

South St. Paul City Council Work Session

Session Notes for February 10, 2025

1. CALL TO ORDER

Mayor Francis called the City Council Work Session to order at 7:00 PM on February 10, 2025

No formal Council Action is taken at a work session meeting, this is a summary of discussion that took place.

Present: Jimmy Francis, Todd Podgorski, Lori Hansen, Pam Bakken, Tom Seaberg, Joe Kaliszewski, Matt Thompson

Staff Present: Ryan Garcia, City Administrator, Deb Griffith, Community Affairs, Monika Miller, Associate Planner, Shannon Young, Director of Parks & Recreation, Heather Flock, Recreation Programmer, Brian Wicke, Police Chief, Michael Healy, Planning Manager

2. DISCUSSION ITEMS

A. Library Reuse Study Update

Ms. Miller introduced Kirk Davis and Katie Kuisle of New History and Jeff Miller of HKGI. New History is leading the Library Reuse Study with Public Engagement support from HKGI.

The Consultant team briefly reviewed the “building definition” phase of the project, highlighting the following:

- There is a high likelihood that the building may be eligible for the National Register of Historic Places (NRHP). This registration would include the 1964 addition. It was also noted that there was no obvious advantage to removal of the 1964 addition.
- The MRCCA-regulated setbacks will limit additions and redevelopment of the site.
- The site’s C-1 zoning designation allows for a wide range of uses.
- The surrounding area includes a mix of residential, commercial, and public uses.
- The site has limited on-site parking with a total of six spaces, relying primarily on street parking and nearby public parking lot options.
- The building is relatively small (11,840 SF) and as a purpose-built library building, the configuration of spaces is specific to its former use.
- The building's physical conditions suggest remedial work needed for reuse: Brick, steel lintels, windows, roof, mechanical systems, plumbing, electrical,

sanitary sewer.

- The hazardous material survey and sampling identified asbestos-containing materials (ACM's) and lead-based paint in the building.

Mr. Miller provided an overview of the community engagement elements of the project, which have included utilization of a dedicated project website, an online community survey, and booths and presentations at various community events and meetings as well as targeted outreach to real estate developers specializing in historic and adaptive reuse in the Twin Cities metro region. Mr. Miller summarized community input with the following sentiments noted:

- Against demolition, especially of original 1927 building
- At minimum, preserve building's exterior architecture and key features:
 - Brickwork
 - Windows
 - Columns
 - Fireplace
 - Children's area
- Reuse ideas from the community were wide-ranging, from a space for educational/youth/teen enrichment to housing to commercial and dining
- The property's central location, architecture, and resonance as a community institution were viewed as strong assets
- The lack of on-site and proximate parking limit the reuse opportunity to a degree
- Preserving the building's façade is viewed as paramount, with internal public access not viewed as an absolute necessity

Ms. Kuisle summarized the findings from developer outreach, noting that:

- High-interest rates and a surplus of available space make financing development difficult. Developers are looking for "easy wins" and the Library is not perceived to meet that objective.
- Many developers are unfamiliar with SSP - deterred by perception of SSP as a "stockyard" or industrial town.
- Developers that do know the city, love working with the motivated council, staff and mayor.
- To make the property more appealing, the city should continue to develop the riverfront, add lodging options, and offer incentives specific to the property.
- There isn't enough parking and the layout is challenging for many uses.
- The scale of the building is small for an HTC project, would need to find additional funding sources to layer.
- If the tenants are lined up, developers would be interested.

Mr. Davis discussed various "options" for ownership and development structure, specifically:

- Retain and "hold" by the City
- Hire a developer to manage redevelopment of the site for a City-defined purpose, while the City maintains ownership.

- Pursue sale of the property under the terms of a Development Agreement. Notably, this would require an interested buyer/end-user, which has not been identified at this time.
- The options of “Do Nothing” and “Sale with no control” were also introduced, but viewed as being misaligned with City goals and not given serious discussion.
- Ms. Kuisle noted that the Consultant team was in the process of working to define cost assumptions for the ownership/development options discussed.

Following the presentation, Council discussion identified the following:

- Generally, the Council placed a high to medium priority on finding a new user and/or owner for the building. Acknowledging the current lack of interest, the consensus was that an immediate solution might be unlikely, but within 2 – 5 years seemed a reasonable expectation.
- Council consensus was that providing a community amenity would be the highest priority if the building were sold, while placing the lowest priority on generating significant proceeds from the sale of the property.
- Council consensus was that the most preferable path for the future was to align with a development partner on the negotiated sale under terms of development agreement approach. Again understanding the lack of sustained interest or an identified development/reuse at this time, holding the property for a period of time was acceptable but not viewed as a long-term objective.
- Finally, Council was generally open to being flexible under a development agreement approach as it relates to development conditions and incentives.

