



**City of Saint Paul**  
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**SAINT PAUL LONG-RANGE CAPITAL IMPROVEMENT BUDGET  
COMMITTEE MEETING**

**Monday, October 8, 2012 at 3:30 p.m.  
CITY HALL ROOM 42 – NOTE LOCATION CHANGE**

**Meeting Minutes**

Members Present:	Monica Bryand, Jacob Dorer, Diane Gerth, Becca Hine, Melanie McMahon, Gene Olson, Dave Pinto, Paul Sawyer, Michael Steward, Darren Tobolt, D'Ann Urbaniak Lesch, Avi Viswanathan
Members Excused:	Deb Jessen, Pat Sellner, Gary Unger
Members Absent:	
Visitors and City Staff Present:	City Council – Alexandra Iverson OFS – Betsy Hammer, Mike Solomon Parks and Recreation – Jody Martinez, Tom Russell Public Works – Paul Kurtz

**1. Convene**

Meeting convened at 3:32 pm.

**2. Approval of Agenda**

Mr. Tobolt moved approval, Ms. McMahon seconded. Committee voted all in favor.

**3. Approval of September 10, 2012 Meeting Minutes**

Mr. Sawyer moved approval, Mr. Tobolt seconded. Committee voted all in favor.

Mr. Pinto noted that his last name is spelled incorrectly on the fourth page of the September minutes. Ms. Hammer said she would fix the error.

**4. Chair's Comments**

Ms. Gerth noted that some committee members had recently attended the Highland Park District Council meeting to discuss the CIB process. She encouraged other members to attend

their local meetings. She noted that there was some discussion of conflict of interest on task forces and suggested that item be discussed later as new business. Mr. Pinto said that Mr. McCarthy of OFS had prepared a good one-page summary that might be useful if others attend district council meetings.

## 5. Action Items

### **Public Works – Paul Kurtz**

*RES PH 12-301:* Amending the financing and spending plans in the Department of Public Works in the amount of \$746,250 to accept a Federal Grant through Met Council and establish local funding match for Charles Avenue Project.

Mr. Kurtz introduced himself and reminded the Committee that the Charles Avenue project was approved by Council in September. He said this resolution establishes the budget and includes federal grant funding, some neighborhood STAR funding, MnDOT trunk highway funding, and a portion of a Public Works annual program for the remainder. Mr. Kurtz said it relates to the Central Corridor project, because there will be no bike lanes on University and that raised concerns about where bikes will go and pedestrian safety. He said Charles Avenue is a nice alternative. He said there has been a lot of community involvement and support.

Mr. Tobolt moved approval, Mr. Olson seconded. Committee discussed the project that was proposed during the last on-year process.

Mr. Steward asked if this project takes funding from bike programs. Mr. Kurtz clarified that this funding is actually from the Como Bike Lanes Project, which has been done for a while and is a good fit for the Charles Avenue project.

Committee voted all in favor.

### **Parks and Recreation – Jody Martinez**

*RES PH 12-294:* Amending the financing and spending plans in the Department of Parks and Recreation in the amount of \$719,488 for design and engineering services for the Como Streetcar Bridge L5853 Interpretive Site project.

Ms. Martinez introduced herself. She explained that the bridge in Como Park is about to fall in on itself and needs to be in a safer condition. She said Parks got some CIB funding in 2011 for a match, and Parks is now ready to move forward. She said the project is really to construct as well as design and engineer, and noted that the resolution text did not specify the construction aspect of the project. She said the intention is to complete the project.

Ms. Gerth suggested changing the resolution to include the word construction. She said she would entertain a motion to approve the resolution with that change. Ms. Hine moved to approve with the word change. Mr. Steward seconded.

Mr. Viswanathan asked why the numbers on the handout Jody brought did not match the resolution. She said it might be related to soft costs, but she was confident that the federal portion and local match numbers were correct. Ms. Martinez agreed to follow up.

Ms. Hine asked for additional clarification. Mr. Russell explained the technical details. Ms. Urbaniak Lesch asked about the project and Ms. Martinez clarified where the bridge is. She

said it has a historical designation so there are some restrictions, and it's not intended to be traveled on. Mr. Pinto asked a question on language.

Mr. Sawyer moved approval, Mr. Dorer seconded. Committee voted all in favor.

*RES PH 12-300:* Amending the 2012 Capital Improvement Budget in the Department of Parks and Recreation to include an additional \$200,000 Finance and Spending Plan for a Federal Environmental Protection Agency Brownfield Cleanup Grant towards site remediation of the southern portion of the Trillium Nature Sanctuary Site.

Ms. Martinez introduced the project and said it's supplementing money for cleanup. She said it is very similar to the Bruce Vento project. Ms. Martinez passed out a handout that showed the different areas. Committee discussed.

Mr. Olson moved approval, Ms. Urbaniak Lesch seconded. Committee voted all in favor.

