

**City of West St. Paul  
City Council Meeting Minutes  
April 27, 2020**

**1. Call to Order**

Mayor Napier called the meeting to order at 6:30 p.m.

**2. Roll Call**

Present: Mayor Dave Napier  
Councilmembers Wendy Berry, Lisa Eng-Sarne,  
Anthony Fernandez, John Justen, Bob Pace and Dick Vitelli

Absent: None

Others Present: City Manager Ryan Schroeder  
City Attorney Kori Land  
Police Chief Brian Sturgeon  
Finance Director Char Stark  
Parks & Public Works Director/City Engineer Ross Beckwith  
Assistant Parks & Recreation Director Dave Schletty  
Community Development Director Jim Hartshorn  
Human Resources Director Debra Gieseke  
Marketing & Communications Manager Dan Nowicki  
City Clerk Shirley Buecksler

Mayor Napier stated that tonight's meeting will be conducted virtually and described the process for citizens to view the meeting and call in with questions and comments.

**3. Pledge of Allegiance**

**4. Adopt the Agenda**

Motion was made by Councilmember Vitelli and seconded by Councilmember Justen to adopt the agenda, as presented.

Vote: 6 ayes / 0 nays. Motion carried.

**5. OCWS Briefing**

An Open Council Work Session was not held.

**6. Citizen Comments**

Mayor Napier opened the access line (651-259-2674) for citizens to call in with comments, questions and concerns.

Marketing & Communications Manager Nowicki tested it from an outside line prior to the meeting to be sure it was working.

Calls and Comments Received:

- Julie Eastman, Ward 1, called with four questions:

- 1) Will the State of the City be postponed or permanently cancelled?

Mayor Napier responded and said the State of the City will be taped next week and broadcast on a date yet to be determined. Pay attention to the City's website and watch for notices through the City's Facebook page on when it will be broadcast to the community.

- 2) The national organization for National Night Out posted a suggestion to move these events from Tuesday, August 4, 2020 to Tuesday, October 6, 2020. Will the City be moving it to the suggested date?

City Manager Schroeder said the City has cancelled everything through June. We will continue to pay attention to the Governor's orders and move it if we need to.

Mayor Napier said this is a great question and we look forward to this event every year. He added that we will keep the community informed of any changes to this event.

- 3) In regards to financial projections for the City, do you have an update on any impacts to funding for the lift station?

Mayor Napier said the City Manager is laying out financial projections and impacts that we are dealing with right now with our current situation and this will play into that, especially at the State level with their funding. Our hope is something comes through for us because we cannot afford to wait longer with that project. We hope to put things together in a package that clearly indicates where we need support. The State budget projections are due to come out next week, he said. Governor Walz has done a fantastic job leading and getting information out to us as City leaders to try to keep things as relatively in our community and as positive as possible but, yet, taking it serious and focusing in things that are important to get us through this situation.

- 4) The documents for the Thompson Oaks Town Home Development discuss developing 64 town homes but the exhibit only shows 60 town homes.

Mayor Napier said we will talk about it during the discussion of this item on tonight's agenda.

After an extended waiting period and with no other calls received, Mayor Napier closed Citizen Comments and the access line was also closed.

## **7. Council Comments**

Councilmember Berry thanked Staff for their behind the scenes work. She also thanked everyone in the community for stepping up to help raise money and bringing dinner for folks. It's great to see every day. If you're down about things, right now there are so many good things on social media showing what people are doing for each other that, sometimes, it feels really good to log on and see what kind of community we are a part of. She encouraged everyone to keep doing that.

Councilmember Eng-Sarne thanked everyone for tuning in tonight. Good job to everyone on social distancing, organizing fundraisers and spreading cheer throughout the community. Thank you to all of the citizens who are making masks. South Metro Fire Department at both Stations 1 and 2 collected a lot of those masks.

Councilmember Eng-Sarne said this Council and our talented City employees are thinking creatively about how we can continue to move forward and better the city, as plans and projections continue to shift. Thanks for tuning in and thanks for being adaptable with us.

