CITY OF SOUTH ST. PAUL
MEETING AGENDA

WORK SESSION

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

Monday, July 28, 2025
7:00 PM

1. CALL TO ORDER

2. DISCUSSION ITEMS

A. Library Repurposing Update

B. Local Affordable Housing Aid

C. Streetscape Maintenance Approach Discussion

D. 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 sale of real property at 400 Richmond Street East (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 450 Armour Avenue (no attachment)

5. ADJOURNMENT

WORK SESSION AGENDA REPORT

DATE:	July 28, 2025
DEPARTMENT:	City Administrator
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	2.A.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Library Repurposing Update

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Discuss Council's preferred approach to the "next phase" of the vacant American Legion Library at 106 3rd Avenue North.

OVERVIEW
The building at 106 3rd Avenue North served the City of South St. Paul as its public library building from the time of its construction in 1927 until its closure as a public library in December 2023. Between 2016 – 2018, the City conducted various assessments and studies for the modernization, upgrade, and expansion of the building to continue use as a public library. Ultimately, the site's and building's limitations, coupled with the financial commitment required to successfully operate a public library in an era where regional/county libraries are the "norm", led the Council to conclude that a partnership with Dakota County for a transition of library services to a County model was in the best interests of the community. In partnership with Dakota County, further analysis of building, program, and site requirements resulted in the conclusion that the property and building at 106 3rd Avenue North would not meet the needs of a new County library, and the Kaposia Library concept emerged for the corner of 7th and Marie Avenues. With that, in 2023 the City began to shift its attention to the future of the building after it was vacated.

2024 Facilities Master Plan
In 2023 and 2024, the City enlisted BKV Architects, Oertel, and Kraus-Anderson to undertake a comprehensive assessment of City Facilities. In addition to a detailed physical conditions analysis of the City's buildings, this study included an assessment of relocating some existing City departments/functions from City Hall to the vacant Library, but the team came to the conclusion that such a relocation would not "solve" current issues with City Hall or Police Department space needs without significant additional investment in City Hall. Further, the study acknowledged that relocating departments/functions to the Library would introduce additional separation which may negatively impact the effectiveness of service delivery and organizational culture. Ultimately, the Facilities Master Plan recommended divestment (sale) of the property for adaptive reuse or redevelopment. Given the significant investment required to address deferred

maintenance at the facility and the lack of "low hanging fruit" or justification to repurpose the Library for a City function, the City decided to take a closer look at alternatives for adaptive reuse and sale of the building.

2025 Library Repurposing Study
In 2024, the City received funding through a grant from the Minnesota Department of Employment and Economic Development (DEED) to help study options for repurposing the former South St. Paul Library. At the August 5, 2024 City Council meeting, the City Council awarded the project to New History, and New History delivered the Final Report in late-May 2025. The purpose of the reuse study was to explore practical reuse strategies based on the physical condition of the building, community input, and market information. The purpose of the study was not to select (an) individual(s) or business(es) to take over occupancy, ownership, and / or operation of the building.

New History conducted a "deep dive" into the physical condition of the building, the building's neighborhood context, and historical significance to better define the building within the context of potential reuse or redevelopment. This step revealed that overall, the building's physical condition is generally good but that deferred maintenance and replacement of core building systems and remedial work would be necessary for any reuse. The work identified through the study includes updates to the mechanical systems (including a new boiler), a new roof, hazardous material abatement, and waterproofing of the building. The Study also acknowledged that the significance of the library building in the community's culture and history during the twentieth century indicates that there is a high likelihood that the building is eligible for the National Register of Historic Places.

In addition to their examination of the building's condition and context, New History looked at how the building could be repurposed, exploring both the most practical uses for the physical space as well as developing some basic, theoretical operating model assumptions for various uses. This step involved extensive community engagement that started at On the Road Again in 2024 and spanned through an Open House in February 2025. Community engagement ranged from surveys to in-person discussions to open houses. Targeted engagement of key stakeholders such as community leaders and representatives was also leveraged to understand their level of support and opportunities for reuse. Finally, the project team engaged with a handful of private developers to get a read on the level of interest in taking on this type of reuse project and how market forces impact the potential for the project. The community and stakeholder engagement revealed a strong interest in reusing the building and a general interest in using the space for public/community/recreational use or a commercial use such as a restaurant, coffee shop or other commercial use. While many private developers were intrigued by the property, they all cited market conditions as a barrier and generally speaking were not interested in taking on the development (and certainly not speculatively and without significant public subsidy). Some seemed more willing to take on the project if there was a commitment from a future tenant. Although discouraged by the lack of private developer interest, Council's preference was to continue to keep the door open for eventual sale to a private owner under a development agreement.

