50.00 \$5.00 per Pump
Rental Housing	
New Applications	\$50.00 Application Fee \$25.00 Investigation Fee
Single Family Dwelling	\$100.00
Duplex	\$125.00
Tri-Plex	\$150.00
Multi-Family Dwelling (4 or more units)	\$50.00 Building Fee \$30.00 per unit
Residential Parking Permit	TBD
Sexually Oriented Business	\$3,000.00 \$150.00 Investigative Fee
Shooting Gallery	\$100.00
Skating Rinks	\$25.00
Solicitor	\$100.00 Company Registration \$75.00 Per Applicant
Special Event	\$50.00 per day
Theater	\$100.00
Trash Hauler - Commercial and Residential	\$400.00 \$15.00 Per Vehicle
Trash Hauler - Commercial or Residential	\$200.00 \$15.00 Per Vehicle
Wood Processing	\$50.00
Election Fees	
Filing Fee for Municipal Office	\$20.00
Filing Fee for School District Office	\$2.00
Service Fee	
Administrative Charge for Refund	\$5.00
Domestic Partnership	
Registration - Lifetime or until rescinded	\$25.00
Amendment (Name or Address Change)	\$25.00
Termination	\$25.00
Compost Site	
Materials Accepted – Leaves, grass, sod, sod trimmings, and garden waste	\$1.00 per bag Volume based fee for truck loads

Planning and Zoning – Permits/Fees	Fees	Escrow
Building Relocation Proposal	\$250.00	\$1,000.00
Comprehensive Plan Amendment	\$500.00	\$1,000.00
Conditional Use Permit (CUP)		
Residential	\$350.00	\$250.00
Commercial/Industrial	\$400.00	\$1,000.00
Amendment	\$200.00	\$500.00
Encroachment Agreement	\$275.00	\$500.00
Interim Use Permit (IUP)		
Residential	\$250.00	\$500.00
Commercial/Industrial	\$300.00	\$500.00
Planned Unit Development (PUD)		
Regular	\$550.00	\$2,000.00
Amendment	\$225.00	\$1,000.00
Preliminary Plat		
Small	\$250.00	\$1,000.00
Large	\$250.00	\$2,000.00
Final Plat		
Small	\$200.00	\$1,000.00
Large	\$200.00	\$2,000.00
Reasonable accommodation request that requires City Council review	\$250.00	\$500.00
Rezoning		
Residential	\$350.00	\$500.00
Commercial/Industrial	\$350.00	\$500.00
Site Plan Review	\$300.00	\$500.00*
Street Vacation (or other vacation)	\$275.00	\$500.00
Tax Parcel Split/Combination	\$200.00	N/A
Variance		
Residential	\$250.00	\$500.00
Commercial/Industrial	\$300.00	\$500.00
Zoning Ordinance Amendment		
Major	\$500.00	\$500.00
Minor	\$250.00	\$250.00
Zoning Letter	\$100.00	NA

*Escrow is not required if a different escrow has been collected as part of the same development application

City Wide Administrative Fees – applies to all Departments	
Returned payment/ACH fee (covers City Bank fees and staff time to process)	\$35.00
Notary Service (Minn Stat §357.17 allows maximum of \$5.00)	\$2.00 per signature

Building Permits and Inspections

Building Permits

New Construction (e.g., Residential, Commercial, Deck, Remodel, Garage, Tenant Finish, Accessory Structure)	Based on Minimum Valuation of \$2,000.00 plus Plan Review Fee and State Surcharge
Escrow – Residential (Single Family, Duplex)	\$1,000.00 + \$500.00 for erosion control inspections
Escrow – Garage	\$1,000.00
Escrow – Commercial (including multi-family construction)	\$3,000.00 per acre or \$1,000.00 whichever is greater
Inground Swimming Pool	Based on Valuation
Retaining Wall (over 4 feet)	Based on Valuation
State Surcharge	Valuation x 0.0005 (minimum \$1.00)
Local Surcharge (License Verification)	\$5.00
Roofing (fixed fees)	
House only	\$100.00 + \$1.00 State Surcharge
Garage only	\$50.00 + \$1.00 State Surcharge
House and Garage	\$150.00 + \$1.00 State Surcharge
Roof Repair	\$100.00 + \$1.00 State Surcharge
Siding (fixed fees)	
House only	\$120.00 + \$1.00 State Surcharge
Garage only	\$75.00 + \$1.00 State Surcharge
House and Garage	\$160.00 + \$1.00 State Surcharge
Siding Repair	\$100.00 + \$1.00 State Surcharge
Roof & Siding	\$150.00 + \$1.00 State Surcharge
Roof & Windows	\$150.00 + \$1.00 State Surcharge
Siding & Windows	\$150.00 + \$1.00 State Surcharge
Roof, Siding & Windows	\$200.00 + \$1.00 State Surcharge
Siding & Doors	\$150.00 + \$1.00 State Surcharge
Roof & Doors	\$150.00 + \$1.00 State Surcharge
Door/Window (1 opening)	\$50.00 + \$1.00 State Surcharge
Doors/Windows (2 or more)	\$100.00 + \$1.00 State Surcharge
Overhead Garage Door	\$100.00
Drain tile	\$200.00 + \$1.00 State Surcharge
Demolition – Residential	\$100.00 + \$1.00 State Surcharge
Demolition – Commercial	Based on Valuation
Plan Review Fee	65% of building permit fee
Sewer Availability Charge, per Unit set by MCES	\$2,485.00
Certificate of Occupancy	\$25.00
Driveway Access Permit	\$25.00

