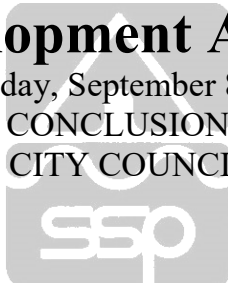


City of South St. Paul

Economic Development Authority Agenda

Tuesday, September 8, 2020

IMMEDIATELY FOLLOWING THE CONCLUSION OF THE 7:00 P.M. MEETING OF THE
CITY COUNCIL



1. CALL TO ORDER:

2. ROLL CALL:

3. AGENDA:

A. Approval of Agenda

Action – Motion to Approve

Action – Motion to Approve as Amended

4. CONSENT AGENDA:

All items listed on the Consent Agenda are items, which are considered to be routine by the Economic Development Authority and will be approved by one motion. There will be no separate discussion of these items unless a Commissioner or citizen so requests, in which event the item will be removed from the consent agenda and considered at the end of the Consent Agenda.

A. EDA Meeting Minutes of August 3, 2020

B. Approval of Assignment of Purchase Agreement with Beard Group, Inc.

5. GENERAL BUSINESS:

A. Review and Approve 2021 EDA levy and budget, Resolution 2020-12

B. Review and Approve 2021 HRA levy and budget, Resolution 2020-13

6. ITEMS FOR FUTURE FOLLOW-UP:

General communications of the President and Commissioners are provided and may be considered for inclusion on a future agenda. There will be no discussion or decisions made related to these items at this meeting.

7. ADJOURNMENT:

Respectfully Submitted,

Ryan Garcia, EDA Executive Director

MINUTES OF
THE ECONOMIC DEVELOPMENT AUTHORITY
CITY OF SOUTH ST. PAUL
DAKOTA COUNTY, MINNESOTA

Regular Meeting
August 3, 2020
City Council Chambers – South St. Paul City Hall

1. CALL TO ORDER

President Francis called the meeting to order at 7:30 p.m.

2. ROLL CALL

Members Present: President Francis, Commissioners Flatley, Hansen, Seaberg, Forester, Kaliszewski and Dewey.

Staff Present: EDA Executive Director Ryan Garcia and Legal Counsel Peter Mikhail. Also in attendance were City Administrator Joel Hanson, City Planner / Zoning Administrator Michael Healy, and City Engineer Sue Polka.

3. AGENDA

Motion/Second: Commissioner Seaberg moved and Commissioner Flatley seconded approval of the agenda.

Motion carried 7 ayes / 0 nays.

4. CONSENT

- A. EDA Meeting Minutes
 - i. June 29, 2020
 - ii. July 20, 2020
- B. Approval of Satisfaction of Mortgage – Resolution 2020 - 10
- C. Approval of Subordination Agreement – Resolution 2020- 11

Motion/Second: Commissioner Kaliszewski moved and Commissioner Forester seconded approval of the consent agenda.

Motion carried 7 ayes / 0 nays

5. GENERAL BUSINESS

A. Approval of Amendment #2 to Purchase Agreement – 139 Grand Avenue East

Motion/Second: Commissioner Seaberg moved and Commissioner Forester seconded approval of Amendment #2 to Purchase Agreement with JBL Properties, LLC at 139 Grand Avenue East.

Motion carried 7 ayes / 0 nays

B. Parking Lease Termination Agreement – Thomas Nguyen

Motion/Second: Commissioner Forester moved and Commissioner Flatley seconded approval of a Release and Termination of Parking Agreement with Thomas Nguyen.

Motion carried 7 ayes / 0 nays.

6. FUTURE FOLLOW-UP ITEMS

There were none.

7. ADJOURNMENT

Motion/Second: Commissioner Flatley moved and Commissioner Hansen seconded the motion to adjourn the meeting at 7:36 p.m.

Motion carried 7 ayes / 0 nays

Approved:

Renee Schmitt

Renee Schmitt, Secretary



EDA Agenda Item Report

Date: September 8, 2020

EDA Executive Director: _____

4-B

Agenda Item: Approval of Assignment of Purchase Agreement with Beard Group, LLC

Action to be considered:

Through Consent, motion to approve an Assignment of Purchase Agreement with Beard Group, LLC to SSP QOZB LLC, and subsequent Assignment of Collateral with SSP QOZB LLC to Tradition Bank.

Overview:

At its June 29, 2020 meeting, the EDA approved a purchase agreement with Beard Group, Inc. related to the redevelopment of an approximately 4-acre site at the northwest corner of Concord Exchange and Grand Avenue. The June 29 agreement serves as a “backstop” for Beard’s acquisition of 201 – 205 Concord Exchange in the event that the City does not approve their development and enter a development agreement with the developer for the proposed project.