Given this direction, New History and the City examined the financial feasibility of a reuse project led by a private developer. This started with basic space planning, review of various relevant codes (Building Code, etc), and defining a baseline scope of work to get the building into working order regardless of the future use. Costs were estimated at $31,000 (annually) for a "hold and maintain" scenario (where the City would continue to hang onto the building until a future user is found), $2.3 million for a "Base Building" improvement scenario (addressing all core building systems deficiencies, accessibility, water infiltration and shell deficiencies, and hazardous abatement), and a "Tenant Improvements" scenario (ranging from an additional $2,000,000 to $3,000,000 above the base building scope depending upon the finish and use). Conceptual operating pro-formas were crafted for each of the different scopes. This step revealed the range of costs related to a reuse project, the comparative projected market value in comparison to the cost of reuse, and discussed gap funding sources that may be available. The analysis of potential funding sources highlights opportunities to help with the gap but provides a sobering reality of the gap, which is estimated to range between $1,360,000 to $3,440,000. The market value of the property compared to the cost to rehab and improve the property explains why some of the city's initial efforts to find a new user for the space were unsuccessful.

Although only a few months have passed since the Library Repurposing Study was finalized, efforts to identify and engage a prospective buyer/developer of the former library have been ongoing in earnest for the past eighteen months. To date, no serious suitor has sustained more than a cursory level of interest in acquiring the building. The conundrum we face with this building can basically be boiled down to:

- Finding an owner-occupant that meets the City's desire to "activate" the space, that has the financial wherewithal to renovate and then operate the building, and that has the desire/need for specifically a building of this size and with this general layout has and will continue to prove extremely difficult, in Staff's opinion. We can romanticize about the building's possibilities (brewery/taproom, bakery, arts center, community services, etc.), but those users are few and far between, are generally under-capitalized, and are almost uniformly not drawn to a South St. Paul location generally or this building specifically.
- Finding a developer/investor, even if we could match them up with a community-minded group as a tenant, is challenging in that these entities will have specific financial risk tolerance and return expectations that will be hard to marry with the rents that they'll be able to command for the building. Theoretically, we could incentivize a developer to invest in the building, but unless a creditworthy tenant can be secured Staff has a strong sense that there is no private developer appetite to invest in this opportunity.

With neither an engaged owner-occupant market nor an engaged investor/developer market, there is not a clear path towards the "divestment" recommended in the Facilities Master Plan or Repurposing Study of the building in the near-term and it is likely that the City will retain ownership (and maintenance/upkeep responsibility) of the property at least in the near-term. Council has maintained a placeholder in the City's Capital Improvement Plan since 2022 for certain renovations/repairs/replacements at the former Library. As we approach the Annual Budget process, we'd like to discuss Council's expectations for the property, as several Council

Members have expressed interest in re-evaluating our approach.

SOURCE OF FUNDS

The recently completed Library Repurposing Study estimates the total cost to address core, shell, and building mechanical deficiencies at the property to be approximately $2,300,000. The City's Capital Improvement Plan includes $1,500,000 in Capital Program Funds for the Renovation of the Library Building. In addition to the Library project, the Current CIP identifies a total of almost $2.6 million in other projects throughout the City that rely on the Capital Programs Fund as a funding source. Cumulatively, these projects plus the $2.3M in proposed Library improvements exceed the cash balance of the Capital Programs Fund by more than $1.5M.

ATTACHMENTS

None

WORK SESSION AGENDA REPORT

DATE: July 28, 2025
DEPARTMENT: Housing
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 2.B.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Local Affordable Housing Aid

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

- Review the City's approach to 2024 Local Affordable Housing Aid (JPA with Dakota County CDA)
- Discuss any priority programs or policies that should be supported by the Local Affordable Housing Aid program with the 2025 Aid.

OVERVIEW
Local Affordable Housing Aid helps metropolitan local governments like South St. Paul to develop and preserve affordable housing within their jurisdictions, to keep families from losing housing and to help those experiencing homelessness find housing. Funded through a metropolitan sales tax (which went into effect October 1, 2023), Local Affordable Housing Aid is distributed to Cities and Counties in July and December each year. In 2024, the City received an aid payment of approximately $120,000. Our Certified Aid for 2025 is $313,527.18. As a reminder, funding for homeownership projects supported by LAHA is required, per the state, to be made available only to households at or below 115% of the areawide median income. As of April 2025, 115% of AMI is:

Household Size	Income Limit (Gross)
1 person	$72,950
2 people	$83,400
3 people	$93,800
4 people	$104,200
5 people	$112,550
6 people	$120,900

7 people	$129,250
8 people	$137,550

As LAHA was a new program in 2024, Council held several worksession discussions throughout 2024 and early 2025 to identify how to direct the City's aid. Following an October 2024 Worksession discussion with Dakota County CDA Staff, the City elected to enter a Local Affordable Housing Aid Agreement with the CDA to administer the City's aid allocation in an amount not less than $120,000 through 2027. With this funding, the CDA committed to offering Rehabilitation Loans to income-qualified South St. Paul homeowners (with a total loan pool of $90,000) and Radon Mitigation Grants to South St. Paul homeowners (with a total grant pool of $30,000). As of this writing, all of South St. Paul's 2024 LAHA funds have been committed to residents for eligible activities through the CDA's programs.