Councilmember Vitelli expressed his gratitude for our Governor. We are very fortunate to live in a state that has a Governor who is expressive and can think on his feet. We are in good shape because of him.

Councilmember Justen said we are a week away from, optimistically, the re-opening of small local businesses. Please come out and support those businesses. Also, he asked everyone to understand that if there is a business staying closed and following the Governor's orders, they are doing it for both their safety and yours. We are doing our best to keep our businesses and our community safe.

Mayor Napier said the Planning Commission held their annual elections at their May 19<sup>th</sup> meeting. He acknowledged Morgan Kavanaugh as the outgoing Chair and thanked him for his leadership and service as Chair over the last three years. Thank you to all Planning Commissioners and welcome to Samantha Green as the new Chair to provide leadership to this Commission.

Mayor Napier said he and other Councilmembers were on a webinar with Governor Walz on Friday. The Governor provided updates to each City to discuss some of the things they're doing at the State level that will trickle down to support the City of West St. Paul and other Cities. The Governor is working hard to get Federal relief funds to support our City and has requested that we determine how those funds will be used for our city. City Manager Schroeder is putting together a package of projections and revenue deficiencies based on what is going on and, hopefully, we will be able to put this together in a package that is clear and understood of where we need support. Mayor Napier thanked City Manager Schroeder for doing this. The State's budget projections is due to come out next week, which will help them determine where they are at and how they need to allocate funds.

Mayor Napier said Governor Walz is pushing hard to make sure there is a bonding bill this year. It's important for the Governor and the Legislators to get together to pass a bonding bill. Mayor Napier echoed Councilmember Vitelli's comments and said Governor Walz has done a great job leading our state and has really helped get information out to us as City leaders to

try to keep things as relatively normal in our community and as positive as possible but, yet, taking it seriously and focusing on the things that are important to get through this situation.

Mayor Napier said Congresswoman Angie Craig and Senator Tina Smith are hosting a webinar on Small Business Administration (SBA) loans, personal protective equipment (PPE), the healthcare enhancement act, and the unemployment situation. It's important as City leaders to be on top of this and pay attention to it. We owe it to our community and our residents that we are on top of it and come out of this with as little damage as possible. City Manager Schroeder and Finance Director Stark have done an incredible job staying ahead of it and knowing where we are at. We don't want to dip into our reserves and leave ourselves short. Mayor Napier thanked them and said he appreciates what they are doing.

Mayor Napier said candidate filings for upcoming elections will be open on Tuesday, May 19. The deadline for candidates to file for election is Tuesday, June 2, at 5:00 p.m. Anyone interested in filling the open positions, please note those dates. Visit the City's website at [www.wspmn.gov\Elections](http://www.wspmn.gov/Elections) or contact City Clerk Shirley Buecksler at 651-552-4102 for more information.

## **8. Proclamations, Presentations and Recognitions**

### **A. Donation to the City from South Robert Street Business Association**

City Manager Schroeder said we are grateful that the South Robert Street Business Association has found an opportunity to donate to the volunteer program, and we thank them for their donation of \$1,000.00.

Mayor Napier thanked South Robert Street Business Association for their generous donation.

Motion was made by Councilmember Eng-Sarne and seconded by Councilmember Berry to adopt Resolution No. 020-043 Accepting Donations to the City.

Vote: 6 ayes / 0 nays. Motion carried.

## **9. Consent Agenda**

Motion was made by Councilmember Vitelli and seconded by Councilmember Berry to approve the following items on the Consent Agenda, as presented:

### **A. Minutes of April 13, 2020 for:**

- Regular City Council Meeting

### **B. List of Claims in the Amount of \$956,772.06**

### **C. 2020-2021 General Services Pay Plan Amendment, Including:**

- Resolution No. 20-044 Amending the General Service Hourly Employee Pay Plan
- Resolution No. 20-045 Amending the General Service Salaried Employee Pay Plan

### **D. Rental Licensing in the Amount of \$637.50 for:**

- 57/59 Logan Avenue West (Duplex – Renewal)
- 864/866 Dodd Road (Duplex – Renewal)
- 1266/1268 Kruse Street (Duplex – Renewal)

