CITY OF SOUTH ST. PAUL
MEETING AGENDA

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

WORK SESSION

Tuesday, May 27, 2025
7:00 PM

1. CALL TO ORDER

2. DISCUSSION ITEMS

A. Dakota County Mississippi River Trail Presentation

B. Public Works Central Maintenance Facility - Pre-Design Phase

C. City Administrator's Update

3. COUNCIL COMMENTS & QUESTIONS

A. Closed Session Pursuant to Minnesota Statutes § 13D.05, Subd. 3(c) to develop or consider offers for the purchase of real property at 417 Concord Street North (no attachment)

B. Closed Session Pursuant to Minnesota Statutes § 13D.05, Subd. 3(c) to develop or consider offers for the sale of real property at the southwest corner of Hardman Avenue South and Armour Avenue (no attachment)

5. ADJOURNMENT

WORK SESSION AGENDA REPORT

DATE:	May 27, 2025
DEPARTMENT:	Parks & Recreation
PREPARED BY:	Shannon Young
AGENDA ITEM NUMBER:	2.A.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Dakota County Mississippi River Trail Presentation

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

- Provide design feedback on proposed elements.
- Indicate consent to move forward with detailed design and implementation planning.

OVERVIEW
In 2014, Dakota County, in collaboration with RSB Dream Box, completed a series of interpretive nodes along the Mississippi River Trail (MRT) to showcase South St. Paul's cultural and historical heritage. Each node is designed to highlight the unique history of its specific location and will include interpretive elements that tell its story through educational signage, visual displays, and interactive components where appropriate creating a meaningful opportunity to draw people to the river. The project is being financed through a combination of a Federal RAISE grant, National Park Service Alternative Transportation Funds, and LCCMR Trust Funds. Additionally, Dakota County is seeking supplemental funding through the 3M PFAS Settlement Priority 2 Grant. Construction is anticipated to start in early 2026. The plan was reviewed by the Parks and Recreation Commission in May.

Proposed site amenities for the three nodes:
1. Ferry – Based on a local ferry lore involving GM Good Ferry or NorthStar Ferry, which transported stockyard workers across the river to avoid bridge tolls. Interpretive design to highlight this story in an abstract and artistic way.
Proposed Amenities:

- Shade structures symbolizing ferry elements.
- Prairie restoration and native plantings
- Interpretive panels
- Bench seating and small gathering area.

2. Monorail – Historical interpretation of the short-lived South St. Paul monorail, which operated

for only one day. Will be located just South of Kaposia Landing Bryant Ave. Bridge.

Proposed Amenities:

- Natural resource improvements (prairie planting)
- Bike Racks
- Swing benches and picnic tables.
- Overlook area with view of the Mississippi River

3. Kayak/Fishing/Water access point – Currently in the Parks Master Plan as a kayak entry. This concept would provide water access and opportunity for fishing.

Proposed Amenities:

- Formalized and ADA-accessible trail and stairway to river.
- Safe fishing access and river viewing area.
- Prairie restoration and bench seating
- Connection to the regional greenway system.
- Grading to improve accessibility.
- Stair access to be closed during winter months for safety.

SOURCE OF FUNDS

NA

ATTACHMENTS

1. Kaposia
2. Monorail
3. Ferry

WORK SESSION AGENDA REPORT

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

MEETING TYPE
Regular Meeting

AGENDA ITEM
Public Works Central Maintenance Facility - Pre-Design Phase

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Review and Discuss Pre-Design Study presentation by Kraus-Anderson.

Following Discussion, provide staff with direction as to whether the project should proceed to design in Summer 2025.

OVERVIEW
The City completed a Master Plan for City Buildings and Facilities in early 2024. At a May 13, 2024 Worksession, the City Council discussed the Master Plan's findings and recommendations, which included a conclusion that the Central Maintenance Facility at 400 Richmond Street East was deficient and should be considered for replacement in the near future. At the November 4, 2024 City Council meeting, the Council approved a Professional Services Agreement with Kraus-Anderson ("KA") to serve as Construction Management Advisor (CMA) for the Public Works project, including the completion by KA of a predesign study for the project to identify alternative project scopes for consideration. KA has completed this study and will attend the worksession to assist staff in the presentation of these alternatives and a Council discussion of "next steps".