The Agreement with the CDA provides that Aid amounts will be recalculated on an annual basis, but the City is not obligated to dedicate more than the agreed-upon $120,000 in LAHA in any given program year. With a clear picture of the City's 2025 Certified LAHA amount ($313,527.18), Staff would like to confirm with Council whether we'd like to increase our investment in the CDA-administered programs, or explore other "qualifying projects" towards which LAHA should be directed. As a reminder, LAHA can't be dedicated to the EDA's existing Housing Investment Fund unless that program's eligibility requirements (as adopted in 2023) are modified to decrease the income eligibility criteria. That said, the Council may consider one or more of the following programs if there is a desire to expand the City's affordable housing toolbox in support of the City's Master Housing Strategy:

- *Down-Payment Assistance*: as the name would indicate, a fund could be created to offer first-time homebuyers with funds for down-payment on a home purchase in South St. Paul. This could be structured as a zero-interest, fully forgivable loan if the applicant retains ownership and primary residency in the home for a period of years.
- *Affordable Housing Pre-Development / Development*: a fund could be created to provide funding through a competitive grant or forgivable loan to developers (public, nonprofit, private) of new housing meeting the State's income-eligibility requirement (115% AMI for homeownership projects, 80% for rental projects). The program could be specifically for pre-development activities (such as environmental assessments, survey/title work, design services, market studies) or for development activities (such as acquisition, demolition, utilities, stormwater managment, etc.).
- *Affordable Rental Preservation*: a fund could be created to provide funding through a low-interest loan to owners of existing rental units/buildings in the City for repairs, rehabilitation, and reinvestment in affordable units.
- *De-Conversion*: a fund could be created to provide funds to homebuyers seeking to convert an existing rental property to an owner-occupied property. This could be structured as a zero-interest, fully forgivable loan if the applicant retains ownership and primary residency in the home for a period of years.

Obviously, CDA has substantially more organizational infrastructure in place than most cities (including SSP) and our current agreement for LAHA administration relieves the City of most administrative burden related to these funds. It is expected that demand in the CDA's programs will continue to outpace the amount of funding available, similar to the CDBG program that CDA operates in South St. Paul. As such, continued and increased investment in this partnership would likely be met with continued success. Still, Staff would like to gain a sense of whether or how the EDA/Council feels that some portion of our 2025 (and potentially future years) Aid should be directed at any different initiatives, which may include one or more of those presented in this memo.

SOURCE OF FUNDS

Local Affordable Housing Aid is Aid received from the State of Minnesota, funded through a 0.25% Metropolitan Sales Tax. Beginning in 2025, aid recipients must submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report must include documentation of the location of any unspent funds and of qualifying projects completed or planned with the funds. Our Agreement with Dakota County CDA provides that the CDA completes this required reporting for any City LAHA funds that are administered by the CDA.

ATTACHMENTS

1. LAHA Agreement- South St Paul

LOCAL AFFORDABLE HOUSING AID AGREEMENT
between
CITY OF SOUTH ST. PAUL
and
DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY

THIS LOCAL AFFORDABLE HOUSING AID AGREEMENT (the "Agreement") is entered into as of the 25th day of March, 2025 by and between the City of South St. Paul, Minnesota (the "City"), 125 Third Avenue N., South St. Paul, Minnesota 55075, a municipal corporation and political subdivision of the state of Minnesota, and the Dakota County Community Development Agency (the "CDA"), 1228 Town Centre Drive, Eagan, Minnesota 55123, a public body politic and corporate; also referred to as "Party" or "Parties."

WHEREAS, the State of Minnesota created Local Affordable Housing Aid ("LAHA") under Minnesota Statutes, Section 477A.35, as may be amended, which established distributions to metropolitan area counties and tier I cities located in a metropolitan county for qualifying projects as defined in Section 477A.35, subd. 4 ("Qualifying Projects").

WHEREAS, the City desires to engage the CDA to receive the City's LAHA funds and administer Qualifying Projects on behalf of the City.

WHEREAS, the CDA desires to serve in this role with its experience in and staffing of housing finance, preservation, and development.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement, the sufficiency is hereby acknowledged, it is agreed by and between the Parties as follows:

1. **TERM**. This Agreement shall commence as of the date written above and shall continue until all duties are fulfilled, unless sooner terminated under the terms of the Agreement.

2. **DUTIES OF THE CDA.**

   2.1 Authorized to Act on Behalf of the City. The CDA shall act as the agent for the City to administer LAHA funds according to state statutes, laws, and rules. The CDA shall assume all duties and obligations that would otherwise be imposed upon the City, specifically:

   a. Spending the funds received under this Agreement on Qualifying Projects, including disbursements to the CDA, eligible individuals and subrecipients, as well as to contractors, affordable housing developers, and vendors, all after determining that the use meets all requirements of Qualifying Projects.

b. Maintaining complete and accurate records of funds received and all disbursements.

c. Ensuring timely expenditure of LAHA funds by December 31 in the fourth year following the allocation of the funds by the Minnesota Department of Revenue. If funds cannot be spent on Qualifying Projects by the deadline due to factors outside of the control of the CDA, the CDA will work with the City to transfer funds to a local housing trust fund.

d. Preparing an annual report, as required starting December 1, 2025, under Minnesota Statutes, Section 477A.35, subd. 6(b).