- 434/436 Arion Street East (Duplex – Renewal)
  - 1812 Humboldt Avenue (Townhome – Renewal)
  - 111 Imperial Drive West #302 (Condo – Renewal)
  - 1243 Cherokee Avenue (Single Family – New)
  - 186 Logan Avenue West (Single Family – Renewal)
  - 1351 Cherokee Avenue (Single Family – Renewal)
- E. Resolution No. 20-046 Memorializing the Findings of Fact and Reasons for Denial Relating to the Rental License Application for 224 Thompson Avenue East, West St. Paul
- F. Purchase of Outlot B from Hy-Vee, Inc.

Vote: 6 ayes / 0 nays. Motion carried.

## **10. Public Hearings**

### **A. Site Plan, Preliminary and Final Plat Review for the Construction of a Climate Controlled Storage Building at 1665 Oakdale Avenue – More Space, LLC**

Community Development Director Hartshorn said that, based on site alteration recommendations from City Staff and the Dakota County Plat Commission, the Applicant has requested the review be continued to the May 19, 2020 Planning Commission meeting and the May 26, 2020 City Council meeting. This will allow the Applicant additional time to incorporate the requested changes to the site plan and preliminary and final plat.

Motion was made by Councilmember Vitelli and seconded by Councilmember Eng-Sarne to continue this item to the May 19, 2020 Planning Commission meeting and the May 26, 2020 City Council meeting, at which the Public Hearing will be held.

Vote: 6 ayes / 0 nays. Motion carried.

### **B. Final Plat Review for One Parcel Located at 110 Crusader Avenue West – Net Ministries**

Community Development Director Hartshorn presented. On March 23rd, the City Council reviewed and voted to approve the site plan and preliminary plat for an expansion of an existing building at 110 Crusader Avenue West, Net Ministries. The final plat has since been submitted and Net Ministries is now requesting approval of the final plat application.

Mayor Napier opened the Public Hearing at 6:56 p.m.

Receiving no calls from anyone wishing to speak, Mayor Napier closed the Public Hearing at 6:58 p.m.

Motion was made by Councilmember Vitelli and seconded by Councilmember Pace to adopt Resolution No. 20-045 Approving the Final Plat for 110 Crusader Avenue, Net Ministries.

Vote: 6 ayes / 0 nays. Motion carried.

## **11. New Business**

### **A. Financial Update with Projections**

Finance Director Stark provided an update for the Council on the current financial position of several of our key funds that have been impacted by the Statewide shut down due to the coronavirus.

A timeline of Governor Walz's executive orders include:

- March 13: Executive Order 20-01 Governor Waltz declared peacetime emergency.
- March 15: Executive Order 20-02 Ordering of the shutdown of schools to begin March 18 or sooner.
- March 16: Executive Order 20-04 Ordering the closing of restaurants and bars.
- March 18: City closed City hall and moved information to the lobby for citizens to request licenses, permits and conduct other City business with email, telephone or walk-in to the lobby and utilize the phone system set up in the lobby.
- March 25: Executive order 20-20 Directing Minnesotans to stay at Home. Non-essential business were closed per this order.
- March 30: City Staff began to work from home via WebEx and email.

The City followed this direction and shut down the Civic Arena, Dome and cancelled park and recreation events through May, as well as the City Open House, State of the City and other outreach programs for the months of April and May. Attached to this document is a summary of the General Fund, Civic Arena Fund and the Recreational Athletic Complex (RAC) Fund. These funds have had the most impact due to shutting down of programs that produce revenue to fund the various activities. While some programs have offsetting expense savings that cover some of the revenue losses, the RAC fund has substantial revenue losses that will affect the cash flow of that fund.

The projections are out until September. While, at this time, we do not anticipate the shutdown lasting that long, the impact of late starts to programming may end up affecting the City out until that time.

#### **General Fund**

There are several open positions that have been left unfilled due to the shutdown. These positions are providing a significant savings to the General Fund for the time being. These savings are offsetting the loss of park and recreation programming revenue.