Commercial Building Permit Fees based on Valuations supplied by Permittee

Total valuation of \$1.00 to \$500.00	\$50.00
Total valuation of \$500.01 to \$2,000.00	\$50.00 for the first \$500.00 plus \$3.25 for each additional \$100.00 or fraction to \$2,000.00
Total valuation of \$2,000.01 to \$25,000.00	\$73.75 for the first \$2,000.00 plus \$14.75 for each additional \$1,000.00 or fraction to \$25,000.00
Total valuation of \$25,000.01 to \$50,000.00	\$413.00 for the first \$25,000.00 plus \$10.75 for each additional \$1,000.00 or fraction to \$50,000.00
Total valuation of \$50,000.01 to \$100,000.00	\$681.75 for the first \$50,000.00 plus \$7.50 for each additional \$1,000.00 to \$100,000.00
Total valuation of \$100,000.01 to \$500,000.00	\$1,056.75 for the first \$100,000.00 plus \$6.00 for each additional \$1,000.00 to \$500,000.00
Total valuation of \$500,000.01 to \$1,000,000.00	\$3,456.75 for the first \$500,000.00 plus \$5.00 for each additional \$1,000.00 to \$1,000,000.00
Total valuation of \$1,000,000.01 and above	\$5,956.75 for the first \$1,000,000.00 plus \$4.00 for each additional \$1,000.00 or fraction thereof

Building Permits and Inspections**Valuations for Residential Building Construction**

Basement:	
Crawl Space	\$8.50 Per Square Foot
Unfinished w/original permit	\$16.50 Per Square Foot
Finished w/original permit	\$100.00 Per Square Foot
Finished (after original permit)	\$37.00 Per Square Foot
Dwelling:	
Residential 1-2 Family	\$100.00 Per Square Foot
Additions	\$100.00 Per Square Foot
Unfinished floors above grade	\$37.00 Per Square Foot
Bonus Room – finished	\$100.00 Per Square Foot
Bonus Room – unfinished	\$37.00 Per Square Foot
Garage	
w/Footings	\$38.50 Per Square Foot
w/Floating Slab	\$31.00 Per Square Foot
Carport	\$17.00 Per Square Foot
Porches:	
Screen Porch	\$36.00 Per Square Foot
3 Season	\$56.00 Per Square Foot
4 Season	\$72.00 Per Square Foot
Miscellaneous:	
Deck	\$21.00 Per Square Foot
Shed	\$18.00 Per Square Foot

NOTE: Valuations for commercial building construction, demolitions, pools, retaining walls, signs, commercial plumbing & mechanical work, asphalt work, concrete work and similar construction is based on valuation submitted by the permittee and reviewed by the City Building Official for accuracy and reasonableness.

Mechanical – Residential

Permit Fee (Base charge for all mechanical permits)	\$25.00
State Surcharge	\$1.00
Additional charges	
Air Conditioner	\$30.00
Air Handler	\$30.00
Refrigeration	\$30.00
Duct Work	\$30.00
Electric Air Filter	\$30.00
Furnace/Boiler	\$30.00
Fireplace	\$30.00
Gas Certification	\$30.00
Gas Piping	\$40.00
Humidifier	\$30.00
Ventilation	\$30.00

Mechanical and Plumbing – Commercial based on valuation provided by permittee

Under \$3,500.00 valuation (1 inspection)	\$75.00
Under \$3,500.00 valuation (2 inspection)	\$125.00
Over \$3,500.00 valuation	2% of valuation or minimum \$225.00
State Surcharge	Valuation x 0.0005 (minimum \$1.00)

Miscellaneous Permit (No State Surcharges)

Asphalt	\$20.00 per \$1,000.00 of valuation or fraction thereof
Concrete	\$20.00 per \$1,000.00 of valuation or fraction thereof
Fence	\$50.00
Permanent Sign (valuation provided by permittee)	Based on Valuation (use building permit fee schedule)
Temporary Sign	\$20.00
Permit is good for 30 days. Allowed 4 per year	

Building Permits and Inspections	
<u>Plumbing & Water/Sewer Permit Residential</u>	
Permit Fee (base charge for all plumbing permits)	\$25.00
State Surcharge (added to all plumbing permits)	\$1.00
Additional Charges	
Street Excavation (hole charge)	\$25.00 per sq. ft. (hole size) Minimum \$1,500.00 per hole
Curb Replacement	\$100.00 per foot
Hot Water Heater/Softener	\$30.00
Lawn Sprinkler System	\$50.00
Above Ground Pool (2,000 gallons and above)	\$25.00
Plumbing Fixture: (e.g., Sinks, bathtub, toilet/ urinal/floor drain, dishwasher, garbage disposal, drinking fountain, laundry tray, shower, etc.)	\$10.00 per fixture
Sewer hook-up fee (if assessments are not paid)	\$40.00 per lineal foot
Water hook-up fee (if assessments are not paid)	\$40.00 per lineal foot
Water/Sewer - Repair, Connect, Disconnect	\$35.00
Holding Tank	\$150.00
<u>Building Official Inspection Fees</u>	
Inspection outside normal business hours – minimum charge 2 hours	\$80.00 per hour
Reinspection fee or special request for inspection	\$80.00 per hour
Additional plan review required by changes, additions or revisions to plans	\$80.00 per hour
<u>Time of Sale</u>	
Time of Sale Evaluation Filing Fee (within 10 days of evaluation)	\$35.00
Amended Time of Sale Evaluation Filing Fee	\$35.00
Late Fee (after 10 days of evaluation) double fee	\$70.00
<u>Service Fee</u>	
Administrative Charge for Refund	\$5.00
<u>Code Enforcement</u>	
Reinspection Fee	\$50.00 first reinspection \$100.00 each additional reinspection
Abatement Administration Fee	\$25.00
<u>Electrical</u>	
Service/Power Supply 0-400 Amp	\$40.00 each
Service/Power Supply 401-800 Amp	\$70.00 each
Service/Power Supply over 800 Amp	\$200.00 each
Circuit/Feeder 0-200 Amp	\$8.00 each
Circuit/Feeder over 200 Amp	\$16.00 each
Re-connect circuits/feeders	\$6.00 each
New or existing 1 or 2 Family Dwelling – up to 30 circuits/feeders per unit	\$140.00 per unit
New or existing 1 or 2 Family Dwelling – over 30 circuits/feeders per unit	\$8.00 per unit
Additional inspection(s)	\$40.00 each
Multi-Family Units up to 20 circuits	\$80.00 each
Multi-Family Units over 20 circuits	\$8.00 each circuit
Investigative Fee	\$80.00 per inspection
Technology circuits 0 – 50 Volts	\$0.95 each
Street/Outdoor traffic standards	\$6.00 each