2.2 Compliance. The CDA shall comply with all applicable state and local LAHA requirements.

2.3 Identification and Use of LAHA Funds.

a. All LAHA funds received and expended under this Agreement will be spent solely on Qualifying Projects defined under Minnesota Statutes, Section 477A.35, subd. 4.

b. CDA will be responsible for the administration of those Qualifying Projects identified in Exhibit A, in a manner satisfactory to the City and consistent with any required standards.

3. USE OF FUNDS.

3.1 Qualifying Projects. Per Minnesota Statutes, Section 477A.35, a broad list of LAHA uses are defined as Qualifying Projects. The CDA has offered to administer on behalf of the City the LAHA collaboration Qualifying Projects identified in Exhibit A. Exhibit A will be amended if there are changes to the list of Qualifying Projects in Minnesota Statutes or the CDA and the City agree to changes in the Qualifying Projects.

3.2 Allocation of LAHA Funds to CDA. The City will annually take formal action by resolution to allocate LAHA funds to the CDA for one, two, or all LAHA collaboration Qualifying Projects. These changes will be reflected in Exhibit B, which the CDA will update annually and deliver to the City. The CDA reserves the right to update the adjustment of the LAHA collaboration Qualifying Projects, as needed, including ongoing activities from previous fiscal years.

4. TRANSFER OF FUNDS.

4.1 Transfer by the City. The City shall transfer the LAHA funds received from the State to the CDA. Upon receipt of the annual authorizing City resolution, the CDA will submit a written request for the LAHA funds to the City. The

Parties shall cooperate and mutually agree upon the amount, timing, and transfer of LAHA funds to the CDA.

4.2 Retention of Funds. The CDA shall deposit and maintain the LAHA funds received under this Agreement in a separate internal account. The CDA shall maintain appropriate records of LAHA funds. The CDA shall administer and disburse all LAHA funds in accordance with this Agreement.

4.3 Program Income. Program income is the gross income received by the CDA that was generated from the use of the City's LAHA funds. The primary example is the payment of principal on loans made using LAHA funds.

Any program income generated from LAHA funds will be classified and distributed based on rules and guidance issued from the State as it becomes available.

Any program income on hand at the end of the expiration of this Agreement or received after expiration of this Agreement shall be paid over to the City unless the City and the CDA have entered into subsequent agreements.

4.4 Funding Contingency. The CDA's obligations under this Agreement are specifically contingent upon the disbursement of LAHA funds by the State and the City's transfer of LAHA funds to the CDA.

4.5 CDA Expenses. Unless allowable as a Qualifying Project, administrative and salary expenses incurred by the CDA will be paid by the CDA's special benefit levy and/or program service fees. If/when administrative and salary expenses are eligible, such costs will be assessed proportionally amongst the City and other CDA LAHA collaboration parties.

5. RECORDS AND REPORTS.

5.1 Records. The CDA shall maintain complete and accurate records of LAHA funds received and all disbursements.

5.2 Reports. The CDA shall prepare quarterly progress reports on the Qualifying Projects regarding project pipeline, project start and completion dates, amount spent on Qualifying Projects, and other information as requested. Identifying data for individual clients will be aggregated. The CDA shall prepare the annual report for the City to submit to the Minnesota Housing Finance Agency.

5.3 Access to Records. The CDA agrees to provide the City, its designated auditors, or any of its authorized representatives access to any financial reports, documents, papers, and records of the CDA that are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions.

5.4 Record Retention. Pursuant to Minnesota Statutes, Section 16C.05, subd.5, Minnesota Statutes, Section 16B.98, subd. 8 and applicable requirements, the CDA shall maintain records under this Agreement for a minimum of six (6) years from the end of this Agreement.

6. **INDEMNIFICATION.**

6.1 The CDA agrees to hold harmless, indemnify, and defend the City, its officials, agents, and employees against any and all third-party claims of whatever nature, expenses (including attorneys' fees), losses, damages or lawsuits for damages that arise as a result of the willful misconduct, negligent acts, errors, and/or omissions of the CDA in the performance of this Agreement.

6.2 Nothing in this Agreement (including, but not limited to, indemnification or insurance provisions) shall be deemed a waiver by either Party of the limits of liability set forth in Minnesota Statutes, Section 466.04 or a waiver of any available immunities or defenses. The CDA's obligation to hold and save harmless in this Agreement shall be limited by the limitations on liability set forth in Minnesota Statutes, Section 466.04, as may be amended from time to time.

6.3 The CDA shall notify the City within five (5) business days of actual receipt of any of the potential claims against the CDA that may arise as a consequence of any of the work or services performed or furnished by the CDA under the terms of this Agreement.

7. **TERMINATION.** If the CDA materially fails to fulfill its obligations under this Agreement, the City may suspend or terminate this Agreement upon written notice to the CDA specifying the reason for termination. If the Agreement is terminated, the CDA shall pay over any unexpended funds and program income to the City. The CDA shall no longer be responsible for reporting on LAHA funds.

