



CITY OF SOUTH ST. PAUL MEETING AGENDA

WORK SESSION

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

Monday, November 10, 2025
7:00 PM

1. CALL TO ORDER

2. DISCUSSION ITEMS

- A. Verderosa Avenue Extension - Public Works Facility Earthwork
- B. Closed Session Pursuant to Minnesota Statutes § 13D.05, Subd. 3(c) to develop or consider offers for the sale of real property at 106 3rd Avenue North (former South St. Paul Library)

3. COUNCIL COMMENTS & QUESTIONS

4. ADJOURNMENT



WORK SESSION AGENDA REPORT

DATE: November 10, 2025
DEPARTMENT: City Administrator
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 2.A.

MEETING TYPE

Regular Meeting

AGENDA ITEM

Verderosa Avenue Extension - Public Works Facility Earthwork

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

Discussion of potential approach to addressing earthwork elements of the Verderosa Avenue Extension and Public Works Facility projects. Staff is proposing to prepare and present, at the December EDA meeting, a termination agreement with consideration for the material currently placed on the future public works site.

OVERVIEW

The City's Draft 2026 - 2030 Capital Improvement Plan lists the Verderosa Avenue Extension and the New Public Works Building as two major capital investments for 2026. At the [May 19, 2025 City Council meeting](#), Council approved a contract with Kimley-Horn (KH) for final design services (including preparation of a preliminary mass grading plan) for the Verderosa Extension project and at the [August 4, 2025 City Council meeting](#) a design services contract with Hagen Christensen & McIlwain Architects (HCM) was approved for the design of the replacement public works facility. As we proceed through design development for both of these projects, we have confirmed that a significant amount of clean fill material will need to be imported to this site to support grading of the site for construction of both projects.

At their [March 3, 2025 meeting](#), the EDA approved a Temporary Storage Agreement with Designing Earth Contracting (DEC). That agreement provided DEC with the ability to continue to store a large volume of clean fill material which had been placed - at their expense - on the site in 2023 - 2024 while they were working for Capital Partners Development, who had the site under control through a Preliminary Development Agreement and License Agreement at the time. The Temporary Storage Agreement has a term end date of November 30, 2025, and Staff and DEC have agreed that it is in neither party's best interest to extend the Agreement beyond that date, given the City's pending capital improvement projects on and around the site. Because Staff recognizes a significant benefit to our future projects in the availability of this material (the material would meet more than 50% of our anticipated import needs to the site) and the potential savings that can be realized by having this material available (KH estimates a savings of about \$540,000 in the site mass grading budget by having this material onsite), Staff is prepared to present a Termination Agreement at the December 1, 2025 EDA Meeting. The Termination Agreement would essentially sever DEC's continued claim to the material at the site in

consideration of a termination payment of \$495,000. If approved by the EDA and DEC in early December, the City would be free to incorporate this material as a commodity into future bid letting for either or both of the Verderosa and Public Works projects. While there will most likely still be a need for additional soil import to support overall site grading, having the material readily available on-site not only saves the City a significant amount of money but also a significant amount of time (which could actually compound financial savings down the line as the project(s) are underway).

Staff will be prepared to answer questions at the worksession, prior to scheduling the Agreement itself for consideration on the next EDA Agenda.

SOURCE OF FUNDS

Infrastructure Fund

ATTACHMENTS

None



WORK SESSION AGENDA REPORT

DATE: November 10, 2025
DEPARTMENT: Economic Development
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 2.B.

MEETING TYPE

Regular Meeting

AGENDA ITEM

Closed Session Pursuant to Minnesota Statutes § 13D.05, Subd. 3(c) to develop or consider offers for the sale of real property at 106 3rd Avenue North (former South St. Paul Library)

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

OVERVIEW

Staff will present for discussion a letter of intent to purchase and renovate the City-owned property at 106 3rd Avenue North, the former South St. Paul Library. The LOI presents high-level terms of a public-private partnership between the City/EDA and Minneapolis Gymnastics LLC that, if agreeable to the Council, would be further articulated and negotiated through a purchase and development agreement.

SOURCE OF FUNDS

Developer Equity and the EDA's Development Fund and Business and Development Loan Fund are among the anticipated sources of funds for the project at this stage. A development agreement will further respond to sources and uses of funding as project due diligence is completed.

ATTACHMENTS

1. South St. Paul Library Letter of Intent