As a reminder – this purchase agreement would only advance to a closing and see the EDA acquire this property in the event that the EDA and Developer fail to enter a development agreement (which includes an approved development plan). If Beard acquires the property and we advance to a development agreement with them, the PA is automatically terminated and we never acquire the property.

Article 10 of the June 29 Agreement provides that neither party may assign its rights under the PA without written consent of the other party.

Beard has established a unique legal entity (SSP QOZB LLC) for this development, and has lined up financing for the project with Tradition Bank. They are set to close on the acquisition of 201 – 205 Concord Exchange this week. Today’s recommended action provides the EDA’s written authorization for Beard Group, Inc. to Assign the June 29 Agreement as necessary to close the acquisition and financing of the 201 – 205 Concord Exchange property.

Funding Sources and other fiscal considerations:

The property is located within the Concord Street #2 Tax Increment Finance District.

Attachments:

Assignment Agreement (Beard → SSP QOZB LLC)

Assignment Agreement (SSP QOZB LLC → Tradition Bank)

**ASSIGNMENT AND ASSUMPTION OF
PURCHASE AGREEMENT**

THIS ASSIGNMENT AND ASSUMPTION OF PURCHASE AGREEMENT (the “Assignment”) is made effective as of September 1, 2020, by and between The Beard Group, Inc., a Minnesota corporation (“Assignor”) and SSP QOZB LLC, a Minnesota limited liability company (“Assignee”).

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby assign and convey to Assignee all of Assignor’s right, title and interest in and to that certain Purchase Agreement dated July 1, 2020, by and between Assignor, as Seller, and the South St. Paul Economic Development Authority, a public body corporate and politic, as Buyer, regarding property located at 201 and 205 Concord Exchange North, South St. Paul, Minnesota (the “Purchase Agreement”).

Assignee hereby assumes and agrees to perform the obligations of Assignor under the Purchase Agreement.

IN AGREEMENT, the parties have caused this Assignment to be executed effective as of the date first above written.

ASSIGNOR:

The Beard Group, Inc.

By: _____
William H. Beard
Its: President

ASSIGNEE:

SSP QOZB LLC

By: _____
William H. Beard
Its: Manager

Consent to by:

SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY (EDA)

By: _____
James P. Francis

Its: President

By: _____
Ryan Garcia

Its: Executive Director

COLLATERAL ASSIGNMENT OF PURCHASE AGREEMENT

THIS COLLATERAL ASSIGNMENT OF PURCHASE AGREEMENT (this “**Assignment**”) is made this ___ day of September, 2020, by and between SSP QOZB LLC, a Minnesota limited liability company (the “**Assignor**”), and TRADITION CAPITAL BANK, a Minnesota banking corporation (“**Lender**”).

Assignor (the “**Borrower**”) entered into a Promissory Note of even date herewith, in favor of Lender in the principal amount of \$1,100,000.00 (“**Note**”) as secured by a certain Combination Mortgage, Security Agreement, Fixture Filing and Assignment of Leases and Rents of even date herewith pledging a first mortgage lien upon certain real estate described on Exhibit A attached thereto (the “**Mortgage**”). As additional consideration for making the loan evidenced by the Note, Lender is requiring an assignment of Assignor’s interest in a Purchase Agreement by and between The Beard Group, Inc., a Minnesota corporation and the South St. Paul Economic Development Authority, a public body corporate and politic (“**EDA**”) dated July 1, 2020, as seller’s interest was assigned by The Beard Group, Inc. to Assignor pursuant to a _____ dated _____, as may be amended from time to time (collectively, the “**Purchase Agreement**”), to be assigned to Lender pursuant to the terms of this Agreement.

THEREFORE, for good and valuable and adequate consideration, the parties hereby agree as follows:

