All meetings of the St. Louis Park City Council will be conducted by telephone or other electronic means starting March 30, 2020, and until further notice. This is in accordance with a local emergency declaration issued by the city council, in response to the coronavirus (COVID-19) pandemic. Additionally, in accordance with Gov. Walz’s “Stay Safe MN” executive order 20-056, city facilities will remain closed to the public until further notice.

Some or all members of the St. Louis Park City Council will participate in the June 22, 2020 city council meeting by electronic device or telephone rather than by being personally present at the city council's regular meeting place at 5005 Minnetonka Blvd.

Members of the public can monitor meeting by video and audio at https://bit.ly/watchslpcouncil or by calling +1-312-535-8110 meeting number (access code): 372 106 61 for audio only. Cisco Webex will be used to conduct videoconference meetings of the city council, with council members and staff participating from multiple locations.

6:30 p.m. - STUDY SESSION

<table>
<thead>
<tr>
<th>Discussion items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 6:30 p.m. COVID-19 update/Information on CIP, debt and long-range financial planning</td>
</tr>
<tr>
<td>2. 8:00 p.m. Future study session agenda planning and prioritization</td>
</tr>
<tr>
<td>3. 8:05 p.m. Communications/updates (verbal)</td>
</tr>
</tbody>
</table>

8:10 p.m. Adjourn

Written reports

<table>
<thead>
<tr>
<th>Written reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Application for Tax Increment Financing Assistance – Union Park Flats</td>
</tr>
<tr>
<td>4. May 2020 monthly financial report</td>
</tr>
<tr>
<td>5. Annual Storm Water Pollution Prevention Program Report</td>
</tr>
<tr>
<td>6. Metropolitan Council and Minnesota Brownfields grant application - Prince of Peace</td>
</tr>
<tr>
<td>7. Metropolitan Council grant application – Texa Tonka Apartments</td>
</tr>
</tbody>
</table>

During the COVID-19 pandemic, agendas will be posted on Fridays on the entrance doors to city hall and on the text display on civic TV cable channel 17. The agenda and full packet are available after noon on Friday on the city’s website.

If you need special accommodations or have questions about the meeting, please call 952-924-2525.
Executive summary

Title: COVID-19 update/Information on CIP, debt and long-range financial planning

Recommended action: **Due to the COVID-19 emergency declaration, this item is considered essential business and is categorized as Time-Sensitive**

• No formal action required. This report is provided to assist with the study session discussion regarding the impact COVID 19 is anticipated to have on the 2020 budget, as well as provide background information on the city’s capital improvement plan and related long-range planning for debt.

Policy consideration: Does the council have any questions regarding the information presented?

Summary: Stacie Kvilvang, consultant with Ehlers will present information to council on COVID 19 financial update and financial planning, debt and long-range planning.

At this meeting:
• Update on COVID 19 financials. As this is a fluid situation, staff continues to review revenue changes, expenditures, and support in various areas to conduct business in the time of COVID 19. Discussion will include an update on the projections made in April on the impact the pandemic may have on the 2020 budget and other related matters.
• The second half of this discussion will be to review capital planning, debt, and bonding related to long range financial planning.
• Staff will be available to assist with information and questions as needed.

Financial or budget considerations: The CIP and debt projections work in conjunction with the city’s annual budgeting process to help determine an appropriate property tax levy to fund operations, capital and debt in order to maintain the city’s AAA bond rating. COVID 19 will also be monitored and incorporated into planning throughout 2020 and into 2021.

Strategic priority consideration: All areas of the adopted strategic priorities are impacted by the city’s budget. St. Louis Park is committed to:
• being a leader in racial equity and inclusion in order to create a more just and inclusive community for all.
• continue to lead in environmental stewardship.
• providing a broad range of housing and neighborhood-oriented development.
• providing a variety of options for people to make their way around the city comfortably, safely and reliably.
• creating opportunities to build social capital through community engagement.

Supporting documents: Discussion

Prepared by: Nancy Deno, deputy city manager/HR director
Elizabeth Diaz, interim CFO/Ehlers
Stacie Kvilvang, consultant Ehlers

Approved by: Tom Harmening, city manager
Discussion

**COVID 19 financial update:** In April, staff presented information regarding estimates of impacts on revenue, expenditures and operations due to COVID 19 (COVID). At that time, the COVID related financial gap was estimated to be $2.4M. A variety of estimates went into generating this number and there were, and still are, many unknowns regarding the final outcome of the pandemic on the finances of the city. This continues to be a very fluid situation and not all the answers to every scenario are currently known. Staff continues to monitor financial impacts as a team, following Governor Walz directives and emergency operations while conducting essential business operations.

In total, *year to date* general fund revenues are down approximately $449k from 2019 and expenditures are up by approximately $607k (inclusive of COVID related expenditures) providing for a gap of $1.056M related to COVID. This gap analysis will continue to be analyzed and evaluated as the year progresses. The gap may get bigger or the gap may close depending on several factors such as second half property tax collections, reimbursement from the state/federal government for COVID expenses and any future pandemic related closures, which are unknown at this time.

**Major general fund revenue streams:**

*Permit revenues:* The 2020 permit revenues continue to come in strong. To date, a total of $2.1M has been collected as compared to $2.3M in 2019. It is expected that permit revenues will meet the $3.5M 2020 budgeted amount.

*License revenues:* The 2020 license revenues are ahead of the actual year to date in 2019. A total of $928K has been collected as compared to $851K in the same time frame in 2019.

*Charges for services:* This revenue line item is down from the same time from last year. These revenues would include those activities which were required to shut down due to the pandemic. For 2020 year to date, a total of $360K has been collected as compared to $724K in 2019.

*Property taxes:* Hennepin County, like other counties, adopted a different timeline for property taxpayers to delay paying their property taxes, and would not incur a penalty if the payment was not made by May 15th. Certain property owners are allowed to delay paying their first half tax payments until July 15th without paying a penalty. Taxing jurisdictions in Hennepin County will receive on June 19 an advance of 70% of property taxes collected. Additional distributions will be made on July 6, July 23 and July 30. Property tax revenues are expected to be strong for the advanced first half collections on June 19th. City staff did a thorough review of the top 100 taxpayers in the city and found that all paid their taxes. According to Hennepin County, the first half advance will be $12.4M as compared to a first half advance of $12.2M in 2019.

**COVID related expenditures:**
The city has undertaken various measures to respond and to mitigate the financial impact of the pandemic on its residents and businesses. The city continues to respond in the areas of public safety and public works. As of June 12th, the city has spent, or intends to spend, $1.3M in responding to the crisis. These costs are:
The Federal government has two funding streams to help mitigate unexpected costs. The Federal Emergency Management Agency (FEMA) has funding designed to reimburse extraordinary costs that would not have been incurred except for the crisis. These reimbursable costs include personal protective equipment and staff overtime. To date, the city has requested a total of $38k in reimbursements for expenses related to personal protective equipment and overtime. An additional reimbursement request is expected to be made at the end of June.

The Federal government also adopted a law to allow for a nationwide $150 billion Coronavirus Relief Fund. The formula to distribute money from this Relief Fund is pending adoption by the Minnesota State Legislature. This funding is expected to be distributed at the end of June. The city’s share currently is estimated to be approximately $3.7M. The pending legislation clearly states that a city may not retain any unused funds.

Financial overview of capital and debt:
The city finances capital improvements and equipment purchases through a combination of cash and long-term borrowing. Debt for the city encompasses infrastructure improvements to buildings, roads and sidewalks and to utility related infrastructure for water and sewer mains and storm drainage. Each bond is issued under a specific statutory authorization and revenues are pledged to repay the debt. The city has approximately $75.3M in outstanding debt which is outlined on the following pages by repayment source.

Utility Revenue Debt: Revenues from the utility funds (water, sanitary sewer and storm sewer) are pledged to repay the following debt.
**Housing Improvement Area (HIA) Debt**: Due to the size of funding needed for improvements, certain HIA’s required the city to issue debt in order to finance various improvements (instead of using internal funding sources). These debt obligations are repaid through special assessments to the benefiting property owners.

<table>
<thead>
<tr>
<th>Bond Issue</th>
<th>Purpose</th>
<th>Issue Date</th>
<th>Principal Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable General Obligation HIA Bonds, Series 2012A</td>
<td>Greensboro</td>
<td>10/17/2012</td>
<td>915,000</td>
</tr>
<tr>
<td>Taxable General Obligation HIA Refunding Bonds, Series 2019C</td>
<td>Sunset Ridge Condominiums</td>
<td>11/26/2019</td>
<td>2,010,000</td>
</tr>
<tr>
<td>General Obligation Housing Bonds</td>
<td></td>
<td></td>
<td>2,925,000</td>
</tr>
</tbody>
</table>

**Revenue Debt**: Revenues from the specific projects, such as rental property revenue or tax increment, are pledged to repay the following debt.

<table>
<thead>
<tr>
<th>Bond Issue</th>
<th>Purpose</th>
<th>Issue Date</th>
<th>Principal Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation Refunding Bonds, Series 2010C</td>
<td>Louisiana Court Apartments</td>
<td>12/29/2010</td>
<td>1,435,000</td>
</tr>
<tr>
<td>General Obligation Revenue Bonds</td>
<td></td>
<td></td>
<td>1,435,000</td>
</tr>
</tbody>
</table>

**Tax Levy Debt**: The following debt is repaid through property taxes in the form of a debt levy. Hennepin County monitors the amount that is levied for debt purposes. The debt levy is fixed for taxes payable in 2021. Long range financial planning that incorporates the city’s Capital Improvement Plan (CIP), as discussed below, incorporates future levies related to existing debt and to potential future debt.