*RES PH 12-305:* Amending the financing and spending plans in the Department of Parks and Recreation in the amount of \$1,000,000 to direct interest earned and other capital resources to the Payne Maryland capital construction budget and the demolition of the Margaret Recreation Center building.

Mr. Russell introduced the project and said it redirects interest earned on bonds because of how long the city has waited to start the project. He said costs have escalated since the original project budget. Mr. Russell said the city has done a very thorough community process. Mr. Russell explained the resolution and noted that the project has been separated so private funders aren't building at the same time, but the City has different deadlines and wants to complete the project by the end of 2013. Mr. Russell said the financing is \$900,000 in interest earned on bonds since construction has been delayed, and said that the interest has to be spent in a Recovery Zone Economic Development (RZED) area. He said that this financing will help take care of escalating costs, and said there are two duplexes on the site that will improve the project if the city can acquire them. He said the second part of the resolution is to demolish the Margaret Recreation Center. He said this lines up with the systems plan, and the asset isn't in good shape so it needs to come down.

Ms. Urbaniak Lesch noticed typo in title.

Ms. Gerth asked for clarification that the money is in part from bonds sold a while ago and the proceeds were gathering interest, and that's what is being redirected. Mr. Russell said yes. Ms. Gerth asked for detail about how the project is progressing. Mr. Russell said there is a fence around the project area and the grounds have been razed. He said Arlington Library is down, the funeral home is down, the hardware store is down and has been rebuilt. He said the project is ready to go, but may have to be rebid and Parks is hoping to see some savings from that. He said the plan is to start building in the spring.

Mr. Steward asked why Parks didn't come back sooner when the whole thing changed. He asked what's happening with the private partners and noted that the money could have been used now. Mr. Russell said there's a development agreement that can be changed. He said there's a time limit on the private partners, where about a year after the city's portion is complete they would have to either commit to the project or be done.

Mr. Dorer said the original project was not recommended by the CIB Committee. He said the private partners were a part of the justification, to have some cost savings through partnership. Mr. Russell said the city will have to have the properties appraised, and noted that it was always planned that they would be part of project, but who would pay for them may change. Mr. Dorer asked if the city had considered scaling back because it's such an expensive project. Mr. Russell said they city is also doing that, including value-engineering bids and looking at every avenue. He said the HRA acquired the first two duplexes and turned them over to the city, so the project got them for free or \$1.

Ms. Gerth asked if the project will still work if the private partners choose not to go forward. Mr. Russell said yes and that the project is built to accept a phase 2. He said the city view is that the city is building a facility for parks and library on the city's time table. Ms. Gerth asked when. Mr. Russell said the goal is the end of 2013.

Ms. Urbaniak Lesch asked who the private partners were. Mr. Russell said in the original plan it included a funeral home, a church, and the Y as a nonprofit partner. Ms. Urbaniak Lesch asked if Merrick was not involved anymore and Mr. Russell confirmed that they are not. Ms. Urbaniak Lesch asked if any other partners had left the project and Mr. Russell said no.

Mr. Steward said he wished Parks had come sooner. He said it's difficult to approve something now that they didn't approve to begin with. He said he didn't think it was necessary but now it's happening though.

Ms. Gerth asked for clarification on the Recovery Zone. Mr. Dorer noted that the bond interest is only a portion of the project and the other part of the resolution uses CIB balances. Mr. Russell confirmed that the Margaret Rec Center demolition will be funded by CIB project balances. Mr. Dorer asked why the projects were on the same resolution. Mr. Russell said it's not unusual to do project resolutions like this. He said it does two things: the Payne Maryland project and redirects some CIB balances to do the Margaret Rec demolition. Mr. Dorer asked why Parks didn't put the demolition on a different project and keep them separate. Mr. Russell said he didn't know what motivated that.

Ms. Urbaniak Lesch asked if there would be a rebuild at Margaret Rec Center or just the demolition. Mr. Russell confirmed it is just demolition and the community is in favor of that. Mr. Dorer said the district council just talked about this at their meeting. He said they recommended demolition. Mr. Russell said Council President Lantry was in touch with interested neighborhood parties. Mr. Dorer said he was in favor of the Margaret Rec Center demolition but not the other part of the resolution. He said he didn't like it when two disparate projects were presented together because it feels like he has to vote for the whole thing. He said they are not near each other and don't serve the same community. Mr. Viswanathan said he felt unprepared to discuss Margaret Rec Center.

Ms. McMahon asked for detail on the interest on bonds, and asked if those dollars have to go back to this specific project. Mr. Pinto asked how narrow the zone is. Mr. Solomon said he was not sure of the scope, but interest could be used to pay back debt. He said it's usually not such a large dollar amount. Mr. Pinto asked if it's typically a building or a neighborhood. Mr. Solomon said it depends on the scale and scope of the project, but for this specific type of bond it's an economic development zone. Ms. Hammer said OFS would provide follow up on the question.