1. The EDA hereby subordinates the Purchase Agreement to the lien of the Mortgage, and any and all terms and provisions thereof and the rights relating thereto to the terms and conditions of the Mortgage and any other documents given by the Borrower in favor of the Lender as collateral. With respect to any collateral owned by the Assignor that secures the Loan pursuant to the Mortgage and any other loan documents executed in connection therewith, the Purchase Agreement is hereby subjected and subordinated and shall remain in all respects and all purposes subject and subordinate to the Loan, regardless if the full amount of the Loan is advanced concurrent therewith or at any later date.
2. Lender hereby agrees that the principal amount secured by the Mortgage shall not exceed \$1,100,000.00 exclusive of any protective advances that may be made by Lender under the Mortgage.
3. Assignor does hereby grant, assign and transfer to Lender all right, title and interest to Assignor’s interest in the Purchase Agreement, including the right to the payments to be made pursuant to the Purchase Agreement (collectively, the “**Payments**”). Assignor does hereby grant Lender a security interest in the Payments to secure payment and performance pursuant to the terms of the Note.
4. Lender does not assume any of the obligations or duties of Assignor under the Purchase Agreement. Lender shall have no liability whatsoever for performance of any of the obligations or duties contained therein.
5. Except as otherwise provided or noted in this Assignment, Assignor represents and warrants that there have been no prior assignments of Assignor’s interest in

the Purchase Agreement, including the Payments, that the Purchase Agreement is a valid and enforceable agreement and that there is no default there under and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until the date hereof. Assignor agrees not to assign, sell, pledge or mortgage or otherwise transfer or encumber its interest in the Payments in the Purchase Agreement beyond what is noted or provided in this Assignment as long as this Assignment is in effect.

6. Upon an Event of Default (as defined in the Loan Agreement), Assignor hereby irrevocably appoints Lender as its attorney-in-fact to demand and receive the Payments due with respect to the Purchase Agreement and to give any appropriate documents in connection with the Purchase Agreement and on behalf of Assignor, at the option of Lender in the name of Lender with the same force and effect as if Assignor can do if this Assignment had not been made.

7. Assignor hereby agrees to indemnify and hold harmless Lender from and against all claims, demands, liabilities, losses, lawsuits, judgments and costs and expenses, including without limitation reasonable attorney fees, to which Lender may become exposed, or which Lender may incur, in exercising its rights under this Assignment, excluding, however, any such claims, demands, liabilities, losses, lawsuits, judgments, costs and expenses arising from the willful misconduct of Lender or its agents, or employees.

8. This Assignment can be waived, modified or amended only explicitly in writing signed by Lender. The waiver signed by Lender shall be effective only in the specific instance for which the specific purpose is given. Mere delay or failure to act shall not preclude the exercise and enforcement of any of Lender's rights or remedies hereunder. Any right or remedy of Lender shall be cumulative and shall be exercised singularly or concurrently, at Lender's option, and the exercise or enforcement of any such right or remedy shall neither be a condition nor a bar of enforcement of any other right or remedy.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. SIGNATURE
PAGES TO FOLLOW.]

IN WITNESS WHEREOF, the parties have exercised this Collateral Assignment of Payments as of the day and year written above.

ASSIGNOR:

SSP QOZB LLC,
a Minnesota limited liability company

By: _____
Printed Name: _____
Its: _____

LENDER:

TRADITION CAPITAL BANK,
a Minnesota banking corporation

By: _____
Tom Grotbo
Its: Senior Vice President

**ACKNOWLEDGMENT TO COLLATERAL ASSIGNMENT OF
PURCHASE AGREEMENT AND SUBORDINATION**

South St. Paul Economic Development Authority, a public body corporate and politic (the “**EDA**”) does hereby acknowledge the Collateral Assignment of the Seller’s interest in the Purchase Agreement by The Beard Group, Inc., a Minnesota corporation, including all of the right, title and interest in and to the payments pursuant to the Purchase Agreement dated July 1, 2020, as seller’s interest was assigned by The Beard Group, Inc. to SSP QOZB LLC, a Minnesota limited liability company (the “**Seller**”) pursuant to a _____ dated _____, as may be amended from time to time (the “**Payments**”) to Tradition Capital Bank, a Minnesota banking corporation (“**Assignee**”). Further, Buyer agrees that all rights of the EDA in and to the Purchase Agreement and the real property described therein, are hereby subject and subordinate, and shall remain subject and subordinate to the Mortgage in favor of Lender and the rights and interest of the holder of the Mortgage.

EDA:

SOUTH ST. PAUL ECONOMIC
DEVELOPMENT AUTHORITY,
a public body corporate and politic

By: _____
James P. Francis
Its: President

AND

By: _____
Ryan Garcia
Its: Executive Director

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2020-12

WHEREAS, State Statute 469.107 subd. 1 provides that a city may, at the request of the Economic Development Authority (EDA), levy a tax for the benefit of the authority in an amount not to exceed 0.01813 percent of estimated market value;

WHEREAS, the EDA proposes a 2021 tax levy for economic development purposes in the amount of \$327,725;

WHEREAS, the South St. Paul EDA proposes a 2021 annual budget in the amount of \$327,725 to carry out its Economic Development Strategy and other economic development purposes;

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of South St. Paul that:

1. The EDA requests that the South St. Paul City Council levy a special tax of \$327,725 to be collected in 2021 pursuant to Minnesota Statutes 469.107.
2. The EDA request that the South St. Paul City Council adopt the 2021 annual budget in the amount of \$327,725.