<table>
<thead>
<tr>
<th>Bond Issue</th>
<th>Purpose</th>
<th>Issue Date</th>
<th>Principal Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation Bonds, Series 2014A</td>
<td>CTP</td>
<td>12/18/2014</td>
<td>3,160,000</td>
</tr>
<tr>
<td>General Obligation Bonds, Series 2016A</td>
<td>Ice Arena &amp; Outdoor Recreation Facilities</td>
<td>7/14/2016</td>
<td>7,645,000</td>
</tr>
<tr>
<td>General Obligation Bonds Series 2017A</td>
<td>CTP, SWLRT &amp; Fiber</td>
<td>7/13/2017</td>
<td>2,820,000</td>
</tr>
<tr>
<td>General Obligation Bonds, Series 2018A</td>
<td>CTP, Fiber &amp; Softball Fields</td>
<td>6/14/2018</td>
<td>1,855,000</td>
</tr>
<tr>
<td>General Obligation Bonds, Series 2019A</td>
<td>CTP, SWLRT, Fiber, Cedar Lake Road</td>
<td>4/10/2019</td>
<td>9,760,000</td>
</tr>
<tr>
<td>General Obligation Bonds, Series 2019A Abatement</td>
<td>Westwood Hills Nature Center</td>
<td>4/10/2019</td>
<td>12,460,000</td>
</tr>
<tr>
<td>General Obligation Tax Supported Bonds</td>
<td></td>
<td></td>
<td>45,285,000</td>
</tr>
</tbody>
</table>

**Capital Improvement Plan – (CIP)**: Capital expenditures for the city range from buildings, streets, sidewalks, IT, bridges and equipment. Capital purchases are funded by a range of intergovernmental revenue, grants, state aid, charges for services and bond proceeds.

This year’s capital planning process is still taking place and staff is analyzing and generating expected future project costs. As stated above, the city finances capital improvements through a combination of cash and debt issuances. The CIP takes a ten-year look into the future for expected infrastructure improvement and repair.
Each year, staff is asked to determine the needs of the city and their respective departments regarding purchases or construction of capital items. In general, a capital item that has a cost greater than $5,000 and a useful life of 3 years or more is included. The CIP is adopted and updated annually.

As departments prepare their respective CIP’s, they are asked to provide specific information regarding the improvement or capital purchase. They are asked to consider the importance of the capital need and classify them as follows:

1) **Have to do** – meaning required by mandate, or to maintain a system or business need.
2) **Smart to do** – meaning makes sound business sense, and/or anticipates opportunities and takes advantage of them.
3) **Would like to do** – meaning if resources became available or made available, it would make business sense but not as crucial as the Smart to do items.

Staff also takes into consideration council policy direction from the strategic priorities, climate action plan, Vision 3.0, racial equity and inclusion and the comprehensive plan when reviewing projects, purchases, programs and planning in the CIP and other budget areas.

The first draft of the CIP was due to finance by the end of May, with additional opportunities for revisions occurring in late July and late September or early October. These revision periods are meant for fine tuning costs or funding sources for projects and any possible additions or deletions of projects based on updated business needs or council direction.

Information from the CIP and the preliminary budget are included in long range financial planning. This planning brings together all the sources and needs of the city’s general operations and provides the Council with an overall, long range look at the various impacts of projects. This tool allows the Council to weigh the need and impact of one request against the city’s strategic goals and priorities.

**Next steps:** Provide updated long-range financial management plan and CIP later this fall.
Executive summary

Title: Future study session agenda planning and prioritization

Recommended action: **Due to the COVID-19 emergency declaration, this item is considered essential business and is Categorized as Time-Sensitive**
- The city council and city manager to set the agenda for the regularly scheduled study session on July 13, 2020.

Policy consideration: Not applicable.

Summary: This report summarizes the proposed agenda for the regularly scheduled study session on July 13, 2020.

Also attached to this report is:
- Study session discussion topics and timeline
- Proposed topics for future study session discussion:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Proposed by Councilmember(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policing: immediate harm reduction</td>
<td>Mohamed and Kraft</td>
</tr>
<tr>
<td>Policing: structural analysis</td>
<td>Mohamed and Kraft</td>
</tr>
</tbody>
</table>

Financial or budget considerations: Not applicable.

Strategic priority consideration: Not applicable.

Supporting documents: Tentative agenda – July 13, 2020
- Study session discussion topics and timeline
- Proposed topics for future study session discussion

Prepared by: Debbie Fischer, administrative services office assistant
Reviewed by: Maria Solano, senior management analyst
Approved by: Tom Harmening, city manager
July 13, 2020

6:30 p.m. Study session - To be held via videoconference

Tentative discussion items

1. Racial equity check-in/learning – Administrative services (60 minutes)
   This quarterly racial equity council check-in will review the council’s IDI journey and build on next steps.
   **Due to the COVID-19 emergency declaration, this item is considered essential business and is Categorized as Time-Sensitive**

2. Connect the Park discussion – Engineering (60 minutes)
   A continuation of the connect the park policy discussion that occurred August 26, 2019. After that discussion, the council asked staff to return with additional policy questions at a future date. The purpose of this item is for staff to seek council input on the scope of the additional policy questions. It is expected that this item will be the first of a series of study session discussions.
   **Due to the COVID-19 emergency declaration, this item is considered essential business and is Categorized as Time-Sensitive**

3. P1 Prioritizing transit options through investments, and engineering and operations decisions – Ops & recreation / Engineering (30 minutes)
   Staff will inform Council of the conversations that they had with Met Council on snow removal at bus stops and discuss possible next steps.
   **Due to the COVID-19 emergency declaration, this item is considered essential business and is Categorized as Time-Sensitive**

4. Future study session agenda planning – Administrative services (5 minutes)
   Communications/meeting check-in – Administrative services (5 minutes)
   Time for communications between staff and council will be set aside on every study session agenda for the purposes of information sharing.

Written reports

5. Census update
<table>
<thead>
<tr>
<th>Priority</th>
<th>Discussion topic</th>
<th>Comments</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Prioritizing transit options thru investments, and engineering and operations</td>
<td>SS discussion 10/21/19. Next steps: staff reach out to Metro Transit, bench company, and Met Council rep. Update – staff met with Metro Transit Dec., 2019</td>
<td>July 13, 2020</td>
</tr>
<tr>
<td>2</td>
<td>Climate crisis</td>
<td>SS discussion re: climate action in time of COVID. Discussed May 26, 2020</td>
<td>In process</td>
</tr>
<tr>
<td>3</td>
<td>Discuss public process expectations and outcomes</td>
<td>Staff is working on the approach for undertaking this discussion.</td>
<td>TBD</td>
</tr>
<tr>
<td>4</td>
<td>Revisit housing setback, FRA, &amp; more to maintain and create more affordable</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>5</td>
<td>Home-based businesses</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>6</td>
<td>Public forums at council mtgs</td>
<td>9/23/19 SS. Staff is doing research of other cities.</td>
<td>TBD</td>
</tr>
<tr>
<td>7</td>
<td>STEP discussion: facilities</td>
<td>Discussed on 1/14/19; city, STEP &amp; school toured Central Community Ctr and continuing discussions; 5/11/20 council asked staff to consider lending options to assist STEP in buying a new building</td>
<td>TBD</td>
</tr>
<tr>
<td>8</td>
<td>Community and neighborhood sidewalk designations</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>9</td>
<td>Remove mint &amp; menthol exemption from existing flavored tobacco policy</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>10</td>
<td>Easy access to nature, across city, starting w/ low-income neighborhoods</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>11</td>
<td>Conversion therapy ban</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>12</td>
<td>Changes to sign ordinance</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>13</td>
<td>WHNC Access Fund *On hold pending direction from school district.</td>
<td>*On hold pending direction from school district.</td>
<td>*On hold</td>
</tr>
<tr>
<td></td>
<td>Revitalization of Walker Lake area</td>
<td>Part of preserving Walker building reports: 8/28/17, 9/25/17, 1/22/18, design study 2/12/18, update 4/23/18, design study updates 8/27/18; SS report 2/11/19; SS discussion 5/28/19, planning commission reviewed ordinances for implementation Qtr. 3 &amp; 4 2019; parking ord. in process of council approval; construction of phase 1 completed; Planning for 2020 phase 2 construction work underway.</td>
<td>In process</td>
</tr>
<tr>
<td></td>
<td>Crime free ordinance/affordable housing strategies</td>
<td>Discussed 5/14/18. 1st reading housing trust fund 10/1/18; Other affordable housing strategies/CF ordinance – Nov/Dec, 12/10 &amp; 12/17/18 &amp; 1/14/19 council discussion; Certain provisions of CF ordinance suspended; Work group formed; CFO work group discussed on 3/25/19; In 2019 work group had 1st mtg in May and met approx. monthly thereafter. Work group presented recommendations to council 6/8/2020.</td>
<td>In process</td>
</tr>
</tbody>
</table>
City Council
Study Session Topic Proposal

Date: 6/10/20

Prepared by: Nadia Mohamed and Larry Kraft

Proposed agenda topic: Policing: Immediate Harm Reduction

Brief Description of topic (no more than 200 words):

The horrific killing of George Floyd shines light on the systemic racial bias and history of injustices in our country’s approach to policing. St. Louis Park’s Police Department has been forward thinking, adopted a community policing approach over 20 years ago and endeavors to create a culture that treats everyone with respect and dignity. However, if there are systemic problems with the country’s policing model itself, we should not assume that we, in SLP, are immune to them.

Given the culture within the SLPD, it is hard to imagine what happened to George Floyd happening here. Nevertheless, we think it is important to quickly examine policies that reduce the potential for immediate harm. We appreciate that the SLPD just posted a FAQ that included a response to reforms suggested by the Bcantwait effort. It appears that SLPD meets most or possibly all of the eight suggested policies, though it isn’t fully clear in the FAQ wording if de-escalation is required, if officers are required to intervene when observing an inappropriate use of deadly force, and if a use of force continuum is required. We would like to get clarity on these points.

Additionally, as part of this discussion, it would be beneficial to examine use of force statistics in the SLPD over the past several years as compared to appropriate national, state, and regional trends.

The goal of this topic would be to determine any additional policy measures that SLPD should immediately take to reduce the potential for immediate harm.

How does this topic align with the council strategic priorities? If not, why should the council consider the topic:

This agenda topic addresses the strategic priority of St. Louis Park being committed to being a leader in racial equity and inclusion in order to create a more just and inclusive community for all.

** All completed forms must be sent to Tom Harmening, City Manager tharmening@stlouipark.org and Maria Carrillo Perez, Management Assistant mcarrillo-perez@stlouispark.org by the Tuesday before a City Council Study Session **
City Council
Study Session Topic Proposal

Date: 6/10/20

Prepared by: Nadia Mohamed and Larry Kraft

Proposed agenda topic: Policing: Structural Analysis

Brief Description of topic (no more than 200 words):

Chief Harcey recently wrote, "I hope we can all look back on 2020 as the year we reached a tipping point to make dramatic change in policing, our communities and our country to dismantle systemic racism." We'd like to build on this comment and examine key structural issues in our policing approach.

First, we'd like to understand progress on diversifying the SLPD. Data on hiring and retention of people of color would be useful as well as any measures or insights on the climate for inclusion within the department.

