CITY OF SOUTH ST. PAUL
MEETING AGENDA

WORK SESSION

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

Monday, January 27, 2025
7:00 PM

1. CALL TO ORDER

2. DISCUSSION ITEMS

A. Civic Clerk Council Refresher

B. South Triangle TIF/Hardman Triangle Update

C. 2025 State Bonding Priorities

3. COUNCIL COMMENTS & QUESTIONS

4. ADJOURNMENT

WORK SESSION AGENDA REPORT

DATE: January 27, 2025
DEPARTMENT: City Clerk
PREPARED BY: Deanna Werner
AGENDA ITEM NUMBER: 2.A.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Civic Clerk Council Refresher

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Following this refresher, members of the City Council will be able to login to the CivicClerk system, access agendas, agenda materials, and navigate the system as necessary.

OVERVIEW
We will walk through a refresher of how to use the Agenda Management System being used by city staff to build the agenda and house all agenda documents.

SOURCE OF FUNDS
N/A

ATTACHMENTS
1. Civic Clerk - Refresher

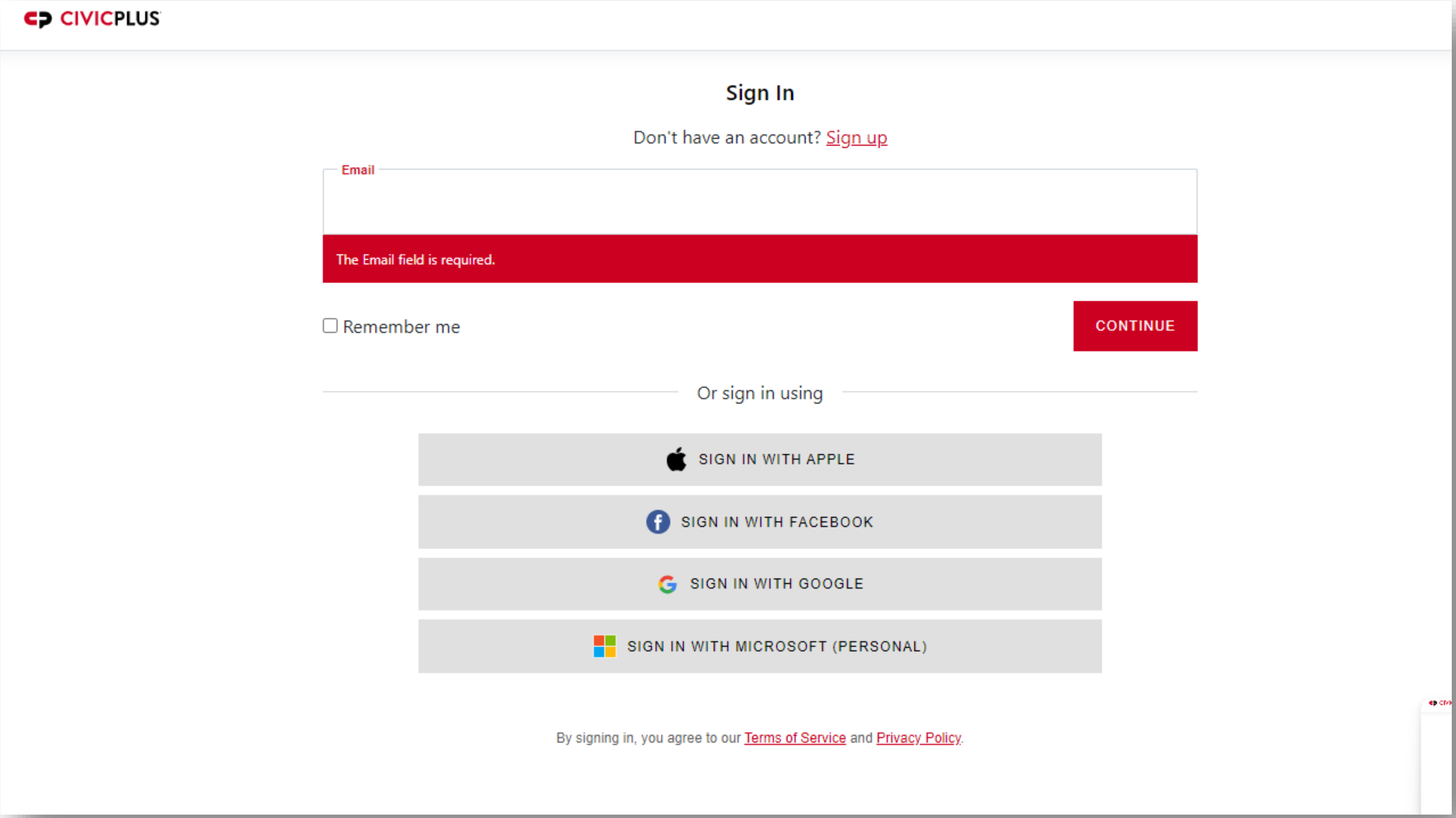
Civic Clerk Council Training

Agenda

- How to Login
- Shortcut
- Agendas & Packets
- Bells and Whistles
- Final tips & takeaways

Logging In

Click on the link below
https://southstpaulmn.boardportal.civicclerk.com/



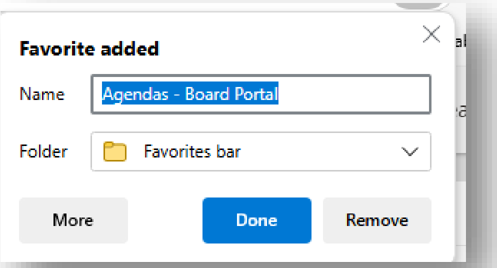
How to set-up a short cut to the Portal

Click on the link below

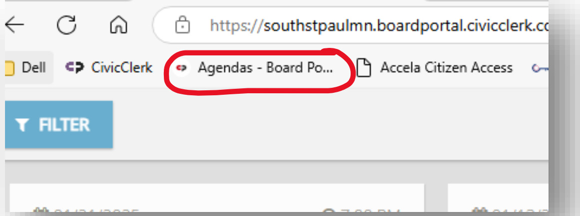
https://southstpaulmn.boardportal.civicclerk.com/

1. In the upper right-hand corner click on the star

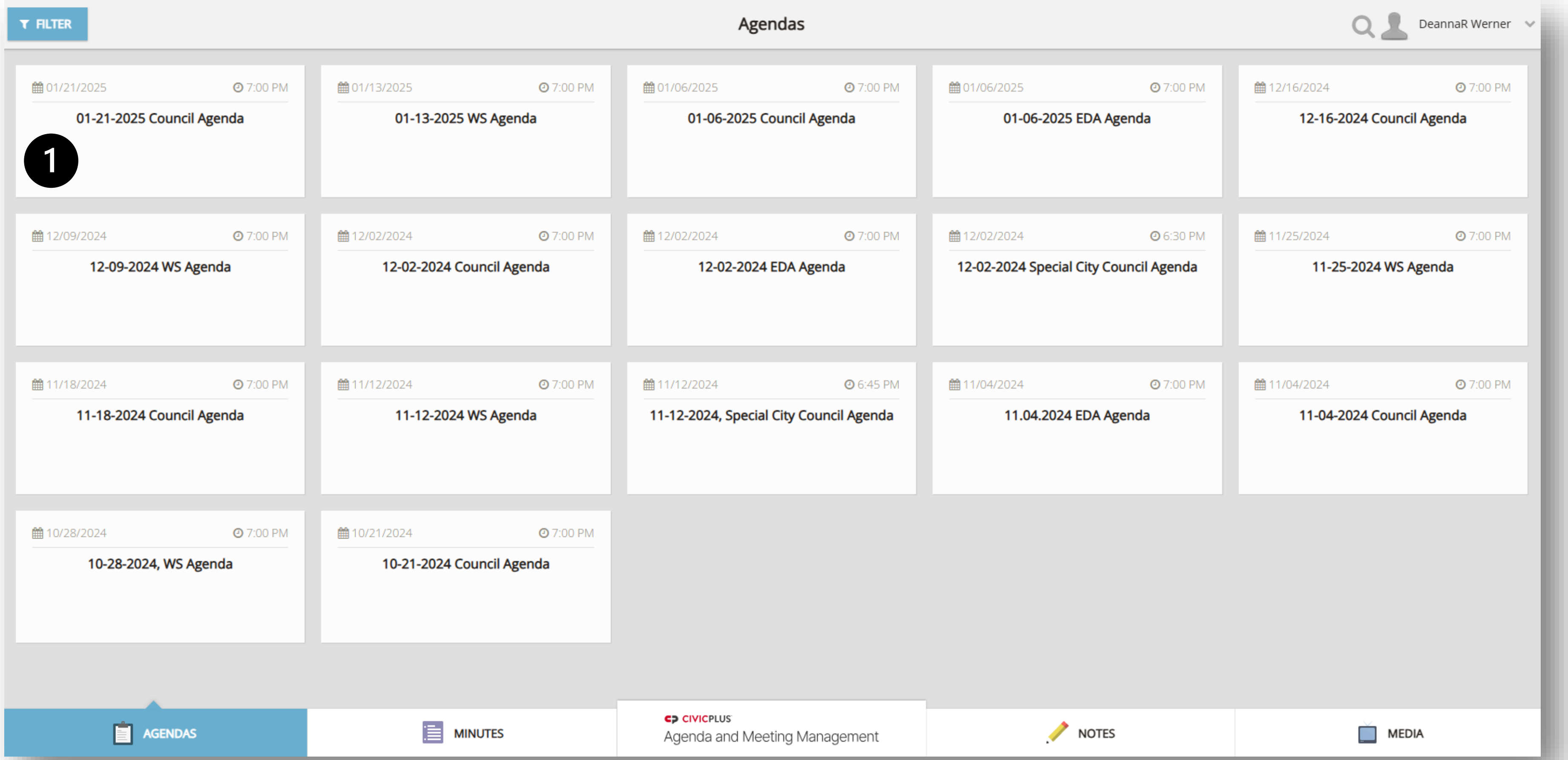
2. This box will appear, you can rename the short cut anything you want.



3. You can find it on your favorites bar and drag it to anyplace it is easy for you to find.



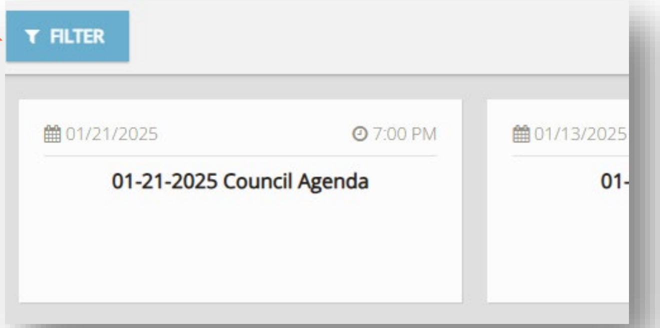
Main Page - Agendas



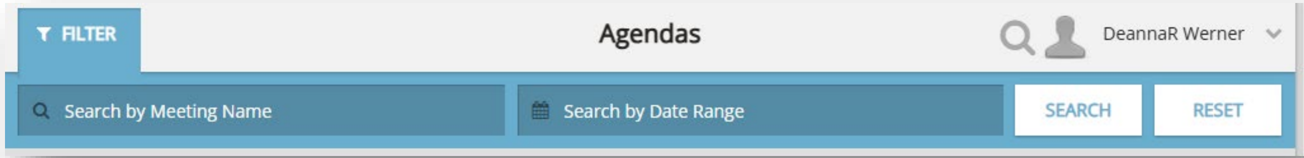
1. All published agendas for all meetings will be viewable on this page. Click on the agenda/packet you with to see.

To See Fewer Agendas

- All published agendas for all meetings will be viewable on the main page.
- To see fewer agendas, you can filter either by date or by meeting name by clicking on the Filter button in the upper left corner of your page.



- You can filter agendas you see by a date range or by meeting type:



Agendas and Packets

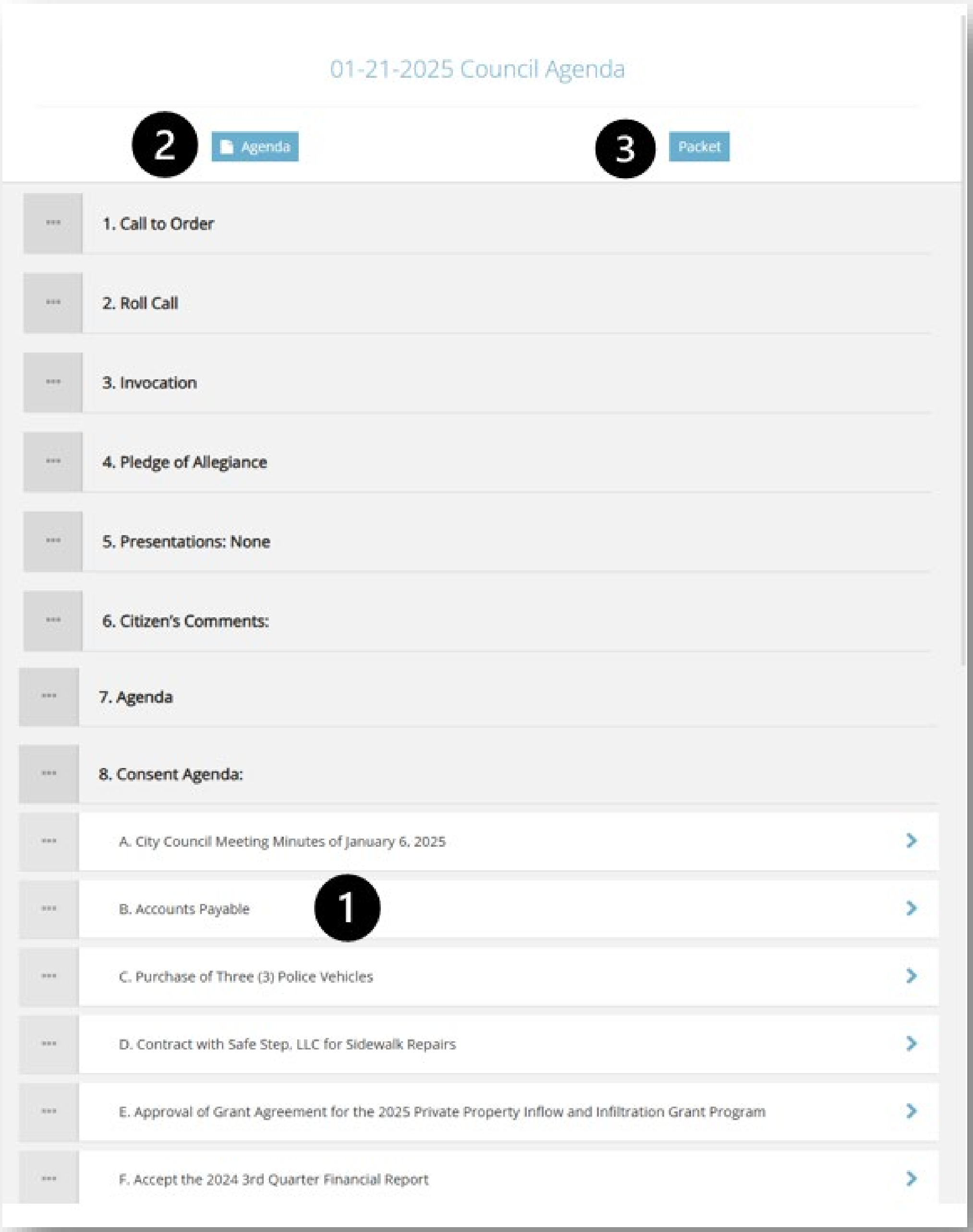
Once you select an agenda to view your screen will look like this:

You have several options from here.

1. You can click on any of the items of the agenda from this screen and see all the attachments.

2. You can click on the Agenda button at the top to see a PDF of the Agenda.

3. You can click on the Packet Button at the to see a PDF of the full packet.

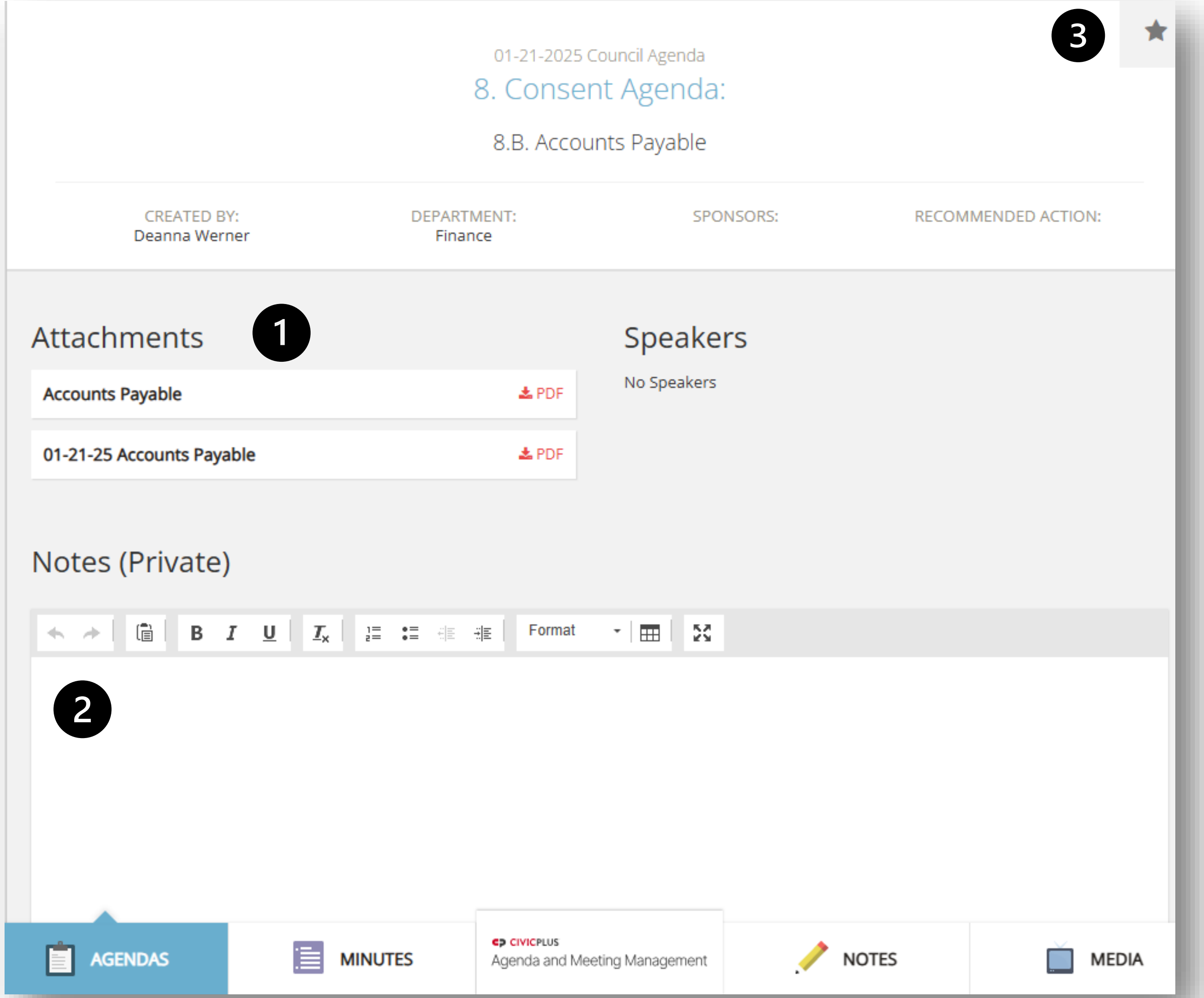


Option 1

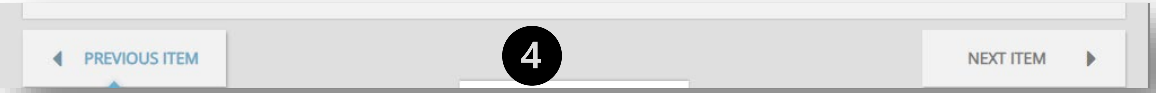
1. If you click on an agenda item in the , you will see all the attachments related to that item.

2. You can also leave yourself notes.

3. Star an item in case you want to remind yourself of something related to this item, or to remind yourself that you have a note.