8. **DATA PRIVACY.** All data collected, created, received, maintained, disseminated, or used for any purposes in the course of the CDA's performance under this Agreement is governed by the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13 or any other applicable state statutes and any state rules adopted to implement LAHA, as well as state statutes and federal regulations on data privacy. The CDA agrees to abide by these statutes, rules, and regulations as they may be amended.

9. **DISPUTE RESOLUTION.** In the event that a dispute arises between the Parties as to the interpretation or performance of this Agreement, then upon written request of either Party, representatives with settlement authority for each Party shall meet and confer in good faith to resolve the dispute. If the Parties are unable to resolve the dispute, they shall make every effort to settle the dispute through mediation or other alternative dispute resolution methods. If the Parties are unable

to resolve the dispute through these methods, either Party may commence an action in Dakota County District Court.

10. GENERAL PROVISIONS.

10.1 Compliance with Laws. The Parties shall abide by all applicable federal, state, or local laws, statutes, ordinances, rules, and regulations now in effect or hereunder adopted pertaining to activities governed by this Agreement. The CDA shall be responsible for the performance of any contractors unless otherwise agreed in writing.

10.2 Minnesota Law to Govern. This Agreement shall be governed by and construed in accordance with the substantive and procedural laws of the State of Minnesota, without giving effect to the principles of conflict of laws.

10.3 Independent Contractor. The CDA is an independent contractor and nothing herein shall be construed to create the relationship of employer and employee or joint venture between the City and the CDA. The CDA shall at all times be free to exercise initiative, judgment, and discretion as to how best to provide the services pursuant to this Agreement. The CDA acknowledges and agrees that the CDA is not entitled to receive any of the benefits received by City employees and is not eligible for workers or reemployment compensation benefits.

10.4 Modifications. Any alternations, variations, modifications, or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing and signed by authorized representatives of the Parties.

10.5 Severability. The provisions of this Agreement shall be deemed severable. If any part of this Agreement is rendered void, invalid, or unenforceable, such rendering shall not affect the validity or enforceability of the remainder of this Agreement unless the part or parts which are void, invalid, or otherwise unenforceable shall substantially impair the value of the entire Agreement with respect to either Party.

10.6 Survival of Terms. The following components of this Agreement will survive the termination or expiration of this Agreement: 4.4, 5.1, 5.2, 5.3, 6, 7, and 8.

10.7 Assignment. Neither Party may assign any interest in this Agreement without prior written consent of the other Party. Any non-approved transfer, assignment or conveyance shall be void.

10.8 Certification and Signatures.

a. Each Party certifies and warrants that it has the legal authority to enter into and perform under this Agreement and that its governing body has authorized the execution and acceptance of this Agreement.

b. Each person executing this Agreement on behalf of a Party certifies and warrants that such person is duly and validly authorized to legally execute and bind the Party to the terms of this Agreement.

c. The Parties agree that electronic signatures to this Agreement shall be as valid as original signatures of the Parties and shall be effective to bind the Parties to this Agreement.

10.9 Rights and Remedies. All rights and remedies available to either the City or the CDA under the terms of this Agreement or by law are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

10.10 Notices. Notices required to be provided pursuant to this Agreement shall be provided to the following named persons and address unless otherwise stated in this Agreement or in an amendment to this Agreement.

10.11 Liaison. To assist the Parties in the day-to-day performance of this Agreement, liaisons shall be designated by the City and the CDA. The Parties shall keep each other continually informed. At the time of the execution of this Agreement, the following persons are the designated liaisons:

For the City:

Ryan Garcia
City Administrator
125 Third Avenue North
South St. Paul, MN 55075
rgarcia@southstpaul.org
(651) 554-3278

For the CDA:

Lisa Alfson
Director of Community & Economic Development
1228 Town Centre Drive
Eagan, MN 55123
lalfson@dakotacda.org
(651) 657-4467

IN TESTIMONY WHEREOF, the Parties hereto have caused these presents to be executed.

City of South St. Paul, Minnesota

By: James P. Francis Dated: 3-3-2025
Mayor

By: Deanna Werner Dated: 3-3-2025
City Clerk

Dakota County Community Development Agency

By: Dated: 3/25/2025
Chair, Board of Commissioners

By: Dated: 3/25/2025
Executive Director

EXHIBIT A TO SUBRECIPIENT AGREEMENT

DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY (CDA) AND THE CITY OF SOUTH ST. PAUL (City)

Local Affordable Housing Aid (LAHA) funds will be committed to the following Qualifying Projects. CDA has offered to administer the following LAHA Collaboration Qualifying Projects on behalf of the City.

1. Expanded Single-Family Home Improvement Loan Program. Increase the number of loans made through the CDA's Home Improvement Loan Program, which provides zero percent, deferred loans up to $35,000 for home improvement projects that prioritize health, safety, and structural integrity concerns.

LAHA funds will be administered in accordance with the Home Improvement Loan Program policy and procedures handbook, as periodically amended. Households at or below 80% of the Area Median Income (AMI) will be prioritized. If/when there are no priority households on the waiting list to be served, the CDA will then consider serving households above 80% AMI to the maximum LAHA income limit of 115% AMI.