Next, we'd like to have a deep, outcome-focused analysis and discussion about the community services that SLPD provides and whether there are alternative or significantly modified ways of providing them. Are there ways of improving outcomes and maybe even reducing costs by changing how we invest in public safety? We believe (but are open to other approaches) this process would start with an analysis and categorization of calls to police and a gathering of data on the outcomes of those calls, as well as a discussion of what we would want those outcomes to be. Community engagement should be part of the process. Analysis of the SLPD budget versus these categories as well as comparisons to budgets in other cities (dollars and percentages) could also be valuable.

As an example of a different approach to an aspect of policing, here is a mobile crisis response program from Eugene, OR: https://www.registerguard.com/news/20191020/in-cahoots-how-unlikely-pairing-of-cops-and-hippies-became-national-model

How does this topic align with the council strategic priorities? If not, why should the council consider the topic:

This agenda topic addresses the following two strategic priorities:

- St. Louis Park is committed to being a leader in racial equity and inclusion in order to create a more just and inclusive community for all.

- St. Louis Park is committed to creating opportunities to build social capital through community engagement

** All completed forms must be sent to Tom Harmening, City Manager tharmening@stlouipark.org and Maria Carrillo Perez, Management Assistant mcarrillo-perez@stlouispark.org by the Tuesday before a City Council Study Session **
Executive summary

Title: Application for tax increment financing assistance – Union Park Flats

Recommended action: **Due to the COVID-19 emergency declaration, this item is considered essential business and is categorized as a Required action**

- No formal action required at this time. This staff report outlines PPL’s application for tax increment financing (TIF) in connection with its proposed Union Park Flats redevelopment. Staff would appreciate input on the policy questions noted below.

Policy consideration: Should the EDA approve a non-binding resolution of financial support for up to $370,000 in tax increment financing assistance to support PPL’s application for Low-Income Housing Tax Credits? Should the EDA approve a resolution of support for PPL’s transportation-oriented development (TOD) and contamination cleanup grant applications?

Summary: Nonprofit Redeveloper Project for Pride in Living (PPL) (“Redeveloper”) has a purchase agreement to acquire approximately the north half of the block owned and occupied by Union Congregational Church located at 3700 Alabama Ave. PPL’s proposed plans call for the removal of the church’s education building and adjacent parking lot and construction of a three story apartment building, providing 60 units of affordable multi-family housing, including 15 3-bedroom units. An affiliate of PPL would then own and manage the new housing for the long term.

The proposed $22.2 million project includes a mix of studios, one-bedrooms, two-bedrooms, and three-bedrooms. All units would be affordable to households between 30 percent of the area median income (AMI) to 80 percent AMI with an average income of less than 60% AMI, which exceeds the city’s Inclusionary Housing Policy requirements.

Financial or budget considerations: PPL is seeking project financing from a variety of public agencies. Despite these sources, PPL maintains the project’s proforma exhibits a funding gap. Consequently, PPL applied for tax increment financing (TIF) assistance to address the remaining gap. Ehlers, the EDA’s financial consultant, and staff reviewed the project’s proforma and determined that approximately $370,000 in TIF assistance is warranted to enable the project to proceed. It is recommended that such assistance derive from a new housing TIF district. With the project’s numerous applications for financing pending approval and to bolster its applications to these agencies, PPL has requested the EDA provide a non-binding resolution of support for up to $370,000 in tax increment financing assistance. Once PPL receives commitments from its other funders, staff will work with PPL to prepare business terms for a formal redevelopment contract for subsequent EDA review and approval.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Discussion

Prepared by: Greg Hunt, economic development coordinator
Reviewed by: Karen Barton, community development director
Approved by: Tom Harmening, EDA executive director and city manager
Discussion

Background: The proposed redevelopment site (6027 37th Street West and approximately the north half of 3700 Alabama Avenue South) is located along the south side of 37th Street West between Alabama and Brunswick Avenues in the Elmwood neighborhood. It is occupied by Union Congregational Church’s single-story education building and adjacent parking lot.

The redevelopment site is approximately 1.2 acres and is underutilized from a market value perspective given the multi-story office building and multi-family residential development (Village in the Park) across the street to the east and its approximate 3-block proximity to the future SWLRT Wooddale Avenue Station. In addition, major redevelopment is likely to occur across the street to the north.

Proposed redevelopment location:

Site information:

Redevelopment site area:
51,713 square feet (1.19 acres)

Current use:
Religious institution, daycare

Neighborhood: Elmwood

Surrounding land uses:
North: General Industrial
East: Multi-family residential, office
South: single-family residential
West: single-family residential
**Proposed project:** Nonprofit Redeveloper Project for Pride in Living (PPL) ("Redeveloper") has a purchase agreement to acquire 6027 37th Street West and approximately the north half of 3700 Alabama Avenue South from the Union Congregational Church. PPL’s proposed plans call for the removal of the church’s education building and adjacent parking lot and construction of a three story, 60-unit apartment building. Walk-up units with covered porches would be located along the public streets. Pedestrian walkways, a play area, and an educational stormwater pollinator garden would be located on the building’s southside. Structured parking would be provided below grade and would be accessed from Alabama Avenue. An affiliate of PPL would then own and manage the new housing for the long term. Union Congregational intends to use the land sale proceeds to preserve and renovate the church’s sanctuary to make it more welcoming and accommodating.

*Rendering of proposed Union Park Flats*

The proposed building would have the following unit breakdown:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number of Units</th>
<th>Number of Bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>One bedroom</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Two bedroom</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td>Three bedroom</td>
<td>15</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>120</strong></td>
</tr>
</tbody>
</table>

Pending approval of its financing with various public agencies, PPL plans to commence construction in the fall of 2021 and complete construction by fall 2022.

**Affordable housing:** The redevelopment’s focus is to provide affordable housing for families, with units ranging from studios to three-bedrooms. It is proposed as an "Income Averaging" development, in which the units would be considered affordable to households at incomes ranging from 30% of the Area Median Income (AMI) ($30,000 for a household of 4) to 80% of AMI ($80,000 for a household of 4), with a building average income of less than 60% AMI ($60,000 for a family of 4). This level of affordability exceeds the city’s Inclusionary Housing Policy requirements.
Green Building compliance: The proposed Union Park Flats will comply with the city's Green Building Policy by meeting SB2030 goals and following the Enterprise Green Communities Criteria ('GCC'). The project has a goal of obtaining over 105 points through the GCC, compared to 35 points for a typical GCC project. Some of the project's specific sustainable elements are explained below.

- Reuse of a likely brownfield site (former parking lot with possible contamination and buried debris from decades-old demolition).
- Access to bus and light rail transit at the Wooddale Avenue LRT Station approximately three blocks away. This frequent transit service reduces the need for single-occupancy vehicles and vehicle miles traveled to reduce vehicle emissions.
- Access to bike lanes (i.e. along Alabama Avenue) and regional trails.
- A new, advanced stormwater management system will replace the highly impervious parking lot that covers much of the site currently. Stormwater will be held on site for re-use in irrigation, preserving potable water for domestic use with a goal of 50% of irrigation needs covered by re-used stormwater.
- The project will meet SB 2030 requirements. Exactly how the project will achieve the required performance standard will be determined through energy modeling and building design, but areas that will be considered as part of the energy design package will include: mechanical systems; electrical systems and controls; building envelope, including insulation, roof and windows.
- Water Sense labeled toilets, showerheads, and faucets.
- Low volatile organic compound and asthmagen-free interior finish materials.
- Construction waste recycling.
- The building has been sited to take advantage of a “high spot” along 37th Avenue for the primary first-floor building entrance, and a “low spot” along Alabama Avenue for the vehicular access to lower-level parking. PPL has allowed for a low-slope garage entrance ramp that does not need to be heated for safety reasons - to melt winter snow and ice – which would save energy.
- At a minimum, the project will be designed to be “solar ready.” If selected for funding by the Metropolitan Council's LCDA program, the project will also include a solar photovoltaic array.

Additional community design attributes: Additional urban design elements that enhance the neighborhood include:

- Buildings appropriately scaled to blend into the existing neighborhood and feature underground vs surface parking,
- Extensive landscaping and hardscaping,
- A new mid-block sidewalk with pedestrian amenities including benches, shade trees and lighting,
- Extensive bike parking, bike storage and repair stations--including bike facilities that serve the community,
- Pedestrian-scaled and designed to encourage community interactions at the street level,
- A variety of quality, exterior building materials in natural colors, abundant windows and decorative lighting.
**The Redeveloper:** PPL has developed more than 2,500 affordable housing units, both rental and for-sale, over its nearly 50-year history of renovating and building homes. PPL’s mission “is to build the hope, assets, and self-reliance of individuals and families who have lower incomes by providing transformative affordable housing and career readiness services.”

**Application for Tax Increment Financing assistance:** The proposed project will be funded using Low-Income Housing Tax Credits, and a combination of other sources including those from: Metropolitan Council Livable Communities Demonstration Account, MN Brownfields, MN Housing’s deferred loan program, Hennepin County’s Affordable Housing Incentive Fund and Transit-Oriented Development programs, and a first mortgage maximized by using either the HUD 221d or MN Housing LMIR programs. Despite these sources, PPL maintains the project’s proforma exhibits a funding gap. Consequently, the Redeveloper submitted an application for $1,163,000 in tax increment financing (TIF) assistance to address the project’s perceived remaining gap. Tax increment financing uses most of the increased future property taxes generated by a new development to finance certain qualified development costs incurred by that project for a limited period to enable the redevelopment to move forward. Also, according to the Redeveloper, a commitment of TIF assistance would make the project more competitive when applying for other financing, as most funders listed above count other public funding sources as leverage which results in a higher project score and makes the project more likely to be funded.

**Overview of proposed project’s sources and uses:** The EDA’s financial consultant, Ehlers, conducted a thorough review of the project based on general industry standards for land, construction, and project costs; rents; operating expenses; fees; underwriting and financing criteria; and project cash flow. Based on this detailed analysis, it collaborated with staff to determine to what extent the proposed project exhibits a financial gap justifying the use of TIF assistance.

The estimated total development cost (TDC) to construct the proposed Union Park Flats project is approximately $22.2 million. The project’s anticipated sources and uses are summarized in the tables below along with their respective percentage of the total development cost.