Adopted this 8th day of September, 2020.

President, James P. Francis

Executive Director, Ryan Garcia

FUNCTION: Community Development	DEPT. & DIV: Economic & Community Development Economic Development	BUSINESS UNIT: 20280
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Activities and Responsibilities:

The Economic Development program is accountable for:

- Development and implementation of plans and strategies for advancing economic and community development.
- Assisting existing and prospective businesses and developers.
- Assisting existing businesses with expansion and reconstruction projects. Providing guidance to bring new development projects to fruition.
- Providing expertise regarding available public and private business financing resources, including state assistance, possible local initiatives and other funding sources.
- Administration of Tax Increment Financing (TIF) plans and Business and Development Loan Programs.
- Providing staff services to the EDA and City Council.

Budget Highlights and Changes:

Significant Revisions - 2021 Original vs. 2021 Revisions

- None

Notable Expenditure Changes in 2021

- The Professional Services budget is increased by 50% for 2021 over 2020, to a total of \$45,000. This increase is attributed to anticipated additional time for the City Attorney. With several large projects in the pipeline, Staff anticipates the volume of development-related legal services will remain robust.
- The 2021 Budget proposes an increase in advertising costs, specifically to allow for the preparation of marketing materials for EDA-owned properties for sale and redevelopment.

FUNCTION: Community Development	DEPT. & DIV: Economic & Community Development Economic Development	BUSINESS UNIT: 20280
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Notable Capital Project or Asset Acquisitions

- None

Revenues

- Maximum EDA levy is \$320,301

Staffing

	2018	2019	2020	2021
Division Director	1.00	0.90	0.85	0.80
Clerical/support	0.50	0.70	0.70	0.70
Total Current Staffing	<u>1.50</u>	<u>1.60</u>	<u>1.55</u>	<u>1.50</u>

2021 staffing =

Director (80%), Cmty Dev Support spec (50%) & Office Specialist (20%)

ECON DEV GENERAL							
SUMMARY OF REVENUE							
Description	2018 Actual	2019 Actual	2020 Original Budget	June 2020 Actual	2020 Revised Budget	2021 Requested Budget	2021 Final Budget
20280 - ECON DEV GENERAL							
REVENUE							
TAXES							
4110 - CURRENT AD VALOREM TAX	(185,422)	(218,996)	(297,147)	(113,367)	(297,147)	(327,725)	
4120 - DELINQUENT AD VALOREM TAX	(3,519)	(3,195)	0	0	0	0	
4125 - PENALTIES & INT ON AD VAL TAX	(6)	8	0	0	0	0	
4130 - MOBILE HOME TAX	(30)	(54)	0	0	0	0	
4140 - FISCAL DISPARITIES	(67,910)	(56,614)	0	0	0	0	
TAXES	(256,887)	(278,852)	(297,147)	(113,367)	(297,147)	(327,725)	
INTEREST							
4671 - INTEREST EARNINGS	0	0	0	(6,533)	0	0	
INTEREST	0	0	0	(6,533)	0	0	
MISCELLANEOUS							
4675 - INSURANCE DIVIDEND	(67)	(78)	0	0	0	0	
MISCELLANEOUS	(67)	(78)	0	0	0	0	
OTHER FINANCING SOURCES							
4920 - INTERFUND OPERATING TRANSFER	(36,597)	(25,671)	(16,182)	0	(16,182)	0	
OTHER FINANCING SOURCES	(36,597)	(25,671)	(16,182)	0	(16,182)	0	
REVENUE	(293,551)	(304,601)	(313,329)	(119,901)	(313,329)	(327,725)	