#### **Civic Arena**

Upon closing of the arena, the two arena employees were transferred to the street department for the period of the ongoing shutdown. This will allow the loss of the revenues from summer programming to be absorbed by the transferring of the personnel costs to the General Fund and allowing for continued employment of these City employees, as well as providing additional staff support in the street department.

### **RAC (Recreational Athletic Complex)**

The closing of the RAC has the largest impact to the City's finances, as the savings from not paying contracted services does not outweigh the income from the summer programs. A continued shutdown for this program will have even larger impacts as the fall/winter programs bring in the bulk of the revenues for this fund. Possible funding for this shortage is current cash balance of the fund, while not meeting the cash goal set for the fund is healthy enough to withstand some reduction on a short-term basis. Eliminate the \$50,000 transfer to the General Fund in 2020 and in 2021. The other option is discussed below in the debt section of this memo.

### **Debt**

As part of the financial plan, City management has a goal to lower the City's outstanding debt as expediently as possible but without harm to the City's cash flow. The plan was to call the 2013 bond in August. A decision on this piece will need to be made before the second Council meeting in May. If not called, the money that has accumulated can be utilized for other needs per Council directive. By not calling the bonds, this allows the City to have some flexibility in options to consider. The road construction program and the RAC fund are two likely candidates for reallocation of this money.

### **CIP-CEP (Capital Improvement Plan – Capital Equipment Plan)**

The equipment and infrastructure needs of the City are largely funded by Local Government Aid (LGA), utility franchise fee, and sales tax. The two revenue sources that may be impacted by the shutdown is the LGA and the sales tax. Because of that possibility, an outline of potential changes to the CEP-CIP are as follows:

Road construction projects are being largely funded by the newly enacted city local sales tax. The collections began in January of this year. As anticipated, the January through February collections are being collected at a slower pace, as the business community gets the sales tax added to their collection systems. With the coronavirus pandemic, the slowdown may continue through September. This will result in a cash flow situation for the road construction project in 2021.

Equipment replacement is largely funded by the LGA. In the past, when the economy has slowed, the State has had to reduce the funding to the Cities, sometimes at the end of the calendar year. If that were to happen at the end of this calendar year, a list of possible reductions/deferment is provided in order for us to be proactive in a reduction to cash flow in the vehicle and equipment fund.

In the 2020 budget, possible un-allocating of LGA to the following would decrease the impact to current operations but would impact future plans or delay the financial goal of increasing cash flow:

- \$180,000 in the debt reduction
- \$ 80,000 warming house replacement

In the 2021 budget (in the order of preference):

- \$100,000 in the City Hall replacement (partial reduction)
- \$100,000 in the debt reduction fund
- \$ 58,000 for the pool equipment/amenities. Delay in improvements/repairs.
- Warming house replacement: \$90,000 and \$100,000 in 2022.

Motion was made by Councilmember Vitelli and seconded by Councilmember Eng-Sarne to hold off on calling the bonds until 2021.

Vote: 6 ayes / 0 nays. Motion carried.

Motion was made by Councilmember Justen and seconded by Councilmember Pace to adjust the budget in the General Fund and the RAC Fund for the \$50,000 transfer from the RAC to the General Fund.

Vote: 6 ayes / 0 nays. Motion carried.

## **B. Park and Recreation Modifications Due to COVID-19**

Assistant Park and Recreation Director Schletty said the COVID-19 pandemic has caused us to modify and change the way we do our jobs and live our lives. As we continue to move forward and look ahead to summer, the Parks and Recreation Department is planning for what comes next. Our normal preparations and planning for summer programs and activities are on hold. Based on the information that is currently available about the spread of COVID-19, Staff believes that the City will need to cancel, or at least postpone City-sponsored events and recreational opportunities until July 6<sup>th</sup>. Therefore, Staff is recommending the following modifications and cancellations:

- The City's summer field trips, sports camps and playground programs through July 6<sup>th</sup> are cancelled.
- Movies in the Park in June are cancelled, with July and August events to be updated in June.
- The Ice Arena, Pool, Splashpad, Harmon Neighborhood Center and Thompson Park Activity Center will remain closed until further notice and restrictions from the Governor's orders are lifted.