**Project Financing Sources:** Financing sources for the new construction of the proposed project are as follows:

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>AMOUNT ($)</th>
<th>% of TDC</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage Debt</td>
<td>$4,707,999</td>
<td>21%</td>
</tr>
<tr>
<td>Tax Credit Investor Equity</td>
<td>$11,048,895</td>
<td>50%</td>
</tr>
<tr>
<td>City of St. Louis Park TIF (proposed)</td>
<td>$370,000</td>
<td>2%</td>
</tr>
<tr>
<td>MH Deferred Loan</td>
<td>$2,328,089</td>
<td>10%</td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td>$600,000</td>
<td>3%</td>
</tr>
<tr>
<td>Other Public Agencies</td>
<td>$3,125,773</td>
<td>14%</td>
</tr>
<tr>
<td><strong>TOTAL Project Sources</strong></td>
<td><strong>$22,180,756</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Financing Structure:** As noted above the proposed project will be funded using a variety of public financing sources. PPL anticipates using a conventional 40-year mortgage at a 4.75% interest rate and generating equity through the Low-Income Housing Tax Credit (LIHTC)
program offered through Minnesota Housing. The financing terms are typical and reasonable for the product type.

Project Uses: Uses for the new construction of the proposed project are as follows:

<table>
<thead>
<tr>
<th>USES</th>
<th>AMOUNT ($)</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$1,460,000</td>
<td>$24,333</td>
</tr>
<tr>
<td>Construction Costs</td>
<td>$16,045,692</td>
<td>$267,428</td>
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<tr>
<td>Permit &amp; Public Fees</td>
<td>$536,319</td>
<td>$8,939</td>
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<td>Professional Services</td>
<td>$1,015,700</td>
<td>$16,928</td>
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<td>Financing Costs</td>
<td>$1,178,688</td>
<td>$19,645</td>
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<td>Developer Fee</td>
<td>$1,200,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Cash Accounts/Escrows/Reserves</td>
<td>$744,357</td>
<td>$12,406</td>
</tr>
<tr>
<td><strong>TOTAL Project Costs</strong></td>
<td><strong>$22,180,756</strong></td>
<td><strong>$369,679</strong></td>
</tr>
</tbody>
</table>

Construction/Affordability Impact*: The cost of land acquisition, demolition and contamination cleanup as well as site and public improvements typically make affordable housing developments infeasible without public assistance since rental income is capped at a rate below market. It is estimated that the affordability impact over 15 years will amount to $7,928,105 or $132,135 per unit as shown in the table below. However, since PPL is requesting additional sources of funding from several other public agencies, only a modest amount of TIF assistance may be necessary to fill the remaining funding gap.

<table>
<thead>
<tr>
<th>Affordability Impact</th>
<th># of Units</th>
<th>AMOUNT ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% AMI Units</td>
<td>12</td>
<td>$1,497,265</td>
</tr>
<tr>
<td>50% AMI Units</td>
<td>30</td>
<td>$4,787,947</td>
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<tr>
<td>70% AMI Units</td>
<td>8</td>
<td>$789,743</td>
</tr>
<tr>
<td>80% AMI Units</td>
<td>10</td>
<td>$853,150</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>60</strong></td>
<td><strong>$7,928,105</strong></td>
</tr>
</tbody>
</table>

*Affordability Impact: Due to decreased rental income from the proposed project being 100% affordable, there is insufficient cash flow to provide a market rate of return, pay operating expenses, and service the debt outstanding on the property. This leaves a gap in the funding for the project and makes this housing development infeasible without public assistance from local, state and other public agencies. Under MN TIF statutes, costs to construct affordable housing are an eligible expense that may be reimbursed through tax increment originating from a housing TIF District.

Developer Fee: The proposed developer fee is approximately 5.4% of the development cost, which is lower than the typical industry range of 8-10% for LIHTC projects. PPL is limiting its fee and deferring 50% of it to close the financial gap. Instead of PPL being compensated upfront for the time and resources spent to develop the project, PPL will be paid out of available cash flow. Currently, it is anticipated to be repaid within five years. Upon repayment, the project is expected to have more than enough cash flow to cover operating expenses and debt service.
Proposed level of assistance: For an affordable housing development utilizing the low-income housing tax credit program such as this one, TIF assistance would be used to stabilize a sufficient debt service coverage ratio and pay the deferred developer fee. Ehlers estimates the proposed project would need $370,000 in tax increment assistance to cash flow and become “financially feasible”. This level of assistance, along with the other sources of funding from other public agencies would offset the affordability impact described above and to allow the proposed project to proceed. By law, the proposed tax increment assistance could only be applied toward the cost of constructing affordable housing. It is proposed that the assistance would be provided to the Redeveloper over a 6-year term upon project completion and stabilization (i.e. approximately 95% lease-up). The Redeveloper has indicated the recommended level of assistance is acceptable.

Consistent with previous EDA redevelopment agreements, a "lookback" provision would be incorporated into the future redevelopment agreement with the Redeveloper. The Redeveloper would be required to submit verified final project costs and reports detailing the actual financial performance of the project. The lookback provision establishes a benchmark return based on industry standards for similar projects. The lookback provision ensures that if the project’s total development costs are lower than the estimates provided, the EDA will share economically in the success of the project by reducing the amount of TIF assistance provided.

TIF District: In order to provide the Redeveloper with the proposed tax increment it is recommended that such assistance derive from a new housing TIF district. As a tax credit eligible affordable rental housing project, the Union Park Flats project meets the statutory requirements for establishment a housing TIF district. Typically, the EDA would not create a new TIF district to provide such a modest amount of assistance, however in this case, once the obligation to the Redeveloper has been paid off, the housing district could remain open to assist other affordable housing projects and programs into the future, if desired by the council. Creating a new revenue stream for future affordable housing is prudent as the Park Center TIF District (one of the city's only two housing districts) is scheduled to decertify at the end of 2023.

The proposed redevelopment TIF district would include the following two parcels:
- 6027 37th Street West
- approximately the north half of 3700 Alabama Avenue South

Such a TIF district would allow for up to 26 years of tax increment by state statute.

Property value and taxes: The two proposed redevelopment parcels are currently tax exempt but for tax increment purposes it was determined that their total estimated market value is $1,557,000. The combined estimated market value of these properties upon the proposed project’s completion (for TIF estimation purposes) is $12,000,000. Upon full project completion and occupancy, it is estimated that Union Park Flats would annually generate approximately $115,530 in total property taxes.

Analysis of conformity with the city’s TIF Policy: As proposed, Union Park Flats meets the following Minimum Qualifications as outlined in the city’s TIF Policy:
• Promotes neighborhood stabilization and revitalization by the upgrading of existing housing stock.
• Provides a balanced and sustainable housing stock to meet diverse needs both today and in the future.
• The project is consistent with the city’s Comprehensive Plan and zoning ordinances.
• The Redeveloper has demonstrated that the proposed project is not financially feasible “but-for” the use of tax increment financing.
• The Redeveloper has a proven track record of successful real estate development performance and has demonstrated the capability to fully complete the multi-phase project as proposed.

The proposed project meets the following “Desired Qualifications” as outlined in the TIF Policy:
• Creates a substantially higher ratio of property taxes paid before and after redevelopment and provides a significant increase in taxable market value.
• Facilitates new construction on a site which would not likely be redeveloped to its optimal use without such assistance.
• Redevelops underutilized property.
• Creates a high-quality building (e.g. sound architectural design, quality construction and materials) with underground parking, public features and sustainable elements.

In addition to the above, the proposed project would have the following additional benefits:
• Intensifies the subject site and makes higher use of the property
• Creates a cohesive and attractive multi-family development that is pedestrian scale.
• Complements, integrates with, and invigorates the surrounding neighborhood.
• Helps stabilize the commercial businesses in the area by increasing the potential customer base.
• Incorporates numerous Green Building design and features.
• Lies within proximity to current bus and planned light rail transit.
• Incorporates Livable Communities and Transit Oriented Design principles.
• Provides convenient pedestrian and bicycle connections.
• Provides significant affordable housing particularly for larger families.

Grading under Project Report Card: PPL’s TIF application for its proposed multi-family affordable housing development was graded according to the Project Report Card within the city’s TIF Policy. The application was graded as follows:

• Promotes housing for large families.
  The proposed project provides fifteen 3-bedroom units which is 25% of all the units in the building. This high level of units garnered a grade of “A” on the scale.

• Provides economic integration of rental or ownership projects.
  As an "Income Averaging" development, all 60 units would be considered affordable to households at incomes ranging from 30% to $80% of the Area Median Income (AMI), with a building average income of less than 60% AMI. This percent of affordable housing to total units translated to a grade of “A” on the scale.

• Level of affordable housing provided
  The wide range of affordability of the project’s units (from 30% to 80% of AMI), with a building average income of less than 60% AMI represented a grade of “A” on the scale.
• **Ratio of soft costs to Total Project Costs.**
  Soft costs of the total project were estimated at approximately $4.1 million or 18.6% of the total development costs, which corresponded to a grade of “B” on the scale.

• **Ratio of developer to public (TIF) financing.**
  $22.2 million in private development costs to $370,000 in TIF assistance roughly equals a $60 developer / $1 public ratio which garnered an “A” on the scale.

• **The value of the site before and after redevelopment**
  For TIF estimation purposes, the current total taxable market value of the project site is estimated at just over $1,557,000. The projected market value of the property upon redevelopment is $12 million. This is a ratio of $1: $7.71 represented an “A” on the scale.

The proposed project received bonus points for:
- assembling all the properties required for the redevelopment,
- redeveloping environmentally challenging property,
- incorporating New Urbanism and livable communities design principles,
- incorporating energy efficient components,
- optimizing use of the property,
- incorporating principles of livable communities,
- likely stimulating further investment in the surrounding neighborhood,
- being located in proximity to one of the city’s planned light rail stations,
- having a significant positive community impact.

Upon calculation of all applicable factors and bonus points, the Union Park Flats project received a final grade of “A-” according to the Project Report Card within the TIF Policy.

**Conformance with the city’s Business Subsidy Policy:** Any TIF assistance provided to PPL for the proposed redevelopment would be exempt from state business subsidy requirements as it relates to housing (Section 116J.993, Subdivision 3(7)). Therefore, no public subsidy hearing would be required; however, the EDA would still be subject to TIF reporting requirements.

