

City of Excelsior
Notice of Work Session
of the Excelsior City Council

NOTICE IS HEREBY GIVEN that the City Council of the City of Excelsior will hold its work session on Monday, March 21, 2022 at 5:30 P.M. at the Excelsior City Council Chambers, 339 Third Street, Excelsior, MN 55331.

Members of the public may attend the work session either in person, at City Hall or by joining via Zoom either online or by telephone at:

Join Zoom Meeting

<https://us02web.zoom.us/j/85885819733>

Meeting ID: 858 8581 9733

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Meeting ID: 858 8581 9733

City of Excelsior
City Council Work Session

Agenda

Monday, March 21, 2022

5:30 P.M.

(Please Note: Times Listed Are Approximate)

1. Call to Order/Roll Call
2. Agenda Approval
3. City Hall Options
4. Adjournment

Note: The purpose of a Work Session is for the Council to discuss matters informally and in greater detail than is allowed at formal Council meetings. All meetings of the Council including Work Sessions will be open to the public. While the privilege of participating in these discussions is generally limited to the Council, staff, and consultants, the Mayor may open a discussion from the floor.



MEMORANDUM

Work Session Item 3

Re: City Hall Options

Date: March 21, 2022

To: City Council

From: Kristi Luger, City Manager

At the March 7th work session, the Council reviewed five potential sites for city hall and narrowed it down to the following locations:

- 339 Third Street Current location
- 106 Center Street The former First Church of Christ Scientist
- 261 School Avenue The former Excelsior Public School

The Council brainstormed a list of criteria to evaluate the three locations, which is included in a table on the next page.

One of the biggest factors when assessing the sites are the financial implications. In addition to the costs for city hall, the Council has been recently made aware that there is a funding gap of approximately \$800,000 - \$1,500,000 to fund the new parking structure as part of the redevelopment of 339 Third Street. If the City used the sale of the three properties as the exclusive funding source for city hall and the parking structure, the following would be the financial impacts.

	339 Third Street	106 Center Street	261 School Avenue
Funding Source <ul style="list-style-type: none"> • \$500,000 for 339 Third St (\$2M est. value - \$1.5M for parking deficit) • \$1.2M est. value for 106 Center St • \$1M anticipated purchase price for 810 Excelsior Blvd 	\$2.7M	\$2.7M	\$2.7M
Total Site Cost Purchase, Remodeling, Construction	\$2.4M (Estimated based on Columbia Heights)	\$1.5M - \$4.4M (Minimum to full renovation estimates)	\$4.0M (Estimated cost based on informal conversations)
Total Funding Available (Funding Source – Total Site Costs)	\$300,000 remaining	\$1.2 million remaining or \$1.7M deficit	\$1.3M deficit
Potential Funding Source to Cover Deficit	N/A	Phased approach, remodel as funding becomes available	Borrow from other funds and repay with rental income

In addition to selling the three properties as a potential funding source for the new parking structure, the City also has a couple other funding sources:

- \$173,590 in parking impact fees (more funds will be collected soon)
- \$127,860 in American Rescue Plan Act (ARPA) funds
- \$957,846 in undedicated capital improvement funds

Red Leaf Partners wants to know in April whether the Council feels comfortable covering the \$800,000 - \$1,500,000 funding gap. The next work session will further inform the Council of the City's financial state so the Council can make a decision regarding whether to fund the gap.

The Council should review the three locations and discuss whether there are any sites that the Council is no longer interested in studying as a potential city hall site. The Council should also discuss if there is additional information that is needed to further evaluate the site options.

Comparing City Hall Site Options

	339 Third Street	106 Center Street	261 School Avenue
Purchase Price	\$0	\$1.2 million	\$4 million*
Remodeling/ Construction Cost	\$2 million <i>New building estimate</i>	\$277,305 - \$3,217,152	Unknown
Potential Revenue	Property taxes	Potential rent	Property taxes and rent
Transition Costs	Move offsite (\$\$) or remote (\$0) while under construction	Full building remodel will likely be done in phases	Minimal initial costs with some spaces being mostly move-in ready
Tax Implications	Remains partially tax exempt	Remains tax exempt	Portion of property becomes tax exempt
Building Size	4,000-6,000 sq ft Estimated need for city hall	7,000 sq ft	23,000 sq ft
Space Fit	Built to fit needs	1,000 sq ft available	17,000 sq ft available
Year Built	New construction	1955	1899
Property Size	1.53 acres	.56 acres	.98 acres
Current Zoning	Public/Semi-Public	Residential	Cottage Commercial
Historic Status	Parcel outside of historic district	Recommended for historic designation	Building is locally and nationally designated
Surrounding Uses	Single-family and commercial	Single-family	Multi-family, single-family, office, and church
Number of Parking Stalls (<i>24 required</i>)	144 spaces	27 spaces	55 spaces
Traffic Impact (Informal observations, formal traffic study should be completed)	None <i>No change in current use</i>	Slight increase <i>Mostly vacant church to active use</i>	Slight increase <i>Office use with mostly no walk-in traffic to some walk-in traffic with city hall</i>
Exterior Maintenance	No grass, may have limited vegetation	Grass and vegetation	Grass and vegetation

* Estimate based on informal conversations with the building owner