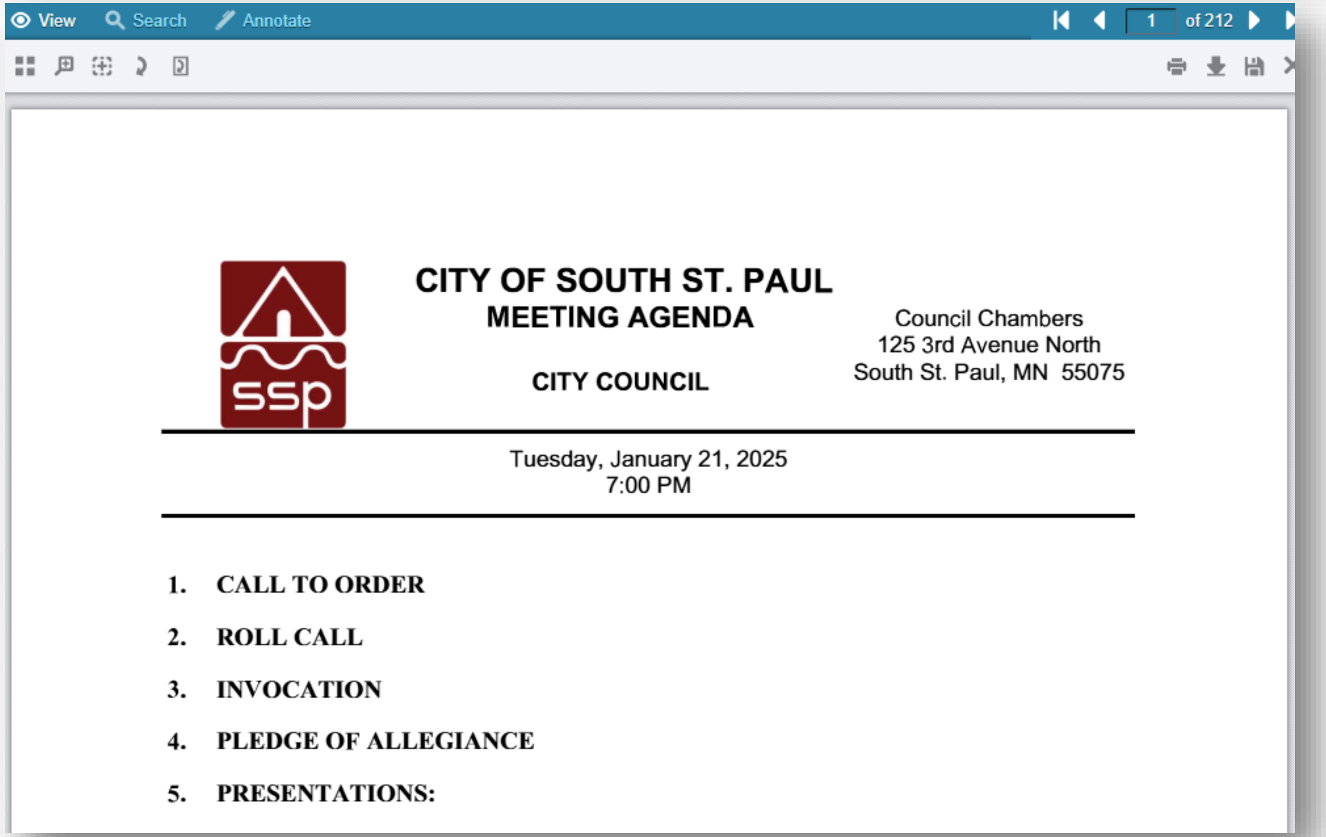
4. Scroll to the bottom of the page and you can move forward or back through the agenda items as needed.



Options 2 & 3

2. Click on the **Agenda Button** and you will see a PDF of the Agenda

3. Click on the **Packet Button** and you will see a PDF of the full packet with all attachments.



Bells and Whistles

If you use Option 1 for reviewing the agenda, there are some tools available to you:

1. You can leave yourself notes – these are private, so other council members or staff cannot see them, however, they would be subject to a data request so be mindful of the types of notes you leave for yourself.

2. You can simply STAR items as well – this is separate from a note, or you can use it as a way to remind you that you made a note.

3. If you click on the notes tab at the bottom it will bring up all agendas you have included notes.

4. When you click on the agenda with notes, it will bring up all the notes you made for that agenda.

Thank you

WORK SESSION AGENDA REPORT

DATE:	January 27, 2025
DEPARTMENT:	City Administrator
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	2.B.

MEETING TYPE
Regular Meeting

AGENDA ITEM
South Triangle TIF/Hardman Triangle Update

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

- Provide overview of actions under consideration by EDA/Council at 2/3 Business Meetings
- Provide Council with opportunity to ask questions/seek any clarification prior to formal adoption/approval meetings
- Provide brief update on Master Plan and District Stormwater Study
- Provide brief update on ZAS / TE Miller Development Concept

OVERVIEW
As Council is well-aware, staff has been engaged in serious redevelopment discussion with the development partnership of ZAS/Zavi Development and TE Miller Development throughout 2024 that proposes the construction of a multiple-building mixed-use development at the northeast corner of the intersection of Grand Avenue and Concord Street North. The EDA and City entered a preliminary development agreement with the developer in November 2024, and we've been working collaboratively to undertake refined planning and due diligence at the site, secure site control, and prepare a formal development plan for this potentially transformative project. These efforts continue to make progress, with an eye on breaking ground by the end of 2025 on the project.

February 3, 2025 Council and EDA Meetings - Actions Related to the Creation of the South Triangle Tax Increment Finance District
Council will recall that in November 2021, the EDA adopted Resolution 2021 – 28, finding that the properties at 135 Grand Avenue East and 139 Grand Avenue East were occupied by "substandard buildings" as defined by Minnesota TIF Law. In accordance with Section 469.174, the EDA had the right to establish a TIF District which is a "redevelopment district" within three years of the demolition of a substandard building. Demolition of the building located at 135 Grand Avenue East commenced in March 2022. As such, if the EDA desires to establish a Redevelopment TIF District that includes that property, that district would need to be certified by March 2025.

As a component of the 2020 Redevelopment Study for the Hardman Triangle, Ehlers' analysis indicated a gap of at least $1.4 Million for the first phase of Hardman Triangle redevelopment at the southwest portion of the site. Since then, we have undertaken additional due diligence of the site that indicates very clearly that site conditions such as unstable soils, environmental conditions, and additional demolition (of pavements and building foundations) will be encountered in any efforts to redevelop the site. Based on Ehlers' previous analysis and our documented knowledge of site conditions, Staff is of the opinion that Redevelopment TIF is both justified and necessary for the future redevelopment of the southern portion of the Hardman Triangle to be viable. As such, Ehlers' has prepared the attached "Modification to the Redevelopment Plan for the Concord Street Redevelopment Project Area & Tax Increment Financing (TIF) Plan for the Establishment of the South Triangle Tax Increment Financing District (a redevelopment district)". For brevity, we'll refer to this as the "TIF Plan" in this report.

On February 3 (next Monday), both the EDA and City Council will be asked to take action on a number of items that will formally "approve" and effectively serve as a critical next step to advance this ambitious redevelopment project. These items are listed below, and the pages that follow attempt to concisely but comprehensively summarize each of these critical elements:

Actions to be Considered by City Council at 2/3 Meeting

- Approval TIF Plan for South Triangle TIF, Creation of TIF District (Public Hearing)

Actions to be Considered by EDA at 2/3 Meeting

- Approval of TIF Plan for South Triangle TIF
- Approval of Interfund Loan

Summary of Key TIF Considerations

Approval of Modification to Redevelopment Project Area and Redevelopment Plan, and Creation of South Triangle TIF District (On EDA and Council Agendas)
Both the EDA and Council are required to approve the new TIF District, with the City Council holding a public hearing. The following bullet list summarizes key facts about the proposed TIF District:

- A boundary map of the District is provided as an attachment, and encompasses the EDA-owned properties (now vacant) with former addresses of 125, 135, and 139 Grand Avenue East (former DCTC Butchery School, former James & Co. / 2020 Brands, former Twin City Pallet Company). This boundary is intentional and strategic – it is envisioned that there will be three distinct development projects that would not come to fruition but for assistance through the Redevelopment TIF tool.
- This is a Redevelopment TIF District. Redevelopment TIF Districts are specifically defined by state law. Some of the key provisions to keep in mind in establishing a Redevelopment TIF District:

    1. Parcels consisting of at least 70% of the area are to be occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures.
    2. At least 50% of all buildings located within the district are “substandard” as defined by statute.
    3. The District has a maximum life of 26 years. All eligible project costs must be incurred within 5 years of creation of the District. The District can be terminated early if certain conditions are met.
- The TIF Plan specifically defines eligible uses of Tax Increment Financing within the district, and assigns estimated costs to each activity. It should be noted, these activities and costs are subject to change/flexibility without amending the project plan. However, total costs (beyond those stated in the plan) cannot exceed the total amount budgeted. The Table below is excerpted from the Plan.

USES	Estimated Amount
Land/Building Acquisition	$9,000,000
Site Improvements/Preparation	$5,000,000
Utilities	$2,500,000
Other Qualifying Improvements	$951,485
QUALIFYING PROJECT COSTS (TOTAL)	**$20,384,418**
Interest	$11,877,847
PROJECT AND INTEREST COSTS (TOTAL)	**$32,262,265**

- As a reminder, fundamentally how TIF works is to “freeze” Tax Capacities within the District at a “base” level (as of the time of District creation), and to divert any increase in those Tax Capacities (due to redevelopment that presumably increases value/tax capacity) into a specific EDA fund that is used to pay for the costs of redevelopment. The underlying taxing jurisdictions continue to receive property tax payments commensurate to the “frozen” tax capacity throughout the life of the District. TIF is not an abatement or direct forgiveness of property tax payments. TIF does not decrease the amount of tax that a taxing jurisdiction collects on a piece of property. **TIF is capturing value that would not exist “but for” the creation of the TIF District.**
- A quick rundown of key Financial Markers in the TIF Plan:
    1. Base Market Value of $2,570,500 and “base” tax capacity of $39,080. This is what is “frozen” (see above point).
    2. Assumes construction of 2 multifamily projects, 261 units, with an average (per unit) value of 200,000, a 37,700 square foot retail building with a per square foot value of $200, and a 4,500 square foot restaurant with a per square foot value of $250.
    3. Assumes annual inflation of 3%.
    4. “As complete” Market Value of $60,865,000 and tax capacity of $825,050. This is an increase of 2,368% (value) 2,111% (Tax Capacity) over the current value and tax capacity of the property within the District.

Approval of an Interfund Loan (On EDA Agenda)
The EDA will consider a resolution to approve an interfund loan, in an amount not to exceed $500,000, to allow the EDA to fund certain eligible activities prior to collecting increment within the district. This provides the EDA with the flexibility to borrow from other EDA funds - such as the 20284 Development Fund - against future tax increment for eligible expenses the EDA may incur prior to receiving increment in the district. Infrastructure costs, soil cleanup and site prep, or TIF administrative costs are the most likely expenses to be incurred in the early phases of the project, although at this point there is no certainty that such expenses will be incurred.

Update on Master Plan and Stormwater Study
At its November 3, 2024 meeting, the EDA authorized a professional services agreement with Tushie-Montgomery Architects - supported with infrastructure and stormwater analysis by Barr Engineering - for a district master plan and stormwater analysis for the Hardman Triangle. Our consultant team has completed a first draft of the plan and Staff will be meeting with them prior to the worksession, but a few high-level items of note:

- Site conditions - most specifically soft and highly compressible organic soils and unconsolidated fills - will require that most buildings within the district are supported through some form of ground improvement technique, such as geopiers or driven piles. In addition, a shallow depth to groundwater limits feasible excavations within the site (meaning most parking will have to be at-grade) and compounded with soil conditions suggests that a "district" (rather than site-by-site) approach to stormwater management would best support the desired intensity of development for the site.
- The site could be re-platted to accommodate 12.5 acres of developable land across 6 parcels. In addition to the mixed-use concept that has been proposed/presented by TE Miller/ZAS for the "South Triangle" area, 3 future phases are identified:
    - A 2.39 Acre multifamily pad on the EDA-owned parcel at 240 Concord Street (former Shipper's Club/Concord Meats property), which is estimated at up to 170 units and 210 parking stalls (under building). Mixed-Use is also a possibility on this site
    - A 3.05 Acre mixed-use/multifamily pad at the north end of the Triangle (SE corner of Concord/Hardman), which is estimated at up to 228 residential units with underbuilding parking and a small- to medium-format grocer with up to 80 stalls of surface parking
    - A 1.841 Acres Retail Development Pad on the east end of the site (along Hardman Avenue) with up to 53 stalls of surface parking.
- A public green space which serves as a stormwater management area is proposed be established in the center of the Hardman Triangle. At 3.37 acres, this area is proposed as a passive greenspace that serves primarily as a central collection point towards which stormwater from the surrounding development sites is directed but would also include pedestrian connections/seating areas to serve as a central gathering point within the district. This feature could be phased in as development progresses through the site.

As we finalize the Study, Staff will return with a presentation to Council and a discussion of "next steps" at a future Council meeting.

ZAS / TE Miller Concept
Also in November, the EDA and Council approved a Preliminary Development Agreement with ZAS, LLC to establish a framework for working through the pre-development process for the south portion of the Hardman Triangle. With our progress on the TIF District and Master Plan, we remain fully engaged with the development team on this opportunity. The most critical next steps for the EDA to consider are:

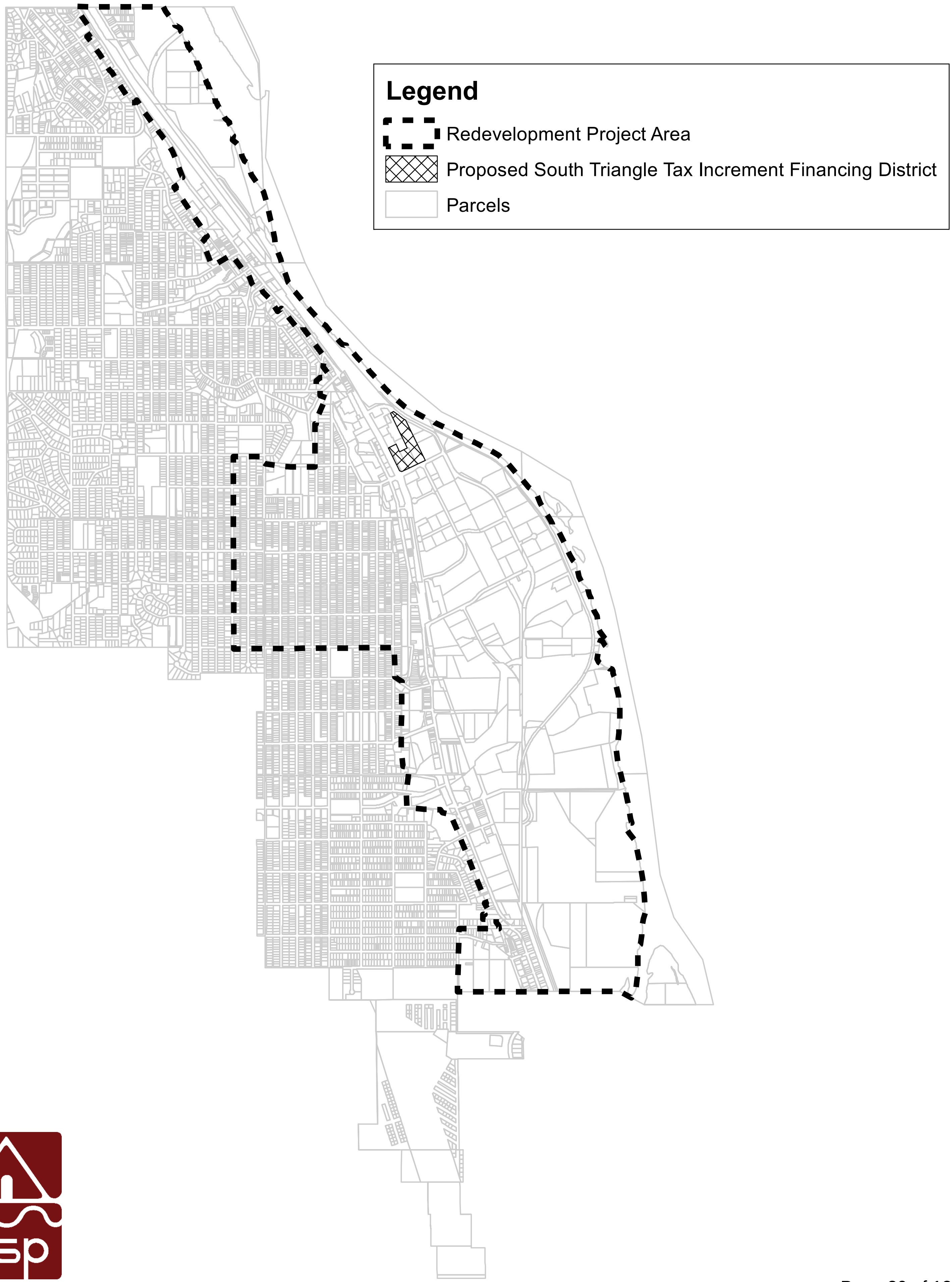
- Resolution of the remaining land use inconsistency to the immediate north of the proposed South Triangle district. This is a lynchpin issue, as the Developer has indicated an unwillingness to enter into a purchase and development agreement without the adjacent site under control.
- To the extent possible, address geotechnical soil conditions for the proposed restaurant and destination retail buildings within the district. We have consulted with American Engineering Testing (AET) to complete geotechnical analysis for the project. AET believes that the restaurant and retail buildings would not require geopiers or other ground improvements if the sites could be surcharged for a period of 3 - 6 months prior to construction. Staff would like to explore this opportunity by seeking bids for this work. Given the fact that we have a large amount of potential surcharge material currently being stockpiled on nearby EDA-owned sites, this could be an opportunity to make good use of the time we're spending in due diligence to prepare the site for development at a fraction of the cost of implementing geopiers or other ground improvement techniques (which would almost certainly need to be TIF funded in any event).

SOURCE OF FUNDS
EDA Staff is proposing the creation of a Redevelopment TIF District, which would be available to pay for eligible development costs. There is not currently a private development agreement under consideration. Any private development agreement contemplating the use of Tax Increment for eligible redevelopment costs will need to be reviewed and formally approved by the EDA at such time as such costs are known and presented for consideration in the context of a development pro forma.

If there is no objection to exploring a surcharge of the retail and restaurant sites within the South Triangle District, staff will work on a bid request for this work. These soil correction costs would be funded by the Development Fund (20284), with the potential to reimburse that fund if the South Triangle TIF District is approved. No work would commence until a bid recommendation is made to the EDA at a future Regular Meeting.

ATTACHMENTS
1. South Triangle TIF Boundary Map
2. South Triangle TIF Plan
3. Hardman Triangle Conceptual Masterplan (2025)

South Triangle Tax Increment Financing District



DRAFT

Adoption Date: February 3, 2025

South St. Paul Economic Development Authority

City of South St. Paul, Dakota County, Minnesota

MODIFICATION TO THE REDEVELOPMENT PLAN

Concord Street Redevelopment Project Area

&

Tax Increment Financing (TIF) Plan

Establishment of South Triangle
Tax Increment Financing District
(a redevelopment district)

Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, Minnesota 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

TABLE OF CONTENTS

Modification to the Redevelopment Plan for Concord Street Redevelopment Project Area

FOREWORD

The following text represents a Modification to the Redevelopment Plan for Concord Street Redevelopment Project Area. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for Concord Street Redevelopment Project Area. Generally, the substantive changes include the establishment of the South Triangle Tax Increment Financing District.

For further information, a review of the Redevelopment Plan for Concord Street Redevelopment Project Area, is recommended. It is available from the City Administrator at the City of South St. Paul. Other relevant information is contained in the tax increment financing plans for the tax increment financing districts located within Concord Street Redevelopment Project Area.

Tax Increment Financing Plan for the South Triangle Tax Increment Financing District

FOREWORD

The South St. Paul Economic Development Authority (the "EDA"), the City of South St. Paul (the "City"), staff and consultants have prepared the following information to expedite the Establishment of the South Triangle Tax Increment Financing District (the "District"), a redevelopment tax increment financing district, located in Concord Street Redevelopment Project Area.

STATUTORY AUTHORITY

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the EDA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.090 - 469.1082*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Redevelopment Plan for Concord Street Redevelopment Project Area.

STATEMENT OF OBJECTIVES

The District currently consists of four (4) parcels of land and adjacent roads and internal rights-of-way. The District is being created to facilitate the construction of a mixed-use development in the City. Development is proposed to consist of four components including construction of a residential market rate apartment building with approximately 145 units, a commercial strip mall with approximately 37,700 square feet, a restaurant with approximately 4,500 square feet, and a residential market rate apartment building with approximately 116 units. The EDA has not entered into an agreement or designated a developer at the time of preparation of this TIF Plan, but development is likely to commence at the end of 2025. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for Concord Street Redevelopment Project Area.