**Applications for TOD and Contamination Cleanup Grant Assistance:** In addition to its request for TIF assistance, PPL lists Other Public Agencies in its project financing sources above. As a result, PPL has requested that the EDA submit an application on its behalf to the Metropolitan Council for a Livable Communities Demonstration Account Transit Oriented Development (TOD) grant in the amount of approximately $1 million. PPL is requesting this grant be used for demolition, stormwater, solar panels, sidewalks, bike racks, pedestrian lighting, and rain gardens. TOD grant applications are due July 1st and require a resolution authorizing the grant application from the governing body of the city where the project is located.

PPL has also requested the EDA approve a resolution of support for its application to Minnesota Brownfields for funding through the Brownfields Gap Funding Program. This funding would be used to conduct a Phase II environmental investigation to determine if any contamination exists on the Union Park site. PPL has submitted a Minnesota Brownfields application for approximately $14,800. This program also requires a resolution in support of PPL’s application from the governing body of the city where the project is located.
**Summary and recommendation:** Based upon its analysis of the project’s proforma, Ehlers determined that the proposed Union Park Flats redevelopment has a verified financial gap and is not financially feasible but-for the provision of tax increment financing. To offset this gap, it is proposed that the EDA consider providing the Redeveloper up to $370,000 in tax increment over a six-year term derived from a new housing TIF district upon completion of the proposed project and stabilization.

Providing tax increment financing assistance to the proposed redevelopment makes it possible to construct a quality, multi-family housing development consistent with many goals of the 2040 Comprehensive Plan, to bring the subject properties to optimal market value, and provide the community with a significant number of affordable housing units (particularly for larger families) with numerous energy efficient features. It also creates a new revenue stream to assist future affordable housing projects and programs. The proposed amount of TIF assistance is in-line with other developments the EDA has previously assisted.

PPL’s proposed Union Park Flats development meets the city’s objectives for the provision of Tax Increment Financing as specified in the city’s TIF Policy. As noted above, the project meets all the Minimum and Desired Qualifications for providing TIF assistance and received a final grade of “A-” according to the Project Report Card within the TIF Policy. Furthermore, it has been demonstrated that the proposed project is not financially feasible but-for the provision of tax increment financing. So as to bolster PPL’s applications for financial assistance with other public agencies, staff supports approving a non-binding resolution of support for up to $370,000 in tax increment financing assistance as well as resolutions of support for PPL’s contamination cleanup and transportation-oriented development (TOD) grant applications.

**Next steps:** As with all such TIF applications, it is at the EDA’s discretion as to whether it wishes to provide the proposed project financial assistance at the recommended level. Provided the EDA supports providing the requested financial assistance to Union Park Flats as proposed, and in order to support PPL’s financing application with Minnesota Housing (due July 15, 2020), the EDA will be asked to approve a non-binding resolution of financial support July 6, 2020. An authorizing resolution allowing submission of the Metropolitan Council LCDA application and a resolution of support of PPL’s application to Minnesota Brownfields will also be brought to the EDA for consideration at the July 6th meeting.

Formal approval of the requested TIF assistance would follow the Redeveloper obtaining financing commitments from all other lenders supporting the project which is estimated this fall. Following that, the next steps in the TIF approval process would be as follows:

1. Negotiation of business terms for the provision of financial assistance
2. Review of proposed business terms of Redevelopment Contract
3. Call for public hearing for the establishment of a housing TIF district
4. Approval of redevelopment contract & TIF District Public Hearing & Plan approval – EDA and City Council
Executive summary

Title: May 2020 monthly financial report

Recommended action: **Due to the COVID-19 emergency declaration, this item is considered essential business and is categorized as Time-Sensitive**

- No action required at this time.

Policy consideration: Monthly financial reports are part of our financial management policies.

Summary: The monthly financial report provides an overview of general fund revenues and departmental expenditures and a comparison of budget to actual throughout the year. A budget to actual summary for the four utility funds is also included.

Financial or budget considerations: Under normal circumstances, expenditures would generally be at approximately 42% of the annual budget at the end of May. General fund expenditures are running about 5% under at 37% of the adopted annual budget through May.

License and permit revenues combined are at 65% of the annual budget through May. Much of the business and liquor license revenue has been received, which is consistent with prior years. Permit revenue is at 60% through May, which is only about $100,000 lower than the same point in time last year.

Staff continues to monitor things such as permit revenue for COVID-19 impacts. The property tax distribution from the county the first week in July will be another key indicator, however, preliminary information appears to not show a significant change in tax delinquencies.

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>$2,899</td>
<td>$3,475</td>
</tr>
<tr>
<td>Feb</td>
<td>$6,184</td>
<td>$6,949</td>
</tr>
<tr>
<td>Mar</td>
<td>$8,981</td>
<td>$10,424</td>
</tr>
<tr>
<td>Apr</td>
<td>$11,848</td>
<td>$13,898</td>
</tr>
<tr>
<td>May</td>
<td>$15,420</td>
<td>$17,373</td>
</tr>
<tr>
<td>Jun</td>
<td>$20,847</td>
<td>$24,322</td>
</tr>
<tr>
<td>Jul</td>
<td>$27,796</td>
<td>$31,271</td>
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<tr>
<td>Aug</td>
<td>$31,745</td>
<td>$34,745</td>
</tr>
<tr>
<td>Sep</td>
<td>$38,220</td>
<td>$41,694</td>
</tr>
<tr>
<td>Oct</td>
<td>$41,694</td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td>$41,694</td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td>$41,694</td>
<td></td>
</tr>
</tbody>
</table>

Strategic priority consideration: Not applicable.

Supporting documents: Summary of revenues and expenditures – general fund
Budget to actual – enterprise funds

Prepared by: Darla Monson, accountant
Reviewed by: Nancy Deno, deputy city manager/HR director
Approved by: Tom Harmening, city manager
### Summary of Revenues & Expenditures - General Fund
As of May 31, 2020

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
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<tr>
<td><strong>General Fund Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>General Property Taxes</td>
<td>$25,705,866</td>
<td>$26,597,928</td>
<td>$26,952,306</td>
<td>$28,393,728</td>
<td></td>
<td></td>
<td>0.00%</td>
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<tr>
<td>Licenses and Permits</td>
<td>3,924,648</td>
<td>4,011,644</td>
<td>5,204,432</td>
<td>5,524,011</td>
<td>3,046,001</td>
<td>1,614,810</td>
<td>65.35%</td>
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<tr>
<td>Fines &amp; Forfeits</td>
<td>269,200</td>
<td>282,146</td>
<td>279,700</td>
<td>274,340</td>
<td>280,000</td>
<td>54,749</td>
<td>19.55%</td>
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<tr>
<td>Intergovernmental</td>
<td>1,864,877</td>
<td>2,006,435</td>
<td>1,760,900</td>
<td>1,760,082</td>
<td>1,913,753</td>
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<tr>
<td>Charges for Services</td>
<td>2,162,410</td>
<td>2,180,589</td>
<td>2,187,319</td>
<td>2,160,345</td>
<td>2,212,364</td>
<td>40.52%</td>
<td></td>
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<td>Rents &amp; Other Miscellaneous</td>
<td>1,318,037</td>
<td>1,427,744</td>
<td>1,367,012</td>
<td>1,500,867</td>
<td>210,000</td>
<td>28.81%</td>
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<td>Investment Earnings</td>
<td>160,000</td>
<td>201,494</td>
<td>180,000</td>
<td>180,000</td>
<td>201,494</td>
<td>55.04%</td>
<td></td>
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<tr>
<td>Other Income</td>
<td>40,950</td>
<td>35,802</td>
<td>31,300</td>
<td>57,274</td>
<td>621,280</td>
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<td>Use of Fund Balance</td>
<td>523,835</td>
<td>298,156</td>
<td>230,026</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td><strong>Total General Fund Revenues</strong></td>
<td>$37,898,933</td>
<td>$38,712,858</td>
<td>$39,087,692</td>
<td>$40,737,411</td>
<td>$41,694,165</td>
<td>$5,464,933</td>
<td>13.11%</td>
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<td>$1,340,282</td>
<td>$1,837,620</td>
<td>$1,673,619</td>
<td>$1,913,753</td>
<td>28.47%</td>
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<td>Finance</td>
<td>978,752</td>
<td>964,036</td>
<td>1,034,199</td>
<td>1,078,291</td>
<td>409,481</td>
<td>225,251</td>
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<td>Assessing</td>
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<td>710,715</td>
<td>772,746</td>
<td>751,737</td>
<td>751,737</td>
<td>37.81%</td>
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<td>Human Resources</td>
<td>796,666</td>
<td>735,050</td>
<td>805,820</td>
<td>823,209</td>
<td>498,002</td>
<td>39.50%</td>
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<td>Community Development</td>
<td>1,479,911</td>
<td>1,502,621</td>
<td>1,571,672</td>
<td>1,571,894</td>
<td>939,064</td>
<td>40.26%</td>
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<td>Facilities Maintenance</td>
<td>1,162,342</td>
<td>1,220,211</td>
<td>1,263,337</td>
<td>1,263,337</td>
<td>755,531</td>
<td>40.29%</td>
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<td>Information Resources</td>
<td>1,589,432</td>
<td>1,526,028</td>
<td>1,674,937</td>
<td>1,474,604</td>
<td>1,024,667</td>
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<td>Communications &amp; Marketing</td>
<td>755,940</td>
<td>829,732</td>
<td>805,674</td>
<td>828,004</td>
<td>505,958</td>
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<tr>
<td>Community Outreach</td>
<td>27,637</td>
<td>12,085</td>
<td>0.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total General Government</strong></td>
<td>$8,952,151</td>
<td>$8,900,785</td>
<td>$9,630,528</td>
<td>$9,246,612</td>
<td>$7,751,908</td>
<td>37.52%</td>
<td></td>
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<tr>
<td><strong>Public Safety:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police</td>
<td>$9,930,681</td>
<td>$9,877,014</td>
<td>$10,335,497</td>
<td>$10,452,038</td>
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<td>Fire Protection</td>
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<td>4,813,074</td>
<td>4,754,524</td>
<td>5,040,703</td>
<td>310,919</td>
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<tr>
<td>Building</td>
<td>2,844,762</td>
<td>2,774,108</td>
<td>2,812,704</td>
<td>2,812,704</td>
<td>325,207</td>
<td>498,002</td>
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</tr>
<tr>
<td><strong>Total Public Safety</strong></td>
<td>$17,133,416</td>
<td>$16,803,444</td>
<td>$17,703,910</td>
<td>$17,637,035</td>
<td>$11,411,516</td>
<td>38.62%</td>
<td></td>
</tr>
<tr>
<td><strong>Operations:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Works Administration</td>
<td>$230,753</td>
<td>$208,050</td>
<td>$290,753</td>
<td>$244,036</td>
<td>$178,824</td>
<td>38.45%</td>
<td></td>
</tr>
<tr>
<td>Public Works Operations</td>
<td>3,091,857</td>
<td>2,998,935</td>
<td>3,111,481</td>
<td>3,046,786</td>
<td>2,151,210</td>
<td>35.44%</td>
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<tr>
<td>Vehicle Maintenance</td>
<td>1,253,367</td>
<td>1,242,236</td>
<td>1,268,700</td>
<td>1,268,700</td>
<td>783,830</td>
<td>38.71%</td>
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<tr>
<td>Engineering</td>
<td>525,834</td>
<td>570,377</td>
<td>551,285</td>
<td>551,285</td>
<td>342,109</td>
<td>28.54%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operations</strong></td>
<td>$5,101,811</td>
<td>$4,969,696</td>
<td>$5,214,847</td>
<td>$5,192,196</td>
<td>$4,509,030</td>
<td>35.46%</td>
<td></td>
</tr>
<tr>
<td><strong>Parks and Recreation:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organized Recreation</td>
<td>1,582,400</td>
<td>1,499,780</td>
<td>1,579,669</td>
<td>1,598,408</td>
<td>976,969</td>
<td>40.32%</td>
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<tr>
<td>Recreation Center</td>
<td>1,860,755</td>
<td>2,004,937</td>
<td>1,949,657</td>
<td>2,014,386</td>
<td>1,444,698</td>
<td>29.93%</td>
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<tr>
<td>Park Maintenance</td>
<td>1,830,530</td>
<td>1,866,744</td>
<td>1,833,297</td>
<td>1,805,455</td>
<td>1,240,729</td>
<td>34.92%</td>
<td></td>
</tr>
<tr>
<td>Westwood Nature Center</td>
<td>622,346</td>
<td>599,704</td>
<td>643,750</td>
<td>612,266</td>
<td>504,526</td>
<td>32.61%</td>
<td></td>
</tr>
<tr>
<td>Natural Resources</td>
<td>559,666</td>
<td>376,359</td>
<td>484,784</td>
<td>429,409</td>
<td>342,109</td>
<td>32.14%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Parks and Recreation</strong></td>
<td>$6,455,783</td>
<td>$6,347,524</td>
<td>$6,491,057</td>
<td>$6,491,057</td>
<td>$4,509,030</td>
<td>34.25%</td>
<td></td>
</tr>
<tr>
<td><strong>Other Depts and Non-Departmental:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Racial Equity and Inclusion</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>-0.00%</td>
<td></td>
</tr>
<tr>
<td>Sustainability</td>
<td>$5,839,753</td>
<td>$4,974,48</td>
<td>$5,939,593</td>
<td>$4,020,888</td>
<td>$976,969</td>
<td>37.09%</td>
<td></td>
</tr>
<tr>
<td>Transfers Out</td>
<td>$1,040,000</td>
<td>$300,000</td>
<td>$1,211,000</td>
<td>$1,211,000</td>
<td>$811,561</td>
<td>26.11%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Depts and Non-Departmental</strong></td>
<td>$315,772</td>
<td>$274,000</td>
<td>$315,772</td>
<td>$315,772</td>
<td>$214,000</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td><strong>Total General Fund Expenditures</strong></td>
<td>$37,898,933</td>
<td>$38,248,388</td>
<td>$39,087,692</td>
<td>$38,964,165</td>
<td>$26,274,632</td>
<td>36.98%</td>
<td></td>
</tr>
</tbody>
</table>
## Budget to Actual - Enterprise Funds
**As of May 31, 2020**