2. Radon Testing and Mitigation Grant Program. This grant program will provide free testing services to clients of the CDA's Home Improvement Loan Program and will provide free mitigation systems for those clients whose homes have radon levels exceeding allowable levels, as determined by the US Environmental Protection Agency. The CDA will discuss with City the expansion of the program to other eligible homeowners if there is interest and CDA staff capacity.

As the Home Improvement Loan Program and the Radon Testing and Mitigation Grant Program serve the same clients, the CDA reserves the right to combine the funding for these two programs into one account to best serve the needs of clients.

3. Residential Preservation and New Construction Gap Financing Program. This program will expand the existing CDA-administered gap financing resources for affordable residential multi-family and single-family preservation and new construction. The CDA will work with the City to identify potential projects that need gap financing.

EXHIBIT B TO SUBRECIPIENT AGREEMENT

DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY (CDA) AND THE CITY OF SOUTH ST. PAUL

Local Affordable Housing Aid (LAHA) funds will be committed to the following Qualifying Projects. Exhibit B will be amended on an annual basis, or as needed, through the term of this Agreement.

CURRENT YEAR ALLOCATION – 2024

All funds must be committed by December 31, 2027, and fully expended by December 31, 2028

- Qualifying Project 1: HOME IMPROVEMENT LOAN PROGRAM – Administered by CDA
  - Description: The Home Improvement Loan Program assists low and moderate-income homeowners in improving and maintaining their homes in a decent, safe, and sanitary condition. The program offers deferred loans up to $35,000 with zero percent interest rates to homeowners earning 115 percent or below area median income, and prioritizing homeowners with incomes at or below 80 percent area median income.
  - Schedule: Ongoing
  - Budget: $90,000.00

- Qualifying Project 2: RADON TESTING AND MITIGATION GRANT PROGRAM – Administered by CDA
  - Description: The Radon Testing and Mitigation Grant Program assists clients of the Home Improvement Loan Program with free radon testing and installation of a mitigation system, if needed. Clients will receive free radon tests to be performed by professional radon testing providers. Clients whose homes have radon levels greater than 4.0 pCi/L (picocuries of radon per liter of air) will receive a mitigation system. Every effort will be made to ensure the radon levels in the subject homes post-mitigation will not exceed 2.0 pCi/L.
  - Schedule: Ongoing
  - Budget: $30,000.00

WORK SESSION AGENDA REPORT

DATE: July 28, 2025
DEPARTMENT: City Administrator
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 2.C.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Streetscape Maintenance Approach Discussion

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
Discuss streetscape maintenance/beautification along key community corridors.

OVERVIEW
The City has several primary thoroughfares which are adorned with decorative landscape plantings to beautify and enhance the image of the community. With a relatively lean staff and significant responsibilities and duties during the summer months, it has historically proven somewhat challenging for Public Works crews to consistently "keep up" with the demands of maintaining these decorative areas beyond relatively basic maintenance.

In November 2024, the Council approved a third-party agreement (with CurbSide Landscape & Irrigation) for "streetscape maintenance" along Grand / 3rd Avenue, Concord Street North, and Concord Exchange. The approved agreement is attached for reference. Notably, the CurbSide agreement does not include any services along Southview Boulevard. Instead, streetscape plantings along Southview Boulevard continue to be maintained through the coordination of the Community Affairs department along with local businesses, residents and community groups.

Council Members have requested an update and worksession discussion about streetscape maintenance.

SOURCE OF FUNDS
The EDA has budgeted for the CurbSide services in the 2025 and proposed 2026 Budgets.

ATTACHMENTS
1. Executed City-CurbSide Landscape Contract

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT ("Agreement") is made and executed this 13th day of November, 2024, by and between the City of South St. Paul, 125 3rd Avenue North, South St. Paul, MN 55075, ("City") and CurbSide Landscape & Irrigation, 12468 Zinran Avenue, Savage, MN 55377 ("Contractor").

WHEREAS, the City has accepted the proposal of the Contractor for certain Services; and

WHEREAS, Contractor desires to perform the professional services for the City under the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual consideration contained herein, it is hereby agreed as follows:

1. SERVICES.

    a. City agrees to engage the Contractor as an independent contractor for the purpose of performing certain professional services ("Services"), as defined in the following documents:

        i. A proposal for services, incorporated herein as Exhibit A;

        ii. Streetscape Scope of Work, incorporated herein as Exhibit B;

        iii. Landscaping plans for Concord Exchange, incorporated herein as Exhibit C;

        iv. Landscaping plans for Concord Street, incorporated herein as Exhibit D;

    b. Contractor covenants and agrees to provide and perform the Services to the reasonable satisfaction of the City in a timely fashion, as set forth in the Exhibits, subject to Section 7 of this Agreement.

    c. Contractor agrees to comply with all federal, state, and local laws and ordinances applicable to the Services to be performed under this Agreement, including all safety standards. The Contractor shall be solely and completely responsible for conditions of the job site, including the safety of all persons and property during the performance of the Services. The Contractor represents and warrants that it has the requisite training, skills, and experience necessary to provide the Services and is appropriately licensed and has obtained all permits from all applicable agencies and governmental entities.