The activities contemplated in the Modification to the Redevelopment Plan and TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Concord Street Redevelopment Project Area and the District.

REDEVELOPMENT PLAN OVERVIEW

Pursuant to the Redevelopment Plan and authorizing state statutes, the EDA or City is authorized to undertake the following activities in the District:

1. Property to be Acquired - The EDA currently owns all four (4) parcels of property within the District. The remaining property located within the District, including interior and adjacent street rights of way, may be acquired by the EDA or City and is further described in this TIF Plan.

2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.

3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the EDA or City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.

4. The EDA or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED

The District encompasses all property and adjacent roads rights-of-way and abutting roadways identified by the parcels listed below.

Parcel number	Address	Owner
36-03800-00-061	Not Assigned	EDA
36-03800-00-062	Not Assigned	EDA
36-03800-00-072	139 Grand Ave E	EDA
36-03800-00-073	135 Grand Ave E	EDA

Please also see the map in Appendix A for further information on the location of the District.

The EDA or City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the EDA or City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The EDA or City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

The EDA currently owns all four (4) parcels of the property to be included in the District.

DISTRICT CLASSIFICATION

The EDA and City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, find that the District, to be established, is a redevelopment district pursuant to *M.S., Section 469.174, Subd. 10(a)(1).*

- The District is a redevelopment district consisting of four (4) parcels.
- An inventory shows that parcels consisting of more than 70% of the area in the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures.
- An inspection of the buildings located within the District finds that more than 50% of the buildings are structurally substandard as defined in the TIF Act. (See Appendix D).
- Based upon the inspection report, dated October 28, 2021, the EDA adopted Resolution No. 2021-28, declaring certain buildings structurally substandard and approved demolition of one or more of the buildings prior to creation of the District (See Appendix E).
    - The building located on 135 Grand Avenue East was demolished and removed in March of 2022.
    - The building located on 139 Grand Avenue East was demolished and removed in February of 2024.

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111*, *273.112, or 273.114* or *Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

DURATION & FIRST YEAR OF DISTRICT'S TAX INCREMENT

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the EDA or City (a total of 26 years of tax increment). The EDA or City elects to receive the first tax increment in 2027, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2052, or when the TIF Plan is satisfied. The EDA or City reserves the right to decertify the District prior to the legally required date.

ORIGINAL TAX CAPACITY, TAX RATE & ESTIMATED CAPTURED NET TAX CAPACITY VALUE/INCREMENT & NOTIFICATION OF PRIOR PLANNED IMPROVEMENTS

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2024 for taxes payable 2025, except the ONTC of parcel numbers 36-03800-00-072 and 36-03800-00-073.

Pursuant to *M.S., Section 469.177, Subd. 1(f)*, the County Auditor shall certify the original net tax capacity of the parcel using the greater of (1) the current net tax capacity of the parcel, or (2) the estimated market value of the parcel for the year in which the building or other improvements were demolished or removed, but applying the classification rates for the current year.

Thus, the ONTC certified for parcel number 36-03800-00-072 will be based on the market values placed on the property by the assessor in 2023 for taxes payable 2024 and for parcel number 36-03800-00-073 will be based on the market values placed on the property by the assessor in 2021 for taxes payable 2022 since the greater calculation is the estimated market value of the parcels for the year in which the buildings were demolished.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2027) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the District;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the EDA or City.

The original local tax rate for the District will be the local tax rate for taxes payable 2025. The rates for 2025 were not available at the time the District was established. The ONTC and the Original Local Tax Rate used for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Concord Street Redevelopment Project Area, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The EDA and City request 100% of the available increase in tax capacity be used for repayment of the obligations of the EDA or City and current expenditures, beginning in the tax year payable 2027. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity		
Development estimated Tax Capacity upon completion	1,611,637	
Original estimated Net Tax Capacity	39,080	
Fiscal Disparities	88,783	
Estimated Captured Tax Capacity	**1,483,775**	
Original Local Tax Rate	113.6650%	Pay 2025 Prelim.
Estimated Annual Tax Increment	**$1,686,533**	
Percent Retained by the City	100%	

Note: Tax capacity includes a 3% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 26. The tax capacity of the District in year one is estimated to be $90,625.

Pursuant to *M.S., Section 469.177, Subd. 4*, the EDA shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3.* The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City has reviewed the area to be included in the District and found no building permits were issued in the past 18 months prior to the public hearing.

SOURCES OF REVENUE/BONDS TO BE ISSUED

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES	
Tax Increment	$ 29,329,332
Interest	2,932,933
TOTAL	**$ 32,262,265**

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The EDA or City reserves the right to issue bonds (as defined in the TIF Act) or incur other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by pay-as-you-go notes and interfund loans. Any refunding amounts will be deemed a budgeted cost without a formal modification to this TIF Plan. This provision does not obligate the EDA or City to incur debt. The EDA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The EDA or City may issue bonds secured in whole or in part with tax increments from the District in a maximum principal amount of $20,384,418. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

USES OF FUNDS

Currently under consideration for the District is a proposal to facilitate the construction of a mixed-use development in the City. The EDA and City have determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described herein.

The EDA has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES	
Land/Building Acquisition	$ 9,000,000
Site Improvements/Preparation	5,000,000
Utilities	2,500,000
Other Qualifying Improvements	951,485
Administrative Costs (up to 10%)	2,932,933
PROJECT COSTS TOTAL	**$ 20,384,418**
Interest	11,877,847
PROJECT AND INTEREST COSTS TOTAL	**$ 32,262,265**

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

Estimated costs associated with the District are subject to change among categories without a modification to the TIF Plan except for interest expenses. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25% of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of Concord Street Redevelopment Project Area, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in the TIF Plan.

FISCAL DISPARITIES ELECTION

Pursuant to *M.S., Section 469.177, Subd. 3*, the EDA or City may elect one of two methods to calculate fiscal disparities.

The EDA will choose to calculate fiscal disparities by clause b (inside).

ESTIMATED IMPACT ON OTHER TAXING JURISDICTIONS

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the EDA or City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is $0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Impact on Tax Base			
Entity	Preliminary 2024/Pay 2025 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Dakota County	774,282,120	1,483,775	**0.1916%**
City of South St. Paul	24,460,733	1,483,775	**6.0659%**
ISD 006 (South St. Paul	24,303,944	1,483,775	**6.1051%**

Impact on Tax Rates				
Entity	Preliminary Pay 2025 Extension Rate	Percent of Total	CTC	Potential Taxes
Dakota County	19.9020%	17.51%	1,483,775	**$ 295,301**
City of South St. Paul	58.4230%	51.40%	1,483,775	**866,866**
ISD 006 (South St. Paul	25.0480%	22.04%	1,483,775	**371,656**
Other	10.2920%	9.05%	1,483,775	**152,710**
	113.6650%	**100.00%**		**$1,686,533**

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Preliminary Pay 2025 rate. The total net capacity for the entities listed above are based on Preliminary Pay 2025 figures. The District will be certified under the Pay 2025 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S., Section 469.175 Subd. 2(b)*:

(1) <u>Estimate of total tax increment.</u> It is estimated that the total amount of tax increment that will be generated over the life of the District is $29,329,332;

(2) <u>Probable impact of the District on city provided services and ability to issue debt.</u> An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service may increase. New developments add an increase in traffic, and may add overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically, new buildings generate fewer calls, if any, and are of superior construction. The two buildings demolished and the remaining building, which will be eliminated by the new development, had public safety concerns that presented a hazardous environment for the general public. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

An impact of the District on public infrastructure is expected. The development is expected to increase traffic movements in the area. A traffic study will be complete to fully understand the impact of traffic patterns. In addition, while the current infrastructure for water and sanitary sewer will be able to handle the additional volume generated by the proposed development, improvements will be needed to the storm sewer infrastructure. A portion of the costs for storm water treatment will be paid by the City. Based on the current development plans, there may be additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The City anticipates these annual costs to be around $10,000. The development in the District is also expected to contribute an estimated $688,345 in sanitary sewer (SAC) connection fees.

The probable impact of the issuance of any general obligation tax increment bonds payable from tax increment revenues from the District on the City's ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

(3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is $6,463,213;

(4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is $5,135,375;

(5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S., Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

SUPPORTING DOCUMENTATION

Pursuant to *M.S., Section 469.175, Subd. 1 (a), clause 7* this TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S., Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

(i) In making said determination, reliance has been placed upon (1) written representation made by the Developer to such effects; and (2) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the city council resolution approving the establishment of the District and Appendix C.

(ii) A comparative analysis of estimated market value both with and without establishment of the District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

DISTRICT ADMINISTRATION

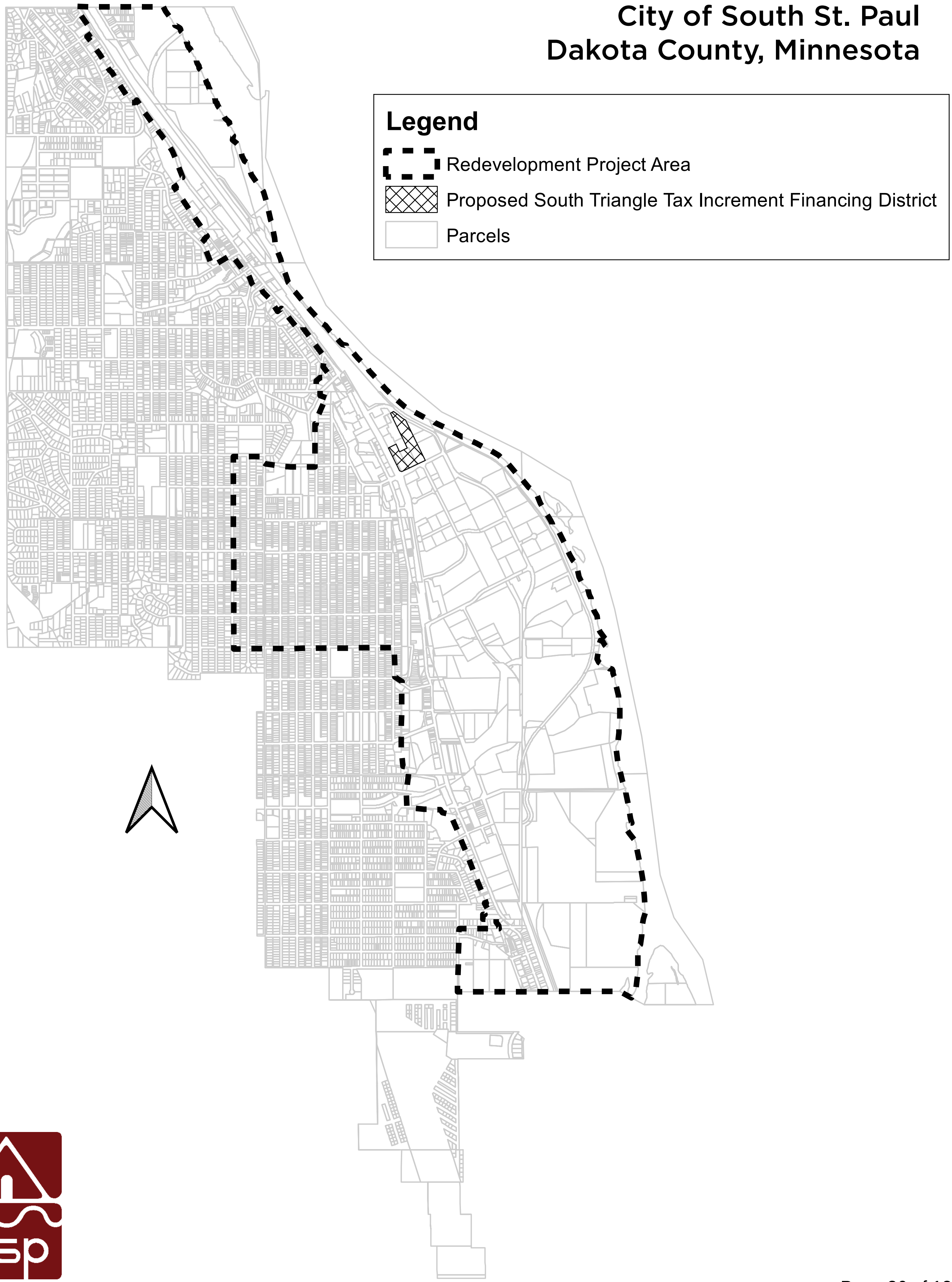
Administration of the District will be handled by the City Administrator.

Appendix A: Map of Concord Street Redevelopment Project Area and the TIF District

South Triangle Tax Increment Financing District

DRAFT

City of South St. Paul
Dakota County, Minnesota



Appendix B: Estimated Cash Flow for the District

DRAFT

South Triangle Tax Increment Financing District - 3.00% Inflation

City of South St. Paul, MN

Mixed-Use Development

ASSUMPTIONS AND RATES

DistrictType:	**Redevelopment**	
District Name/Number:		
County District #:		
First Year Construction or Inflation on Value	**2025**	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	**3.00%**	
Interest Rate:	**4.00%**	
Present Value Date:	**1-Aug-26**	
First Period Ending	1-Feb-27	
Tax Year District was Certified:	**Pay 2025**	
Cashflow Assumes First Tax Increment For Development:	2027	
Years of Tax Increment	26	
Assumes Last Year of Tax Increment	2052	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	**Inside(B)**	
Incremental or Total Fiscal Disparities	**Incremental**	
Fiscal Disparities Contribution Ratio	27.6786%	Pay 2025 Prelim.
Fiscal Disparities Metro-Wide Tax Rate	123.8880%	Pay 2025 Prelim.
Maximum/Frozen Local Tax Rate:	113.665%	Pay 2025 Prelim.
Current Local Tax Rate: (Use lesser of Current or Max.)	113.665%	Pay 2025 Prelim.
State-wide Tax Rate (Comm./Ind. only used for total taxes)	29.0000%	Pay 2025 Prelim.
Market Value Tax Rate (Used for total taxes)	0.26514%	Pay 2025 Prelim.

Tax Rates

Exempt Class Rate (Exempt)			0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)			
	First	$150,000	1.50%
	Over	$150,000	2.00%
Commercial Industrial Class Rate (C/I)			2.00%
Rental Housing Class Rate (Rental)			1.25%
Affordable Rental Housing Class Rate (Aff. Rental)			
	First	$100,000	0.25%
	Over	$100,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)			
	First	$500,000	1.00%
	Over	$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)			
	First	$500,000	1.00%
	Over	$500,000	1.25%
Agricultural Non-Homestead			1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
1	36-03800-00-061	EDA	Not Assigned	289,300	0	289,300	100%	289,300	Pay 2025	Exempt	-	Rental	3,616	1
2	36-03800-00-062	EDA	Not Assigned	4,100	0	4,100	100%	4,100	Pay 2025	Exempt	-	Rental	51	1
3	36-03800-00-072	EDA	139 Grand Ave E	532,300	494,200	1,026,500	100%	1,026,500	Pay 2024	Exempt	-	C/I Pref.	19,780	2
4	36-03800-00-073	EDA	135 Grand Ave E	213,400	1,037,200	1,250,600	100%	1,250,600	Pay 2022	Exempt	-	Rental	15,633	3
				1,039,100	**1,531,400**	**2,570,500**		**2,570,500**			**0**		**39,080**	

Note:

1. **Base values are for pay 2025 based on review of County website on 12-3-24, except PIDs 36-03800-00-072 and 36-03800-00-073 where base values are the year in which the building was demolished.**
2. **Located in SD #006 and Lower Mississippi River WS**

DRAFT

South Triangle Tax Increment Financing District - 3.00% Inflation

City of South St. Paul, MN

Mixed-Use Development

EHLERS PUBLIC FINANCE ADVISORS

PROJECT INFORMATION (Project Tax Capacity)														
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2025	Percentage Completed 2026	Percentage Completed 2027	Percentage Completed 2028	First Year Full Taxes Payable
1	Apartments	200,000	200,000	145	29,000,000	Rental	362,500	2,500	25%	80%	100%	100%	2029
2	Retail	200	200	37,700	7,540,000	C/I Pref.	150,050	4	0%	50%	100%	100%	2029
2	Restaurant	250	250	4,500	1,125,000	C/I	22,500	5	0%	50%	100%	100%	2029
3	Apartments	200,000	200,000	116	23,200,000	Rental	290,000	2,500	0%	0%	50%	100%	2030
TOTAL					60,865,000		825,050						
Subtotal Residential				261	52,200,000		652,500						
Subtotal Commercial/Ind.				42,200	8,665,000		172,550						

Note:

1. Market values are based upon estimates received from the County Assesor.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Apartments	362,500	0	362,500	412,036	0	0	76,891	488,926	3,371.91
Retail	150,050	41,532	108,518	123,347	51,453	42,862	19,992	237,654	6.30
Restaurant	22,500	6,228	16,272	18,496	7,715	5,655	2,983	34,849	7.74
Apartments	290,000	0	290,000	329,629	0	0	61,512	391,141	3,371.91
TOTAL	825,050	47,759	777,291	883,507	59,168	48,517	161,377	1,152,570	

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	1,152,570
less State-wide Taxes	(48,517)
less Fiscal Disp. Adj.	(59,168)
less Market Value Taxes	(161,377)
less Base Value Taxes	(38,197)
Annual Gross TIF	845,310

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	2,570,500
New Market Value - Est.	60,865,000
Difference	58,294,500
Present Value of Tax Increment	16,190,008
Difference	42,104,492
Value likely to occur without Tax Increment is less than:	42,104,492