<table>
<thead>
<tr>
<th>Water</th>
<th>Sewer</th>
<th>Solid Waste</th>
<th>Storm Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>May Year To Date</td>
<td>Budget</td>
<td>% of Budget</td>
</tr>
<tr>
<td>Current Budget</td>
<td>7,472,931</td>
<td>$1,826,388</td>
<td>$5,646,543</td>
</tr>
<tr>
<td>May Year To Date</td>
<td>533,242</td>
<td>461,292</td>
<td>71,950</td>
</tr>
<tr>
<td>Budget Variance</td>
<td>7,940,086</td>
<td>2,273,713</td>
<td>5,666,373</td>
</tr>
<tr>
<td>% of Budget</td>
<td>3,510,090</td>
<td>916,346</td>
<td>2,593,744</td>
</tr>
</tbody>
</table>

### Operating revenues:
- **User charges**
  - Current: 7,472,931
  - May Year To Date: $1,826,388
  - Budget: $5,646,543
  - % of Budget: 24.44%

- **Rent revenue, permits & other**
  - Current: 533,242
  - May Year To Date: 461,292
  - Budget: 71,950
  - % of Budget: 86.51%

### Operating expenses:
- **Personal services**
  - Current: 1,521,345
  - May Year To Date: 809,868
  - Budget: 809,868
  - % of Budget: 40.75%

- **Supplies & non-capital**
  - Current: 72,500
  - May Year To Date: 15,413
  - Budget: 72,500
  - % of Budget: 50.95%

### Depreciation *
- Total operating expenses
  - Current: 3,863,347
  - May Year To Date: 1,605,825
  - Budget: 2,257,522
  - % of Budget: 41.57%

### Operating income (loss)
- Current: 4,142,826
  - May Year To Date: 2,245,871
  - Budget: 2,202,783
  - % of Budget: 49.77%

### Nonoperating revenues (expenses):
- **Interest income**
  - Current: 7,450
  - May Year To Date: 7,450
  - Budget: 7,450
  - % of Budget: 0.00%

- **Interest expense/bank charges**
  - Current: 13,000
  - May Year To Date: 10,000
  - Budget: 10,000
  - % of Budget: 0.00%

### Total nonoperating rev (exp)
- Current: 405,500
  - May Year To Date: 203,835
  - Budget: 201,665
  - % of Budget: 50.27%

### Income (loss) before transfers
- Current: 3,737,326
  - May Year To Date: 2,361,871
  - Budget: 2,861,918
  - % of Budget: 21.17%

### Transfers in
- Current: 3,368,635
  - May Year To Date: 266,098
  - Budget: 372,537
  - % of Budget: 41.67%

### Transfers out
- Current: 287,630
  - May Year To Date: 285,528
  - Budget: 2,102
  - % of Budget: 99.27%

### NET INCOME (LOSS)
- Current: 3,098,691
  - May Year To Date: 1,488,086
  - Budget: 3,252,210
  - % of Budget: 56.07%

### Items reclassified to bal sht at year end:
- **Capital Outlay**
  - Current: 2,649,356
  - May Year To Date: 245,768
  - Budget: 2,403,588
  - % of Budget: 9.28%

- **Revenues over/(under) expenditures**
  - Current: 449,335
  - May Year To Date: 1,087,866
  - Budget: 1,166,122

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*Depreciation is recorded at end of year (non-cash item).*

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### Study Session meeting of June 22, 2020 (Item No. 4)
**Title:** May 2020 monthly financial report
Executive summary

Title: Annual Storm Water Pollution Prevention Program Report

Recommended action: **Due to the COVID-19 emergency declaration, this item is considered essential business and is Categorized as *Time-Sensitive***
- None at this time. The purpose of this report is to provide the city council with an overview of how the city is meeting the Municipal Separate Storm Sewer System (MS4) permit and Storm Water Pollution Prevention Program (SWPPP) requirements.

Policy consideration: Does the city council have questions or concerns regarding the city’s stormwater pollution prevention program?

Summary: The City of St. Louis Park is a MS4 operator. As a result, the city is permitted by the Minnesota Pollution Control Agency (MPCA) for the discharge of stormwater from the city’s storm sewer system into waters of the state, such as Minnehaha Creek. This permit is required based on an amendment to the Environmental Protection Agency’s (EPA) Clean Water Act (CWA) and the creation of the National Pollutant Discharge Elimination System (NPDES). There are over 200 other cities permitted as MS4 communities within the state of Minnesota.

Public outreach is an important element of our SWPPP. Historically, we have held public meetings followed up with a city council presentation. This provided the public opportunity to review and comment on the city’s SWPPP. These comments are then recorded and considered for incorporation in the city’s SWPPP. However, due to the COVID-19 pandemic and the associated limitations on gatherings, all city events have been canceled or postponed up to this point, as further outlined in the Discussion section of this report.

Financial or budget considerations: Not applicable at this time.

Strategic priority consideration: St. Louis Park is committed to continue to lead in environmental stewardship.

Supporting documents: Discussion
- 2019 SWPPP stormwater activity highlights
- 2020 SWPPP stormwater initiatives
- EPA Stormwater Phase II final rule

Prepared by: Erick Francis, water resources manager
Reviewed by: Debra Heiser, engineering director
Approved by: Tom Harmening, city manager
Study session meeting of June 22, 2020 (Item No. 5)
Title: Annual Storm Water Pollution Prevention Program Report


discussion

background:

COVID-19 Stormwater Management public presentation schedule update:

Historically, staff presented stormwater management activities completed in the previous year and outlined the initiatives planned for the current year at a regular city council meeting. Prior to the city council presentation, staff also held an additional stormwater open house to receive public comments. Our efforts exceed the minimum requirements of the Minnesota Pollution Control Agency (MPCA).

This year, to improve public participation and to facilitate greater engagement from a wider range of residents, staff planned to solicit comments by attending city events that usually attract a larger and more diverse group of residents. We had targeted Parktacular and the Westwood Hills Nature center grand opening for this engagement.

However, due to the COVID-19 pandemic and the associated limitations on gatherings, these events have been postponed.

The MPCA recognizes the challenges that the pandemic has created for public input on our SWPPP; as a result, they are flexible with the timing of the public meeting. While the deadline to submit this report to the MPCA is June 30, our meeting can be held at any point during 2020.

In the interest of sharing this information with the city council prior to submitting to the MPCA, we are providing this report. To share the information and received public comment, we will be attending the grand opening of the Westwood Hills Nature Center on Sept. 13, 2020. We will also be working with communications staff on other ways to get feedback in the next few months.

Program outline:
The National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit establishes conditions for discharging stormwater and other related discharges into waters of the state. Operators of regulated small MS4s are required to design their Storm Water Pollution Prevention Program (SWPPP) to:

• Reduce the discharge of pollutants to the “maximum extent practicable” (MEP); and
• Protect water quality; and
• Satisfy the appropriate water quality requirements of the Clean Water Act.