Building Permits and Inspections	
Electrical (continued)	
Transformer up to 10 KVA	\$17.00 each
Transformer over 10 KVA	\$34.00 each
Carnivals/Transient Projects	\$175.00 minimum
OVER 250 VOLTS	
Service/Power supply 0-400 Amp	\$80.00 each
Service/Power supply 401-800 Amp	\$135.00 each
Service/Power supply over 800 Amp	\$200.00 each
Circuit/Feeder 0-200 Amp	\$15.00 each
Circuit/Feeder over 200 Amp	\$35.00 each
SOLAR PANELS - Per Location	
1 – 5,000 Watts	\$90.00
5,001 – 10,000 Watts	\$150.00
10,001 – 20,000 Watts	\$225.00
20,001 – 30,000 Watts	\$300.00
30,001 – 40,000 Watts	\$375.00
40,001 – 1,000,000 Watts	\$375.00 and \$25.00 for each additional 10,000 over 40,000 watts
1,000,001 to 5,000,000 Watts	\$3,975.00 and \$15.00 for each additional 10,000 over 1,000,000 watts
5,000,001 Watts and larger	\$12,975.00 and \$10.00 for each additional 10,000 over 5,000,000 watts

Engineering Permits and Fees	
Permits to be within the Right of Way	
Detour or Event	no charge
Obstruction – Dumpsters, Storage Pods	\$50.00
Registration	no charge
Utility Permit	\$200.00
Boulevard Tree	no charge
Utility Permit - Footage Fee (undergrounding only)	\$0.20 per foot over 500 feet
Utility Delay Permit (unreasonable delays)	\$200.00
Conversion fee	based on actual cost to convert data into a useful format
Erosion Control Inspections	
Residential (Single Family, Duplex, Triplex)	\$25.00/inspection \$50.00/reinspection
Commercial (including multi-family)	\$100.00/inspection \$200.00/reinspection
Miscellaneous Permit	
Grading/Filling/Land Alteration (per calendar year)	\$200.00
Grading/Filling/Land alteration escrow	\$3,000.00 minimum; \$3,000.00 for each acre over 1 acre
Small Cell Wireless Technology Escrows	\$8,000.00 (1-5 sites) \$9,000.00 (6-10 sites) \$10,000.00 (11-15 sites)
Special Signage Request (i.e., Handicap signage)	\$300.00
Cell Tower Antenna Escrow	\$15,000.00

Police Fees and Charges	
Digital Delivery of Police Data (non BWC)	No Charge
Police Reports (pages 4-100)	\$0.25/page
Police Reports (pages 101 and over)	Actual cost of personnel time @ employee's normal hourly rate
Data for Commercial Requestors (crash, arrest, etc.)	\$40.00 per month
911 Transcription	\$35.00 per hour \$35.00 deposit required
USB of Photos, Audio, Statements, Squad Video	\$5.00
Background Check/Clearance Letter	\$5.00
Body Worn Camera	\$30.00 per video \$30.00 deposit required
Fingerprinting	\$20.00
Off Duty Officer (Includes officer and equipment)	\$100.00 per hour
Dangerous Dog Registration	\$500.00 for 1st year \$250.00 for each additional year
Voluntary or Court mandated Firearms Storage:	
Processing Fee (includes release)	\$100.00
Daily Storage	\$0.50 per day

Administrative Penalty Per City Code	
<u>Chapter 106 Building Code</u>	
All violations, except as otherwise stated	\$200.00
All violations that involved hazardous conditions	\$500.00
<u>Chapter 34 Public Health</u>	
All violations, except as otherwise stated	\$200.00
<u>Chapter 15 Animals</u>	
All animal violations (i.e., running at large, too many animals, improper shelter) except animal license and dangerous dog violations as stated herein	\$100.00
All animal license violations	\$55.00
All violations of the Dangerous Dog regulations	\$500.00
<u>Chapter 6, 10 & 18 Licensing</u>	
All violations involving business licenses, except as otherwise stated for rental licenses	\$500.00
<u>Chapter 58 Traffic</u>	
All parking violations	\$20.00
<u>Chapter Misdemeanors</u>	
All violations, except as stated herein	\$200.00
<u>General</u>	
Except as otherwise stated herein, all other violations of the City Code or Zoning Ordinance	\$200.00
<u>Repeat violations within 12 months</u>	
	Double the amount of the scheduled fine for a previous violation(s) – maximum of \$2,000.00