South Triangle Tax Increment Financing District - 3.00% Inflation

City of South St. Paul, MN

Mixed-Use Development

EHLERS PUBLIC FINANCE ADVISORS

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				02/01/27
100%	90,625	(39,080)	-	51,545	113.665%	58,589	29,294	(105)	(2,919)	26,270	25,250	0.5	2027	08/01/27
							29,294	(105)	(2,919)	26,270	50,005	1	2027	02/01/28
100%	376,275	(39,080)	(17,709)	319,486	113.665%	363,143	181,572	(654)	(18,092)	162,826	200,431	1.5	2028	08/01/28
							181,572	(654)	(18,092)	162,826	347,908	2	2028	02/01/29
100%	680,050	(39,080)	(42,285)	598,685	113.665%	680,496	340,248	(1,225)	(33,902)	305,121	618,846	2.5	2029	08/01/29
							340,248	(1,225)	(33,902)	305,121	884,472	3	2029	02/01/30
100%	841,102	(39,080)	(43,717)	758,304	113.665%	861,926	430,963	(1,551)	(42,941)	386,471	1,214,321	3.5	2030	08/01/30
							430,963	(1,551)	(42,941)	386,471	1,537,702	4	2030	02/01/31
100%	866,335	(39,080)	(45,193)	782,061	113.665%	888,930	444,465	(1,600)	(44,286)	398,578	1,864,675	4.5	2031	08/01/31
							444,465	(1,600)	(44,286)	398,578	2,185,237	5	2031	02/01/32
100%	892,325	(39,080)	(46,713)	806,531	113.665%	916,744	458,372	(1,650)	(45,672)	411,050	2,509,347	5.5	2032	08/01/32
							458,372	(1,650)	(45,672)	411,050	2,827,102	6	2032	02/01/33
100%	919,094	(39,080)	(48,279)	831,735	113.665%	945,392	472,696	(1,702)	(47,099)	423,895	3,148,361	6.5	2033	08/01/33
							472,696	(1,702)	(47,099)	423,895	3,463,321	7	2033	02/01/34
100%	946,667	(39,080)	(49,891)	857,696	113.665%	974,900	487,450	(1,755)	(48,570)	437,126	3,781,744	7.5	2034	08/01/34
							487,450	(1,755)	(48,570)	437,126	4,093,922	8	2034	02/01/35
100%	975,067	(39,080)	(51,552)	884,435	113.665%	1,005,293	502,646	(1,810)	(50,084)	450,753	4,409,521	8.5	2035	08/01/35
							502,646	(1,810)	(50,084)	450,753	4,718,932	9	2035	02/01/36
100%	1,004,319	(39,080)	(53,263)	911,976	113.665%	1,036,597	518,299	(1,866)	(51,643)	464,790	5,031,722	9.5	2036	08/01/36
							518,299	(1,866)	(51,643)	464,790	5,338,379	10	2036	02/01/37
100%	1,034,449	(39,080)	(55,025)	940,343	113.665%	1,068,841	534,421	(1,924)	(53,250)	479,247	5,648,375	10.5	2037	08/01/37
							534,421	(1,924)	(53,250)	479,247	5,952,292	11	2037	02/01/38
100%	1,065,482	(39,080)	(56,840)	969,562	113.665%	1,102,052	551,026	(1,984)	(54,904)	494,138	6,259,509	11.5	2038	08/01/38
							551,026	(1,984)	(54,904)	494,138	6,560,701	12	2038	02/01/39
100%	1,097,447	(39,080)	(58,710)	999,657	113.665%	1,136,260	568,130	(2,045)	(56,608)	509,476	6,865,154	12.5	2039	08/01/39
							568,130	(2,045)	(56,608)	509,476	7,163,636	13	2039	02/01/40
100%	1,130,370	(39,080)	(60,635)	1,030,655	113.665%	1,171,494	585,747	(2,109)	(58,364)	525,274	7,465,341	13.5	2040	08/01/40
							585,747	(2,109)	(58,364)	525,274	7,761,129	14	2040	02/01/41
100%	1,164,281	(39,080)	(62,619)	1,062,582	113.665%	1,207,784	603,892	(2,174)	(60,172)	541,546	8,060,101	14.5	2041	08/01/41
							603,892	(2,174)	(60,172)	541,546	8,353,211	15	2041	02/01/42
100%	1,199,210	(39,080)	(64,661)	1,095,468	113.665%	1,245,164	622,582	(2,241)	(62,034)	558,307	8,649,467	15.5	2042	08/01/42
							622,582	(2,241)	(62,034)	558,307	8,939,914	16	2042	02/01/43
100%	1,235,186	(39,080)	(66,766)	1,129,340	113.665%	1,283,665	641,832	(2,311)	(63,952)	575,570	9,233,471	16.5	2043	08/01/43
							641,832	(2,311)	(63,952)	575,570	9,521,271	17	2043	02/01/44
100%	1,272,241	(39,080)	(68,933)	1,164,229	113.665%	1,323,321	661,660	(2,382)	(65,928)	593,350	9,812,146	17.5	2044	08/01/44
							661,660	(2,382)	(65,928)	593,350	10,097,316	18	2044	02/01/45
100%	1,310,409	(39,080)	(71,165)	1,200,164	113.665%	1,364,166	682,083	(2,455)	(67,963)	611,665	10,385,525	18.5	2045	08/01/45
							682,083	(2,455)	(67,963)	611,665	10,668,082	19	2045	02/01/46
100%	1,349,721	(39,080)	(73,464)	1,237,177	113.665%	1,406,237	703,118	(2,531)	(70,059)	630,529	10,953,643	19.5	2046	08/01/46
							703,118	(2,531)	(70,059)	630,529	11,233,604	20	2046	02/01/47
100%	1,390,213	(39,080)	(75,832)	1,275,300	113.665%	1,449,570	724,785	(2,609)	(72,218)	649,958	11,516,533	20.5	2047	08/01/47
							724,785	(2,609)	(72,218)	649,958	11,793,915	21	2047	02/01/48
100%	1,431,919	(39,080)	(78,272)	1,314,567	113.665%	1,494,203	747,102	(2,690)	(74,441)	669,971	12,074,231	21.5	2048	08/01/48
							747,102	(2,690)	(74,441)	669,971	12,349,051	22	2048	02/01/49
100%	1,474,877	(39,080)	(80,784)	1,355,013	113.665%	1,540,175	770,088	(2,772)	(76,732)	690,584	12,626,772	22.5	2049	08/01/49
							770,088	(2,772)	(76,732)	690,584	12,899,047	23	2049	02/01/50
100%	1,519,123	(39,080)	(83,372)	1,396,671	113.665%	1,587,526	793,763	(2,858)	(79,091)	711,815	13,174,191	23.5	2050	08/01/50
							793,763	(2,858)	(79,091)	711,815	13,443,939	24	2050	02/01/51
100%	1,564,697	(39,080)	(86,037)	1,439,579	113.665%	1,636,298	818,149	(2,945)	(81,520)	733,683	13,716,523	24.5	2051	08/01/51
							818,149	(2,945)	(81,520)	733,683	13,983,762	25	2051	02/01/52
100%	1,611,637	(39,080)	(88,783)	1,483,775	113.665%	1,686,533	843,266	(3,036)	(84,023)	756,208	14,253,804	25.5	2052	08/01/52
							843,266	(3,036)	(84,023)	756,208	14,518,552	26	2052	02/01/53
Total							**29,435,299**	**(105,967)**	**(2,932,933)**	**26,396,399**				
	Present Value From 08/01/2026			**Present Value Rate**	**4.00%**		**16,190,008**	**(58,284)**	**(1,613,172)**	**14,518,552**				

Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for South Triangle Tax Increment Financing District (the “District”), as required pursuant to *Minnesota Statutes (M.S.), Section 469.175, Subdivision 3* are as follows:

1. *Finding that South Triangle Tax Increment Financing District is a redevelopment district as defined in M.S., Section 469.174, Subd. 10.*

   The District consists of four (4) parcels and vacant right-of-way, with plans to redevelop the area for construction of a mixed-use development in the City. Parcels consisting of 70% of the area of the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50% of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix D of the TIF Plan.)

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of South Triangle Tax Increment Financing District permitted by the TIF Plan.*

   The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels and costs associated to financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing. While a formal request for public assistance hasn’t been received from the Developer, the City anticipates receiving a request after the District is created. The Developer has shared that without tax increment assistance the proposed development will not move forward.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan: This finding is justified on the grounds that the cost of site and public improvements and utilities add to the total redevelopment cost. Historically, acquisition, construction costs, site and public improvements costs in this area have made redevelopment infeasible without tax increment assistance. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is $0.

b. If the proposed development occurs, the total increase in market value will be $58,294,500.

c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be $16,190,008.

d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than $42,104,492 (the amount in clause b less the amount in clause c) without tax increment assistance.

3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The City Council reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for South Triangle Tax Increment Financing District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Concord Street Redevelopment Project Area by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, the renovation of substandard properties, increased tax base of the State and add a high-quality development to the City.

Through the implementation of the TIF Plan, the EDA or the City will increase the availability of safe and decent life-cycle housing in the City and add commercial opportunities for residents.

Appendix D: Redevelopment Qualifications for the District

DRAFT

REPORT OF INSPECTION PROCEDURES AND RESULTS

FOR

DETERMINING QUALIFICATIONS

OF A

TAX INCREMENT FINANCING DISTRICT

SOUTH TRIANGLE
REDEVELOPMENT TIF DISTRICT

Prepared for

CITY OF SOUTH SAINT PAUL

SOUTH SAINT PAUL, MINNESOTA

DECEMBER 27, 2024

LHB

Table of Contents

Part 1: Executive Summary

Purpose of the Evaluation

LHB was hired by the City of South Saint Paul to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District ("TIF District") proposed to be established by the City. The proposed TIF District is located at the intersection of Concord Street North and Grand Avenue East in South Saint Paul, Minnesota (Diagram 1). The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether two buildings on four parcels, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.

Diagram 1: Proposed TIF District

Scope of Work

The proposed TIF District consists of four parcels with two buildings. The buildings were inspected on August 12, 2021. Building Code and Condition Deficiency reports are in Appendix B.

Conclusion

After inspecting and evaluating the properties within the proposed TIF District and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the proposed TIF District qualifies as a Redevelopment District because:

- The proposed TIF District has a coverage calculation of 100 percent which is above the 70 percent requirement.
- 100 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

The remainder of this report describes our process and findings in detail.

Part 2: Minnesota Statute 469.174, Subdivision 10 Requirements

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

Interior Inspection

> "The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."

Exterior Inspection and Other Means

> "An interior inspection of the property is not required, if the municipality finds that
>
> (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and
>
> (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

Documentation

> "Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3(1)."

Qualification Requirements

Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires three tests for occupied parcels:

1. COVERAGE TEST

a. Minnesota Statutes, Section 469.174, Subdivision 10(a)(1) states:

   "Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots…"

b. The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states:

   "For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

2. CONDITION OF BUILDINGS TEST

a. Minnesota Statutes, Section 469.174, Subdivision 10(a) states:

   "…and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"

b. Structurally substandard is defined under Minnesota Statutes, Section 469.174, Subdivision 10(b), which states:

   "For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects, or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

   i. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

c. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

   "A building is not structurally substandard if it follows the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence based on reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."

   "Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."

   i. LHB counts energy code deficiencies toward the 15 percent code threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c)) for the following reasons:
      1) The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
      2) Chapter 13 of the 2015 *Minnesota Building Code* states, "Buildings shall be designed and constructed in accordance with the *International Energy Conservation Code*." Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, "References to the *International Energy Conservation Code* in this code mean the *Minnesota Energy Code*…"
      3) Chapter 11 of the 2015 Minnesota Residential Code incorporates Minnesota Rules, Chapters, 1322 and 1323 *Minnesota Energy Code*.
      4) The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
      5) In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
      6) Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

3. DISTRIBUTION OF SUBSTANDARD BUILDINGS

a. Minnesota Statutes, Section 469.174, Subdivision 10, defines a Redevelopment District and requires one or more of the following conditions “reasonably distributed throughout the district.”:

“(1) Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

(2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way.

(3) tank facilities, or property whose immediately previous use was for tank facilities…”

b. Our interpretation of the distribution requirement is that the substandard buildings must be reasonably distributed throughout the district as compared to the location of all buildings in the district. For example, if all the buildings in a district are located on one half of the area of the district, with the other half occupied by parking lots (meeting the required 70 percent coverage for the district), we would evaluate the distribution of the substandard buildings compared with only the half of the district where the buildings are located. If all the buildings in a district are located evenly throughout the entire area of the district, the substandard buildings must be reasonably distributed throughout the entire area of the district. We believe this is consistent with the opinion expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

Part 3: Procedures Followed

LHB inspected two buildings on August 12, 2021. Both buildings were identified as substandard in a Letter of Finding to the South Saint Paul Economic Development Authority (EDA) dated October 28, 2021. The EDA adopted the Findings by resolution on November 1, 2021. The building on Parcel C (135 Grand Ave East) was demolished on March 21, 2022 and the building on Parcel D (139 Grand Ave East) was demolished on February 28, 2024.

Because both buildings were determined substandard by EDA resolution and demolished within 36 months of this report, we are able to make substandard findings as though the buildings were still located on parcels C and D in the proposed TIF District.

Building Code and Condition Deficiency reports are in Appendix B.

Part 4: Findings

1. Coverage Test

a. The total square foot area of the parcel in the proposed TIF District was obtained from City records, GIS mapping and site verification.
b. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District was obtained from City records, GIS mapping and site verification.
c. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

FINDING

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 100 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under Minnesota Statutes, Section 469.174, Subdivision (a) (1).

Diagram 2 – Coverage Diagram

Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures

2. Condition of Building Test

a. BUILDING INSPECTION

i. The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether a building "appears" to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

b. REPLACEMENT COST

i. The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2021.

ii. A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in South Saint Paul, Minnesota.

iii. Replacement cost includes labor, materials, and the contractor's overhead and profit. Replacement costs do not include architectural fees, legal fees or other "soft" costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

c. CODE DEFICIENCIES

i. The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.

ii. Minnesota Statutes, Section 469.174, Subdivision 10(c), specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.

iii. The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.

iv. After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2021; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

FINDING

Two out of two buildings (100 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c). Building Code, Condition Deficiency and Context Analysis reports for the building(s) in the proposed TIF District can be found in Appendix B of this report.

d. SYSTEM CONDITION DEFICIENCIES

i. If a building meets the minimum code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), then for such building to be "structurally substandard" under Minnesota Statutes, Section 469.174, Subdivision 10(b), the building's defects, or deficiencies should be of sufficient total significance to justify "substantial renovation or clearance." Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), to determine if the total deficiencies warranted "substantial renovation or clearance" based on the criteria we outlined above.

ii. System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors, and doors.
iii. The evaluation of system condition deficiencies was made by reviewing all available information contained in City records and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of "service life" used up for a particular component unless it was an obvious part of that component's deficiencies.
iv. After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify "substantial renovation or clearance."

FINDING

In our professional opinion, two out of two buildings (100 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

3. Distribution of Substandard Structures

e. Much of this report has focused on the condition of individual buildings as they relate to requirements identified by Minnesota Statutes, Section 469.174, Subdivision 10. It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District (Diagram 3).

FINDING

The parcels with substandard buildings are reasonably distributed compared to all parcels that contain buildings.

Diagram 3 – Substandard Buildings

Shaded yellow area depicts parcels with buildings.
Shaded orange area depicts substandard buildings.

Part 5: Team Credentials

Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 38 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial, and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 125 cities with strategic planning for TIF Districts. He is an Architectural Principal and Vice President at LHB.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning master's degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards, and community task forces, including a term as a City Council President, Chair of a Metropolitan Planning Organization, and Chair of the Edina Planning Commission. Most recently, he served as a member of the Edina city council and Secretary of the Edina HRA. Michael has also managed and designed several award-winning architectural projects and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

Phil Fisher – Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

Appendices

APPENDIX A	Property Condition Assessment Summary Sheet
APPENDIX B	Building Code, Condition Deficiency and Context Analysis Report
APPENDIX C	Building Replacement Cost Report
	Code Deficiency Cost Report
	Photographs

APPENDIX A

Property Condition Assessment Summary Sheet

DRAFT

South Triangle Redevelopment TIF District

Property Condition Assessment Summary Sheet

South Saint Paul, Minnesota

TIF Map No.	PID #	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard
A	36.03800.00.062	N/A	Vacant	Exterior	16,226	16,226	100%	16,226	0					
B	36.03800.00.061	N/A	Vacant	Exterior	80,348	80,348	100%	80,348	0					
C	36.03800.00.073	135 Grand Ave East	Improved	Interior/Exterior	77,582	77,582	100%	77,582	1	$5,320,272	$798,041	$1,545,534	1	1
D	36.03800.00.072	139 Grand Ave East	Improved	Interior/Exterior	227,009	227,009	100.0%	227,009	1	$1,683,212	$252,482	$731,504	1	1
TOTALS					401,165			401,165	2				2	2

Total Coverage Percent: 100.0%

Percent of buildings exceeding 15 percent code deficiency threshold: 100.0%

Percent of buildings determined substandard: 100.0%

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APPENDIX B

Building Code, Condition Deficiency and Context Analysis Report

South Triangle Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel C	**Office and Warehouse Building**
Address:	135 Grand Ave East, South St. Paul, Minnesota 55075
Parcel ID:	36-03800-00-073
Inspection Date(s) & Time(s):	August 12, 2021 1:00 PM
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	It is our professional opinion that this building is Substandard because: - Substantial renovation is required to correct Conditions found. - Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	$5,320,272
Estimated Cost to Correct Building Code Deficiencies:	$1,545,534
Percentage of Replacement Cost for Building Code Deficiencies:	29.0%

DEFECTS IN STRUCTURAL ELEMENTS

1. None observed.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
   a. There is no code required accessible parking.
   b. There is no code compliant accessible route into the building.
   c. There is no code compliant accessible route to all levels of the building.
   d. Transaction counter is not accessible per code.
   e. Restrooms are not code compliant for accessibility.

2. Light and Ventilation
   a. Electrical transformers are not protected per code.
   b. Lighting does not comply with code.
   c. The HVAC system does not comply with code.

3. Fire Protection/Adequate Egress
   a. Glass doors do not have code required 10-inch kick plates.
   b. Thresholds do not comply with code for maximum height.
   c. Door hardware is not code compliant.
   d. Floor tile is damaged missing creating an impediment to emergency egress which is contrary to code.
   e. Carpeting is damaged creating an impediment to emergency egress which is contrary to code.

f. Concrete flooring is cracked/heaving creating an impediment to emergency egress which is contrary to code.
g. Stairways do not comply with code.
h. There is an unprotected opening on the second floor that is not code compliant.
i. Wall penetrations are not fire caulked per code.
j. There is no code required emergency notification system.
k. The emergency lighting system does not fully comply with code.
l. The smoke detector system is not fully code compliant.
m. The building sprinkler system is not fully code compliant.

4. Layout and Condition of Interior Partitions/Materials
    a. Walls are damaged and should be repaired/repainted.
    b. Ceiling tile is damaged/missing.

5. Exterior Construction
    a. Windows are failing allowing for water intrusion, contrary to code.
    b. Metal roofing material over entrance is damaged and should be repaired.
    c. There is graffiti that should be removed per code.
    d. Exterior brick and mortar are damaged/missing and should be repaired/replaced to prevent water intrusion per code.
    e. Wooden fascia is damaged and should be repaired.
    f. Exterior wood trim is rotting allowing for water intrusion and should be replaced per code.
    g. Exterior surfaces should be repainted.
    h. Caulking is failing/missing and should be replaced to prevent water intrusion per code.
    i. Steel lintels should be protected from rusting per code.
    j. Loading dock is failing and should be repaired/replaced.
    k. Metal doors should be repainted.

DESCRIPTION OF CODE DEFICIENCIES

1. Code required accessible parking should be created.
2. A code required accessible route into the building should be created.
3. A code required accessible route to all levels should be created.
4. The transaction counter should be modified to comply with accessibility code.
5. The restrooms should be made code compliant.
6. Protect electrical transformers per code.
7. Install code compliant lighting system.
8. Install code compliant HVAC system.
9. Install code required 10-inch kick plates on glass doors.
10. Modify thresholds to comply with code for maximum height.
11. Install code compliant door hardware.
12. Repair/replace damaged/missing floor tile to create an unimpeded means for emergency egress per code.
13. Repair/replaced damaged/missing carpeting to create an unimpeded means for emergency egress per code.

14. Repair cracked/heaving concrete flooring to create an unimpeded means for emergency egress per code.
15. Install code compliant stairways.
16. Protect the open access in the floor from second floor to first floor per code.
17. Install fire caulking in wall and floor penetrations per code.
18. Install code required emergency notification system.
19. Install code compliant smoke detector system.
20. Install code compliant emergency lighting system.
21. Install code compliant building sprinkler system.
22. Replace failed windows to prevent water intrusion per code.
23. Remove graffiti per city code.
24. Repair/replace missing/damaged brick and mortar to prevent water intrusion per code.
25. Replace rotting wood trim to prevent water intrusion per code.
26. Replace failed caulking to prevent water intrusion per code.
27. Protect steel lintels from rusting per code.

OVERVIEW OF DEFICIENCIES

This building housed an office operation on the first floor and the second floor was used as a warehouse. There is no code compliant parking. There is no code compliant access into the building or to all levels. Windows are failing allowing for water intrusion and should be replaced per code. Exterior brick and mortar is failing allowing for water intrusion which is contrary to code. Door hardware is not code compliant. The transaction counter and restrooms are not code compliant for accessibility. The lighting system is not code compliant. Interior walls should be repaired/repainted. Graffiti should be removed per code. All flooring is damaged/missing creating an impediment to emergency egress which is contrary to code. Life safety systems are not fully code compliant. Stairways are not code compliant. There is an opening between second and first floor that is not protected per code. Steel lintels should be protected from rusting per code.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard:

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South Triangle Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel D — Twin City Pallet Company

Address:	139 Grand Ave East, South St Paul, Minnesota, 55075
Parcel ID:	36-03800-00-072
Inspection Date(s) & Time(s):	August 12, 2021 11:00 AM
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	It is our professional opinion that this building is Substandard because: - Substantial renovation is required to correct Conditions found. - Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	$1,683,212
Estimated Cost to Correct Building Code Deficiencies:	$731,504
Percentage of Replacement Cost for Building Code Deficiencies:	43.5%

DEFECTS IN STRUCTURAL ELEMENTS

1. The wooden beam supporting the elevated offices does not comply with code.
2. The wooden column supporting the elevated offices does not comply with code.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
   a. There is no accessible parking as required per code.
   b. There is no accessible route into the building as required per code.
   c. There is no accessible route to all levels of the building as required per code.
   d. The restrooms are not code compliant.
   e. There is no code required drinking fountain.

2. Light and Ventilation
   a. The lighting system does not comply with code.
   b. The HVAC system does not comply with code.
   c. The electrical wiring system does not comply with code.
   d. Electrical transformer is not protected per code.

3. Fire Protection/Adequate Egress
   a. Door hardware does not comply with code.
   b. Thresholds do not comply with code for maximum height.
   c. Stairways do not comply with code.

d. There is no code required smoke detector system in the building.
e. Emergency lighting does not comply with code.
f. There is no code required emergency notification system in the building.
g. There is no code required building sprinkler system.
h. Wall and floor penetrations are not fire caulked per code.

4. Layout and Condition of Interior Partitions/Materials
    a. All interior surfaces should be repaired/repainted.
    b. Carpeting is stained and should be replaced.