ECON DEV GENERAL							
SUMMARY OF EXPENDITURES							
Description	2018 Actual	2019 Actual	2020 Original Budget	June 2020 Actual	2020 Revised Budget	2021 Requested Budget	2021 Final Budget
20280 - ECON DEV GENERAL							
EXPENDITURES							
PERSONNEL SERVICES							
6101 - FULL-TIME EMPLOYEES-REG	137,159	162,659	153,660	74,370	153,660	150,607	
6108 - ACCUMULATED VACATION/COMP LEAV	4,789	7,396	2,280	0	2,280	2,146	
6112 - SERVICE RECOGNITION	2,500	2,250	0	0	0	0	
6120 - EMPLOYER CONTR FOR RETIREMENT	20,458	23,378	23,280	10,820	23,280	22,982	
6130 - EMPLOYER PAID INSURANCE	20,355	24,953	26,790	15,663	26,790	24,583	
6150 - WORKERS COMPENSATION	954	942	1,059	449	1,059	935	
6170 - EMPLOYER CONTR TO HCSP	3,437	1,899	4,559	597	4,559	4,058	
PERSONNEL SERVICES	189,653	223,478	211,628	101,899	211,628	205,311	
SUPPLIES							
6201 - OFFICE SUPPLIES	318	360	1,000	547	1,000	1,100	
6210 - OPERATING SUPPLIES	69	19	0	0	0	0	
6240 - MINOR EQUIPMENT AND FURNITURE	2,571	0	0	0	0	0	
SUPPLIES	2,958	379	1,000	547	1,000	1,100	
OTHER SERVICES AND CHARGES							
6302 - PROFESSIONAL SERVICES	24,443	22,645	30,000	19,107	30,000	45,000	
6331 - CONFERENCES, TRAINING, TRAVEL	2,217	2,077	4,000	134	4,000	750	
6341 - ADVERTISING	0	0	800	0	800	5,433	
6361 - INSURANCE	1,663	2,812	5,258	3,102	5,258	5,504	
6371 - REPAIRS & MAINT CONTRACTUAL	200	0	0	0	0	0	
6374 - ADMINISTRATION SUPPORT FEE	16,000	23,805	15,385	7,698	15,385	18,957	
6375 - OTHER CONTRACTED SERVICES	11,413	5,920	11,113	5,500	11,113	12,000	
6378 - COPIER MAINTENANCE AGREEMENT	1,376	1,383	1,500	574	1,500	1,200	
6388 - TECHNOLOGY EQUIP CHARGE	579	521	570	288	570	570	
6390 - POSTAGE AND TELEPHONE	1,208	869	1,000	462	1,000	800	
OTHER SERVICES AND CHARGES	59,099	60,032	69,626	36,865	69,626	90,214	
MISCELLANEOUS							
6430 - MISCELLANEOUS	117	153		0	0	0	
6471 - DUES & SUBSCRIPTIONS	1,275	1,219	1,075	125	1,075	1,100	
MISCELLANEOUS	1,393	1,372	1,075	125	1,075	1,100	

ECON DEV GENERAL					
DETAIL OF EXPENDITURES					
CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2020 Revised Budget	2021 Requested Budget	2021 Final Budget
EXPENDITURES					
MATERIALS & SUPPLIES					
6201	OFFICE SUPPLIES	General office (envelopes, business cards, toner, copy paper), water cooler (1/3 of cost = \$125)	1,000	1,100	
SERVICES AND OTHER CHARGES					
6302	PROFESSIONAL SERVICES	Legal Services, Audit 1000	30,000	45,000	
6331	CONFERENCES, TRAINING, TRAVEL	Chamber, ULIMN & MREJ Events (\$400) Staff Training - \$350.	4,000	750	
6341	ADVERTISING	Publication of Legal Notices - Pioneer Press, Property Marketing	800	5,433	
6361	INSURANCE	Property & Liability	5,258	5,504	
6374	ADMINISTRATION SUPPORT FEE		15,385	18,957	
6375	OTHER CONTRACTED SERVICES	JPA w/ Dakota Co. CDA for Small Bus Advisor; Progress Plus Investment	11,113	12,000	
6378	COPIER MAINTENANCE AGREEMENT		1,500	1,200	
6388	TECHNOLOGY EQUIP CHARGE	amortization of technology equipment	570	570	
6390	POSTAGE AND TELEPHONE	Mailings, Cell Phone	1,000	800	
MISCELLANEOUS					
6471	DUES & SUBSCRIPTIONS	APA/AICP (\$650), ULIMN (\$250), River Heights Chamber (\$200)	1,075	1,100	
TRANSFERS					
6720	OPERATING TRANSFERS	City Admin & Planning Costs	30,000	30,000	



EDA Agenda Item Report

Date: September 8, 2020

EDA Executive Director: _____

5-B

Agenda Item: Review and approve 2021 HRA levy and budget, Resolution 2020-13

Action to be considered:

Motion to Adopt Resolution 2020-13, A Resolution Approving the Proposed 2021 Housing and Redevelopment Authority (HRA) Tax Levy and Budget.