Parks & Recreation	
Off-Leash Dog Area	
Kaposia Landing – Off-leash dog area	\$20.00/year resident \$30.00/year non-resident
Fields & League Program Rental Fees	
Softball, Soccer, Football Field Rental Fee	\$70.00 resident per field, per game \$90.00 non-resident per field, per game
McGuire & Kaposia Landing Baseball Field	\$95.00 resident per field, per game \$115.00 non-resident per field, per game
Field Lights	\$45.00/field/day
Adult Non-Profit Rental Fee (includes lights)	\$60.00/field/day
Tournament Fee & Fall League Hosting - Exclusive use of fields for approved organization to run a tournament or host a round-robin league during the fall season. Includes existing portable toilets, limited trash removal, field prep prior to play each day (if applicable)	\$100.00/game – Adult Tournaments \$40.00/field per day – Youth Tournaments \$40.00/field per day – Fall League Hosting
Extra Fees for Youth & Adult Tournaments:	
Additional field preparation (drag & chalk)	\$40.00/field
Additional portable toilets and/or cleanings	Contract Rate
Tournament deposit – (covers minor damages & excessive trash cleanup/hauling)	\$100.00/field
Park Vendor/Concessionaire (Temporary/Mobile)	\$50.00 per day
Concession building at Kaposia Landing, Vets or McMorro – Tournaments Only (permits and licensing fees and requirements not included)	Adult Tournaments – \$400.00/weekend Youth Tournaments – \$400.00/weekend
Adult Team Conduct Fee Deposit	\$1,000.00/league
Outdoor Swimming Pool Program	
Outdoor Pool Season Pass:	
Single Season Pass	\$40.00 resident \$50.00 non-resident
Coupon Book (10 daily passes)	\$45.00
Daily Admission – Resident and Non-Resident	\$5.00
Infant (12 mo. and under)	Free
Senior (55+)	\$3.00
Pool Rentals: (plus tax)	
0-30 people	\$75.00 per hour
31-60 people	\$120.00 per hour
61-90 people	\$159.00 per hour
91-120 people	\$209.00 per hour
Facility Rentals (prices DO NOT include tax)	
Kaposia Park Pavilion (Fri-Sun: 3 hr. min.)	\$100.00/hour resident \$120.00/hour non-resident
Pavilion Damage Deposit	\$200.00 resident/non-resident
Shelter Damage Deposit	\$100.00 resident/non-resident
Kaposia Park Shelter	\$70.00 resident \$90.00 non-resident
Lorraine Park Shelters	\$70.00 resident \$90.00 non-resident
Kaposia Landing, McMorro, Veterans Field Shelter	First come/first serve
Outdoor Rink Rental	\$27.00 per hour
Community non-profit organizations based in South St. Paul are eligible for a waiver of fees for facilities that they have historically contributed toward the construction or renovation of. Fee Waiver requests must be submitted in writing to the Parks & Recreation department for approval.	

Parks & Recreation	
<u>Community Gardens</u>	\$20.00 resident \$30.00 non-resident
Community Gardens Seniors (55 & over)	\$15.00 resident \$30.00 non-resident
<u>Programs and Trips</u>	
Fees and charges for all programs and trips shall be based on direct program costs and may be partially subsidized therefore non-residents will be charged a fee in lieu of paying property tax.	
Non-resident Recreation Program Fee	\$5.00/program
Youth Football Late Registration Fee	\$20.00/player
<u>Youth Athletic Association Park Maintenance/Usage Fees</u>	
In order to offset direct costs related to maintaining and preparing city fields for youth association use, a Park Maintenance Fee will be charged to each association based on the total number of participants per season.	
Park Maintenance Fee	\$20.00 per player resident \$27.00 per player non-resident
Associations using city facilities will be required to submit a complete database of participants (including residence) and a schedule prior to the beginning of each season of play. The Association will be billed by the City for the agreed upon Park Maintenance Fee.	
<u>Program Cancellation/Refund Fee</u>	
If a participant elects to cancel a registration before a program begins and the refund does not affect any previously paid program expenses, a fee is charged to off-set the extra administrative duties to receive and process program registration refunds through the Parks & Recreation office and Finance Department. The fee will not be charged for cancellations initiated by the Parks & Recreation Department.	
Program Cancellation Fee	\$5.00/registration
<u>Kaposia Disc Golf Course</u>	
Daily Pass	\$5.00/day
Annual Pass	\$30.00 resident \$40.00 non-resident
Under 18 Resident or SSP Student ID	Free w/SSD #6 ID
Under 18 Non-Resident	\$5.00/day
Tournament (Includes closed course, pavilion, and shelter)	\$350.00/day
<u>Memorial Program</u>	
Memorial Bench (Includes plaque)	\$1,500.00/bench
Memorial Tree	\$300.00/tree
Memorial Paver Brick (Includes two lines of text, 19 characters each)	\$100.00/brick

Doug Woog Arena	
Ice Time	
Prime Time (M-F 2:00PM-9:40PM, S-S 7:00AM-9:00PM)	
January 1 – March 31	\$235.00/hour + tax
October 1 – December 31	\$240.00/hour + tax
Non-Prime Time (After 9:40 PM)	\$185.00/hour + tax
Off-Peak (Mon-Fri, 6:30 AM-2:00 PM)	\$150.00/hour + tax
Summer Ice Rental - April 1 – September 30	\$170.00/hour + tax
Event Service Fee (additional staff needed based on scope of event)	\$25.00/hour + tax
Open Skating	
Open Skating Admission	\$5.00 per person
Punch pass – 5 Open Skate	\$20.00
Punch pass – 10 Open Skate	\$40.00
Open Freestyle Admission	\$15.00 per person
Punch pass – 10 Open Freestyle	\$135.00
Adult Open Scrimmage Admission	\$5.00 per person
Rink Rat Open: (Stick and Puck, no scrimmaging, under 18 full gear, over 18 helmet required)	\$5 per person
Other Fees	
Skate Rental	\$2.00/pair
Skate Sharpening, Regular walk-in	\$5.00/pair
Punch pass – 5 Sharpenings	\$20.00
Punch pass – 10 Sharpenings	\$40.00
Advertisement Fee Structure – based on availability	
On-Ice Logo	\$900.00 for 1 year \$2,400.00 for 3 years
Zamboni Wrap	\$1,000.00/year (3 year minimum)
Arena Public Meeting Room (plus sales tax)	
Business & Individuals *	
Wakota Room	\$20.00/hour resident \$30.00/hour non-resident
Cow Palace	\$15.00/hour resident \$15.00/hour non-resident
* No charge for South St. Paul non-profits, fraternal organizations, civic groups, youth organizations and city uses.	