5. Exterior Construction
    a. Wood siding is rotting allowing for water intrusion which is contrary to code.
    b. Exterior surfaces should be repainted.
    c. Wood trim is damaged and should be repaired/replaced.
    d. Windows are failing allowing for water intrusion which is contrary to code.
    e. Metal doors are rusting and should be repainted.
    f. Steel lintels should be protected from rusting per code.
    g. Roofing material has failed allowing for water intrusion which is contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

1. The wooden column supporting the elevated offices do not comply with code.
2. The wooden beams supporting the elevated offices do not comply with code.
3. There is no code required accessible parking.
4. There is no code required accessible route into the building.
5. There is no code required accessible route to all levels.
6. The restrooms are not code compliant.
7. There is no code required drinking fountain.
8. The lighting system does not comply with code.
9. The HVAC system does not comply with code.
10. The electrical wiring system does not comply with code.
11. The electrical transformer is not protected per code.
12. Door hardware does not comply with code.
13. Thresholds do not comply with code.
14. The stairway does not comply with code.
15. There is no code required smoke detector system.
16. There is no code compliant emergency lighting system in the building.
17. There is no code required emergency notification system in the building.
18. There is no code required building sprinkler system.
19. Wall and floor penetrations are not fire caulked per code.
20. Rotting wood siding should be replaced to prevent water intrusion per code.

21. Windows are failing allowing for water intrusion which is contrary to code.
22. Steel lintels should be protected from rusting per code.
23. Roofing material has failed allowing for water intrusion which is contrary to code.

OVERVIEW OF DEFICIENCIES

There is no accessible parking as required per code. There is no code required accessible route into the building and to all levels of the building. The restrooms are not code compliant. The stairway is not code compliant. The wooden columns and beams supporting the elevated offices are not code compliant. Carpeting should be replaced. All interior surfaces should be repaired, cleaned, and repainted. There are no code compliant life safety systems in the building. The electrical wiring and lighting systems are not code compliant. The HVAC system is not code compliant. Steel lintels should be protected per code. Rotting wood siding should be replaced to prevent water intrusion per code. Failing windows should be replaced to prevent water intrusion per code. Failed roofing material should be replaced to prevent water intrusion per code.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard:

M:\21Proj\210426\300 Design\Reports\Building Reports\2024 December TIF Report\210426 Parcel D - 139 Grand Ave East Building Report.docx

APPENDIX C

Building Replacement Cost Report

Code Deficiency Cost Report

Photographs

South Triangle Redevelopment TIF District

Replacement Cost Report

RSMeans data from GORDIAN — **Square Foot Cost Estimate Report** — Date: **8/16/2021**

Estimate Name:	**135 Grand Ave E**
Building Type:	**Office, 2-4 Story with Brick Veneer / Reinforced Concrete**
Location:	**SOUTH SAINT PAUL, MN**
Story Count:	**2**
Story Height (L.F.):	**12.00**
Floor Area (S.F.):	**28050**
Labor Type:	**OPN**
Basement Included:	**No**
Data Release:	**Year 2021 Quarter 1**
Cost Per Square Foot:	**$189.67**
Building Cost:	**$5,320,272.78**

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

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		4.72%	$7.78	$218,228.14
A1010	**Standard Foundations**			**$4.54**	**$127,391.02**
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	730		$2.28	$64,063.71
A10101103100	Strip footing, concrete, reinforced, load 14.8 KLF, soil bearing capacity 6 KSF, 12" deep x 32" wide	730		$1.33	$37,356.66
A10102107700	Spread footings, 3000 PSI concrete, load 200K, soil bearing capacity 6 KSF, 6' - 0" square x 20" deep	28.05		$0.93	$25,970.65
A1030	**Slab on Grade**			**$3.06**	**$85,815.47**
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	14025		$3.06	$85,815.47
A2010	**Basement Excavation**			**$0.18**	**$5,021.65**
A20101104560	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage	14025		$0.18	$5,021.65
B	Shell		41.52%	$68.48	$1,920,895.59
B1010	**Floor Construction**			**$31.79**	**$891,665.73**
B10102049913	Cast-in-place concrete column, 12", square, tied, minimum reinforcing, 150K load, 10'-14' story height, 135 lbs/LF, 4000PSI	219		$0.56	$15,695.38
B10102049918	Cast-in-place concrete column, 16", square, tied, minimum reinforcing, 300K load, 10'-14' story height, 240 lbs/LF, 4000PSI	167.9		$0.59	$16,495.00
B10102154450	Concrete I beam, precast, 18" x 36", 790 PLF, 25' span, 6.44 KLF superimposed load	1036.6		$13.93	$390,759.85
B10102642650	Wood beam and joist floor, 14"x20" girder, 14"x16" beam, 2x10 joists @ 12", 15'x20' bay, 200 PSF LL, 234 PSF total load	14025		$16.71	$468,715.50
B2010	**Exterior Walls**			**$25.48**	**$714,741.01**
B20101321201	Brick wall, composite double wythe, standard face/CMU back-up, 8" thick, perlite core fill, 3" XPS	16352		$25.48	$714,741.01
B2020	**Exterior Windows**			**$4.85**	**$136,181.23**
B20201066550	Windows, aluminum, awning, insulated glass, 4'-5" x 5'-3"	177.74		$4.85	$136,181.23
B2030	**Exterior Doors**			**$1.40**	**$39,137.20**
B20301106950	Door, aluminum & glass, with transom, narrow stile, double door, hardware, 6'-0" x 10'-0" opening	2.8		$0.74	$20,744.24
B20301107300	Door, aluminum & glass, with transom, bronze finish, hardware, 3'-0" x 10'-0" opening	2.8		$0.38	$10,566.35
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	2.8		$0.28	$7,826.61
B3010	**Roof Coverings**			**$4.37**	**$122,537.35**
B30101203400	Roofing, single ply membrane, EPDM, 60 mils, loosely laid, stone ballast	14025		$0.98	$27,419.58
B30103202700	Insulation, rigid, roof deck, extruded polystyrene, 40 PSI compressive strength, 4" thick, R20	14025		$2.10	$58,767.13
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	730		$0.78	$21,747.94
B30104300040	Flashing, aluminum, no backing sides, .019"	730		$0.15	$4,248.34
B30106305200	Gravel stop, aluminum, extruded, 4", duranodic, .050" thick	730		$0.37	$10,354.36

B3020	**Roof Openings**			**$0.59**	**$16,633.07**
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	5.61		$0.27	$7,541.52
B30202102100	Smoke hatch, unlabeled, galvanized, 2'-6" x 3', not incl hand winch operator	5.61		$0.32	$9,091.55
C	**Interiors**		**16.66%**	**$27.48**	**$770,728.18**
C1010	**Partitions**			**$3.05**	**$85,483.42**
C10101265400	Metal partition, 5/8"fire rated gypsum board face, no base,3 -5/8" @ 24" OC framing, same opposite face, no insulation	7854		$1.32	$36,928.57
C10101265425	Metal partition, 5/8"fire rated gypsum board face, no base,3 -5/8" @ 24" OC framing, same opposite face, sound attenuation insulation	3366		$0.72	$20,223.70
C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"	16352		$0.61	$17,063.64
C10101280960	Add for the following: taping and finishing	16352		$0.40	$11,267.51
C1020	**Interior Doors**			**$5.76**	**$161,707.67**
C10201022500	Door, single leaf, wood frame, 3'-0" x 7'-0" x 1-3/8", birch, solid core	62.93		$1.81	$50,702.04
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	89.9		$3.96	$111,005.63
C1030	**Fittings**			**$0.28**	**$7,765.45**
C10301100420	Toilet partitions, cubicles, ceiling hung, plastic laminate	7.01		$0.28	$7,765.45
C2010	**Stair Construction**			**$4.20**	**$117,852.22**
C20101100720	Stairs, steel, pan tread for conc in-fill, picket rail,12 risers w/ landing	9.82		$4.20	$117,852.22
C3010	**Wall Finishes**			**$1.29**	**$36,289.14**
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	22440		$0.75	$20,992.17
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	16352		$0.55	$15,296.97
C3020	**Floor Finishes**			**$4.17**	**$116,846.34**
C30204100080	Carpet tile, nylon, fusion bonded, 18" x 18" or 24" x 24", 35 oz	16830		$2.06	$57,758.37
C30204101600	Vinyl, composition tile, maximum	8415		$0.93	$26,106.95
C30204101720	Tile, ceramic natural clay	2805		$1.18	$32,981.02
C3030	**Ceiling Finishes**			**$8.73**	**$244,783.94**
C30302106000	Acoustic ceilings, 3/4" fiberglass board, 24" x 48" tile, tee grid, suspended support	28050		$8.73	$244,783.94
D	**Services**		**37.10%**	**$61.19**	**$1,716,472.25**
D1010	**Elevators and Lifts**			**$12.09**	**$339,078.50**
D10101108900	Hydraulic passenger elevator, 3000 lb, 3 floors,12' story height, 2 car group,125 FPM	2.8		$12.09	$339,078.50
D2010	**Plumbing Fixtures**			**$2.43**	**$68,075.82**
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung	7.01		$0.90	$25,239.92
D20102102000	Urinal, vitreous china, wall hung	2.8		$0.14	$4,030.21
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"	5.61		$0.33	$9,188.00
D20104404340	Service sink w/trim, PE on CI,wall hung w/rim guard, 24" x 20"	4.21		$0.71	$20,010.45
D20108201920	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH	4.21		$0.34	$9,607.24
D2020	**Domestic Water Distribution**			**$0.69**	**$19,286.09**
D20202501860	Gas fired water heater, commercial, 100< F rise, 100 MBH input, 91 GPH	1.4		$0.69	$19,286.09
D2040	**Rain Water Drainage**			**$0.84**	**$23,549.89**
D20402104200	Roof drain, CI, soil,single hub, 4" diam, 10' high	5.61		$0.45	$12,684.35
D20402104240	Roof drain, CI, soil,single hub, 4" diam, for each additional foot add	219		$0.39	$10,865.54
D3050	**Terminal & Package Units**			**$17.45**	**$489,417.80**
D30501553960	Rooftop, multizone, air conditioner, offices, 25,000 SF, 79.16 ton	28050		$17.45	$489,417.80
D4010	**Sprinklers**			**$3.91**	**$109,707.65**
D40104100600	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 5000 SF	9537		$1.64	$46,040.92
D40104100720	Wet pipe sprinkler systems, steel, light hazard, each additional floor, 5000 SF	18513		$1.98	$55,514.56
D40104108930	Standard High Rise Accessory Package 3 story	1.4		$0.29	$8,152.17

D4020	**Standpipes**			**$1.19**	**$33,310.43**
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	1.68		$0.65	$18,095.74
D40203101560	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, additional floors	6.31		$0.54	$15,214.69
D5010	**Electrical Service/Distribution**			**$2.75**	**$77,053.34**
D50101200440	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 1000 A	1.25		$0.72	$20,294.66
D50102300440	Feeder installation 600 V, including RGS conduit and XHHW wire, 1000 A	100		$0.93	$26,089.20
D50102400320	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 1200 A	1.2		$1.09	$30,669.48
D5020	**Lighting and Branch Wiring**			**$13.29**	**$372,911.70**
D50201100640	Receptacles incl plate, box, conduit, wire, 16.5 per 1000 SF, 2.0 W per SF, with transformer	28050		$5.15	$144,393.27
D50201350320	Miscellaneous power, 1.2 watts	28050		$0.37	$10,362.79
D50201400280	Central air conditioning power, 4 watts	28050		$0.73	$20,376.08
D50201452080	Motor installation, three phase, 460 V, 15 HP motor size	2		$0.19	$5,203.90
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	32257.5		$6.87	$192,575.66
D5030	**Communications and Security**			**$6.56**	**$184,081.03**
D50303101020	Telephone wiring for offices & laboratories, 8 jacks/MSF	21037.5		$1.79	$50,323.59
D50309100454	Communication and alarm systems, fire detection, addressable, 50 detectors, includes outlets, boxes, conduit and wire	1.4		$2.18	$61,238.48
D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit	1.4		$0.67	$18,711.35
D50309200110	Internet wiring, 8 data/voice outlets per 1000 S.F.	21.04		$1.92	$53,807.61
E	**Equipment & Furnishings**		**0.00%**	**$0.00**	**$0.00**
E1090	**Other Equipment**			**$0.00**	**$0.00**
F	**Special Construction**		**0.00%**	**$0.00**	**$0.00**
G	**Building Sitework**		**0.00%**	**$0.00**	**$0.00**

SubTotal	**100%**	**$164.93**	**$4,626,324.16**
Contractor Fees (General Conditions,Overhead,Profit)	**15.0 %**	**$24.74**	**$693,948.62**
Architectural Fees	**0.0 %**	**$0.00**	**$0.00**
User Fees	**0.0 %**	**$0.00**	**$0.00**
Total Building Cost		**$189.67**	**$5,320,272.78**

South Triangle Redevelopment TIF District

Code Deficiency Cost Report

Parcel C - 135 Grand Ave East, South St Paul, Minnesota 55075 | Office and Warehouse Building
Parcel ID 36-03800-00-073

Code Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items				
Parking				
Create code required accessible parking	$ 100.00	EA	2	$ 200.00
Accessible Route				
Create a code required accessible route into the building	$ 500.00	Lump	1	$ 500.00
Create a code required accessible route to all levels in the building	$ 12.09	SF	28,050	$ 339,124.50
Transaction Counter				
Modify transaction counter to comply with code	$ 500.00	Lump	1	$ 500.00
Restroom				
Modify restroom to comply with code	$ 0.35	SF	28,050	$ 9,817.50
Structural Elements				
None				$ -
Exiting				
Glass Doors				
Install code required 10-inch kick plates on glass doors	$ 100.00	EA	6	$ 600.00
Thresholds				
Modify thresholds to comply with code for maximum height	$ 250.00	EA	10	$ 2,500.00
Door Hardware				
Install code compliant door hardware	$ 250.00	EA	18	$ 4,500.00
Floor Tile				
Repair/replace damaged missing floor tile to comply with code for an unimpeded means for emergency egress	$ 0.93	SF	500	$ 465.00
Carpeting				
Repair/replace damaged missing carpeting to comply with code for an unimpeded means for emergency egress	$ 2.06	SF	5,000	$ 10,300.00
Concrete Flooring				
Repair/replace damaged missing concrete flooring to comply with code for an unimpeded means for emergency egress	$ 3.06	SF	14,025	$ 42,916.50
Stairways				
Install code compliant stairways	$ 4.20	SF	28,050	$ 117,810.00
Open Flooring				
Protect open flooring to comply with code	$ 1,500.00	Lump	1	$ 1,500.00

Code Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Fire Protection				
Fire Caulking				
Install fire caulking at all floor and wall penetrations per code	$ 500.00	Lump	1	$ 500.00
Emergency Notification System				
Install a code required emergency notification system\	$ 0.67	SF	28,050	$ 18,793.50
Emergency Lighting System				
Install a code compliant emergency lighting system	$ 1.00	SF	28,050	$ 28,050.00
Building Sprinkler System				
Install a code compliant building sprinkler system	$ 1.98	SF	28,050	$ 55,539.00
Building Smoke Detector System				
Install a code compliant smoke detector system	$ 2.18	SF	28,050	$ 61,149.00
Exterior Construction				
Windows				
Replace failed windows to prevent water intrusion per code	$ 4.85	SF	28,050	$ 136,042.50
Graffiti				
Remove graffiti per code	$ 500.00	Lump	1	$ 500.00
Brick and Mortar				
Repair/replace damaged missing brick/mortar to prevent water intrusion per code	$ 1.00	SF	28,050	$ 28,050.00
Wood Trim				
Replace/repair rotting wood trim to prevent water intrusion per code	$ 1,500.00	Lump	1	$ 1,500.00
Caulking				
Remove/replace failed missing caulking to prevent water intrusion per code	$ 1,000.00	Lump	1	$ 1,000.00
Steel Lintels				
Protect steel lintels from rusting per code	$ 500.00	Lump	1	$ 500.00
Roof Construction				
None				$ -
Mechanical- Electrical				
Mechanical				
Install code compliant HVAC system	$ 17.45	SF	28,050	$ 489,472.50
Electrical				
Protect electrical transformer per code	$ 500.00	EA	2	$ 1,000.00
Install code compliant lighting system	$ 6.87	SF	28,050	$ 192,703.50
			Total Code Improvements	$ 1,545,534

Energy Code


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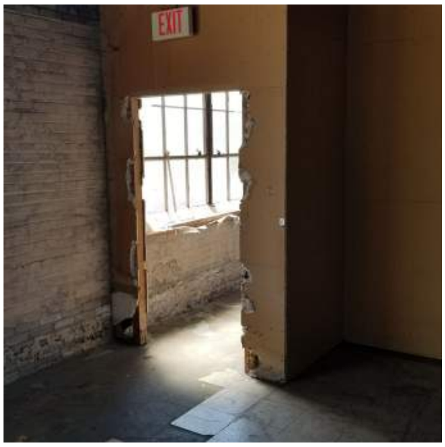

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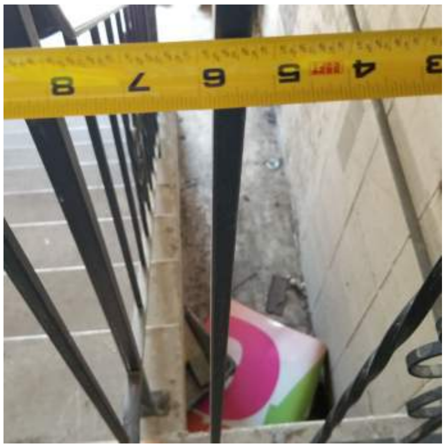
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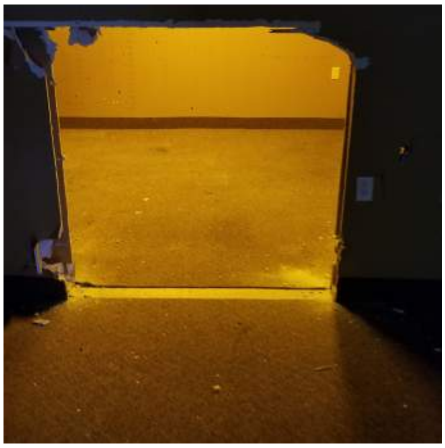
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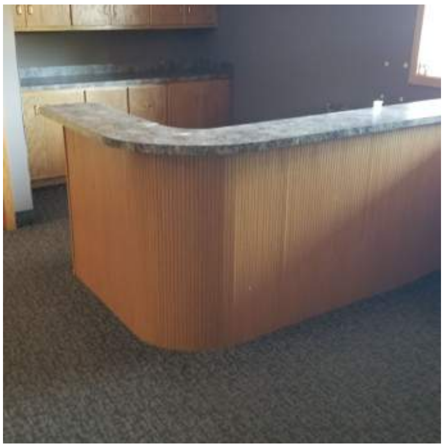

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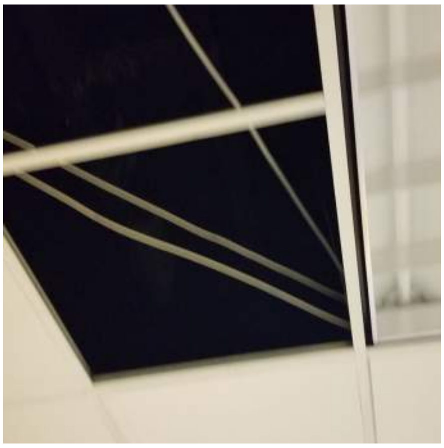
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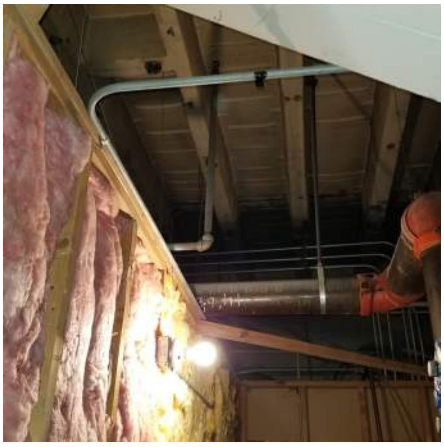
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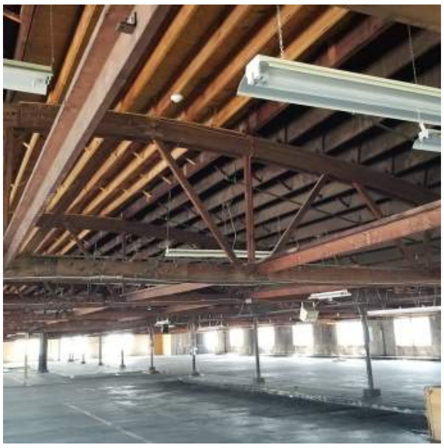
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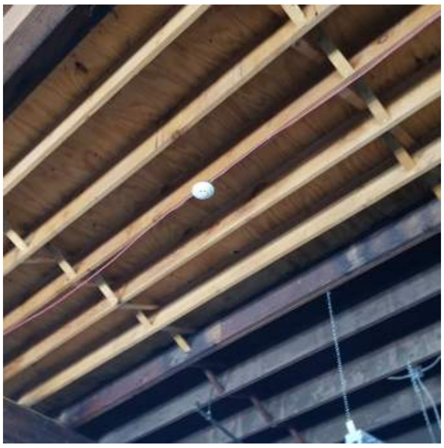
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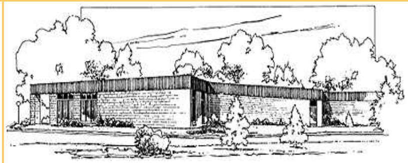
South Triangle Redevelopment TIF District