B. Pool Feasibility Study Update

Ms. Young introduced Nick Nowacki with reengineered and Adam Barnett with JLG Architects, who are leading a multidisciplinary team to assess the feasibility of various options for the future of public aquatic recreation in South St Paul. Darin Barr with Ballard King joined the team virtually. The primary purposes of the discussion were to form Council consensus in defining the City’s role in Aquatics and identify high-level budget and scope targets for a potential capital project and for future operations. Options that were initially presented in the 2024 Parks Master Plan – various scale of aquatic features at either or both Northview and Lorraine Park to replace end-of-useful life aquatic features currently residing at those locations – have been integrated into the feasibility study for further refinement and vetting.

Mr. Barr provided an overview of demographic and “consumer” behavior trends with the potential to impact the use and demand for public aquatic facilities in SSP. Mr. Barr surmised that South St. Paul, overall, has typical, if not very slightly above-average, level of utilization and demand potential for public aquatic facilities. That said, the team shared that data reveals that participation in swimming generally has declined in South St. Paul since the mid-1990s, when it peaked in the years immediately following the incorporation of a splash pool feature alongside the McLain Pool at Lorraine Park only to decrease precipitously when the McLain Pool was decommissioned.

The Team introduced very high-level concepts for aquatic facilities that could be introduced as replacements for the City’s existing aquatics features: wading pool, splash

pad, program pool, or indoor program pool. Estimated total project costs were identified at \$2,500,000 for a wading pool or splash pad, approximately \$6,000,000 for an outdoor program pool, and \$11,000,000 for an indoor pool. Test fits shared by the Consultant Team confirmed that both Lorraine and Northview Park – as well as Jefferson Park – could accommodate either an indoor or outdoor program pool, ancillary building, and splash pad.

Council shared the following reflections as it relates to the City’s Role in Aquatics:

- Provide opportunities for socialization and community-building
- Provide recreational and learning activities and programming
- With a legacy of providing public aquatic facilities, it is a priority to not “go backwards” and lose this public service/amenity

A discussion about cost tolerance, assuming that some level of borrowing will be necessary to fund construction, followed. The Consultant Team shared that generally speaking, preliminary analysis suggests that a homestead property in South St. Paul at the average value of approximately \$283,000 would experience an approximately \$10 annual increase in local property taxes for every \$1,000,000 in debt issued for aquatic construction. Using this as a loose barometer, Council discussed an “upper limit” threshold for borrowing of \$8,000,000 - \$9,000,000 to support a project, subject to further review and potential funding partnerships. Council stated that it would be desirable to maintain or decrease operating expenditures.

Councilmember Hansen was interested in further exploration of “indoor/outdoor” facilities, referencing a facility in Baldwin, WI. Councilmember Kaliszewski inquired about the appetite for State Bonding, to which Mr. Garcia responded that there was currently a bill drafted for consideration this legislative session that suggests up to \$500,000 for aquatic facility design in South St. Paul. Mr. Garcia cautioned that recent capital investment contributions from the State for municipal aquatic facilities tended to be in the \$2,000,000 - \$2,500,000 range, so there would still be significant local skin in the game. Councilmember Podgorski expressed an interest in keeping Jefferson Park “on the table” at least for the planned public open house to be held in March. Mayor Francis urged coordination and collaboration with the South St. Paul Special School District to assure any opportunities for alignment with District program goals and future capital investments at the Central Square Community Center are taken into account as the City continues its planning.

C. Closed session pursuant to Minnesota Statutes § 13D.05, Subd. 3(a), for the annual performance evaluation of City Administrator Ryan Garcia

At 9:33 P.M., Councilmember Thompson Moved to enter Closed Session pursuant to Minnesota Statutes § 13D.05, Subd. 3(a), for the annual performance evaluation of City Administrator Ryan Garcia. Councilmember Kaliszewski Seconded the Motion.

On a voice vote of 7 Ayes and 0 Nays, the meeting moved to closed session.

At 9:58 P.M., Councilmember Bakken Moved to re-open the meeting. Councilmember Hansen Seconded the Motion.

On a voice vote of 7 Ayes and 0 Nays, the meeting was reopened.

3. COUNCIL COMMENTS & QUESTIONS

No further council comments or questions were presented.

4. ADJOURNMENT

There being no further business to come before the City Council at the regular work session meeting, Mayor Francis declared the meeting adjourned at 9:59 PM.

Respectfully submitted,

/s/: Ryan Garcia
City Administrator