Utility Rates	
Water Rates	
Residential Water Rates	
Fixed Charge	\$19.47 per quarter
0 – 7000 gallons in a quarter	\$4.00 per 1,000 gallons
7,001 – 16,000 gallons in a quarter	\$4.83 per 1,000 gallons
Over 16,000 gallons in a quarter	\$6.87 per 1,000 gallons
Commercial Water Rates	
Fixed Charge	\$19.47 per quarter
0 – 60,000 gallons in a quarter	\$4.00 per 1,000 gallons
60,001 – 325,000 gallons in a quarter	\$4.83 per 1,000 gallons
Over 325,000 gallons in a quarter	\$6.87 per 1,000 gallons
Multi-Family	
Fixed Charge	\$19.47 per dwelling unit per quarter
0 – 7000 gallons per unit per quarter	\$4.00 per 1,000 gallons
7,001 – 16,000 gallons per unit per quarter	\$4.83 per 1,000 gallons
Over 16,000 gallons per unit per quarter	\$6.87 per 1,000 gallons
High Volume Water Rates	
Fixed Charge	\$6.49 per month
0 – 5,000,000 gallons in a month	\$4.00 per 1,000 gallons
5,000,001 – 10,000,000 gallons in a month	\$4.34 per 1,000 gallons
10,000,001 – 20,000,000 gallons in a month	\$4.72 per 1,000 gallons
Over 20,000,000 gallons in a month	\$5.07 per 1,000 gallons
Irrigation Water Rates	
All Usage	\$6.87 per 1,000 gallons
Water Rates for those properties on City of St. Paul Water*:	
Meter Fee/Fixed Charge	\$29.22 per quarter
Residential Water Rates:	
Winter Water rate-March & June billings	\$7.03 per 1,000 gallons
Summer Water rate-September & December billings	\$7.25 per 1,000 gallons
* These rates are based on the 2025 proposed rates from the City of St. Paul.	
Sewer Rates	
Residential Sewer Rates **	
Fixed Charge	\$17.38 per quarter
Consumption Charge	\$8.24 per 1,000 gallons
Multi-Family Sewer Rates	
Fixed Charge	\$17.38 per dwelling unit per quarter
Consumption Charge	\$8.24 per 1,000 gallons
Commercial Sewer Rates	
Fixed Charge	\$17.38 per quarter
Consumption Charge	\$8.24 per 1,000 gallons
High Volume Sewer Rates	
Fixed Charge	\$5.80 per month
Consumption Charge	\$7.48 per 1,000 gallons
Non-Water Properties Sewer Rates	
Flat Rate	\$140.98 per quarter
** Sewer set on winter quarter for residential & churches. Minimum usage/quarter is 4,000 gallons, except during winter quarter period ending in February, March or April.	

Utility Rates		
Discounted Utility Rates		
The City offers a discount on water and sewer to the elderly, blind and disabled. To be eligible for this discount, customers must meet certain income qualifications and an application must be submitted to the City Finance Department annually.		
Discounted Water Rates		
Fixed Charge	\$19.47 per quarter	
0 - 6000 gallons	\$2.38 per 1,000 gallons	
6,001 - 15,000 gallons	\$2.79 per 1,000 gallons	
Over 15,000 gallons	\$3.81 per 1,000 gallons	
Discounted Sewer Rates **		
Fixed Charge	\$17.38 per quarter	
Consumption Charge	\$6.18 per 1,000 gallons	
** Sewer set on winter quarter for residential & churches. Minimum usage/quarter is 4,000 gallons, except during winter quarter period ending in February, March or April.		
Meter Charge	Quarterly Service Charge	Meter Purchase Cost
5/8" with integrated radio	\$8.80	\$325.00
3/4" with integrated radio	\$8.80	\$410.00
1" with integrated radio	\$14.70	\$515.00
1 1/2" with integrated radio	\$29.30	\$1,000.00
2" with integrated radio	\$46.90	\$1,190.00
3" Mach 10, 12" length	\$88.00	\$3,320.00
3" Mach 10, 17" length	\$88.00	\$3,400.00
4" Mach 10, 14" length	\$146.70	\$4,250.00
4" Mach 10, 20" length	\$146.70	\$4,365.00
6" Mach 10, 18" length	\$293.30	\$7,050.00
6" Mach 10, 24" length	\$293.30	\$7,150.00
5/8" exterior-mounted radio metering system	\$8.80	\$345.00
3/4" exterior-mounted radio metering system	\$8.80	\$430.00
5/8" exterior-mounted non-radio metering system ***	\$8.80	\$270.00
3/4" exterior-mounted non-radio metering system ***	\$8.80	\$355.00
*** Meter reading charge for non-radio meter systems	\$18.50 per quarter	
Installation of replacement cabling for exterior mounted radio or non-radio metering system	\$100.00	
Water Testing Fee: Required by the Federal Safe Drinking Water Act Flat Rate quarterly billing - goes to MN Dept of Health for testing public water	\$2.43 per quarter	
Storm Water Fees		
Single Family and Duplex Residential	\$21.99 flat rate	
Multi-Family Residential	\$121.65 per acre	
Commercial	\$154.08 per acre	
Industrial	\$162.20 per acre	
Churches, Private Schools	\$97.35 per acre	
Airport Hangars	\$162.20 per acre	
Vacant Land	\$32.45 per acre	
Storm water utility fee revenues help pay for the cost of complying with Federally mandated storm water management plans, construction of storm water facilities, and costs associated with storm water related maintenance.		