Replacement Cost Report

RSMeans data from GORDIAN

Square Foot Cost Estimate Report		Date:	8/16/2021
Estimate Name:	139 Grand Ave E		
Building Type:	Factory, 1 Story with Concrete Block / Bearing Walls		
Location:	SOUTH SAINT PAUL, MN		
Story Count:	1		
Story Height (L.F.):	20.00		
Floor Area (S.F.):	12800		
Labor Type:	OPN		
Basement Included:	No		
Data Release:	Year 2021 Quarter 1		
Cost Per Square Foot:	$131.50		
Building Cost:	$1,683,212.47		



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

		Quantity	% of Total	Cost Per S.F.	Cost
A	**Substructure**		**12.56%**	**$14.37**	**$183,901.36**
A1010	**Standard Foundations**			**$5.98**	**$76,535.98**
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	547.2		$3.75	$48,021.45
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	547.2		$1.91	$24,488.02
A10102107200	Spread footings, 3000 PSI concrete, load 50K, soil bearing capacity 6 KSF, 3' - 0" square x 12" deep	2.56		$0.04	$521.65
A10102107410	Spread footings, 3000 PSI concrete, load 100K, soil bearing capacity 6 KSF, 4' - 6" square x 15" deep	7.68		$0.27	$3,504.86
A1030	**Slab on Grade**			**$8.19**	**$104,852.10**
A10301203400	Slab on grade, 5" thick, light industrial, reinforced	12800		$8.19	$104,852.10
A2010	**Basement Excavation**			**$0.20**	**$2,513.28**
A20101105740	Excavate and fill, 30,000 SF, 4' deep, sand, gravel, or common earth, on site storage	12800		$0.20	$2,513.28
B	**Shell**		**25.49%**	**$29.15**	**$373,119.81**
B1020	**Roof Construction**			**$9.28**	**$118,791.94**
B10201204100	Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns/bearing wall, 40'x40' bay, 40 PSF superimposed load, 40.5" deep, 61 PSF total load	12800		$8.90	$113,911.04
B10201204150	Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns/bearing wall, 40'x40' bay, 40 PSF superimposed load, 40.5" deep, 61 PSF total load, add for column	12800		$0.38	$4,880.90
B2010	**Exterior Walls**			**$5.43**	**$69,528.05**
B20101103250	Concrete block (CMU) wall, lightweight, hollow, 4 x 8 x 16, 85 PCF	6840		$5.43	$69,528.05
B2020	**Exterior Windows**			**$4.89**	**$62,560.14**
B20201066900	Windows, aluminum, sliding, insulated glass, 8' x 4'	71.25		$4.89	$62,560.14
B2030	**Exterior Doors**			**$1.66**	**$21,200.57**
B20301106950	Door, aluminum & glass, with transom, narrow stile, double door, hardware, 6'-0" x 10'-0" opening	0.43		$0.25	$3,155.39
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	4.27		$0.93	$11,905.00
B20302204600	Door, steel 24 gauge, overhead, sectional, electric operator, 10'-0" x 10'-0" opening	1.71		$0.48	$6,140.18
B3010	**Roof Coverings**			**$7.25**	**$92,818.87**
B30101051400	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped	12800		$3.51	$44,892.54
B30103203090	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite	12800		$2.03	$25,949.95
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	456		$1.06	$13,585.02
B30104300040	Flashing, aluminum, no backing sides, .019"	456		$0.21	$2,653.76
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	456		$0.45	$5,737.60

B3020	**Roof Openings**			**$0.64**	**$8,220.24**
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	2		$0.21	$2,688.60
B30202102100	Smoke hatch, unlabeled, galvanized, 2'-6" x 3', not incl hand winch operator	3.41		$0.43	$5,531.64
C	Interiors		7.61%	$8.71	$111,443.20
C1010	**Partitions**			**$2.00**	**$25,615.97**
C10101021300	Partition, concrete block, 6" thick	2560		$2.00	$25,615.97
C1020	**Interior Doors**			**$2.06**	**$26,340.59**
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	21.33		$2.06	$26,340.59
C1030	**Fittings**			**$0.84**	**$10,757.57**
C10301100460	Toilet partitions, cubicles, ceiling hung, stainless steel	8.53		$0.84	$10,757.57
C3010	**Wall Finishes**			**$2.71**	**$34,741.87**
C30102202000	2 coats paint on masonry with block filler	6840		$1.91	$24,509.91
C30102300320	Painting, masonry or concrete, latex, brushwork, primer & 2 coats	5120		$0.80	$10,231.96
C3020	**Floor Finishes**			**$0.31**	**$3,971.11**
C30204101600	Vinyl, composition tile, maximum	1280		$0.31	$3,971.11
C3030	**Ceiling Finishes**			**$0.78**	**$10,016.09**
C30302107400	Acoustic ceilings, 3/4"mineral fiber, 12" x 12" tile, concealed 2" bar & channel grid, suspended support	1280		$0.78	$10,016.09
D	Services		54.33%	$62.12	$795,198.65
D1010	**Elevators and Lifts**			**$5.85**	**$74,827.20**
D10101102200	Hydraulic, passenger elevator, 3000 lb, 2 floors, 100 FPM	1		$5.85	$74,827.20
D2010	**Plumbing Fixtures**			**$5.84**	**$74,724.09**
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung	8.45		$2.38	$30,406.68
D20102102000	Urinal, vitreous china, wall hung	1.41		$0.16	$2,023.01
D20103101600	Lavatory w/trim, vanity top, PE on CI, 19" x 16" oval	19.71		$2.09	$26,775.80
D20104101960	Kitchen sink w/trim, countertop, stainless steel, 33" x 22" double bowl	0.72		$0.13	$1,721.29
D20104404300	Service sink w/trim, PE on CI,wall hung w/rim guard, 22" x 18"	0.72		$0.26	$3,375.35
D20107101680	Shower, stall, baked enamel, terrazzo receptor, 36" square	1.41		$0.36	$4,555.51
D20107101840	Shower, stall, fiberglass 1 piece, three walls, 36" square	1.41		$0.19	$2,426.03
D20108202080	Water cooler, electric, floor mounted, dual height, 14.3 GPH	1.41		$0.27	$3,440.42
D2020	**Domestic Water Distribution**			**$1.74**	**$22,327.22**
D20202501900	Gas fired water heater, commercial, 100< F rise, 115 MBH input, 110 GPH	1.69		$1.74	$22,327.22
D2040	**Rain Water Drainage**			**$2.56**	**$32,807.07**
D20402104280	Roof drain, CI, soil,single hub, 5" diam, 10' high	8.45		$1.80	$22,988.61
D20402104320	Roof drain, CI, soil,single hub, 5" diam, for each additional foot add	175		$0.77	$9,818.46
D3010	**Energy Supply**			**$10.36**	**$132,546.16**
D30105301920	Commercial building heating systems, terminal unit heaters, forced hot water, 10,000 SF bldg,100,000 CF, total, 2 floors	14080		$10.36	$132,546.16
D3030	**Cooling Generating Systems**			**$11.49**	**$147,025.19**
D30301102800	Packaged chiller, air cooled, with fan coil unit, factories, 40,000 SF, 133.33 ton	14080		$11.49	$147,025.19
D4010	**Sprinklers**			**$4.47**	**$57,182.08**
D40104101100	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 50,000 SF	12800		$4.47	$57,182.08
D4020	**Standpipes**			**$0.72**	**$9,210.80**
D40203101580	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, 1 floor	0.43		$0.57	$7,329.76
D40203101600	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, additional floors	0.43		$0.15	$1,881.04
D5010	**Electrical Service/Distribution**			**$2.77**	**$35,434.63**
D50101200360	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 600 A	1		$0.79	$10,105.45
D50102300360	Feeder installation 600 V, including RGS conduit and XHHW wire, 600 A	50		$0.64	$8,170.68
D50102400240	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 600 A	1		$1.34	$17,158.50

D5020	**Lighting and Branch Wiring**			**$14.73**	**$188,517.96**
D50201100200	Receptacles incl plate, box, conduit, wire, 2.5 per 1000 SF, .3 watts per SF	12800		$2.06	$26,383.87
D50201350280	Miscellaneous power, 1 watt	12800		$0.32	$4,137.73
D50201400280	Central air conditioning power, 4 watts	12800		$0.73	$9,298.18
D50202281640	HID fixture, 20' above work plane, 100 FC, type G, 6 fixtures per 1800 SF	14080		$11.62	$148,698.18
D5030	**Communications and Security**			**$1.61**	**$20,596.25**
D50309100454	Communication and alarm systems, fire detection, addressable, 50 detectors, includes outlets, boxes, conduit and wire	0.34		$1.16	$14,903.91
D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit	0.43		$0.44	$5,692.34
E	**Equipment & Furnishings**		**0.00%**	**$0.00**	**$0.00**
E1090	**Other Equipment**			**$0.00**	**$0.00**
F	**Special Construction**		**0.00%**	**$0.00**	**$0.00**
G	**Building Sitework**		**0.00%**	**$0.00**	**$0.00**

SubTotal	**100%**	**$114.35**	**$1,463,663.02**
Contractor Fees (General Conditions,Overhead,Profit)	**15.0 %**	**$17.15**	**$219,549.45**
Architectural Fees	**0.0 %**	**$0.00**	**$0.00**
User Fees	**0.0 %**	**$0.00**	**$0.00**
Total Building Cost		**$131.50**	**$1,683,212.47**

South Triangle Redevelopment TIF District

Code Deficiency Cost Report

Parcel D - 139 Grand Ave East, South St Paul, Minnesota 55075 — Twin City Pallet Company

Parcel ID 36-03800-00-072

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

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

Energy Code

South Triangle Redevelopment TIF District | Parcel D

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South Triangle Redevelopment TIF District | Parcel D

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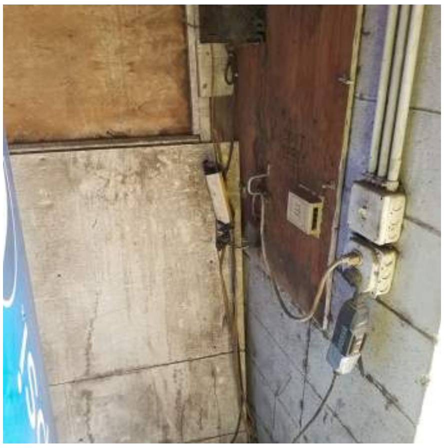
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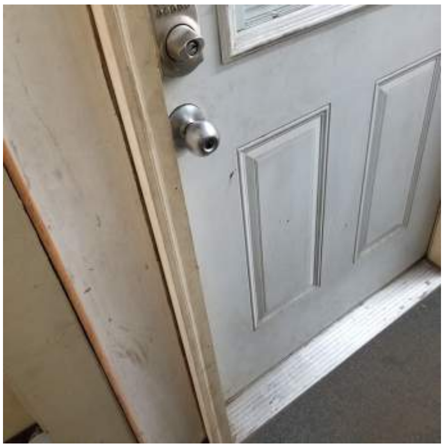
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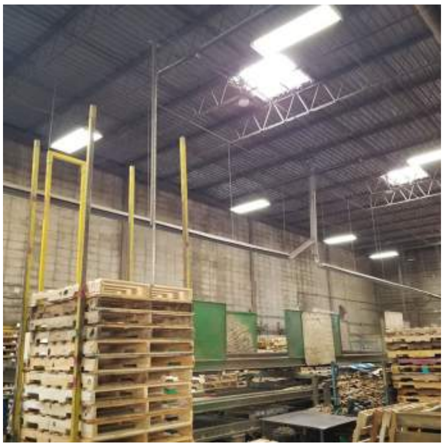

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Prepared by:

LHB

701 Washington Avenue North, Suite 200, Minneapolis, MN 55401

LHBcorp.com

LHB Project No. 210426.00

Appendix E: Resolution Designating Buildings as Structurally Substandard

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2021-28

RESOLUTION FINDING THAT PARCELS ARE OCCUPIED BY STRUCTURALLY SUBSTANDARD BUILDINGS

WHEREAS, the South St. Paul Economic Development Authority (the "EDA") is considering the establishment of a new Tax Increment Financing ("TIF") District located generally north of Grand Avenue East, east of Concord Street North, and west and south of Hardman Avenue North, including EDA-owned property with Dakota County Tax Parcel Identification Numbers 36-03800-00-073 and 36-03800-00-072 and located at 135 Grand Avenue East and 139 Grand Avenue East as well as private property with Dakota County Tax Parcel Identification Number 36-03800-00-041 and located at 302 Hardman Avenue North (collectively, "Properties"); and

WHEREAS, on the Properties are buildings ("Buildings") consisting of a structure or structures; and

WHEREAS, Minnesota Statutes, Section 469.174, Subdivision 10, Clause (d), preserves the right to establish a TIF District which is a "redevelopment district" within three years, if certain findings are made and actions taken; and

WHEREAS, such findings and actions do not obligate the EDA to create a Tax Increment Financing District, but preserve the opportunity to do so; and

WHEREAS, the EDA engaged LHB, Inc. ("LHB") to independently inspect and evaluate the existing conditions at the Properties and within the Buildings for compliance with Minnesota Statutes regarding establishment of a redevelopment TIF District; and

WHEREAS, LHB conducted a physical inspection of the properties and submitted a letter to report its findings dated October 28, 2021.

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

1. The EDA has engaged LHB to inspect the Properties and the Buildings located on the Properties and to prepare a report as to the Properties and the conditions of the Buildings situated thereupon. A letter of findings from LHB dated October 28, 2021 (the "LHB Findings", Exhibit A), has been presented to and reviewed by the Board of Commissioners. It is expected that one or more of the Buildings located on the Properties will be demolished and removed prior to the creation of the TIF District. It is also expected that the costs of such demolition and removal can and will be financed by the EDA in its current capacity.

2. The Board of Commissioners hereby finds as follows:

   (a) That Properties are "occupied" because more than fifteen percent (15%), specifically between eighty (80%) and ninety-eight (98%) percent of each of the Properties, are occupied by buildings, streets, utilities, or paved or gravel drives or parking lots;
   (b) That three of the three Buildings – equaling one hundred percent (100%) of the Buildings - located on the Properties are structurally substandard within the meaning of Minnesota Statutes, Section 469.174, Subd. 10(b), since they contain defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance;
   (c) That three of the three Buildings – equaling one hundred percent (100%) of the Buildings - located on the Properties are not in compliance with the building code applicable to new buildings and require substantial renovation and could not be modified to satisfy the building code at a cost of less than 15% of the cost of constructing a new structure of the same square footage and type on the Properties;
   (d) That the conditions described in (a), (b), and (c) above are reasonably distributed throughout the geographic area of the proposed TIF District;
   (e) That after demolition and removal of one or more of the buildings on the Properties, the EDA intends to include the Properties within a Redevelopment TIF District. In making the findings under (a) through (d) above, the EDA is relying on the LHB Findings.

Adopted this 1st day of November, 2021.

President, James P. Francis

Executive Director, Ryan Garcia

EXHIBIT A

LHB FINDINGS LETTER

DRAFT

PERFORMANCE
DRIVEN DESIGN.
LHBcorp.com

October 28, 2021

Ryan Garcia,
Director of Economic and Community Development
City of South St. Paul
125 3rd Avenue North
South St. Paul, MN 55075

TIF ANALYSIS FINDINGS FOR 135 AND 139 GRAND AVENUE EAST AND 302 HARDMAN AVENUE NORTH

LHB was hired to inspect two buildings at 135 and 139 Grand Avenue East and one building at 302 Hardman Avenue North in South St. Paul, Minnesota, to determine if they meet the definition of "Substandard" as defined by *Minnesota Statutes, Section 469.174, subdivision 10*. The building parcels may potentially be part of a future Redevelopment TIF District, so will need to be compliant with all the statutes pertaining to a Redevelopment District.

The parcels are located at in a triangular block bounded by Concord Street North, Hardman Avenue North, and Grand Avenue East (see Diagram 1).

Diagram 1

CONCLUSION

After inspecting and evaluating the buildings on August 12, 2021 and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the buildings qualify as substandard.

The remainder of this letter and attachments describe our process and findings in detail.

MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

INTERIOR INSPECTION

"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."

EXTERIOR INSPECTION AND OTHER MEANS

"An interior inspection of the property is not required, if the municipality finds that

(1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and

(2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

DOCUMENTATION

"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3, clause (1)."

QUALIFICATION REQUIREMENTS

Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires two tests for occupied parcels:

1. **Coverage Test**

   "...parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots..."

   The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states:

   "For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

   The LHB team reviewed the following parcels:

   Parcel A (302 Hardman Avenue North)

   - The parcel is approximately 79,092 square feet and is 80 percent covered by buildings, parking lots or other improvements.

Parcel B (135 Grand Avenue East)

- The parcel is approximately 77,582 square feet and is 96 percent covered by buildings, parking lots or other improvements.

Parcel C (139 Grand Avenue East)

- The parcel is approximately 227,009 square feet and is 98 percent covered by buildings, parking lots or other improvements.

Findings
The parcels are covered by buildings, parking lots or other improvements, exceeding the 15 percent parcel requirement.

2. **Condition of Buildings Test**
Minnesota Statutes, Section 469.174, Subdivision 10(a) states:

> *"...and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"*

Structurally substandard is defined under Minnesota Statutes, Section 469.174, Subdivision 10(b), which states:

> *"For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."*

We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b))* defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

Findings
The three buildings located at 302 Hardman Avenue North, 135 Grand Avenue East, and 139 Grand Avenue East exceed the criteria required to be determined substandard buildings (see the attached Building Code, Condition Deficiency and Context Analysis Reports).

Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in *Subdivision 10(c)* which states:

> *"A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."*
>
> *"Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."*

LHB counts energy code deficiencies toward the 15 percent code threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c))* for the following reasons:

- The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.

- Chapter 13 of the *2015 Minnesota Building Code* states, "Buildings shall be designed and constructed in accordance with the International Energy Conservation Code." Furthermore, *Minnesota Rules, Chapter 1305.0021 Subpart 9* states, "References to the International Energy Conservation Code in this code mean the Minnesota Energy Code..."
- Chapter 11 of the *2015 Minnesota Residential Code* incorporates *Minnesota Rules, Chapters, 1322 and 1323 Minnesota Energy Code.*
- The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
- In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
- Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

Findings
The buildings have code deficiencies exceeding the 15 percent building code deficiency criteria required to be determined substandard (see the attached Building Code, Condition Deficiency and Context Analysis Reports).

TEAM CREDENTIALS

MICHAEL A. FISCHER, AIA, LEED AP - PROJECT PRINCIPAL/TIF ANALYST
Michael has 33 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial, and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 130 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning Masters degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards, and community task forces, including a term as a City Council President and as Chair of a Metropolitan Planning Organization while living in the Duluth/Superior area. He served as Chair of the Edina, Minnesota planning commission and most recently served a four-year term on the Edina city council. Michael has also managed and designed several award-winning architectural projects, and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

PHIL FISHER – INSPECTOR
For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

ATTACHMENTS

We have attached a Building Code, Condition Deficiency and Context Analysis Report, Replacement Cost Report, Code Deficiency Report, and thumbnail photo sheets of the building.

Please contact me at (612) 752-6920 if you have any questions.

LHB, INC.

MICHAEL A. FISCHER, AIA, LEED AP

c: LHB Project No. 210426.00

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Hardman Triangle Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A	**Quality Service Corp.**
Address:	302 Hardman Ave North, South St Paul, Minnesota 55075
Parcel ID:	36-03800-00-041
Inspection Date(s) & Time(s):	August 12, 2021 10:00 am
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	It is our professional opinion that this building is Substandard because: - Substantial renovation is required to correct Conditions found. - Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	$633,854
Estimated Cost to Correct Building Code Deficiencies:	$153,369
Percentage of Replacement Cost for Building Code Deficiencies:	24.2%

DEFECTS IN STRUCTURAL ELEMENTS

1. Steel lintels should be protected from rusting per code.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
    a. The restroom does not comply with accessibility code.
    b. There is no code required accessible route into the building
    c. There is no code required accessible route to all levels of the building.