Discussion:
At both the May 13, 2024 and October 14, 2024 Worksessions, Council discussed the Master Plan's proposed building program and cost estimate and directed staff to continue moving forward with next steps in planning for a replacement public works facility. With the 2024 Plan estimating a total cost of up to $32,800,000 to build a replacement facility with capacity for up to 30 years of growth, Council directed staff to focus redesign on lowering the project's costs. Beginning in January 2025, KA led staff through additional program development considerations, worked with staff to tour various "comparable" facilities in the southeast metro, and ultimately prepared alternative concepts and budget estimates in an effort to demonstrate the "trade-offs" that are necessary to construct the project at a lower total cost than the 2024 estimate.

Scope Alternatives

By using cost information they've compiled from numerous public works construction projects in our regional market that have been bid in recent months and / or are currently under construction, KA has the ability to estimate construction pricing with a strong degree of confidence. Using this information as a baseline, KA was able to estimate that the cost to replicate (in terms of gross square footage) the existing facility would total between $17M - $18M (including site costs, soft costs, and contingencies). With an understanding that one of the existing facility's most significant deficiencies is in vehicle and equipment storage space, simply replicating the existing facility (in terms of square footage) is not viewed as a viable option and KA developed three alternative scope scenarios for the replacement public works facility. These alternatives are introduced below, and KA's presentation at the Worksession will provide additional detail about each alternative. Note that all costs as estimated include site costs, soft costs, and contingencies.

1. Alternative 1 - *Current Need*.
    a. **Gross Square Footage:**59,000 square feet
        i. 3,500 SF GSF (office)
        ii. 6,000 GSF (maintenance)
        iii. 45,000 GSF (vehicle/equipment storage)
        iv. 4,500 GSF (mezzanine/shops)
    b. **Total Estimated Cost:** $20,441,187
    c. **Summary:** By increasing vehicle/eqiupment storage space by about 90% over the existing building, this alternative focuses on improving upon what is arguably the most problematic functional deficiency of the existing facility. However, this option only serves to replace (in gross square footage) maintenance, administrative/staff support, and shop space, which are currently at or beyond functional capacity. Also notable is that this alternative does not include the construction of a standalone secure storage building for the police department, which is currently housed at the 400 Richmond site.
2. Alternative 2 - *Current Need + Moderate Growth in Critical Areas.*
    a. **Gross Square Footage:** 65,500 square feet
        i. 4,500 GSF (office)
        ii. 6,000 GSF (maintenance)
        iii. 50,000 GSF (vehicle/equipment storage)
        iv. 5,000 GSF (mezzanine/shops)
    b. **Total Estimated Cost:** $23,285,503
    c. **Summary:** This option provides for an increase in space for all functional areas of the facility above the existing condition. The primary "winner" in this alternative is vehicle and equipment storage, as this program is increased to 50,000 square feet which is just shy (by less than 500 square feet) of the 30-year growth need identified in the 2024 Master Plan. Office/Administrative program and maintenance and shop space see slight increases over the existing building's gross square footage for these program elements, which could accommodate additional staff support areas (locker/shower rooms, lunchroom, small conference room). This alternative includes an allowance for a replacement police storage building.

3. Alternative 3 - *Scaled Growth in All Areas.*
    a. **Gross Square Footage:**77,000 GSF
        i. 6,000 GSF (office)
        ii. 8,000 GSF (maintenance)
        iii. 57,000 GSF (vehicle/equipment storage)
        iv. 6,000 GSF (mezzanine/shops)
    b. **Total Estimated Cost:** $27,283,834
    c. **Summary:** This alternative provides for growth in all program elements, and should accommodate additional growth in fleet and staffing in the decades ahead. Vehicle and equipment storage is nearly tripled over the existing condition in this alternative. Additional office and staff support program in this alternative may be sufficient to accommodate the co-location of Engineering or Parks & Recreation at the facility, as well as the staff support areas identified in Alternative 2. Maintenance and shop space is sufficient in this alternative to meet future growth. This alternative includes an allowance for a replacement police storage building.

Potential Fiscal Impacts and Considerations
As the Council will recall, the City has submitted requests for funding consideration in each of the last four (2022, 2023, 2024, and 2025) Legislative Sessions, so far without success (it should be noted that the legislature failed to pass a bonding bill in 2024 which was a "regular" bonding year and that it appears highly unlikely that a bonding bill even if passed in 2025 will include funding for local projects). Anecdotally, the last time we were awarded bonding assistance (2020), we were awarded 60% less than our request. It appears that our next opportunity to seek state assistance with the project will be in 2026 - we've begun the application process this month.