Utility Rates	
Street Light Fees	
Single Family Residential	\$8.70 flat rate
Duplex (Side by Side, Twin)	\$8.70 per unit
Duplex (up/down, front/back)	\$6.31 per unit
Multi-Family	\$3.93 per unit
Commercial/Industrial/Institution/Airport	\$25.27 per acre
Schools	\$25.27 per acre
Commercial/Industrial/Institutional/Airport minimum charge \$17.84 per quarter.	
Mixed use properties are charged for both uses, e.g., commercial below and residential above.	
Other Water/Sewer Related Fees	
Water turn on fee	\$60.00
Water turn off fee	\$60.00
Winter turn on fee Dec 1 – Mar 31 *	\$100.00
Winter turn off fee Dec 1 – Mar 31 *	\$100.00
* cost is higher due to time involved in getting to valves	
After Hours Service Charge	\$150.00
After Hours turn on fee	\$150.00
After Hours turn off fee	\$150.00
Meter Tampering Fee	\$150.00
Meter Testing Deposit	\$100.00
Data Logger (1st one at no charge)	\$25.00 second and subsequent
Standby fire protection fee	\$100.00 annual/\$25.00 Quarterly
Contractor Hydrant Meter Deposit (\$1,246.00) and Water Use deposit (\$300.00)	\$1,546.00
Duplicate copies of utility bills – applies to residential rental properties	\$2.00 per copy per quarter
Interim Final Reads - applies to rental properties when a tenant turns over	\$20.00
Delinquent Accounts/Certification Charges	
Delinquent Account Penalty	8%
Certification Administrative Fee	\$25.00

South St. Paul Airport – Fleming Field

Fuel

Self-Serve 100 LL	Varies by Market per gallon
Self-Serve 91 UL	Varies by Market per gallon
Self-Serve Jet A	Varies by Market per gallon
Prepay Fuel Card Discount (Must have or purchase an airport Fuel Card)	\$0.05 per gallon
Discount (100LL)*	\$0.15 per gallon
Discount (Jet A)*	\$0.25 per gallon

*Must have valid lease(s)/sublease(s) and pay invoices by due date. New users as of 1/1/17 and any existing users as of 1/1/18 that have not purchased fuel through this program within the previous 12 months, will need to meet a minimum threshold of 150 gallons/month to be eligible for a discount. Discounts will be held for two months.

City T-Hangars (lease agreement)

North T-Hangars (10 units with 40-foot door) 2 units with extra storage at a higher rate	\$266.00 per month
North T-Hangars (1 unit with 40-foot door with extra storage)	\$312.00 per month
North T-Hangars (1 unit with 40-foot door with extra storage additional features)	\$363.00 per month
South T-Hangars (18 units with 42-foot door)	\$289.00 per month
South T-Hangars (2 units with 45-foot door)	\$319.00 per month
South T-Hangars (2 units Garage/Storage)	\$191.00 per month
Month-to-Month Fee	\$50.00
Monthly Billing	\$20.00 per month
Late Fee (any installment of Rent unpaid in excess of 5 days)	\$50.00 per month
ACH	No Charge
Parking Lot	No Charge

Events

Event fee	\$1,000.00 includes tax
Event Fee for Airport Personnel (4 Hour minimum)	\$35.00 per hour
Cones (no charge if paying event fee)	\$1.00 per cone
Barricades (no charge for paying event fee)	\$2.50 per barricade
Penalty (includes not following approved procedures)	\$100.00 per occurrence
All events will be charged to close portions of the Airport	

Land Lease ***

Non-Commercial	\$0.335 per square foot
Commercial (Inside the Fence)	\$0.435 per square foot
Commercial (On the Street)	\$0.569 per square foot
Lease changes, amendments, or revisions	\$1,000.00
Right of First Refusal	\$100.00 per 180 days
Land leases increase by 3% each year of lease	

Apparel

Sweatshirts	\$30.00
Denim Long Sleeve Shirts	\$35.00
1/4 zip	\$55.00
Polo Shirts	\$35.00
Baseball Caps	\$15.00
Additional charge for XXL+	\$2.00

South St. Paul Airport – Fleming Field**Tie Down Fees *****

Nightly	\$5.00
Weekly	\$20.00 per week
Monthly – Grass	\$35.00 per month
Monthly – Ramp	\$60.00 per month

Ramp Fees

Single Prop	No Charge
Dual Prop (fee waived with 30 gallon fuel purchase)	\$15.00 per occurrence
Turbine (fee waived with 60 gallon fuel purchase)	\$25.00 per occurrence
Jet (fee waived with 100 gallon fuel purchase)	\$35.00 per occurrence

Special Event Ramp Fees may be imposed to facilitate certain events.

*** Late fee penalty of 5% will be assessed if payments are not made on time

Meeting Room

Four Hour Block (minimum)	\$100.00 plus tax
Hourly	\$25.00 per hour plus tax
Cleaning (if the Meeting Room is left disorderly)	\$30.00 per hour plus tax
Cancellations (less than 72 hour notice) or No Show	\$25.00
Legacy Organizations – includes MMFS & TCAH. Other fees may still apply.	\$300.00 per year plus tax

Airport based aeronautical entities will be able to reserve the meeting room for free once per month for no more than 8 hours. Other fees may still apply.