2. Light and Ventilation
    a. Exterior lighting is damaged and should be repaired.

3. Fire Protection/Adequate Egress
    a. Thresholds do not comply with code for maximum height.
    b. Emergency lighting does not comply with code.
    c. There are no code required smoke detectors.
    d. There is no code required emergency notification system.
    e. There is no code required building sprinkler system.
    f. Concrete flooring is damaged creating an impediment to emergency egress which is contrary to code.
    g. Stairway is not code compliant.
    h. Door hardware does not comply with code.

4. Layout and Condition of Interior Partitions/Materials
   a. Carpeting is damaged/stained and should be replaced.
   b. Interior walls should be repainted.

5. Exterior Construction
   a. Windows are failing allowing for water intrusion which is contrary to code.
   b. Exterior concrete surfaces should be repainted.
   c. Exterior metal doors should be repainted.
   d. Caulking is failing allowing for water intrusion which is contrary to code.
   e. Concrete block is cracked allowing for water intrusion which is contrary to code.
   f. Exterior metal doors are rusting and should be repainted.

DESCRIPTION OF CODE DEFICIENCIES

1. Steel lintels should be protected from rusting per code.
2. Restroom should be modified to comply with accessibility code.
3. A code required accessible route into the building should be created.
4. A code required accessible route to all levels of the building should be created.
5. Thresholds do not comply with code for maximum height.
6. Emergency lighting does not comply with code.
7. There is no code required emergency notification system.
8. There are no code required smoke detectors.
9. There is no code required building sprinkler system.
10. Damaged concrete flooring should be repaired to create an unimpeded means for emergency egress.
11. Stairway does not comply with code.
12. Door hardware does not comply with code.
13. Failing windows should be replaced to prevent water intrusion per code.
14. Cracked concrete block should be repaired/replaced to prevent water intrusion per code.
15. Failed caulking should be replaced to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

This 1980 building is currently used as a large vehicle repair shop. There is no code compliant accessible route into the building and to each level. Door hardware does not comply with code. Concrete flooring is damaged creating an impediment to emergency egress which is contrary to code. The interior and exterior block walls should be repainted. Windows are failing allowing for water intrusion which is contrary to code. The steel lintels should be protected from rusting per code. The stairway does not comply with code. The restroom is not code compliant. Failed caulking and concrete block should be replaced to prevent water intrusion per code. Life safety systems should be installed per code.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard:

02 Conceptual Masterplan | **Masterplan**

Conceptual Masterplan

1 Multifamily Residential
1.376 acres
103 residential units
117 - 149 parking stalls

2 Retail
1.633 acres
52 - 127 parking stalls

3 Multifamily Residential
2.256 acres
169 residential units
157 - 210 parking stalls

4 Retail
1.841 acres
53 parking stalls

5 City Park | Stormwater Management
3.374 acres
40 parking stalls

6 Mixed Use | Multifamily Residential
2.389 acres
179 residential units
161 - 228 parking stalls

7 Mixed Use | Multifamily Residential
3.052 acres
228 residential units
46 - 118 parking stalls

8 Public Right of Way
3.063 acres
32 parking stalls

679 residential units possible on developable parcels per Comprehensive Plan update to 75 units per acre.

Marketable Land

Proposed re-platting of the 18.7 acre Hardman Triangle site creates a 12.5 acres of developable land across 6 parcels. Mixed use, residential and retails uses align with the permitted uses in the zoning district.

Greenspace

A centralized 3.5 acre park becomes a dedicated space acting as both a canvas for stormwater management and community Interaction

Right of Way

A city owned right of way corridor thought the Hardman Triangle site with access from Grand Avenue and Hardman Avenue is at the core of the development. This right of way corridor will be home to the public utilities to each parcel.

"Most of the growth will occur through redevelopment as there are very few vacant, developable properties remaining in the city." -Comprehensive Plan Amendment 10-B

WORK SESSION AGENDA REPORT

DATE: January 27, 2025
DEPARTMENT: City Administrator
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 2.C.

MEETING TYPE
Regular Meeting

AGENDA ITEM
2025 State Bonding Priorities

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Staff is seeking guidance and consensus on the Council's priorities if the City has the opportunity to request State Bonding Assistance in 2025.

OVERVIEW
At a worksession meeting in December with Representative Rick Hansen and Senator Matt Klein, our legislators suggested that there was optimism at the legislature that a Capital Investment Bill (aka "Bonding Bill") would be considered by the State Legislature this year. While typically "Bonding" happens in even-numbered years, unfortunately the legislature failed to pass a Bonding Bill during the 2024 Legislative Session and in fact has only passed one Capital Investment Bill since 2020 (in 2023, see attached and note that of the $2.6 Billion in capital projects, there is not one direct appropriation to South St. Paul; also note that almost $851 million in the bill was cash funded, not bond financed). During the 2024 session, Minnesota Management and Budget gave the state a $930 million bonding target, with more than $330 million proposed to be split among Democrats and Republicans in both chambers for investment in local government projects across the state (the balance was identified for State projects); again no Bonding Bill made it over the finish line in that session. It is anticipated that the state will know more after the next economic forecast is released (February), to give an indication of Minnesota's bonding capacity in 2025. Nonetheless, in an effort to be prepared in the event that a Bonding Bill is taken up in 2025, Staff is hoping to form consensus around which local projects should be prioritized as we put together bonding requests for 2025. In recent years, the City has formally requested (but has not been awarded) Bonding and/or other state financial assistance for a number of local projects, presented below:

- Replacement of Public Works Central Maintenance Facility (2024 Request: $13.5 Million; CIP Estimate: ~$30 Million)
- Woog Arena Roof/HVAC Improvements (2023 Request: $800,000; CIP Estimate: $820,000)
- Drinking Water Infrastructure Replacement (2023 Request: $3,000,000; no longer in CIP - 7th Ave. S. project)

- Radium Treatment Plant (2023 Request: $3,000,000; no longer in CIP - funded through PFA Loan)
- Swimming Pool Predesign/Design (2024 Request: $500,000; not in CIP - $5,500,000 project cost estimate; predesign underway)

Staff wants to be sure that, as we continue to work with our legislators throughout this session, Council's priorities for funding are being communicated and represented accurately. In addition to the "incomplete" items identified in the list above, other projects which have received at least a bit of attention as it relates to seeking outside assistance are:

- Renovation of the Library Building (CIP has "placeholder" of $1,500,000)
- Other Arena Improvements (CIP has a 5-year cost of $4,592,000 for a variety of improvements including those mentioned above)
- Park/Playground Improvements (CIP has 5-year costs estimated at $1,725,000 citywide)
- Bryant Avenue Pedestrian Bridge (not in current CIP; 2023 estimates at $6,200,000)
- Restoration and Relocation of Armour Gatehouse Structures to Kaposia Landing (not in current CIP; 2024 estimates at $395,000 - $425,000)

While we - or South St. Paul-based entities - have received valuable support from the State in recent years for a variety of initiatives (Library Repurposing Study, tree planting due to EAB, Croatian Hall renovations) through other sources of funding, the Bonding Bill has only very sparingly been a successful avenue for Capital Investment in South St. Paul (in 2020, we received $2,366,000 to assist with utilities costs for the Concord Street reconstruction; our only other successful bonding request since 2008 has been the receipt of $500,000 in 2012 for levee improvements). We are hopeful that as we continue to identify and advocate for our capital investment needs, we can find successful funding partnerships, including the Bonding Bill.

SOURCE OF FUNDS
N/A at this time - if priorities advance, sources of funding will include State Bond Proceeds in the form of a grant to the City, potentially matched by other local sources of funding and/or federal funding.

ATTACHMENTS
1. 2023 Minnesota Capital Budget

All figures in thousands 000's

		Fund	HF669	HF670
1	**University of Minnesota**			
2				
3	Higher Education Asset Preservation and Replacement (HEAPR)	GO	43,350	
5	Fraser Hall Chemistry Undergrad Teaching	GO	92,600	
6				
7	**Agency Total**		**135,950**	**-**
8	**Minnesota State**			
9				
10	Higher Education Asset Preservation and Replacement (HEAPR)	GO	44,733	
12	MSU Moorhead - Weld Hall	GO/UF	23,099	
14	Inver Hills CC - Technology and Business Center	GO/UF	22,025	
16	Minneapolis College - Management Education Center	GO/UF	20,457	
18	Pine Technical and CC - Technical Trade Labs Renovation	GO/UF	21,468	
19	Saint Paul College - Academic Excellence Renovation Design	GO/UF	1,671	
21	Vermilion CC - Classroom Building Design and Renovation	GO/UF	3,633	
23	Central Lakes College - Classroom Building Design and Renovation	GO/UF	11,591	
24	Northland CTC - Effective Teaching and Learning Labs	GO/UF	3,282	
25	MSU Mankato Armstrong Hall Replacement	GO/UF	8,460	
27	Winona State University - Center for Interdisciplinary Collab.	GO/UF	4,866	
28	Lake Superior College - Integrated Manufacturing Labs	GO/UF	8,316	
30	Metropolitan State University - Cyber Security Lab	GO/UF	5,196	
32	Alexandria TCC - Transportation Repositioning Design	GO/UF	955	
39	Rochester CTC - Heintz Center Design	GF	1,347	
43				
44		GO	**134,746**	-
45		UF	**45,006**	-
47	**Agency Total**		**181,099**	**-**

All figures in thousands 000's

		Fund	HF669	HF670
48	**Department of Education**			
49				
50	Library Construction Grants	GO	4,000	
52				
53	**Agency Total**		**4,000**	**-**
54	**Minnesota State Academies**			
55				
56	Asset Preservation	GO	1,200	
58	Dorm Renovations & Predesign	GO	7,837	
62				
63	**Agency Total**		**9,037**	**-**
64	**Perpich Center for Arts Education**			
65				
66	Asset Preservation	GO	900	
68				
69	**Agency Total**		**900**	**-**
70	**Department of Natural Resources**			
71	Natural Resources Asset Preservation	GO	36,000	
73	Natural Resources Betterment of Buildings	GO	20,000	
75	Badoura State Forest Nursery	GO	10,000	
77	Natural Resources Acquisition and Betterment of Public Lands	GF	2,500	
82	Wildfire Aviation Infrastructure	GO	6,360	
84	Improving Accessibility to State Parks, Rec Areas, WMAs	GO	1,200	
86	Dam Safety Repair and Reconstruction	GO	4,000	
89	**Flood Hazard Total (roll up row)**		**55,415**	**-**
90	Flood Hazard Program - Undesignated	GO	15,000	
92	Flood Hazard - Browns Valley: Toelle Coulee	GO	3,300	
94	Flood Hazard - Forest Lake	GF	5,700	
95	Flood Hazard - Kasson	GF	5,000	
97	City of Carver - Levee Restoration	GF	6,000	
98	Flood Hazard - Red River Valley	GO	5,000	
99	Flood Hazard - Roseau	GF	1,915	
100	Flood Hazard - Moorhead	GO	11,000	
105	Flood Hazard - Sartell	GF	2,500	
106	Lake Vermilion Soudan Underground Mine State Park	GO	11,000	
107	Local Recreation Matching Grants	GO	2,000	
108	Community Tree Planting Grants	GO	8,400	
109	Community Tree Planting Grants	GF		1,663
110	Canisteo Open Pit Mine Complex	GF		8,875
111	St. James Open Pit Mine	GO	2,500	
113	State Forest Reforestation	GO	6,000	
121	DNR Grant Administration	GF		209

2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

		Fund	HF669	HF670
122	**DNR State Trails**			
123	State Trail Maintenance	GO	1,200	
125	Casey Jones State Trail	GO	1,320	
126	Glacial Lakes Trail	GO	3,000	
127	Gitchi Gami State Trail	GO	4,000	
128	Heartland State Trail - Detroit Lakes to Frazee	GO	550	
129	Heartland State Trail - Itasca State Park	GO	2,400	
131	Maplewood State Park Trail Segment	GF	939	
132	Mill Towns State Trail - Riverside Park to Waterford Historic Bridge	GO	8,190	
134	Root River State Trail	GO	2,000	
136	Glendalough State Park	GO	900	
137	Glendalough State Park	GF		200
138	Upper Sioux Agency State Park Bond Defeasance	GF	250	
141	Blufflands Trail System	GF	4,000	
142	All-Terrain Vehicle Trail Systems in St. Louis County	GF		1,294
143	**Grants to Political Subdivisions**			
145	City of Crosslake - National Loon Center	GF	2,500	
146	City of Gaylord - Lake Titlow Dam	GF	500	
148	City of Mora - High Water Mitigation	GO	1,800	
149	Lower MN River Watershed Dist. - Area 3 - Eden Prairie	GO	2,750	
151	City of Ranier - Safe Harbor Boat Dock	GO	3,500	
156	City of Rochester - Willow Creek Trail	GF	1,750	1,875
157	Scott County - Merriam Junction Trail and Riverbank Stabilization	GF	4,000	
158	Scott County - Public Water Access Improvement	GF	500	
159	City of Shakopee - Riverbank Stabilization	GO	8,260	
161	Lake Shamineau Lake Improvement District - High Water Project	GF	3,000	
162	Sauk River Watershed District - Gravity Outlet Conveyance System	GF	1,400	
163	Shell Rock River Watershed Dist. Fountain Lake Cleanup	GO	9,000	
166				
167		**Agency Total**	**233,084**	**14,116**

2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

		Fund	HF669	HF670
168	**Pollution Control Agency**			
169				
171	Capital Assistance Program - Pope Douglas Solid Waste Management	GF		12,833
180				
181	**Grants to Political Subdivisions**			
182	City of Andover - Contaminant Mitigation Red Oaks	GF		6,100
187	Dodge County - Solid Waste Transfer Station	GF	2,100	
188	Hennepin County - Anaerobic Digester	GF		26,000
190	Olmsted County - Capital Assistance	GO	10,000	
194	Todd County - Transfer Station	GF		2,795
195				
196		**Agency Total**	**12,100**	**47,728**
197	**Board of Water and Soil Resources**			
198				
199	Local Road Wetlands Replacement Program	GO	12,000	
202	Reinvest in Minnesota - CREP	GO	10,700	
205	**Grants to Political Subdivisions**			
206	MN River Basin Project Flood Hazard Mitigation Area II	GF		1,500
207	City of Beardsley - Dry Lake System Repairs	GF	2,000	
208				
209		**Agency Total**	**24,700**	**1,500**
210	**Department of Agriculture**			
211				
212	MDA East Grand Forks Building Repair	GO	384	
213	MDA East Grand Forks Building Repair	GF		73
215				
216		**Agency Total**	**384**	**73**
217	**Zoological Gardens**			
218				
219	Asset Preservation	GO	16,800	
221	Animal Hospital	GO	1,225	
223				
224		**Agency Total**	**18,025**	**-**

2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

		Fund	HF669	HF670
225	**Administration**			
226				
227	CAPRA (Capital Asset Preservation and Replacement Account)	GO	9,000	
233	Capitol Complex Security Upgrades Phase II	GO	8,796	
234	Capitol Complex Security Upgrades Phase II	GF		297
236	Ford Building Demolition	GF		4,542
239	Sustainable Building Guidelines Report	GF		304
240				
241		**Agency Total**	**17,796**	**5,143**
242	**Amateur Sports Commission**			
243				
244	Amateur Sports Commission - Asset Preservation	GO	9,600	
249	Skate Park Grants	GF		4,000
250	National Sports Center Conveyance	GF		433
251				
252		**Agency Total**	**9,600**	**4,433**
253	**Military Affairs**			
254				
255	Rosemount Readiness Center (combined)	GO	24,720	
256	Rosemount Readiness Center - 2020 Deficiency (combined)	GO	360	
259	Fergus Falls Readiness Center	GO	800	
261	Moorhead Readiness Center	GO	855	
263	Marshall Readiness Center	GO	4,752	
266	Minnesota Military Museum at Camp Ripley	GF		5,700
267				
268		**Agency Total**	**31,487**	**5,700**

All figures in thousands 000's

		Fund	HF669	HF670
269	**Department of Public Safety**			
270				
271	State Emergency Operations Center Increased Costs	GO	11,392	
274	BCA Southern Minnesota Regional Office and Laboratory	GF		4,500
275	BCA Maryland Building Improvements	GO	6,033	
277	DPS Grant Administration	GF		266
279				
280	**Grants to Political Subdivisions**			
281	City of Brooklyn Park - Fire Station and Emergency Ops Center	GF		1,150
284	City of Chisholm - Public Safety Addition	GF		3,000
286	City of Dilworth - Fire Station	GF		4,378
288	City of Edina - Community Health & Safety Center	GF		1,300
290	City of Edina - South Metro Public Safety 2020 Deficiency	GF		1,000
292	City of Golden Valley - Remote Fire Station	GF		3,172
293	City of Lakeville - Regional Public Safety Training Center	GF	7,170	
296	City of Hibbing - Regional Public Safety and Training Center	GF		10,000
297	City of Maplewood - East Metro Public Safety Training Facility	GF		75
299	City of Marshall - Merit Center	GF		2,250
301	City of Minneapolis - Emergency Operations Center	GF		1,700
303	City of Shoreview - Lake Johanna Fire Station Headquarters	GF		6,370
305	City of Virginia - Regional Public Safety Center	GF		2,000
307	City of Winona - Public Safety Center	GF		7,500
308				
309		**Agency Total**	**24,595**	**48,661**
310	**Department of Transportation**			
311				
312	Local Road Improvement Fund Grants - Undesignated (combined)	GO/TF	78,954	
314	Local Road Improvement Fund Grants - Townships (combined)	GO/TF	6,000	
315	Local Bridge Replacement Program - Undesignated	GO/TF	67,000	
317	Highway Railroad Grade Crossings Replacement	GO	3,600	
319	Port Development Assistance Program	GO	18,097	
321	Safe Routes to School Infrastructure Program	GO	2,400	
322	Active Transportation Program	GO	1,200	
324	Minnesota Rail Service Improvement Program	GO	9,600	
325	Greater Minnesota Transit Capital Program	GO	3,000	
329	Tyler Wohlers Memorial	GF	55	
330	**Grants to Political Subdivisions**			
331	Anoka County - Trunk Highway 65 Improvements	GF	25,000	9,000
332	City of Barnesville - 13th Street Reconstruction	GF		185
333	Baytown, Township of - Lake Elmo Aiport	GF	150	
334	City of Biwabik - Road Improvements	GF		1,400
335	City of Burnsville - Nicollet Ave Bridge	GF		3,900
336	Carver County - CSAH 18	GO/TF	3,760	
337	Carver County - CSAH 18	GF	6,240	
338	Chisago County - U.S. Highway 8 Reconstruction	GF	8,000	
339	City of Coon Rapids - Pedestrian Bridge	GF		3,500
341	Douglas County - Box Culvert under U.S. Highway 29	GF		2,000
342	City of Dundas - Trail Segments	GF	370	

All figures in thousands 000's

		Fund	HF669	HF670
343	City of East Gull Lake - East Gull Lake Trail	GF		353
344	City of Forest Lake - State Highway 97 to County Highway 32 Improvements	GF	4,500	
345	City of Fridley - Northtown Rail Yard Overpass	GO/TF	4,000	
347	City of Greenfield - Greenfield Road Improvements	GF	3,000	
348	Hennepin County - Hennepin Ave. Bridge	GO/TF	3,500	
350	Hennepin County - Medina Railroad Crossing	GF		450
351	City of Hutchinson - Civil Air Patrol Training Center	GF		3,700
352	City of Inver Grove Heights - 117th St. Reconstruction	GO/TF	5,000	
354	City of Karlstad - Airport Runway	GF		3,900
355	City of Lakeville - Freight Rail Car Storage Facility	GF		7,000
358	Minnesota River Valley Regional Railroad - Rail Rehabilitation	GF		2,000
363	City of Madelia - Road Improvements	GF		12,800
365	Murray County - CSAH 13	GF	4,200	
366	Olmsted County - US Highway 14 and CSAH 44	GF	5,000	
367	City of Plymouth - CSAH 47 Chankahda Tr.	GO/TF	6,200	
368	City of Plymouth - CSAH 47 Chankahda Tr.	GF		800
371	City of Rochester - Park and Ride Design	GF		800
372	City of Savage - Road and Bridge Improvements	GO/TF	800	
374	Sherburne County - US Highway 169 CSAH 4	GO/TF	2,000	
375	Sherburne County - US Highway 169 CSAH 4	GF	9,700	
378	Sibley County - CSAH 6 Reconstruction	GF		3,200
379	Stearns County - Town Line Road Improvements	GF		7,500
381	City of St. Cloud - Regional Airport	GF		3,900
382	City of St. Louis Park - Cedar Lake Road and Louisiana Ave	GF		5,000
385	City of St. Paul - 3rd Street Bridge	GO/TF	25,000	
389	City of St. Paul Park - 3rd Street Collector Roadway	GO/TF	7,000	
391	Thief River Falls Regional Airport Authority	GF	3,000	
392	Washington County - TH 36 & Lake Elmo Ave. Interchange	GO/TF	10,000	
393	Washington County - TH 36 & Lake Elmo Ave. Interchange	GF		5,000
394				
395		**Agency Total**	**326,326**	**76,388**