There has also been great interest in the use of the City's play fields by youth and adult users groups. The City has received several requests from parents and members of organized sports to allow the use of fields, if the City-sponsored teams are not going to use them. In those regards, Staff is recommending the following:

- The City will abide by the Governor's orders regarding the spread of COVID-19. Most of the current restrictions, which have been imposed by Governor Walz, are valid through May 4<sup>th</sup>. At that time, they may be extended, removed, or otherwise modified. When those orders do allow for team play, it will then take the City approximately two weeks to make the facilities usable by sports groups.

- Require organized user groups to provide the City with documentation that acknowledges the requirement to follow the Governor's orders and CDC distancing guidelines, and a process that demonstrates the leadership of the organization has communicated that expectation to all players, coaches, officials, administration, employees, volunteers, fans, or other representatives of the organization.
- Fields will remain closed to organized groups until both of the above recommendations are met.

These recommendations fall in line with many other Cities in the metro area. The COVID-19 situation has been fluid, and any changes to the current pandemic situation in Minnesota and West St. Paul could affect these recommendations either way, Schletty said.

Motion was made by Councilmember Berry and seconded by Councilmember Vitelli to accept the recommendations, as presented.

Vote: 6 ayes / 0 nays. Motion carried.

### **C. Authorization to Apply for Cleanup Grants at Thompson Oaks**

Over the past four years, City Manager Schroeder said the City has been focused on reconfiguration of the former Thompson Oaks Golf Course into an environmental resource enhanced by development opportunities on its periphery. Prior to development in the area, a stream existed on this property. That stream was filled in with organics and construction debris over the decades, with a portion of that fill being identified as contaminants. In collaboration with Dakota County, the City has the opportunity to remove buried debris, which allows for the return of the streambed to create an environmental resource that meets several local, county and regional goals. Included would be provision of storm water quality enhancement for a 540-acre sub watershed that drains through the property. Also included would be an extension of the River-to-River Trailway between Livingston and Robert Streets to the intersection of Thompson and Oakdale. Also included is facilitation of an approved 153-unit apartment building and a proposed 64-unit townhome development. Outside of these two developments, the property would be returned to its pre-1960 condition as a wetland/waterway with the addition of creation of pollinator spaces.

However, to accomplish these goals identified as highly desired by the City Council, County Board, and the surrounding community (through public hearing testimony), the project needs to cover funding gaps. In order to cover the anticipated costs of the cleanup, Staff is requesting authorization, again, for a grant from Minnesota Department of Employment and Economic Development (DEED). Council approved a similar request during 2019, which did not receive funding approval. The project has improved since the 2019 request.

Improvements in this project since the 2019 request include:

1. Receipt of Minnesota Board of Water & Soil Resources (BWSR) grant funding by the County to conduct the storm water work once the debris and contamination is removed. Daylighting of creek and wetland restoration includes removal of fill, which includes waste and contaminated soil so it is necessary to gain the DEED grant in order to make use of the BWSR funding. This coordination of funders with matches provided by the City and County has been contemplated throughout project finance scenarios. The contamination clean-up allows for the storm water treatment and wetland restoration to occur, creek to be daylighted, the trail to be built, prairie/pollinator habitat restored, groundwater recharged, and townhomes developed. The environmental and economic benefits to the clean-up are significant.

Of note is that the BWSR grant requires a local match. Under the County/City Joint Powers Agreement (JPA) that match is shared with Dakota County and the City of West St. Paul both providing \$98,000. The City match is included within the 2020 Capital Improvement Plan (CIP).