2. PAYMENT.

   a. City agrees to pay the Contractor in accordance with the rates listed on Exhibit A, and the Contractor agrees to receive and accept payment for the Services as set forth in Exhibit A.

   b. Any changes in the scope of the work of the Services that may result in an increase to the compensation due the Contractor shall require prior written approval by the authorized representative of the City or by the City Council. The City will not pay additional compensation for Services that do not have prior written authorization.

   c. Contractor shall submit itemized bills for the Services provided to the City on a monthly basis. Bills submitted shall be paid within thirty (30) days of submission of each bill.

3. TERM. The term of this Agreement shall commence on the date this Agreement is signed by both parties and shall terminate on December 31, 2025. This Agreement may be extended upon the written mutual consent of the parties for such additional period as they deem appropriate, and upon the same terms and conditions as herein stated.

4. TERMINATION.

   a. Termination by Either Party. This Agreement may be terminated by either party upon thirty (30) days' written notice delivered to the other party to the addresses listed in Section 13 of this Agreement. Upon termination under this provision, if there is no default by the Contractor, the Contractor shall be paid for the Services rendered and reimbursable expenses incurred until the effective date of termination.

   b. Termination Due to Default. This Agreement may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement. The non-performing party shall have fifteen (15) calendar days from the date of the termination notice to cure the default or to submit a plan to cure the default that is reasonably acceptable to the other party.

5. SUBCONTRACTORS. Contractor shall not enter into subcontracts for any of the Services provided for in this Agreement without the express written consent of the City, unless specifically provided for in the Exhibit. The Contractor shall pay any subcontractor involved in the performance of this Agreement within the ten (10) days of the Contractor's receipt of payment by the City for undisputed services provided by the subcontractor.

6. STANDARD OF CARE. In performing its Services, Contractor will use that degree of care and skill ordinarily exercised, under similar circumstances, by reputable members of its profession in the same locality at the time the Services are provided. No warranty, express or implied, is made or intended by Contractor's undertaking herein or its performance of

the Services.

7. DELAY IN PERFORMANCE. Neither City nor Contractor shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; pandemics; war, riots, and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; judicial restraint; and inability to procure permits, licenses or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or services required to be provided by either City or Contractor under this Agreement. If such circumstances occur, the nonperforming party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement. Contractor will be entitled to payment for its reasonable additional charges, if any, due to the delay.

8. CITY'S REPRESENTATIVE. The City has designated Monika Miller, Associate Planner to act as the City's representative with respect to the Services to be performed under this Agreement. She shall have complete authority to transmit instructions, receive information, interpret, and define the City's policy and decisions with respect to the Services covered by this Agreement.

9. PROJECT MANAGER AND STAFFING. The Contractor has designated Gerrod Schultz to be the primary contacts for the City in the performance of the Services. They shall be assisted by other staff members as necessary to facilitate the completion of the Services in accordance with the terms established herein. Contractor may not remove or replace these designated staff without the approval of the City.

10. INDEMNIFICATION.

    a. Contractor and City each agree to defend, indemnify, and hold harmless each other, its agents and employees, from and against legal liability for all claims, losses, damages, and expenses (including, but not limited to, reasonable attorneys' fees) to the extent such claims, losses, damages, or expenses are caused by its negligent acts, errors, or omissions. In the event claims, losses, damages, or expenses are caused by the joint or concurrent negligence of Contractor and City, they shall be borne by each party in proportion to its own negligence.

    b. Contractor shall indemnify City against legal liability for damages arising out of claims by Contractor's employees, and/or subcontractors, except to the extent caused by City. City shall indemnify Contractor against legal liability for damages arising out of claims by City's employees, except to the extent caused by Contractor.

    c. The attorney fee indemnification obligations of the parties under this section are contingent upon the indemnified party: (i) notifying the indemnifying party promptly of the claim and tendering to that party the exclusive right to control and direct the investigation, preparation, and settlement of the claim; and (ii) if the tender is accepted, giving the indemnifying party, at the expense of the indemnified party, reasonable cooperation; provided, however, that the failure of the indemnified party to promptly give the indemnifying party notice shall affect that party's obligation to indemnify only to the extent the rights of that party are materially prejudiced by such failure, and further provided that the indemnified party may participate, at its own expense, in such defense and in any settlement discussions directly or through counsel of its choice.

11. INSURANCE. During the performance of the Services under this Agreement, Contractor shall maintain the following insurance:

a. General Liability Insurance, with a limit of $2,000,000 for any number of claims arising out of a single occurrence, pursuant to Minnesota Statutes, Section 466.04, or as may be amended;

b. Workers' Compensation Insurance in accordance with statutory requirements.

c. Automobile Liability Insurance, with a combined single limit of $1,000,000 for each person and $1,000,000 for each accident.

Contractor shall furnish the City with certificates of insurance, which shall include a provision that such insurance shall not be canceled without written notice to the City. The City shall be named as an additional insured on the General Liability Insurance policy and the Professional Liability Insurance policy.

