



City of Saint Paul
Mayor Melvin Carter

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**SAINT PAUL LONG-RANGE CAPITAL IMPROVEMENT BUDGET
COMMITTEE MEETING**

Monday, November 18, 2019 at 3:30 p.m.

George Latimer Central Library

MEETING MINUTES

Members Present:	Amy Huerta, Ray Hess, Joel Clemmer, Darren Tobolt, Elsa Vega Perez
Members Excused:	Larvel Bunker, Rebecca Airmet, Mary Morse Marti
Members Absent:	Samakab Hussein, Patrick McQuillan
Visitors and City Staff Present:	Mayor Carter Noel Nix Anne Weber Holly Huston Kristin Guild John McCarthy Mike Solomon Tony Barranco Alice Messer Jane McClure



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Note: In the absence of a quorum, the members present heard all agenda items but committee actions were provisional, pending approval at the next meeting with quorum.

1. Call to order – The meeting was called to order by Amy Huerta at 3:42 p.m.
2. Approval of Agenda and October 14, 2019 Meeting Minutes
Hess moved to approve the agenda for the November 18, 2019 meeting and the October meeting minutes. Tobolt seconded. The agenda and minutes were approved, pending formal approval at the next meeting with quorum.
3. Update from Mayor Carter
 - Mayor Carter visited the committee to discuss Crime Prevention Through Environmental Design (CPTED), the theme of the next round of the CIB process (community projects). Mayor Carter thanked the committee for their service and challenged the group to leverage the voices around the table to make sure the voices around the community count. Mayor Carter explained the need for a public safety framework that is focused on reducing crime in the first place, not only centered on what happens after a crime is committed. The research behind CPTED suggests that the physical and aesthetic quality of an environment has a strong influence on behavior and outcomes in that environment. Mayor Carter provided a brief primer on CPTED concepts and asked the committee for feedback on the theme and process.
 - Vega Perez asked if the Mayor had spoken with gang task forces? The Mayor confirmed that he has been in contact with multiple groups of young people, the Saint Paul Police Department, and others. He noted that a large portion of homicides are group related and that there are more illegal guns on the streets than ever before.
 - Mayor Carter explained his position on violence as public health epidemic that requires a public health toolkit. Clemmer noted that this was an interesting analogy and agreed with the concept. Clemmer asked about the distinction between gun violence and other crime in the City – is it anomalous? Clemmer expressed concern about talking about this issue without making Saint Paul sound like a dangerous place. Mayor Carter noted that ultimately violent crime has been on a downward slope since the early 1990s, but fear of crime has increased. He noted that the City is working on analyzing the data to better understand the nuance of crime in Saint Paul (ex. Are there more incidents of gunfire this year or more people being shot?). Mayor Carter emphasized the importance of independent data and research, not only anecdotal evidence, in public safety investments.
 - Mayor Carter asked for the committee's response to connecting the CIB process with CPTED. Huerta expressed interest in bringing these concepts into all aspects of community building. Mayor Carter agreed, noting that he sees investments in the physical assets, after school programs, jobs programs, etc. as public safety investments. Hess noted that the project is big and money is short. Mayor Carter stressed the need for verified evidence, data-driven decisions, and accountability. Clemmer expressed appreciation for the comprehensive approach.
4. Action Items

Public Works

RES PH 19-379: Amending the financing and spending plans in the Department of Public Works Capital Budget by transferring \$85,000 in revenues to the 2019 East 7th Pedestrian Improvement Project.

- Anne Weber presented the resolution to the committee, explaining it was adding \$85,000 of MSA contingency to the East 7th St pedestrian improvement project at Green Briar and Margaret. The initial project funding was tight and this eliminates 2019 contingency funds.
- Clemmer moved to approve the resolution. Vega Perez seconded. The resolution was approved pending official approval by the CIB Committee once quorum is established.

Parks

RES PH 19-360: Authorizing the 2019 City Capital Improvement Budget in the amount of \$4,500,000 to accept a \$4,500,000 grant from the State of Minnesota for the renovation of field space at the Conway Recreation Center site, managed by the Sanneh Foundation (District 1, Ward 7).

- Alice Messer presented the resolution to the committee, explaining that the City has been working with Sanneh for the last two years and Sanneh has been a lease partner at Conway Rec since 2013, providing before and after school activities, outdoor recreation, etc. This resolution is to accept \$4.5M in state bonds to construct athletic turf fields on the site. The site includes full sized ball fields, a seasonal dome, and more. The project goes out to bid in January 2020 to be awarded in March with construction in May and completion in November.
- Huerta asked if private funds have been secured. Messer explained that Sanneh has gone to the state to show financial records but funding has not been transferred to the City yet. The project also has \$200k of STAR funds.
- Clemmer asked about the quality of the dome material. Brandon Griffin explained that the dome distributor has done many domes in the area and it comes with a substantial warranty. Griffin also explained that the cause of dome failure is typically HVAC operation, not dome material.
- Vega Perez asked for a description of the population served at the center. Griffin noted it was a community with diverse needs, lots of community organizations. The population is predominately African American and 91% of the kids served by this facility are on free or reduced lunch.
- Clemmer asked if the finance department has approved going into debt for \$4.5M. Madeline Mitchell explained that this resolution is accepting state funds, not City debt.
- Hess moved to approve the resolution. Clemmer seconded. The resolution was approved pending official approval by the CIB Committee once quorum is established.