Ms. Hine asked if this is the same zones as other Build America Bonds. Mr. Solomon said that it's part of the same program but a different bond series. Committee discussed.

Mr. Olson moved approval, Mr. Tobolt seconded.

Ms. Gerth said she wondered about separating out the projects.

Mr. Viswanathan asked if there is a task force or some plan for what to do with the Margaret Rec Center site after the demolition. Ms. Martinez said Parks will likely request funding in the next CIB cycle for a restroom like at the old Prosperity Rec Center site. Mr. Russell said Council President Lantry would like the building gone first and then a process for what to do with the site. He said there is some urgency to get the building off first.

Mr. Dorer asked what the site will look like after the demolition. Mr. Russell said it's very preliminary and it hasn't really been discussed yet. Mr. Dorer asked for confirmation that nothing will change with the play area. Mr. Russell said yes.

Committee voted. 6 in favor, 5 opposed. Ms. Gerth confirmed that the motion carried.

*RES PH 12-308:* Amending the financing and spending plans in the Department of Parks and Recreation's 2012 Capital Improvement budget in the amount of \$1,000,000 to establish the budget for land acquisition for Frogtown Park and Farms.

Mr. Russell said the Trust for Public Land (TPL) is trying to purchase the land for Frogtown Farms from Wilder, and they need a purchase agreement from the city. He said the city does not actually have to make the payment until the end of 2013, but things need to be in order so TPL can purchase the land now and TPL will have thresholds for raising funds to help cover their costs. Then, the city will purchase the land from TPL. Ms. Gerth asked if TPL is the intermediary. Mr. Russell said yes, and that TPL is trying to raise about \$3.45 million for the deal but the city will be able to purchase it for \$1 million.

Ms. Hine moved approval, Mr. Dorer seconded.

Mr. Dorer asked if the Wilder site will then officially be parkland. Mr. Russell said the city has to be careful about designating parkland but that the entire site will be city land, and parts of it may be parkland. He said there are considerations including usage (like farming) and funding sources that would require a particular designation.

Mr. Olson said the resolution text mentions an exhibit a. Ms. Hammer said OFS would follow up with the committee and explained that it is a site map. Mr. Russell said the site is about 11 acres.

Ms. Urbaniak Lesch talked through the history from the last process and the proposal that was put forward. Mr. Russell said the city will have a development agreement with Frogtown Farms with City control. He said if that doesn't work the site will become a park.

Mr. Steward said he didn't understand the resolution completely. Mr. Russell and Ms. Martinez explained the various thresholds and contingencies for fundraising. Mr. Russell said this is what TPL does all over the nation. Ms. Martinez noted that TPL will be seeking private funding and grants.

Ms. Urbaniak Lesch asked about the funding sources in the resolution. She asked if the \$600,000 would be a CIB proposal. Mr. Russell said that would be one option but Parks is looking at many other grants. Ms. Martinez said CIB is a good guess.

Committee voted all in favor, none opposed.

## **6. 2014 – 2015 CIB Process Discussion**

Ms. Gerth reminded the Committee of new business brought up by members – the issue of conflicts of interest on the task forces. Ms. McMahon and Mr. Pinto explained the issue and said that one person who attended their district council meeting was disheartened to learn about projects getting moved up to higher scored projects when there was a potential conflict of interest. Committee discussed various examples and whether or not there should be a process to recuse oneself from weighing in or to publicize potential conflicts of interest.

Ms. McMahon said maybe the chair of the task force should make a point of saying something at the beginning. Mr. Viswanathan noted that there are several people who are parts of organizations or businesses that benefit from CIB projects and there is lots of overlap.

Mr. Sawyer noted that everyone on the committee and many task force members are civically involved and everyone in the process has some loyalty to something. He said committee members have obligation to look out for what's best for the city. Committee discussed.

Ms. Bryand noted that most organizations have a conflict of interest policy but CIB doesn't. She discussed the importance of trust on the committee and to understand appropriate advocating. Ms. Gerth asked what kind of conflict of interest policy the city has. Ms. Hammer said she would follow up with the city attorney's office.

Mr. Viswanathan said it's important to distinguish between neighborhood and direct financial interest in program.

Committee discussed various examples and scenarios Mr. Pinto said the logical place to look is the planning commission. Ms. McMahon said the committee should figure out what members want their role or procedure to be and also set the tone of task force chairs to set an honest process.

Proposal request forms for next cycle are available at [www.stpaul.gov/cib](http://www.stpaul.gov/cib)

Ms. Hammer said the proposal packets were sent out last week. Mr. Steward said he was concerned that in the guidelines it doesn't explicitly say that individuals may also submit applications. Ms. Hammer said OFS would make that change and repost the guidelines.

## **7. Plan for November Meeting - Veterans' Day Holiday**

Committee discussed and agreed to meet on Monday Nov 19. Ms. Hammer said OFS would find a location and communicate with committee members.

## **8. Adjourn**

Meeting adjourned at 4:40pm.

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