The EPA’s Phase II Rule (see attached) defines a small MS4 stormwater management program as a program comprising six elements that, when implemented in concert, are expected to result in significant reductions of pollutants discharged into receiving water bodies. The SWPPP is broken out into six program elements, termed Minimum Control Measures (MCMs). These are:

MCM 1  Public Education and Outreach
Distributing educational materials and performing outreach to inform citizens about the impacts polluted stormwater runoff discharges can have on water quality.
MCM 2  Public Participation/Involvement
Providing opportunities for citizens to participate in program development and implementation, including effectively publicizing public hearings and/or encouraging citizen representatives on a stormwater management panel.

MCM3  Illicit Discharge Detection and Elimination
Developing and implementing a plan to detect and eliminate illicit discharges to the storm sewer system (includes developing a system map and informing the community about hazards associated with illegal discharges and improper disposal of waste).

MCM 4  Construction Site Runoff Control
Developing, implementing, and enforcing an erosion and sediment control program for construction activities that disturb 1 or more acres of land (controls could include silt fences and temporary stormwater detention ponds).

MCM 5  Post-Construction Runoff Control
Developing, implementing, and enforcing a program to address discharges of post-construction stormwater runoff from new development and redevelopment areas. Applicable controls could include preventative actions such as protecting sensitive areas (e.g., wetlands) or the use of structural BMPs.

MCM 6  Pollution Prevention/Good Housekeeping
Developing and implementing a program with the goal of preventing or reducing pollutant runoff from municipal operations. The program must include municipal staff training on pollution prevention measures and techniques (e.g., regular street sweeping, reduction in the use of pesticides or street salt, or frequent catch-basin cleaning).

Implementation of the MEP standard requires the development and implementation of Best Management Practices (BMPs) and the achievement of measurable goals to satisfy each of the six MCMs.

BMPs are practices, techniques, and measures that prevent or reduce water pollution from nonpoint sources by using the most effective and practicable means of achieving water quality goals. BMPs include, but are not limited to, official controls, structural and nonstructural controls, and operation and maintenance procedures.

Each year, permittees are required to conduct a review of their SWPPP to determine program compliance, the appropriateness of BMPs, and progress towards achieving the goals identified in their SWPPP. To document this review, we submit an annual report to the MPCA by June 30 of each calendar year. The city’s SWPPP and annual report are located on the city’s stormwater management webpage.

https://www.stlouispark.org/government/departments-divisions/engineering/stormwater-management/plans

The information requested by the MPCA in the report is meant to provide the basis for an assessment of the appropriateness of the BMPs and the progress that has been made toward achieving the identified goals for each of the MCMs. This assessment is based on results
collected and analyzed from inspection findings and public input received during the reporting period.

Staff is always continuing to review and refine our processes to reduce pollutants from entering our surface waters and record-keeping procedures. One of the initiatives for 2019 was to prepare for the re-issuance of the MS4 general permit, which is anticipated to be reissued later in 2020.

**Present considerations:** Does the city council have questions regarding the city’s stormwater pollution prevention program?

**Next steps:** City staff is committed to implement the SWPPP and maintain a high level of compliance.
The following outlines the Stormwater Pollution Prevention Program (SWPPP) Minimum Control Measure (MCM) activities that have been completed in 2019. These MCMs are included in the Municipal Separate Storm Sewer System (MS4) permit issued by the Minnesota Pollution Control Agency (MPCA).

**MCM-1: Public education and outreach activities**

**Permit requirement:**
Permittees shall develop and implement a public education program and distribute educational materials that inform the public of the impact stormwater discharges have on water bodies and that include actions citizens, businesses, and other local organizations can take to reduce the discharge of pollutants to stormwater. The program shall include the following:

**Activities completed:**
- High-priority stormwater-related issue for 2019
  - Rainwater Rewards Program
    - Installed 30 rain gardens and 2 rain barrels
    - Received $4,700 in grant funding from the Clean Water, Land and Legacy Amendment
  - Distributed other stormwater management related educational materials
    - Participated in the Adopt-A-Drain Program (97 participants and 161 adopted drains)
    - Stormwater and environmental education at Westwood Hills Nature Center (25,541)
    - 9 articles in 4 issues in the *Park Perspective* (circulation of approximately 27,500 residents)
    - 6 articles in the *City Manager’s Digest*
    - 1 article in the *Park and Recreation Guide*
    - Stormwater information on city’s website (3,741 clicks)
    - *Sun Sailor* article for the Rainwater Rewards Program and Metro Blooms Workshops (approximately 3,000 people)
    - Social media outreach on stormwater management
      - 24 postings
- Annual Rain Barrel sale (sold 156 barrels at a discounted rate for residents)
- Participated in Metro Blooms Resilient Yard Workshop (40 attendees)
- Participated in Metro Blooms Turf Alternative Workshop (50 attendees)
- Participated in Metro Blooms Healthy Soils Workshop (33 attendees)

**MCM-2: Public involvement and participation**

**Permit requirement:**
Permittees shall implement a public participation/involvement program to solicit public input on the Storm Water Pollution Prevention Plan (SWPPP).
Activities completed:
- Held additional public open house on May 9, to receive comments on the city’s SWPPP activities in 2018 (1 attendee)
- Held city council meeting presentation on the SWPPP on May 20, to review 2018 activities (2 attendees)

MCM-3: Illicit discharge detection and elimination

Permit requirement:
Permittees shall implement and enforce a program to detect and eliminate illicit discharges into the city’s storm sewer system.

Activities completed:
- Observed 15 illicit discharges and responded with verbal warnings and letters of warning on illicit discharge
- Identified and monitored areas within the city that have an elevated potential for illicit stormwater discharges
- Implemented a comprehensive training program for city field staff
- Distributed illicit discharge detection and elimination social media information

MCM-4: Construction site stormwater runoff control

Permit requirement:
Permittees shall implement and enforce a construction site stormwater runoff control program that reduces pollutants in stormwater runoff related to construction activity.

Activities completed:
- Performed 8 plan reviews on projects greater than one acre
- Performed 25 plan reviews on projects less than one acre
- Issued 33 erosion and sediment control permits (both over and under one acre)
- Performed 58 inspections on 12 projects greater than one acre
- Performed 206 compliance inspections on 56 projects
- Collected damage deposits for erosion control permits to aid in maintaining compliance
  - Issued 73 notices of violation for noncompliance, including verbal and written warnings

MCM-5: Post-construction runoff control

Permit requirement:
Permittees shall implement and enforce a post-construction stormwater management program that prevents or reduces water pollution after construction activity is completed.
Activities completed:

- Implement stormwater best management practices as part of the 2019 Pavement Management Project, including:
  - Rain garden
  - SAFL baffle and sump manholes
  - Reduction in impervious surfaces (approximately 5%)
- Provided stormwater management plan review for 6 projects greater than one acre
- Provided stormwater management plan review for 4 projects less than one acre
  - BMPs included underground treatment facilities, rain gardens, and biofiltration basins

MCM-6: Pollution prevention/good housekeeping for municipal operations

Permit requirement:
Permittees shall develop and implement an operations and maintenance program that prevents or reduces the discharge of pollutants from permittee owned and operated facilities.

Activities completed:

- Completed city-wide Wetland Inventory Update
- Completed Louisiana Avenue and Oxford Street Drainage Study
- Completed Klodt Pond and Beltline Boulevard Drainage Study
- Inspected 30 storm sewer outfalls
- Inspected 57 public and 38 private stormwater ponds and wetlands
- Inspected 17 stormwater management best practices
- Swept over 1,328 miles of streets and alleys
  - Removed approximately 6,472 cubic yards of material from city streets
- Inspected stockpile and storage areas
- Provide stormwater management training to city staff
- Worked with Operations to evaluate existing policies and practices and to look for areas to improve process and reduce pollution
The following outlines the Stormwater Pollution Prevention Program (SWPPP) Minimum Control Measure (MCM) planned activities for 2020. These MCMs are included in the City of St. Louis Park’s Municipal Separate Storm Sewer System (MS4) permit issued by the Minnesota Pollution Control Agency (MPCA).

**MCM-1: Public education and outreach activities**

**Permit requirement:**
Permittees shall develop and implement a public education program and distribute educational materials that inform the public of the impact stormwater discharges have on water bodies and that include actions citizens, businesses, and other local organizations can take to reduce the discharge of pollutants to stormwater. The program shall include the following:

**Activities to initiate:**
- Select high-priority stormwater-related issue
  - Rainwater Rewards Program
    - Partner with Metro Blooms and Conservation Corps of Minnesota to provide additional funding and technical assistance for the installation of 40 residential rain gardens
    - Received $12,400 in grant funding from the Clean Water, Land and Legacy Amendment to assist in the installation of the 40 rain gardens
  - Continue Adopt-a-Drain program in collaboration Clean Water Minnesota
  - Continue to promote stormwater pollution prevention throughout the city, including:
    - Partner with Clean Water Minnesota Outreach Program
    - *Park Perspective* articles
    - Social media postings
    - Partner with other cities, watershed and/or other organization’s activities and workshops
    - Continue Westwood Hills Nature Center educational programs

**MCM-2: Public involvement and participation**

**Permit requirement:**
Permittees shall implement a public participation/involvement program to solicit public input on the Storm Water Pollution Prevention Plan (SWPPP).

**Activities to initiate:**
- Provide annual report to city council in summer 2020.
- Hold public open house in fall 2020 to provide the public with an opportunity to comment on the SWPPP
- Present SWPPP comments to city council in fall 2020
MCM-3: Illicit discharge detection and elimination

Permit requirement:
Permittees shall implement and enforce a program to detect and eliminate illicit discharges into the city’s storm sewer system.

Activities to initiate:
- Continue illicit discharge detection and elimination program
  - Continue inspections
  - Update mapping
  - Provide city field staff training for illicit discharges
  - Continue to educate public about illicit discharges

MCM-4: Construction site stormwater runoff control

Permit requirement:
Permittees shall implement and enforce a construction site stormwater runoff control program that reduces pollutants in stormwater runoff related to construction activity.

Activities to initiate:
- Continue erosion control site plan review, site inspection and enforcement
- Continue to educate city staff and the public about the importance of construction stormwater management and erosion and sediment control

MCM-5: Post-construction runoff control

Permit requirement:
Permittees shall implement and enforce a post-construction stormwater management program that prevents or reduces water pollution after construction activity is completed.