Multi-Department

RES PH 19-388: Resolution (i) approving an amendment to the Capital Improvement Budget, (ii) declaring official intent to reimburse expenditures from the proceeds of tax exempt bonds, (iii) authorizing interfund loans, (iv) providing for the use of Project Labor Agreements in accordance with policy, and (v) authorizing execution of a redevelopment agreement and related documents (Ford Site Redevelopment Project), District 15, Ward 3

- John McCarthy and Kristin Guild presented the resolution to the committee. The resolution will be on the December 4 City Council agenda. McCarthy noted that typically HRA projects do not come to CIB unless they are unique projects with unique elements.
- McCarthy and Guild explained the history and public process behind the Ford development plan. They noted that the plan achieves and exceeds the goals for the site.
- McCarthy explained the project financing, explaining that the CIB portion is focused on one component of the infrastructure piece. See powerpoint for details on financing breakdown.
- CIB bonds are the most flexible source for this project. They can be used for City parks where TIF cannot. The CIB portion of this funding will be spread over 3 years and will be borrowed in addition to the normal \$11M CIB bond sale each year so it will not compete with the normal process. The MSA portion likely won't be needed until later and will be incorporated into the Public Works street plan.
- McCarthy noted that the important takeaway is that these are public resources for public usage (public infrastructure and affordable housing both on the site and citywide.)
- Huerta asked if the \$1 billion of taxable value is return on investment over time? McCarthy said it is the estimated market value once everything is fully built out.

- Hess asked about the storm sewer expenditure. McCarthy explained that it is pretty innovative and substantial, including below and above grade system that leads into a central water feature that controls stormwater run-off that feeds into Hidden Falls.
- Clemmer asked about the rule of thumb for the destination of TIF funds versus developer and private funds for infrastructure. Guild explained it is atypical to have such a large site that doesn't have any public infrastructure. Most sites already have infrastructure in place. Developer costs are typical around just connecting. Ford is large and there is no public infrastructure. The level of private investment is significant and unusual. The City is leveraging significant private dollars into utilities.
- Clemmer asked about the rationale for financing breakdown. Mike Solomon explained that there are restrictions on some funding sources. TIF is restricted to public-owned spaces except parks. Assessments and fees are pretty assigned to specific uses. CIB is used for parks where TIF cannot be.
- Clemmer asked how St Paul TIF compares to other cities. Guild said St Paul is conservative with the use of TIF within the metro area and state. There have been some reports created on the use of TIF that Guild will share with the committee. The conservative rule of thumb is to devote a total of 10% of the City's tax capacity to TIF. This is derived from how bond rating agencies look at city finances. St. Paul monitors this number closely and even after adding Ford, will be under 10%, at 9.6%. When the TIF district comes online, there will be an overlap with other large TIF district (MN Events district) which will expire at end of 2023. All those revenues will flow back onto the general fund. During the overlap, St Paul will be at 9.6% and will have even more room when the MN Events district expires.
- McCarthy noted that the City has a reaffirmed triple A bond rating and rating analysts have been kept informed of Ford.
- Solomon mentioned there is a "but for" test for TIF. Guild said the "blighted" determination was based on vacant auto production facility.
- Guild said the negotiations with Ryan on public investments with infrastructure kept in mind wanting to preserve as much TIF for affordable housing as possible.
- Vega Perez asked how many affordable units are on site. Guild answered that 760 units of 3800 are affordable. Each of these affordable projects will come back through the City (HUD home dollars, CDBG, etc.) We'll be underwriting them for the whole array of sources that are available to support whatever that housing project is.
- Hess asked if the affordable housing is all rental. Guild said it was not, and that one of the goals of the site is to have a truly mixed income community with affordable housing spread throughout the site. There will be six affordable home ownership units, in partnership with Habitat for Humanity. The other two housing partners are Project for Pride in Living (PPL) and Common Bond. Affordable housing will be deed restricted, only allowed for affordable housing. The Habitat model requires 25-year deed restrictions.
- Guild noted that the parks area exceeds master plan goals for site.
- Huerta asked about the Highland ball parks. Tony Barranco of Ryan explained that the ball fields are part of the agreement until the Highland ball organization no longer operates. Then the fields will be given to the City Parks department at no cost.
- Clemmer asked what a dedicated transitway meant. Guild said it means that the space is reserved but the mode is not determined yet.
- Vega Perez noted that she would like to hear more about the project once the committee has quorum.
- Hess asked what was needed from the committee at this time. McCarthy noted that the City Council can continue to review and vote but it would be good to get a committee recommendation at some point. Huerta asked what would happen if there was not a recommendation. McCarthy said this is a question for the City Attorney and noted that the committee is advisory in nature, with quorum guidelines created by CIB bylaws, not administrative code.
- The committee decided not to vote without quorum.

5. Adjournment

There being no further business, the meeting was adjourned by general consent.

Staff:

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