All figures in thousands 000's

		Fund	HF669	HF670
396	**Metropolitan Council**			
397				
398	Inflow and Infiltration Grant Program - Public Infrastructure	GO	12,000	
400	Metropolitan Regional Parks	GO	16,620	
402	Bus Rapid Transit	GO	72,000	
404	Apple Valley Transit Station	GF		7,000
405	METC - Grant Administration	GF		247
407	**Grants to Political Subdivisions**			
408	City of Champlin - Mississippi Crossings	GF		1,000
409	City of Champlin - Park Land	GF		1,250
411	City of Dellwood - Lake Links Trail	GF		2,000
412	City of St. Paul - Mississippi River Learning Center	GO	8,000	
417	Dakota County - MN River Regional Greenway	GF		5,000
419	Dakota County - Thompson Park	GF		2,000
420	Dakota County - Veterans Memorial Greenway	GF		5,000
422	Minneapolis Park Board - Grand Rounds Missing Link	GF		5,500
425	Minneapolis Park Board - Cedar Riverside Rec. Center	GF		3,500
426	Ramsey County - Bruce Vento Regional Trail	GF		5,000
427	Ramsey County - Park at RiversEdge	GF		6,220
428	Ramsey County - Rice Street Revitalization	GF		1,000
430	Anoka County - Rice Creek Trail	GF		200
431	Three Rivers Park District - Mississippi Gateway Regional Park	GF		3,000
432				
433		**Agency Total**	**108,620**	**47,917**

All figures in thousands 000's

		Fund	HF669	HF670
434	**Department of Human Services**			
435				
436	Asset Preservation	GO	7,200	
437	Asset Preservation	GF		2,000
438	St. Peter - Sunrise & Tomlinson Building Renovation	GF		21,568
441	St. Peter Water and Sewer Upgrades	GO	1,050	
448	Early Childhood Learning and Child Protection Facilities	GO	900	
449	Early Childhood Learning and Child Protection Facilities GF	GF		1,125
450	**Behavioral Health Crisis Facilities Grants Roll Up**	**GO**	**10,000**	
451	Dakota County Behavioral Health		6,000	
452	Duluth Behavioral Health		2,500	
453	Behavioral Health Crisis Facilities Grants Administration	GF		760
454	**Grants to Political Subdivisions**			
457	Harriet Tubman Center Non-profit East Renovation	GF		3,388
458				
459	**Agency Total**		**19,150**	**28,841**
460	**Veterans Affairs**			
461				
462	Asset Preservation	GO	12,360	
464	Hastings Veterans Home Campus Upgrade	GO	77,765	
466				
467	**Agency Total**		**90,125**	**-**
468	**Department of Corrections**			
469				
470	Asset Preservation	GO	33,800	
471	Asset Preservation	GF		3,822
474	Shakopee Programming Space Addition and Interior Renovation	GF		18,432
475	Lino Lakes Building E Renovation and Repurposing	GO	492	
478	**Grants to Political Subdivisions**			
479	Carlton County - Female Offender and Judicial Facility	GF	10,000	
480				
481	**Agency Total**		**44,292**	**22,254**

All figures in thousands 000's

		Fund	HF669	HF670
482	**Department of Employment and Economic Development**			
483				
484	Business Development Public Infrastructure Grant Program	GO	10,000	
486	Innovative Business Development Public Infrastructure Grants	GO	1,500	
488	Transportation Economic Development Infrastructure	GO	1,500	
492	Greater Minnesota Child Care Facilities	GO	900	
494	Agency Grant Administration Funding	GF		2,204
495	Explore MN Transfer - MN Sports & Events	GF		13,000
496	**Grants To Political Subdivisions**			
498	Aitkin County - Health and Human Services Building	GF	2,000	
499	City of Apple Valley - Inclusive Playground	GO	1,410	
501	City of Aurora - Community Center	GF		630
502	City of Belle Plaine - Public Infrastructure	GO	3,000	
504	City of Bigfork - Community Center Enhancement	GF		1,500
505	City of Bloomington - Ice Garden	GF		2,272
506	City of Bloomington - Public Health Facility Design	GF		1,800
508	City of Bloomington - Veterans Memorial	GF		350
510	City of Brooklyn Center - Health, Culture, and Rec. Facility	GF		5,100
512	City of Brooklyn Park - Community Activity Center	GF		5,000
516	City of Cannon Falls - John Burch Park	GF		469
517	City of Chaska - City Square West	GF	5,425	
518	City of Chisholm - Ice Arena and Curling	GF		3,000
519	City of Chisholm - Film Facility	GF		2,040
521	City of Crystal - Aquatic Center	GF		2,350
524	City of Duluth - Entertainment and Convention Center	GF		5,000
525	City of Duluth - Spirit Mountain	GF		13,000
526	City of Embarrass Regional Fair Association - Timber Hall	GF		1,500
527	City of Fergus Falls - Riverfront Corridor	GF	4,000	
528	City of Forest Lake - Veterans Memorial in Forest Lake	GF	250	
529	City of Fridley - Inclusive Playground	GF		500
533	City of Hermantown - Ice Arena	GF		7,475
535	City of Hoyt Lakes - Community Rec and Wellness Center Improvements	GF		1,750
536	City of International Falls - Regional Health and Wellness	GO	1,000	
538	City of Inver Grove Heights - Heritage Village Park	GF		2,000
541	City of Litchfield - Wellness Center	GF		1,000
542	City of Litchfield - Historic Building Façades	GF		2,025
545	City of Maple Grove - Community Center Renovation	GF		6,000
546	City of Mendota Heights - Pilot Knob	GF		1,850
548	City of Minneapolis - Central City Storm Tunnel	GF		9,900
550	City of Minnetonka - Hopkins Crossroads Trail Improvements	GF		1,635
551	City of Minnetonka - Opus Public Space	GF		725
554	ISD No. 2149 Minnewaska - Central Square in Glenwood	GF		4,000
556	City of North St. Paul - Community Center	GF		4,500
557	City of Oak Park Heights - Redevelopment	GO	2,190	
559	Olmsted County - Graham Park Redevelopment	GF		8,000
560	City of Parkers Prairie - Veterans Memorial Park	GF	50	
562	City of Pelican Rapids - Aquatic Facility	GF		1,500
564	City of Richfield - Wood Lake Nature Center	GF		12,000

All figures in thousands 000's

		Fund	HF669	HF670
565	City of Rochester - Regional Parks Forestry Ops Center	GF		14,000
569	City of Savage - Sports Center	GF		600
570	City of Scandia - Regional Arts and Heritage Center	GF	2,200	
572	City of St. Paul - Inclusive Playground	GF		2,500
574	City of St. Paul - North End Community Center	GF		6,000
576	City of St. Paul Conway Community Rec Center	GF		2,500
578	St. Paul Port Authority Hillcrest The Heights	GF		11,000
581	St. Louis County - Heritage and Arts Center	GF	385	
584	City of Stillwater - Downtown Improvements	GF	6,000	
586	City of Waite Park - Quarry Redevelopment Phase Two	GF		2,500
588	City of Winona - Mississippi Riverfront Trail	GF	5,000	
590	City of Woodbury - Central Park Remodel	GF		7,500
593				
594	**Grants**			
595	30,000 Feet - Black Arts and Tech Center in St. Paul	GF		3,500
596	Accessible Space Inc. - Accessible Housing Units in St. Paul	GF		1,150
597	African Economic Development Solutions - Building in St. Paul	GF		1,500
598	African Career and Education Resource in Brooklyn Center	GF		3,000
599	Agate Housing - Shelter Facility in Minneapolis	GF		5,000
600	Ain Dah Yung Center - Emergency Shelter and Youth Lodge in St. Paul	GF		2,200
601	Anoka Area Ice Arena Association	GF		487
603	Appetite for Change - Building in Minneapolis	GF		1,500
604	ArtSpace - Northrup King Renovation in Minneapolis	GF		1,720
605	Avenues for Youth - Emergency Shelter Expansion In Minneapolis	GF		6,000
607	CAPI - Immigrant Opportunty Center Expansion in Brooklyn Center	GF		3,000
608	CentraCare Health System Campus Design in St. Cloud	GF		5,000
609	Childrens Museum of Rochester	GF	200	
610	Comunidades Latinas Unidas en Servicio - Latino Outreach Facility in Minneapolis	GF		3,500
612	CornerHouse - New Facility in Hennepin County	GF		2,750
613	Cultural Wellness Center - Dreamland on 38th in Minneapolis	GF		3,000
614	Division of Indian Work - Expansion of Existing Facility in Minneapolis	GF		500
616	Duluth Historic Armory Arts and Music Renovation	GF		4,500
617	East Side Neighborhood Services in Minneapolis	GF		300
618	Every Meal Grant in Roseville	GF		4,000

All figures in thousands 000's

		Fund	HF669	HF670
619	FilmNorth Renovation in St. Paul	GF		2,000
620	Firefighters for Healing - New Facility in Minneapolis	GF		1,500
621	Great River Children's Museum - Renovations in St. Cloud	GF		7,000
622	Hmong 18 Council, Inc. - Hmong MN Community Center in St. Paul	GF		3,000
623	Hope 4 Youth - Youth Homeless Center in Anoka	GF		8,000
624	Indian Health Board - Medical Facility in Minneapolis	GF		4,000
625	Indigenous Peoples Taskforce - Mikwanedun Audisookon Center Minneapolis	GF		4,000
626	Irreducible Grace Foundation - Black Youth Healing Arts Center in St. Paul	GF		1,500
627	Isuroon - Renovation in Minneapolis	GF		3,000
628	Keystone Community Services - Food Bank in Ramsey County	GF		2,600
629	Latino Economic Development Center - Renovation in St. Paul	GF		3,548
630	Leech Lake Wellness Center - Health and Wellness Center in Cass Lake	GF		24,000
631	Listening House - Shelter in St. Paul	GF		2,950
632	Little Earth Neighborhood Early Learning Center - Upgrades in Minneapolis	GF		1,250
633	Little Earth Residents Association - Innovation Hub in Minneapolis	GF		3,500
634	Lower Phalen Creek Project: Wakan Tipi Center	GF		2,500
635	MNI Sota Fund - Facility in Minneapolis	GF		1,000
636	Native American Community Clinic - Expansion in Minneapolis	GF		4,500
638	New Native Theater - Theater Space in Minneapolis	GF		300
639	Northside Economic Opportunity Network - Food Business Incubator in Minneapolis	GF		6,000
640	Norway House - Conference and Event Center in Minneapolis	GF		5,000
641	Open Arms - Kitchen and Counseling Center in Ramsey County	GF		500
642	Pangea World Theater - Community Arts Center in Minneapolis	GF		300
643	Parents in Community Action - Existing Facility in Minneapolis	GF		4,000
644	Phyllis Wheatley Community Center - Camp Katherine Parsons in Carver County	GF		550
645	Playwrights' Center - Renovation in St. Paul	GF		4,000
646	PROCEED - Community Center in St. Paul	GF		5,000
647	Public Functionary - Community and Arts Center in Minneapolis	GF		450
648	ReConnect Rondo Innovation Campus in St. Paul	GF		1,000
649	Red Lake Band of Chippewa - Red Lake Tribal College in Minneapolis	GF		3,000
650	Sanneh Foundation - Renovation, Facility, and Improvements in St. Paul	GF		1,820
651	Simpson Housing Services - Shelter Facility in Minneapolis	GF		5,000
652	Somali Museum - Facility in Minneapolis	GF		3,900
653	Southern Anoka Community Assistance - Food Bank in Columbia Heights	GF		2,500
654	Special Guerilla Unit Hmong Veterans - Museum in St. Paul	GF		2,000
655	St. Paul Urban Tennis	GF		750
657	Tending the Soil MN - Rise Up Center in Minneapolis	GF		1,500
658	The Link - Multiuse Facility in North Minneapolis	GF		5,000
659	True Friends - Camp Courage in Wright County	GF		10,000
660	Turning Point - Facility in Minneapolis	GF		1,000
662	Ukrainian Center - Capital Improvements in Minneapolis	GF		1,800
663	V3 Sports Inc - Event Center in Minneapolis	GF		15,000
664	Walker | West - Music Academy in St. Paul	GF		4,100
665	Washington County Heritage Society - Heritage Center in Stillwater	GF	700	
666	Wellstone Center - Renovation in St. Paul	GF		2,150
667	We Win Institute Inc. - Capital Improvements in Minneapolis	GF		3,500
668	YWCA St. Paul	GF		2,317
682				

All figures in thousands 000's

		Fund	HF669	HF670
683		**Agency Total**	**47,710**	**395,567**
684	**Iron Range Resources and Rehabilitation Board**			
685				
686	Giants Ridge Water and Electrical	GO	12,229	
688				
689		**Agency Total**	**12,229**	**-**
690	**Public Facilities Authority**			
691				
692	State Match for Federal Grants to State Revolving Loan Programs	GO	41,000	
694	**Water Infrastructure Funding Program Roll up**	**GO**	**87,200**	**-**
696	Drinking Water Grants		35,200	
697	Clean Water Grants (Waste Water)		52,000	
698	Point Source Implementation Grants	GO	80,000	
702	Lewis and Clark Regional Water System Expansion Project	GF		22,000
703	**Grants to Political Subdivisions**			
704	City of Albert Lea - Wastewater Treatment Facility	GO	2,000	
705	City of Arden Hills - Water and Sewer Improvements	GO	510	
708	City of Austin - Wastewater Treatment Improvements	GF		14,500
709	City of Babbitt - Water, Sewer, and Utility Improvements	GO	2,000	
711	City of Bagley - Drinking Water and Sanitary Improvements	GO	7,200	
712	City of Belview - Water Infrastructure	GF	1,750	
713	City of Braham - Wastewater and Drinking Water	GF		10,227
714	City of Brainerd - Water Treatment Facility Improvements	GO	5,000	
716	City of Buhl - Water System	GF		2,000
717	City of Clearbrook - Water Infrastructure Improvements	GO	5,500	
718	City of Cloquet - Water Infrastructure	GO	5,000	
719	City of Cologne - Wastewater Treatment Facility	GF	1,060	
720	City of Corcoran - Water Infrastructure	GF	10,000	
723	City of Dayton - Wellhead Treatment Plants	GF		1,750
725	City of East Gull Lake - Wastewater Treatment Improvements	GO	2,900	
726	City of Elk River - Sewer Improvements	GO	1,100	
727	City of Elysian - Water Treatment Plant	GF	3,500	
730	First District - Wastewater Treatment Plant in Litchfield	GF		5,000
731	City of Floodwood - Water and Sewer Infrastructure	GF	1,500	
732	City of Gilbert - Water Treatment Plant	GF	1,365	4,885
733	City of Grand Rapids - Water Treatment Plant Renovation	GO	2,500	
734	City of Hackensack - Water Main Infrastructure	GF	1,400	
735	City of Lake Lillian - Water Infrastructure and Street Reconstruction	GF	3,999	
737	Lincoln-Pipestone Rural Water - Treatment and Storage	GF		11,500
738	City of Lino Lakes - Water Treatment	GO	13,500	
740	City of Mankato - Water Treatment	GO	25,000	
741	City of Mankato - Water Treatment	GF		10,000
742	City of Medicine Lake - Infrastructure	GO	3,500	
744	City of Minneapolis - Water Distribution Facility	GF		4,500
745	City of Monticello - Water Treatment Plant and System	GO	11,000	
747	City of Mound - Clean Water Improvements	GF		10,300
748	City of Morristown - Water and Sewer Infrastructure	GO	1,500	
750	North Zumbro Sanitary District	GF	10,000	

2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

		Fund	HF669	HF670
751	City of Osseo - Lift Stations	GO	1,600	
753	City of Owatonna - Wastewater Treatment Improvements	GO	11,000	
754	City of Owatonna/City of Medford - Wastewater Treatment Improvements	GF	15,500	
756	City of Ramsey - Water Treatment Facility	GF	3,200	
758	Red Rock Rural Water System - Treatment Plant	GF	1,252	748
759	City of Rice Lake - Water, Sewer and Utilities Extensions	GO	1,800	
761	City of Rockville - Lift Station Rehabilitation	GF	1,201	
762	City of South Haven - Drinking Water Improvements	GO	3,500	
764	City of St. Michael - Wastewater Treatment Improvements	GO	5,000	
765	City of Swanville - Water System Improvements	GF	3,052	
766	City of Tyler - Sanitary Sewer	GF		3,792
768	City of Watertown - Watertower	GF	3,000	
769	Western Lake Superior Sanitary District	GF		17,500
770	City of West St. Paul - Wastewater Infrastructure	GF		1,700
772				
773		**Agency Total**	**381,089**	**120,402**
774	**Housing Finance Authority**			
775				
776	Public Housing Rehabilitation	GO	41,868	
777	Public Housing Rehabilitation	GF		30,132
778	Greater MN Housing Program Infrastructure	GO	3,000	
779	**Grants to Political Subdivisions**			
780	City of Minneapolis - Satori Village	GF		1,000
781				
782		**Agency Total**	**44,868**	**31,132**
783	**Historical Society**			
784				
785	Historic Sites Asset Preservation	GO	5,000	
788	Lower Sioux Bond Defeasance	GF	25	
789	County and Local History Preservation Grants	GO	1,000	
792	Minnesota Transportation Museum	GF		100
794	**Grants to Political Subdivisions**			
795	Dodge County - Wasioja Civil Seminary	GF	2,100	
796	Morrison County Weyerhaeuser Museum	GF		700
797				
798		**Agency Total**	**8,125**	**800**
799				

2023 Capital Budget

All figures in thousands 000's

		Fund	HF669	HF670
805	**Department of Revenue**			
806				
807	River Place Arts, Culture, and Event Center - Sales Tax Exemption for Construction Materials ***	GF	500	-
808				
809	**Agency Total**		**500**	**-**
810	**MINNESOTA MANAGEMENT AND BUDGET**			
811				
812	Estimated GO Bond Sale Expenses	GO	1,564	-
813				
814	**Agency Total**		**1,564**	**-**
839	**TOTALS**			
840	Total - General Obligation (Excludes TF, Max Effort)	GO	1,298,235	-
841	Total - GO / TF (Transportation Fund is GO Debt)	GO/TF	219,214	-
842	Total - User Financing	UF	45,006	-
843	Total - General Fund	GF	224,900	850,655
847	**Total**		**1,787,355**	**850,655**
848	General Fund Supported GO Debt (GO + TF + MAX)		1,517,449	-
849				
850	GO Cancellations		(17,315)	
851				
852	**Net GO Impact**		**1,500,134**	**-**
853				
854	Total - General Fund Cancellations			(1,169)
855	Lewis and Clark Joint Powers Board State Payment Offset			(39,003)
856	General Fund Expenditure Savings; Amateur Sports Commission, National Sports Center Conveyance			(433)
857	**Net Total General Fund**		**224,900**	**810,050**
938	Total Cash both bills			**1,034,950**
940				

All figures in thousands 000's

		Fund	HF669	HF670
941	**Debt Service Schedule (amounts compared to Feb 23 Forecasted Base)**			
942	General Obligation Debt Service			
943	FY 2024		9,527	
944	FY 2025		30,282	
945	*FY 24/25 Biennium*		**39,809**	
946	FY 2026		46,923	
947	FY 2027		51,095	
948	*FY 26/27 Biennium*		**98,018**	
949				
950	**Net General Fund Impact**			
951	General Obligation Debt Service			
952	FY 2024		234,427	810,050
953	FY 2025		30,282	
954	*FY 24/25 Biennium*		**264,709**	**810,050**
955	FY 2026		46,923	
956	FY 2027		51,095	
957	*FY 26/27 Biennium*		**98,018**	
958			Net Total Cash both bills FY24-25	**1,074,759**
959			Net Total Cash both bills FY26-27	**98,018**

960 *** In addition to the General Fund refunds, there is a loss of $30,000 to Legacy Fund revenue in FY24-25.