While Staff will continue to seek financial assistance for this project from outside sources, it is inevitable that the City will need to incur significant debt to finance the construction of a replacement public works facility. The City's 2025 – 2029 Capital Improvements Plan suggests that the City would issue $3,000,000 in debt for this project in 2025 (design, site preparation), and $27,000,000 (construction) in 2026 based upon the cost estimate in the 2024 Master Plan. A General Obligation Bond of this size would have a significant impact on the City's Debt Capacity as well as on the City's annual Debt Levy (the October 2024 estimate indicated a total new debt levy of almost $4,000,000 annually for 10 years). For reference, the City's total debt service levy in 2025 was $1,475,528 (representing 8.6% of the $17,099,948 2025 property tax levy). Reducing the project cost through the predesign study, such that a bond issue might fall between $20,000,000 to $25,000,000 maximum, would result in a "new" debt service levy of an estimated $1.7M - $2.2M, yielding a net city property tax increase to the average residential homestead of between $315 to $400 annually. To reiterate, if Council's direction is to proceed with the project to design and ultimately construction phases, Staff will continue to focus significant effort in identifying opportunities to drive down total project cost as well as expand the pool of potential funding sources beyond debt.

Conclusion - Council Direction Sought
At the worksession, Staff is seeking feedback on the scope alternatives presented for

consideration. If a preferred alternative is identified, staff is also seeking Council direction on whether (and when) to proceed with the solicitation of design services. If the Council decides to move forward into design and construction phases, KA would assist in the solicitation and management of a Design Contract for the project per the terms of the previously approved Agreement for CMA. Upon approval of Final Design, KA would assist the City with all statutory bidding and procurement processes for a construction project, review and advise on all contracts, provide on-site construction oversight and supervision, and assist the City with the processing of Payment Applications, Change Orders, and other payment and contract documentation and procedures.

SOURCE OF FUNDS

The City's 2025 – 2029 Capital Improvements Plan identifies the project as a 2025 - 2027 project, and suggests that the City would issue $3,000,000 in debt for this project in 2025 (design, site preparation), and $27,000,000 (construction) in 2026 based upon the cost estimate in the 2024 Master Plan.

ATTACHMENTS

1. Predesign Options - Program and Cost Comparison Summary

Pre-Design Phase Options Summary

Description		Good	Better	Best		
Update Date		05.15.25	05.15.25	05.15.25		
PROJECT REVENUE / FUNDING						
Bonding						
Captial						
Tax Rebates						
TOTAL PROJECT REVENUE		**$0.00**	**$0.00**	**$0.00**		
PROJECT AREA BREAKDOWN						*Cost/SF*
Office		*3,500*	*4,500*	*6,000*		
Maintenance		*6,000*	*6,000*	*8,000*		
Vehicle Storage		*45,000*	*50,000*	*57,000*		
Mezzanine		*4,500*	*5,000*	*6,000*		
Total GSF		*59,000*	*65,500*	*77,000*		
Site Area (Acres)		*3.50*	*3.50*	*3.50*		
CONSTRUCTION COSTS SUB TOTAL		**$17,034,322**	**$19,404,836**	**$22,736,528**		
Construction Cost / GSF		$289	$296	$295		Construction Costs Sub Total / Total GSF
Percent Construction Cost		83%	83%	83%		Construction Costs Sub Total / Total GSF
SOFT COSTS SUB-TOTAL		**$3,406,864**	**$3,880,967**	**$4,547,306**		
Soft Costs / SF		*$58*	*$59*	*$59*		
Percent Soft Costs		*17%*	*17%*	*17%*		
TOTAL PROJECT COSTS		**$20,441,187**	**$23,285,803**	**$27,283,834**		**Construction Cost + Soft Costs**
Project Cost / GSF		*$346*	*$356*	*$354*		*Total Project Cost / Total GSF*
VARIANCE (OVER) / UNDER		($20,441,187)	($23,285,803)	($27,283,834)		Total Project Revenue / Total Project Costs

WORK SESSION AGENDA REPORT

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

MEETING TYPE
Regular Meeting

AGENDA ITEM
City Administrator's Update

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Informational update by City Administrator.

OVERVIEW
The City Administrator will provide informational updates on the following topics:

- 2026 Capital Investment Requests (Bonding)
- Wakota Crossing
- Sanimax Odor Management Plan Progress
- SE Metro Development Summit
- 2025 LMC Annual Conference (June 25 - 27 Duluth)
- 2025 National Brownfields Conference (August 5 - 8 Chicago)

SOURCE OF FUNDS

ATTACHMENTS
None