Overview:

The HRA programs and projects were transferred to the EDA on January 1, 2016. The responsibility for approving the HRA Property Tax Levy and Budget was also transferred to the EDA. State Statute 469.033, Subd. 6, sets the maximum HRA levy at .185% of the taxable market value of the City. For 2021, an HRA Property Tax Levy of \$334,413 is proposed. Attached is the 2021 Preliminary Budget for the HRA. The following notes summarize the key points about this year's proposed budget:

- The HRA General Housing budget totals \$446,891, with 49.3% of budgeted costs related to staffing. The 2021 budget reflects a 47.4% increase over 2020, however 78% of that increase will be charged to the Public Housing program for administration. The Board will recall that in mid-2020 we elected to bring almost all administrative functions of the public housing program – specifically financial management, public housing policy, and agency coordination and reporting (HUD, MHFA, Dakota County CDA) – back in-house.
- An HRA Property Tax Levy of \$334,413 is proposed for 2021. This is an increase of 10.3% as compared to 2020.
- As mentioned above, an administrative charge to the public housing program of \$112,478 is proposed for 2021. In other words, the HUD Operating Subsidy will pay the HRA for costs incurred in the operation of the public housing program.
- A \$33,268 “Administration Support Fee” (7.6% of the budget) is proposed for 2021. This charge accounts for various administrative functions within the City (IT, City Administration/Council, Finance, and City Clerk in particular) that support the Housing and Redevelopment Authority’s statutory functions.
- The 2021 HRA Budget proposes an operating transfer of \$150,000 (33.6% of the budget) for the implementation of several near-term and short-term programs as identified in the Master Housing Strategy (approved in June 2020).
- The 2020 HRA Budget includes \$33,875 (7.6% of the budget) for maintenance of various vacant land parcels owned by the HRA/EDA. Historically, these expenses have been distributed in various non-levy supported funds, an approach that going forward would be unsustainable. It should also be noted that Public Works staff has taken over summer maintenance (mowing, trash removal, and weed control), saving us at least \$15,000 in 2020 and projected to save us about \$20,000 in 2021 (versus privately contracted property maintenance).

Funding Sources and other fiscal considerations:

The proposed 2021 HRA Property Tax Levy and Budget will guide the income and expenditures for Housing and Redevelopment activities next year.

Attachments:

Resolution 2020-13

Preliminary 2021 HRA Property Tax Levy and Budget Documents

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2020-13

WHEREAS, State Statute 469.033 subd. 6 provides that subject to the consent by the resolution of the governing body of the city in and for which it was created, an authority may levy a tax upon all taxable property within the city for housing and redevelopment purposes. The amount of the levy shall be an amount approved by the governing body of the city, but shall not exceed 0.0185 percent of estimated market value;

WHEREAS, the EDA proposes a 2021 tax levy for housing and redevelopment purposes in the amount of \$334,413;

WHEREAS, the South St. Paul EDA proposes a 2021 annual budget in the amount of \$446,891 to carry out its Master Housing Strategy and for other housing and redevelopment purposes;

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of South St. Paul that:

1. The EDA requests that the South St. Paul City Council levy a special tax of \$334,413 to be collected in 2021 pursuant to Minnesota Statutes 469.033.
2. The EDA request that the South St. Paul City Council adopt the 2021 annual budget for housing and redevelopment purposes in the amount of \$446,891.

Adopted this 8th day of September, 2020.

President, James P. Francis

Executive Director, Ryan Garcia

FUNCTION: Community Development	DEPT. & DIV: Economic & Community Development - Housing Division	BUSINESS UNIT: 20260
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Activities and Responsibilities:

The Housing program is accountable for:

- Providing professional and technical support to contracted service providers at the John Carroll and Nan McKay Public Highrise properties.
- Providing professional and technical support to homeowners that have utilized legacy CDBG-funded programs that remain within the purview of the City, and technical support to Dakota County CDA for programs that have been recently turned over to the CDA. Loan monitoring and administration.
- Administration of portfolio of vacant properties located throughout the City and held for future resale and redevelopment, including managing property maintenance issues.
- Administration and oversight of HUD and other grant programs that benefit and serve residential housing within the City.
- Identifying, researching, applying for, and administering grant programs that support a range of Community Development programs and initiatives.
- Administration and implementation of the Master Housing Assessment and Strategy, including program development and facilitation of residential redevelopment projects.