2. December 9, 2019 City Council approval of amendments to the County/City JPA regarding the \$6.1 million River-to-River Trailway project which provides for construction of the tunnel under Robert Street and trailway from Livingston to Oakdale. The tunnel portion of the project, located at Crawford Drive and Robert Street, is essentially the final element of the 2014-2017 \$46 million Robert Street (State Highway 3) reconstruction toward which the City of West St. Paul has contributed \$26 million. Included in the tunnel is \$2.2 million in State bond funding. The County will bid the tunnel project in June.
3. The December 9, 2019 zoning text amendment, that allows Auto Zone to relocate from the River-to-River Trailway site to a new location at 1422 Robert Street.
4. Receipt of a Minnesota Statewide Health Improvement Partnership (SHIP) grant, which allows for preliminary analysis and engineering for pedestrian trailways on Thompson Avenue (CR6) between Robert and Oakdale (extending ultimately into South St. Paul), and on Oakdale Avenue (CSAH 73) from there up to Butler (CR4) and, ultimately, Annapolis which borders St. Paul. Council received the feasibility report on these projects on March 23, 2020. On that same date, Council authorized request of a Federal Transportation Alternatives Program (TAP) grant for funding of the trailway construction.
5. The \$375,000 acquisition by the City of West St. Paul of the remnant Wentworth Townhome property which allows for County acquisition of a \$120,000 trail right-of-way acquisition from this parcel and use of the remainder of the parcel for construction staging for the tunnel project.
6. The March 23, 2020 replat of the Hy-Vee parcel, which also contributes positively toward the tunnel project construction, which eliminates uncertainty in development grades between the tunnel project and the Hy-Vee construction project allowing the Hy-Vee project to also proceed.

7. Completion of the Wentworth Avenue (CSAH 8) reconstruction project in late 2019, including trailway construction from Delaware Avenue (CSAH 63) to Humboldt Avenue, which allows for connection to the River-to-River Trailway. This spring, the 174 unit Winslow affordable senior housing project opens at Marthaler Lane and Wentworth. The County, also this spring, will be constructing a harbor island at that location which also connects to trailway on Wentworth.

On November 13, 2017 in a workshop, the City Council discussed the future of the then Thompson Oaks Golf Course and directed Staff to seek environmental review of the property. On November 27, 2017, Council awarded a contract to Braun to conduct that review. Upon receipt of the Braun report and resulting from operating results, the City Council officially closed the golf course on February 26, 2018. In anticipation of this action, Staff began seeking developer interest in the property from the November 2017 Council deliberation. Staff began review of concepts for a range of development proposals from 6.5 to 11 units per acre up to 180 units over a significant portion of the property.

While the City had previously been aware of soils challenges within the property, it became increasingly apparent that initial development goals and patterns would not be successful due to the extent of soils incompatibility. After proposing several development concepts between November 2017 and early 2018, a preferred national homebuilder (among other interested parties) backed away from the project due to soil remediation risks. A second national builder entertained a development with a caveat of avoidance of the central portion of the site where soils were known to be most incompatible. That developer withdrew a purchase offer in mid-2018 due to soils remediation concerns.

In October 2018, the City and Dakota County entered a Joint Powers Agreement toward development of a regional trailway, storm water and wetland reclamation improvements. A third developer, Oppidan, presented their qualifications to the Council on November 28, 2018. Council affirmed the development vision Oppidan had for the property, which was concept reviewed on February 8, 2019. Included was a multi-family product on the western portion of the property with townhomes on the balance. On April 17, 2019, Oppidan received Geotechnical reporting that informed that the northern portion of the property slated for senior villas could not proceed due to the expense of soil incompatibility.

In May 2019, the County contracted with Wenck Engineering to provide concept design for storm water improvements and wetland restoration within the property. Wenck provided concept designs in June/July 2019.

On July 8, 2019, the Economic Development Authority (EDA) approved a development agreement with Oppidan on phase one of the development parcel, which was the multi-family product on the western 5 acres of the parcel. On August 12, 2019, the City Council received a presentation on the status of the wetland restoration project and on September 9, 2019, the City Council accepted the Metropolitan Council approval of the Comprehensive Plan and approved implementation of the plan. On October 15, 2019, the Planning Commission recommended approval of a rezoning, conditional use, site plan and plat for the Oppidan multi-family development approved by Council on November 25, 2019.