12. NOTICES. Notices shall be communicated to the following addresses:

If to City: City of South St. Paul
125 3rd Ave. N.
South St. Paul, MN 55075

Or e-mailed: mmiller@southstpaul.org

If to Contractor: CurbSide Landscape & Irrigation
12469 Zinran Avenue
Savage, MN 55377
Or e-mailed: GSchultz@curbsidelawn.com

13. INDEPENDENT CONTRACTOR STATUS. All services provided by Contractor, its officers, agents and employees pursuant to this Agreement shall be provided as employees of Contractor or as independent contractors of Contractor and not as employees of the City for any purpose.

14. GENERAL PROVISIONS.

a. Assignment. This Agreement is not assignable without the mutual written agreement of the parties.

b. Waiver. A waiver by either City or Contractor of any breach of this Agreement shall be in writing and signed by both parties. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

c. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Minnesota and any action must be venued in a federal or state court with jurisdiction over Dakota County, Minnesota.

d. Severability. If any term of this Agreement is found be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect.

e. Data Practices Compliance. All data collected by the City pursuant to this Agreement shall be subject to the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.

f. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior communications, understandings and agreements relating to the subject matter hereof, whether oral or written.

CITY OF SOUTH ST. PAUL

By:______________________________
James P. Francis, Mayor

ATTEST:

By: Deanna Werner
Deanna Werner, City Clerk

Date: 11-4-2024

CURBSIDE LANDSCAPE & IRRIGATION

By: Gerrad Schultz

Its: Manager

Date: 11/13/2024

Exhibit A

CurbSide Landscape & Irrigation
12468 Zinran Ave
Savage, MN 55377
(952) 403-9012 Office
www.curbsidelandscape.com

DATE: 8/26/2024

COMPANY: City of South St. Paul

Project Site: Specified Medians, Planters, and Bolevards

NAME: Monika Miller

ADDRESS

CITY: Souht St. Paul

Prepared by: John Markoe

LANDSCAPE: Proposal 1.0

Mulch Installation

Top Dressing of Brown Mulch in Planters, Tree Rings, and Landscape Beds as specified by the City of South St. Paul

Equipment Mobilization

Delivery

Pricing Is Per Time

TOTAL $ 12,591.00

Customers Signature *Date Signed*

Tree Pruning

Tree Pruning. Pruning of specified trees, suckers, and water sputs

All debris will be hauled off site and disposed of when job is completed

Equipment Mobilization

Delivery

Pricing Is Per Time

TOTAL $ 3,000.00

Customers Signature *Date Signed*

Plant Pruning

Pruning of plant material in specified Landscape Beds and Planters. Pruning will take place (2) times per growing sea

Equipment Mobilization

Delivery

Pricing Is Per Time

TOTAL $ 2,600.00

Customers Signature

Date Signed

Weeding

Weeding and Spraying of Non Selective Herbicide for Landscape Beds, Planters, Tree Rings

All debris will be hauled off site and disposed of when job is completed

Wedding will take place (1) time per month

Equipment Mobilization

Delivery

Pricing Is Per Time

TOTAL $ 1,950.00

Customers Signature

Date Signed

Watering

Watering of all Planters and Trees, as directed by South St. Paul City Official

Watering will be billed on a Time & Material Basis. Watering will be billed at $100/HR

Equipment Mobilization

Delivery

Pricing is Per Time

TOTAL $100.00/HR

Customers Signature

Date Signed

All work areas have been depicted by the City of South St. Paul. Pricing is based of the depicted areas.

EXHIBIT B

Concord Street/Concord Exchange/Grand Avenue Maintenance Project Scope of Work

The City of South St. Paul is soliciting quotes for a landscaping contractor to assist with bi-weekly maintenance of the new landscaped areas and trees along Concord Street, Concord Exchange, and Grand Avenue. The scope and locations of work are as follows:

- Concord Street from I-494 north to Wentworth Avenue.
    - Weeding/pruning in the corner planter boxes at Grand Ave and Hardman Ave
    - As needed, watering of all trees/planter boxes
    - As needed, pruning of trees
    - Seasonal mulching (trees)

- Concord Exchange from the southern terminus to the northern terminus @ north end of Post Office
    - Weeding of tree grates
    - Weeding/pruning of corner planter boxes at Grand Avenue
    - Weeding/pruning of landscaped areas

- Grand Avenue from 3rd Avenue to Concord Street
    - Weeding/pruning of landscaped medians
    - Seasonal mulching (trees)

The as-builts for Concord Street and the landscaping plans for Grand Avenue/ Concord Exchange detail the desired locations for landscaping services.

WORK SESSION AGENDA REPORT

DATE: July 28, 2025
DEPARTMENT: City Administrator
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 2.D.

MEETING TYPE
Regular Meeting

AGENDA ITEM
City Administrator's Update

ACTION TO BE CONSIDERED OR DESIRED OUTCOME
For information and brief discussion only. Council may request additional detail on any of these topics at a future worksession.

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

- DEED Contamination Cleanup Grant Award / Wakota Crossing
- EMS Taxing District / SMFD JPA
- DCMA Update

SOURCE OF FUNDS
N/A

ATTACHMENTS
None