FUNCTION: Community Development	DEPT. & DIV: Economic & Community Development - Housing Division	BUSINESS UNIT: 20260
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Budget Highlights and Changes:

Notable Expenditure Changes in 2021

- The 2021 Budget proposes an increase in staffing by allocating 20% of the Director of Economic & Community Development Position and 100% of the Housing Program Administrator Position to this budget. This is intended to provide administrative oversight to both the Public Housing Program and the implementation of the Master Housing Strategy, which will include the establishment of specific programs and policies. The Housing Program will be partially funded through the Public Housing Operating Subsidy.
- An operating transfer of \$150,000 is proposed, which will be used to seed new programs identified in the Master Housing Strategy: a) Developing a "New Resident Packet" which will be an informational resource for prospective and new home owners and renters in SSP; b) Coordination with the local Chamber to hold a "Home Improvement Expo"; c) Establishment of a Rental Property Preservation Program to provide technical and funding assistance for the improvement and preservation of rental properties in SSP.
- The 2021 Budget proposes that property maintenance at various vacant EDA/HRA owned properties be funded by the HRA. Historically, a variety of non-sustainable funding sources have been utilized to pay for property maintenance: the Concord TIF (expires in 2024), the "Development" fund (a fund that has no direct source of revenue), and the "Parking" fund (which will take a significant hit in 2021 when we sell the N. Concord Exchange parking area to Beard). It should be noted that Council's decision to have Public Works provide summer maintenance at these properties is projected to save about \$15,000 in 2020, and about \$20,000 in 2021.

Revenues

- Maximum HRA levy is \$334,413.
- Administrative charge to the public housing program is \$112,478.

FUNCTION: Community Development	DEPT. & DIV: Economic & Community Development - Housing Division	BUSINESS UNIT: 20260
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<u>Staffing</u>	2018	2019	2020	2021
Division Director	1.000	0.100	0.150	0.200
Program Manager	1.000	-	-	1.000
Line staff	3.500	-	-	-
Clerical/support	1.000	0.800	0.800	0.800
Total Staffing	6.500	0.900	0.950	2.000

2021 staffing =

Economic & Community Dev Director (20%), Housing Program Administrator (100%) Office Specialist (80%)

HOUSING GENERAL							
SUMMARY OF REVENUE							
Description	2018 Actual	2019 Actual	2020 Original Budget	June 2020 Actual	2020 Revised Budget	2021 Requested Budget	2021 Final Budget
20260 - HOUSING GENERAL							
REVENUE							
TAXES							
4110 - CURRENT AD VALOREM TAX	(198,390)	(220,574)	(303,211)	(116,154)	(303,211)	(334,413)	
4120 - DELINQUENT AD VALOREM TAX	(3,582)	(3,531)	0	0	0	0	
4125 - PENALTIES & INT ON AD VAL TAX	(5)	8	0	0	0	0	
4130 - MOBILE HOME TAX	(32)	(61)	0	0	0	0	
4140 - FISCAL DISPARITIES	(60,065)	(60,635)	0	0	0	0	
TAXES	(262,075)	(284,793)	(303,211)	(116,154)	(303,211)	(334,413)	
CHARGES FOR SERVICES							
ADMINISTRATIVE CHARGES							
4409 - ADMINISTRATIVE CHARGE	0	0	0	0	0	(112,478)	
ADMINISTRATIVE CHARGES	0	0	0	0	0	(112,478)	
CHARGES FOR SERVICES	0	0	0	0	0	(112,478)	
INTEREST							
4671 - INTEREST EARNINGS	0	0	0	(8,718)	0	0	
INTEREST	0	0	0	(8,718)	0	0	
MISCELLANEOUS							
4672 - OTHER	0	(537)	0	(766)	0	0	
4675 - INSURANCE DIVIDEND	(166)	(148)	0	0	0	0	
4677 - MISC REVENUE	(9,011)	(377)	0	0	0	0	
MISCELLANEOUS	(9,177)	(1,062)	0	(766)	0	0	
OTHER FINANCING SOURCES							
4920 - INTERFUND OPERATING TRANSFER	(133)	0	0	0	0	0	
OTHER FINANCING SOURCES	(133)	0	0	0	0	0	
REVENUE	(271,384)	(285,855)	(303,211)	(125,638)	(303,211)	(446,891)	