Activities to initiate:
- Continue to review plans and work with local watersheds to maintain compliance

MCM-6: Pollution prevention/good housekeeping for municipal operations

Permit requirement:
Permittees shall develop and implement an operations and maintenance program that prevents or reduces the discharge of pollutants from permittee owned and operated facilities.

Activities to initiate:
- Review future projects and identify potential stormwater best management practices that would reduce runoff and improve water quality on local street projects
- Continue routine inspections and maintenance practices (i.e., street sweeping, storm sewer inspection, and maintenance work) in 2020
- Continue the use of Cartegraph and GIS mapping in 2020, to assist with tracking inspections, findings and recommendations
Polluted storm water runoff is often transported to municipal separate storm sewer systems (MS4s) and ultimately discharged into local rivers and streams without treatment. EPA’s Stormwater Phase II Rule establishes an MS4 stormwater management program that is intended to improve the Nation’s waterways by reducing the quantity of pollutants that stormwater picks up and carries into storm sewer systems during storm events. Common pollutants include oil and grease from roadways, pesticides from lawns, sediment from construction sites, and carelessly discarded trash, such as cigarette butts, paper wrappers, and plastic bottles. When deposited into nearby waterways through MS4 discharges, these pollutants can impair the waterways, thereby discouraging recreational use of the resource, contaminating drinking water supplies, and interfering with the habitat for fish, other aquatic organisms, and wildlife.

In 1990, EPA promulgated rules establishing Phase I of the National Pollutant Discharge Elimination System (NPDES) stormwater program. The Phase I program for MS4s requires operators of “medium” and “large” MS4s, that is, those that generally serve populations of 100,000 or greater, to implement a stormwater management program as a means to control polluted discharges from these MS4s. The Stormwater Phase II Rule extends coverage of the NPDES stormwater program to certain “small” MS4s but takes a slightly different approach to how the stormwater management program is developed and implemented.

What Is a Phase II Small MS4?

A small MS4 is any MS4 not already covered by the Phase I program as a medium or large MS4. The Phase II Rule automatically covers on a nationwide basis all small MS4s located in “urbanized areas” (UAs) as defined by the Bureau of the Census (unless waived by the NPDES permitting authority), and on a case-by-case basis those small MS4s located outside of UAs that the NPDES permitting authority designates. For more information on Phase II small MS4 coverage, see Fact Sheets 2.1 and 2.2.

What Are the Phase II Small MS4 Program Requirements?

Operators of regulated small MS4s are required to design their programs to:

- Reduce the discharge of pollutants to the “maximum extent practicable” (MEP);
- Protect water quality; and
- Satisfy the appropriate water quality requirements of the Clean Water Act.

Implementation of the MEP standard will typically require the development and implementation of BMPs and the achievement of measurable goals to satisfy each of the six minimum control measures.

The Phase II Rule defines a small MS4 stormwater management program as a program comprising six elements that, when implemented in concert, are expected to result in significant reductions of pollutants discharged into receiving waterbodies.
The six MS4 program elements, termed “minimum control measures,” are outlined below. For more information on each of these required control measures, see Fact Sheets 2.3 – 2.8.

1. **Public Education and Outreach**  
   Distributing educational materials and performing outreach to inform citizens about the impacts polluted stormwater runoff discharges can have on water quality.

2. **Public Participation/Involvement**  
   Providing opportunities for citizens to participate in program development and implementation, including effectively publicizing public hearings and/or encouraging citizen representatives on a stormwater management panel.

3. **Illicit Discharge Detection and Elimination**  
   Developing and implementing a plan to detect and eliminate illicit discharges to the storm sewer system (includes developing a system map and informing the community about hazards associated with illegal discharges and improper disposal of waste).

4. **Construction Site Runoff Control**  
   Developing, implementing, and enforcing an erosion and sediment control program for construction activities that disturb 1 or more acres of land (controls could include silt fences and temporary stormwater detention ponds).

5. **Post-Construction Runoff Control**  
   Developing, implementing, and enforcing a program to address discharges of post-construction stormwater runoff from new development and redevelopment areas. Applicable controls could include preventative actions such as protecting sensitive areas (e.g., wetlands) or the use of structural BMPs such as grassed swales or porous pavement.

6. **Pollution Prevention/Good Housekeeping**  
   Developing and implementing a program with the goal of preventing or reducing pollutant runoff from municipal operations. The program must include municipal staff training on pollution prevention measures and techniques (e.g., regular street sweeping, reduction in the use of pesticides or street salt, or frequent catch-basin cleaning).

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**What Information Must the NPDES Permit Application Include?**

The Phase II program for MS4s is designed to accommodate a general permit approach using a Notice of Intent (NOI) as the permit application. The operator of a regulated small MS4 must include in its permit application, or NOI, its chosen BMPs and measurable goals for each minimum control measure. To help permittees identify the most appropriate BMPs for their programs, EPA issued a Menu of BMPs to serve as guidance. NPDES permitting authorities can modify the EPA menu or develop their own list. For more information on application requirements, see Fact Sheet 2.9.

**What Are the Implementation Options?**

The rule identifies a number of implementation options for regulated small MS4 operators. These include sharing responsibility for program development with a nearby regulated small MS4, taking advantage of existing local or State programs, or participating in the implementation of an existing Phase I MS4’s stormwater program as a co-permittee. These options are intended to promote a regional approach to stormwater management coordinated on a watershed basis.

**What Kind of Program Evaluation/Assessment Is Required?**

Permittees need to evaluate the effectiveness of their chosen BMPs to determine whether the BMPs are reducing the discharge of pollutants from their systems to the “maximum extent practicable” and to determine if the BMP mix is satisfying the water quality requirements of the Clean Water Act. Permittees also are required to assess their progress in achieving their program’s measurable goals. While monitoring is not required under the rule, the NPDES permitting authority has the discretion to require monitoring if deemed necessary. If there is an indication of a need for improved controls, permittees can revise their mix of BMPs to create a more effective program. For more information on program evaluation/assessment, see Fact Sheet 2.9.
Executive summary

**Title:** Metropolitan Council and Minnesota Brownfields grant application - Prince of Peace

**Recommended action:** **Due to the COVID-19 emergency declaration, this item is considered essential business and is categorized as Time-Sensitive**

- The purpose of this item is to provide an update to the EDA regarding grant applications to the Metropolitan Council Livable Communities Demonstration Account (LCDA) and Hennepin County Minnesota Brownfields program for the Prince of Peace apartment project.

**Policy consideration:** Does the EDA support the submission of a grant application to the Metropolitan Council LCDA program and to the Hennepin County Minnesota Brownfields program to facilitate the Prince of Peace affordable housing project?

**Summary:** As noted in the January 13, 2020 study session staff report, CommonBond has a purchase agreement for the Prince of Peace church located at 8115 MN Highway 7. In January, CommonBond indicated it would like to redevelop the site and build a four story, 120-unit apartment building that would be 100% affordable and include an affordable childcare center. The developer is currently working on plan revisions, conducting environmental investigations and pursuing project financing. CommonBond anticipates submitting applications seeking city approvals this fall or early winter 2021.

As part of its financing, CommonBond recently requested that the EDA submit an application on its behalf to the Metropolitan Council for its Livable Communities Demonstration Account (LCDA) grant for approximately $1.6 million. If awarded, this grant would be used for property acquisition, stormwater, rain garden and a public sidewalk. Grant applications are due July 31, 2020 and require a resolution authorizing the grant application from the governing body of the city where the project is located.

In addition, CommonBond has applied to Hennepin County for its Minnesota Brownfields Gap Financing program which provides small grants to nonprofits for environmental assessment and cleanup. The developer applied for approximately $11,000 to be used for environmental investigation to determine any potential site contamination. This program also requires a city resolution in support of CommonBond’s grant application.

The LCDA grant is only offered once a year and awards will not be determined until later this year. The proposed resolutions of support for these grant applications do not commit the EDA to any of the upcoming planning or TIF approvals that will be requested by the developer.

**Financial or budget considerations:** The LCDA grant request will be for approximately $1.6 million. There is no match requirement for LCDA Development grant. The EDA would simply serve as the conduit for the grant funds. CommonBond is the grant applicant for the Minnesota Brownfields grant and CommonBond will work directly with Hennepin County to administer the grant.

**Strategic priority consideration:** St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

**Supporting documents:** none

**Prepared by:** Julie Grove, economic development specialist
**Reviewed by:** Greg Hunt, economic dev. coordinator; Karen Barton, community development dir.
**Approved by:** Tom Harmening, city manager
Executive summary

**Title:** Metropolitan Council grant application - Texa Tonka Apartments

**Recommended action:** **Due to the COVID-19 emergency declaration, this item is considered essential business and is categorized as Time-Sensitive**

- The purpose of this item is to provide an update to the EDA regarding a grant application to the Metropolitan Council Livable Communities Demonstration Account (LCDA) for the Texa-Tonka apartment project.

**Policy consideration:** Does the EDA support the submission of a grant application to the Metropolitan Council LCDA program to facilitate the Texa-Tonka apartment project?

**Summary:** As noted in the January 27, 2020 study session [staff report](#), Paster Development has a purchase agreement for the property at the NE corner of Texas Ave and Minnetonka Blvd. In January, Paster Development indicated it would like to redevelop the site and build a 95-unit, 3-5 story apartment building and two 2-story townhouse buildings with a total of 11 units. The developer is currently drafting plan revisions, conducting environmental investigations and working with the neighborhood leaders on input. Paster Development anticipates submitting applications seeking city approvals in July 2020.

Paster Development recently requested that the EDA submit an application on its behalf to the Metropolitan Council for its Livable Communities Demonstration Account (LCDA) grant for approximately $480,000. If awarded, this grant would be used for stormwater, utilities, pedestrian connections, decorative lighting, and rain gardens. Grant applications are due July 31, 2020 and require a resolution authorizing the grant application from the governing body of the city where the project is located.

The LCDA grant is only offered once a year and funding awards will be made later this year. The proposed resolution of support for this grant application does not commit the EDA to any of the upcoming planning or TIF approvals that will be requested by the developer.

**Financial or budget considerations:** The LCDA grant request is for $480,000. There is no match requirement for LCDA Development grant. The EDA would simply serve as the conduit for the grant funds.

**Strategic priority consideration:** St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

**Supporting documents:** None

**Prepared by:** Julie Grove, economic development specialist

**Reviewed by:** Greg Hunt, economic development coordinator

Karen Barton, community development director

**Approved by:** Tom Harmening, EDA executive director/city manager