Access

Gate Cards	\$20.00 plus tax
Fuel Cards	\$25.00 plus tax

Admin / Office / Misc

Wireless Internet	No Charge
Vending	Varies by Market and includes tax
Copies	\$0.25 plus tax
Fax	\$0.25 plus tax
Projector and Screen Rental	\$75.00 plus tax
Ice Melt (50# Bag FAA Authorized Ice Melt)	Varies by Market plus tax
Tie-Down Ropes (Set of 3)	\$14.00 plus tax
Commercial Film/Photography (Additional restrictions may apply)	\$50.00 per hour
Haz Mat Cleanup	At Cost
Aircraft Oil	Varies by Market plus tax



WORK SESSION AGENDA REPORT

DATE: November 25, 2024
DEPARTMENT: Housing
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 2.D.

MEETING TYPE

Regular Meeting

AGENDA ITEM

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

- Review with Council the Local Affordable Housing Aid (LAHA) program, and options for the use of these funds.
- Discuss Dakota County's offer to administer some or all LAHA-funded initiatives for the City.
- Determine how Council would like to direct the 2024 LAHA allocation.

OVERVIEW

Local Affordable Housing Aid (LAHA) helps metropolitan local governments like South St. Paul to develop and preserve affordable housing within their jurisdictions, to keep families from losing housing and to help those experiencing homelessness find housing. Funded through a metropolitan sales tax (which went into effect October 1, 2023), Local Affordable Housing Aid began distributions to Cities and Counties in 2024. For 2024, LAHA funding to the City of South St. Paul was certified at a total of \$120,170.48 and a first installment was received in July 2024 in the amount of \$60,085.24 (1/2 the total amount); a second installment of \$60,085.24 is expected to arrive in late 2024. Per Statute, the City has three years to commit the 2024 funding (no later than December 31, 2027) to a qualifying project. Failure to commit the funds in the 3-year timeframe will result in funds being returned to MHFA for statewide housing needs. Future distributions through this program are projected to be between \$250,000 - \$400,000 per year, although precise amounts are dependent upon actual sales taxes collected and a state distribution formula. Staff is seeking to identify Council's preferred policy for deployment of LAHA funds received in 2024.

A Note About Area Median Income

Throughout this memo, we reference Area Median Income ("AMI") frequently. For the reader's reference, the following should be understood about AMI:

- Most commonly, an income level for a family of four (2 adults, 2 minor children) is used as a benchmark when citing certain levels relative to AMI for housing programs. **All of the figures below are measured as AMI for a family of four.**
- In South St. Paul, the AMI that is used in determining eligibility for various housing

programs is the Minneapolis-St. Paul Metropolitan Statistical Area Median Household Income.

- For 2024, the Area Median Income is \$124,200.
- 120% AMI is \$149,040.
- 115% AMI is \$142,830.
- 80% AMI is \$97,800. The 80% of Area Median Income limit is capped at the U.S. national median family income, so this figure is less than 80% of the Metro Area's median family income.
- 50% AMI is \$62,100.
- Unfortunately, there is no source of data that measures how many households in South St. Paul meet the different AMI levels. Each year HUD publishes income limits for different AMI levels and different household sizes, which we use for our loan programs.

Qualifying Projects for LAHA

Local Affordable Housing Aid is required by Statute to be spent on a “qualifying project”. Qualifying Projects are defined by statute as:

- Emergency rental assistance for households earning less than 80 percent of area median income as determined by the United States Department of Housing and Urban Development
- Financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing; and
- Projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed:
 - For homeownership projects, 115% of the greater of state or area median income as determined by the United States Department of Housing and Urban Development; priority is given to projects that provide affordable housing to households earning 80% or less of the area median income.
 - For rental housing projects, 80% of the greater of state or area median income as determined by the United States Department of Housing and Urban Development; priority is given to projects that provide affordable housing to households earning 50% or less of the area median income.
- Housing developed or rehabilitated with LAHA must be affordable to the local work force.

Options for LAHA Deployment in South St. Paul

In late 2023, the Council discussed options for LAHA-supported initiatives in South St. Paul and expressed a preference for the 2024 LAHA distribution to be dedicated to supporting the revived Home Improvement Loan Program in the community if possible. In June of this year, staff from

the Dakota County Community Development Agency (CDA) attended a Council worksession to share their ideas about potential partnership opportunities with communities in Dakota County, potentially with the CDA administering certain programs (rehab loans, radon mitigation, and affordable housing production were discussed in June) on behalf of Cities that "opted in" to partnering with CDA. In late-September 2024, CDA Staff presented a proposal to all Dakota County communities, including South St. Paul, for administration of an expanded Rehab Loan Program and a new Radon Mitigation Grant program. The request letter from Dakota County is included as an attachment to this memo. The CDA is asking communities to respond to this request by Monday, December 2, 2024.

Currently, the Dakota County CDA administers a rehab loan program on behalf of South St. Paul through the Community Development Block Grant (CDBG) program. In this way, the infrastructure is already in place for Dakota County to administer some or all of our LAHA funds with virtually no administrative impact. The proposed Radon Mitigation Grant program would be a new initiative of the CDA, whereby income-qualified households would be eligible for Radon Testing and (as needed if testing indicates that radon levels in the home meet certain EPA thresholds) installation of radon mitigation systems at no cost to the homeowner. As it relates to these programs that are proposed to be funded with LAHA, Dakota County intends to prioritize applications for funding from households earning 80% or less of the Area Median Income (AMI), while households earning between 80% and 115% AMI will be placed on a waiting list and become eligible in the event that funds are left over after serving all interested households meeting the 80% AMI threshold.