HOUSING GENERAL							
SUMMARY OF EXPENDITURES							
Description	2018 Actual	2019 Actual	2020 Original Budget	June 2020 Actual	2020 Revised Budget	2021 Requested Budget	2021 Final Budget
20260 - HOUSING GENERAL							
EXPENDITURES							
PERSONNEL SERVICES							
6101 - FULL-TIME EMPLOYEES-REG	21,139	58,427	67,846	33,234	67,846	153,623	
6108 - ACCUMULATED VACATION/COMP LEAV	0	148	402	0	402	2,832	
6112 - SERVICE RECOGNITION	0	250	0	0	0	0	
6120 - EMPLOYER CONTR FOR RETIREMENT	2,874	7,910	10,280	4,538	10,280	23,491	
6130 - EMPLOYER PAID INSURANCE	3,000	13,515	17,133	9,626	17,133	34,942	
6140 - UNEMPLOYMENT COMP INS.	0	16,328	0	0	0	0	
6150 - WORKERS COMPENSATION	359	7,331	456	(400)	456	953	
6170 - EMPLOYER CONTR TO HCSP	492	1,454	1,965	364	1,965	4,468	
PERSONNEL SERVICES	27,864	105,363	98,082	47,361	98,082	220,309	
SUPPLIES							
6201 - OFFICE SUPPLIES	2,661	1,017	2,000	329	2,000	1,500	
6210 - OPERATING SUPPLIES	393	304	0	102		0	
SUPPLIES	3,054	1,322	2,000	432	2,000	1,500	
OTHER SERVICES AND CHARGES							
6302 - PROFESSIONAL SERVICES	63,170	14,297	50,000	549	50,000	1,000	
6331 - CONFERENCES, TRAINING, TRAVEL	757	1,019	0	0	0	800	
6341 - ADVERTISING	0	539	0	0	0	0	
6361 - INSURANCE	3,955	3,769	305	179	305	319	
6374 - ADMINISTRATION SUPPORT FEE	65,000	30,113	40,272	20,136	40,272	33,268	
6375 - OTHER CONTRACTED SERVICES	0	0	12,000	0	12,000	33,875	
6378 - COPIER MAINTENANCE AGREEMENT	1,744	1,484	2,000	715	2,000	1,500	
6381 - OTHER RENTALS	2,304	2,085	1,600	358	1,600	850	
6388 - TECHNOLOGY EQUIP CHARGE	1,901	1,788	1,920	960	1,920	1,920	
6390 - POSTAGE AND TELEPHONE	3,737	318	750	102	750	1,300	
OTHER SERVICES AND CHARGES	142,568	55,412	108,847	22,998	108,847	74,832	

HOUSING GENERAL							
SUMMARY OF EXPENDITURES							
Description	2018 Actual	2019 Actual	2020 Original Budget	June 2020 Actual	2020 Revised Budget	2021 Requested Budget	2021 Final Budget
MISCELLANEOUS							
6430 - MISCELLANEOUS	109	0	0	0	0	0	
6471 - DUES & SUBSCRIPTIONS	0	0	0	0	0	250	
MISCELLANEOUS	109	(0)	0	0	0	250	
TRANSFERS							
6720 - OPERATING TRANSFERS	62,636	104,423	94,282	0	94,282	150,000	
TRANSFERS	62,636	104,423	94,282	0	94,282	150,000	
TOTAL EXPENDITURES	236,232	266,519	303,211	70,791	303,211	446,891	
CHANGE 2020 REVISED TO 2021 PROPOSED							143,680
PERCENT CHANGE 2020 REVISED TO 2021 PROPOSED							47.39%

HOUSING GENERAL					
DETAIL OF EXPENDITURES					
CODE NO.	ITEMS	ITEM DESCRIPTION AND EXPLANATION OF REQUEST	2020 Revised Budget	2021 Requested Budget	2021 Final Budget
EXPENDITURES					
PERSONNEL SERVICES					
MATERIALS & SUPPLIES					
6201	OFFICE SUPPLIES	Water cooler, gen office supplies	2,000	1,500	
SERVICES AND OTHER CHARGES					
6302	PROFESSIONAL SERVICES	Audit 1000	50,000	1,000	
6331	CONFERENCES, TRAINING, TRAVEL	MnNAHRO Annual Conference (x1), Local and On-line Trainings	0	800	
6361	INSURANCE	Property & Liability	305	319	
6374	ADMINISTRATION SUPPORT FEE		40,272	33,268	
6375	OTHER CONTRACTED SERVICES	Property Maintenance	12,000	33,875	
6378	COPIER MAINTENANCE AGREEMENT		2,000	1,500	
6381	OTHER RENTALS	Rug rental	1,600	850	
6388	TECHNOLOGY EQUIP CHARGE	Amortization of technology equipment	1,920	1,920	
6390	POSTAGE AND TELEPHONE	Housing Program Admin. Cell Phone, Postage	750	1,300	
MISCELLANEOUS					
6471	DUES & SUBSCRIPTIONS	MnNAHRO Membership	0	250	
TRANSFERS					
6720	OPERATING TRANSFERS	Master Housing Strategy Implementation	94,282	150,000	