On October 14, 2019, the EDA approved a preliminary development agreement for phase 2 of the Thompson Oaks development. This phase consisted of between 20 and 40 townhome units on the eastern portion of the development parcel. As part of this agreement, the parties agreed to collaborate toward completion of the water restoration project within the parcel. On October 28, 2019, the Council approved a submittal for funding toward the restoration project. This submittal did not receive funding.

Since the 2019 application, the City granted final development entitlements for the 153 unit multi-family project, which occurred on November 25, 2019. That project is currently scheduled to close on the development parcel on or before September 1, 2020. It will have a taxable value of at least \$18,480,000. A development agreement following the October 14, 2019 preliminary agreement is scheduled for April 27, 2020 approval. With additional site evaluation, that development has now changed to 64 townhome units with an estimated taxable value, in total, of \$21, 400,000.

Supporting this grant request is the following:

1. Potential increase in the property tax base:
  - Currently the former golf course property does not pay property tax. After completion of the multi-family project and the townhomes, there should be a taxable market value created of almost \$40 million with a taxable tax capacity of almost \$500,000.
  - The adjacent former YMCA property, which is intimately tied to this project, also has not contributed to the property tax base in the past and will instead have a taxable value of about \$7 million (tax capacity value of about \$140,000) and will be home to over 200 new jobs.
2. Social value to the community:
  - The project is not only shovel ready, as the engineering is substantially complete, but it will leverage past and current investments in the area and ongoing collaboration between the County and City to complete the River-to-River Trailway, to address storm water needs provided by the BWSR grant already in hand, and removal of debris that for decades has kept this property from contributing an economic return to the community.
  - The 153 unit apartment project approved for 2020 construction included both the River-to-River Trailway and this storm water reclamation debris/contamination removal within development planning.
  - The 64 unit townhome development would not occur but for reclamation of this property and debris and contamination removal
  - These two housing projects are expected to create a significant number of construction jobs and the adjacent Hy-Vee project will contribute over 200 permanent jobs that currently do not exist on site.
  - A large advantage of the contamination removal is that it provides the opportunity to leverage the BWSR funding to reclaim the area as an environmental and water resource. For the past 70 years and probably longer, the general public has not had access to the ponding and landscape on this property. With completion of this project, including contaminant removal,

storm ponding reclamation and the River-to-River Trailway, the public access will be made available for the first time.

- Contributors to date for improvements to this area include the County and City making significant investments in roadway, trail, and development sites, BWSR as the funder for the storm water improvements with funding participation from the City and County, both the Federal and State governments on River-to-River Trailway funding, and the private sector with project funding of both retail and housing developments on this site and adjacent sites.
3. Reduction of potential threat to human health and the environment:
    - The DEED funding allows for the BWSR funded project to proceed. That project provides for the singular water quality facility for a sub watershed of 540 acres that is 40% impervious. An enclosed exhibit denotes that a significant portion of storm water from roadways and developed property within West St. Paul traverses through this contaminated site on its way to the Mississippi River. A significant consideration of the storm water project design relates to elimination of contaminants from this storm water flow.
    - Contaminants identified within this site as identified in multiple environmental reviews over many years will be removed as a result of this project.
  4. The “but for” test:
    - The City has worked with multiple national and local developers to create an economic development project for this property over the past four years. Ultimately, each of these developers have rejected the site due to uncertainty created by soil contamination and debris. The current development scenario is only possible due to the coordination of the City and County, the BWSR funded project and the proposed DEED funding that removes that development uncertainty.
    - Without the DEED funding, the site does not have an economic value for development. With the DEED contribution, on top of the myriad investments already made and scheduled to be made by the City and County, the site will be an economic contributor to the various local taxing jurisdictions. With the DEED contribution, the City will be able to realize a market sale of the property proceeds from which will be returned to the community to complete roadway and trailway infrastructure improvements in the area.
  5. Cleanup costs for the site:
    - The cleanup costs of approximately \$1.76 million are requested to be funded by DEED at about \$1.32 million with the balance being funded locally. The DEED grant allows the City and County to make use of the BWSR grant for which both the City and County are contributing the required match. The DEED investment leverages at least \$40,000,000 in private investment, in addition to the BWSR and local investments.
  6. Commitment of the City and County:
    - The City and County are contributing about \$200,000 to match the BWSR grant that can only be put to use with removal of the on-site contaminants first.