The EDA's current Home Improvement Loan Program is available to South St. Paul households earning 120% or less of the AMI. If the EDA opts to dedicate any portion of our LAHA to our local program, we will need to restructure our program such that first priority is given to households earning 80% or less of the AMI. If (and only if) there are funds left over in a program year after satisfying all applicants in the 80% or below AMI category, the EDA could then begin providing loans to households earning between 80% - 115% AMI. Alternatively, we could set up a unique program internally using LAHA for households earning 80% or less of the Area Median Income, which may have a lower interest rate and/or (similar to the Senior Deferred Loan Program we offer) defer the repayment of the loan until such time as the property is sold or refinanced. An argument could be made that if the EDA were to restructure our program in such a way, it would be somewhat redundant with the Dakota County CDA's rehab program and may inadvertently diminish the availability of funding for loans to SSP homeowners in the 80% - 120% AMI category. Therefore, if the Council's desired end-use of the LAHA funds is to fund home improvement loans in South St. Paul, we would recommend partnering with Dakota County CDA in this effort, and having their program staff administer the loans on our behalf, using our LAHA. If we take this route, the current (and popular) EDA home improvement loan program that is open to all households between 80% and 120% AMI would continue to be an option that could reach a broader segment of the City's population.

At Monday's meeting, Staff is seeking Council's direction as it relates to the 2024 LAHA allocation of \$120,170.48. Staff has identified the following potential options for Council Consideration:

1. Restructure the EDA's Home Improvement Loan Program as outlined in this memo.
2. Partner with Dakota County CDA to "fold in" our LAHA with their existing Rehab Loan Program with a priority for SSP households earning 80% AMI or less, with any "left over" funding made available to SSP households earning between 80% - 115% AMI;
3. Partner with Dakota County CDA to fund a residential radon testing and mitigation grant for SSP households earning 115% AMI or less.
4. Establish a down-payment assistance program for income-eligible homebuyers for homes in SSP. Priority would be given to households earning 80% or less of the area median income.
5. Establish an emergency mortgage/rent relief/assistance program for income-qualified households, exclusively for residents that live in SSP and may be facing eviction, foreclosure or utility shut offs. The CAP program through Dakota County has a similar emergency program for county residents, but they usually run out of funds early on.

Certainly, Council could fund any one of these exclusively or divide the funds between any combination of these options. It's also important to note that choosing any one or more of these options for the current year's allocation does not preclude us from shifting priorities in the future with the LAHA allocation.

SOURCE OF FUNDS

Local Affordable Housing Aid is Aid received from the State of Minnesota, funded through a 0.25% Metropolitan Sales Tax. Beginning in 2025, aid recipients must submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report must include documentation of the location of any unspent funds and of qualifying projects completed or planned with the funds.

ATTACHMENTS

None



WORK SESSION AGENDA REPORT

DATE: November 25, 2024
DEPARTMENT: City Administrator
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 2.E.

MEETING TYPE

Regular Meeting

AGENDA ITEM

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

Discuss council appointments for various openings on Boards/Commissions/Joint Powers Entities

OVERVIEW

Pursuant to past practice and/or ordinance requirements, the City Council is to establish a liaison role with various City Boards, Commissions, and Joint Powers entities. The appointments are made by individual motions of the City Council unless more than one member of the City Council is interested in serving in a liaison role to a particular Board, Commission or Joint Powers entity. In this case, a ballot process is used to make that appointment.

Openings to be filled for 2025 are listed below:

- **Dakota 911 Board of Directors - Two Years.** The Dakota 911 Board is a joint powers entity that was created by local governments in Dakota County (County and Cities) to manage emergency 911 services throughout the County. Dakota 911 is an independent agency and is governed by a Board of Directors comprised of elected officials from each of the JPA member entities. Board membership occurs on a two-year appointment cycle, with half of the cities making a designation of a Director and Alternate every other year. South St. Paul is scheduled to designate a Director and Alternate for the 2025 - 2026 term. Councilmember Hansen has served as the City's appointed Director and Councilmember Seaberg has served as the Alternate for the Dakota 911 Board of Directors.
- **Parks and Recreation Advisory Commission - Two Years.** In accordance with City Code, the mayor must appoint a councilmember to act as a **liaison** representative to the Parks and Recreation Advisory Commission. The functions of such **liaison** representative are to attend the meetings of the commission, to advise the council of the background, attitudes, and reasons behind decisions and recommendations of the commission, and, on request of any member of the commission, to advise the commission of policies, procedures and decisions of the council that may bear on matters under discussion by the commission. The council **liaison** representative does not have a vote at the Commission. **Pam Bakken has served as the Councilmember Liaison to the Parks and Recreation Advisory Commission since March, 2023.**

- **South Metro Fire Department Board - Two Years.** South Metro Fire Department is a consolidated Joint Powers Entity created to provide fire protection services in the Cities of South St. Paul and West St. Paul. South Metro Fire is governed by a Board of Directors comprised of two members of each City Council - which are appointed by their respective City Councils - and one public member who is neither a resident nor employee of either City. Mayor Francis was most recently appointed in late 2023 for a 2-year term that will expire December 31, 2025. **Councilmember Seaberg has served as a Board Member with his current term expiring December 31, 2024.**

With the 2024 City Council election complete, all sitting Council members are eligible for appointment to these Commissions/Boards at any time before the end of the year. Staff is seeking direction as to whether to place these appointments on the December 2 or December 16 Council Agenda.

SOURCE OF FUNDS

N/A

ATTACHMENTS

None



WORK SESSION AGENDA REPORT

DATE: November 25, 2024
DEPARTMENT: City Administrator
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 2.F.

MEETING TYPE

Regular Meeting

AGENDA ITEM

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

No Action - Informational Update and any general questions

OVERVIEW

Items to be discussed include:

- Cancellation of December 23 Worksession
- Wakota Crossing Grants
- SMFD Strategic Plan
- Holiday Decorations Update
- Rick-Matt Topics - Please provide topics by Saturday 11/30
- Roof-mounted Solar Insurance Eligibility
- Wentworth/15th - County at 12/9 Worksession
- Chamber Annual Meeting/Trade Show 1/23/2025

SOURCE OF FUNDS

N/A

ATTACHMENTS

None