- The City, as part of the funding authorization, is committing to the DEED grant required 25% match through creation of an tax abatement district supplemented by use of land sale proceeds to the extent necessary.
- The City has already contributed \$26 million toward improvements of State Highway 3 (Robert Street) which is adjacent to this site.
- The City and County in 2019 completed a \$2.3 million trail improvement project on Marie and Oakdale Avenues, a portion of which is adjacent to this site.
- The City and County are jointly developing the \$6 million River-to-River tunnel and trail project, a significant portion of which is locally funded and which will be constructed on the former Thompson Oaks Golf Course property after completion of the contamination removal proposed by this grant request.
- The City Council has authorized a TAP grant request to complete trails on the adjacent Thompson Avenue and Oakdale Avenue from this site to the north, with a local match requirement, which will further provide a public benefit and further leverage the requested DEED investment.

Proceeds from the sale of the property will be used to pay off deferred debt from the former golf course, to provide the local match for a TAP grant request for trailway on Oakdale and Thompson, and to cover costs of the Town Center redevelopment site as the third phase of this development. The City has allocated storm water funds as the match for the BWSR grant that will complete storm water infrastructure, should the DEED funding be received.

Included in both the development agreement for this site and the DEED grant application is the creation of an abatement district to provide the funding source for the wetland reclamation match requirement in the same manner as was created for the multi-family development project on the west side of Thompson Oaks. With the development as proposed with a build out by 2024, a 9-year abatement district is projected to create about \$644,000 in abatement capacity with a present value of about \$490,000.

The grant request is for \$1,322,027.25 with a match of \$440,675.25. Staff recommends that the City Council approve the resolution authorizing the City to apply for a DEED cleanup grant at Thompson Oaks. In approving the grant request, the Council would also be committing to ensuring the local match as outlined above.

Motion was made by Councilmember Justen and seconded by Councilmember Pace to adopt Resolution No. 20-048 Approving Application to Minnesota Department of Employment and Economic Development (DEED) for Contamination and Clean Up Funding and Committing Local Match and Authorizing Contract Signature.

Vote: 6 ayes / 0 nays. Motion carried.

## **12. Old Business**

There was no old business to discuss.

### 13. Adjourn

In closing, Mayor Napier thanked South Metro Fire and West St. Paul Police Departments, our Building Officials, Office Staff, everyone that is working so hard to go through this, our Parks and Recreation Staff, and Public Works, who are still out patching streets and doing street sweeping. So many great things are happening in our city that we have to look for the positive things. We are able to do so much and it is all with the dedicated team we have. We have a dedicated Council that are out there answering tough questions, social distancing, and seeing people on their walks. Thank you to everyone for keeping upbeat and positive. We will get through this, and we need to support the community in this effort. Thank you.

Councilmember Eng-Sarne said if you're having any trouble finding any services you need right now, contact one of your Councilmembers and we can put you in contact with the right person to get whatever it is you need. We are still waiting on a lot from the State, the early Federal things that have been passed haven't really helped the City, so we are hoping that will change and that the State will help, as well. She said she has really been thinking about our community and anyone who may be struggling to make rent or buy food. Contact your Councilmember and we will find the right person to get you what you need, as best we can.

Mayor Napier said he will attend the webinar hosted by Congresswoman Angie Craig and Senator Tina Smith. They are committed to helping the communities they represent and are on our side at the Capitol, as well as in Washington, DC, trying to get Federal monies. Reach out to them if you have any questions, concerns or ideas because they are here for us.

Mayor Napier thanked everyone for being here tonight and thanked Dan Nowicki, our technical advisor this evening, and all that he does.

Motion was made by Councilmember Vitelli and seconded by Councilmember Fernandez to adjourn the meeting at 7:41 p.m.

Vote: 6 ayes / 0 nays. Meeting adjourned.



David J. Napier  
Mayor  
City of West St. Paul