



South St. Paul

WORKSESSION AGENDA
SSP City Hall
125 3rd Avenue North
Training room

Monday, April 11, 2022
Immediately following Special City Council Meeting

AGENDA:

1. Police Department promotions – No Attachment
2. Electronic Billboard Draft RFP
3. Economic Development Revolving Loan Policy
4. Council Comments & Questions



COUNCIL WORKSESSION REPORT

DATE: APRIL 11, 2022

DEPARTMENT: ADMINISTRATION

Prepared by: Joel Hanson

ADMINISTRATOR: JRH

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AGENDA ITEM: Electronic Billboard Draft RFP

DESIRED MEETING OUTCOMES: DISCUSS DRAFT BILLBOARD RFP AND PROVIDE DIRECTION TO STAFF

OVERVIEW:

The Council has discussed the possibility of allowing outdoor advertising billboards in a couple of locations in the City; subject to needed zoning modifications. Possible sites are the City Pump House site along 494 and a portion of Kaposia Park.

Staff has drafted a Request for Proposals that would be distributed to outdoor advertising companies in the Twin Cities metro area. Here is a listing of the companies we are currently aware of:

- ◆ Billboard Outdoor.com
- ◆ Blue Line Media
- ◆ Clear Channel Outdoor
- ◆ Lamar Advertising Company
- ◆ National Outdoor Medi
- ◆ OutFront Media
- ◆ Schubert Outdoor Advertising
- ◆ Supreme Outdoor Advertising

Key provisions of the RFP include the following:

- ❖ The City's zoning code does not currently allow for additional billboards. The RFP attempts to make it clear that we are not guaranteeing any ordinance change will occur and any proposed ordinance modification is subject to a standard approval process.
- ❖ We are looking to the successful proposer to work with us in regard to the ordinance modifications as well as mitigation measures to ensure the signage doesn't negatively impact other properties in the area.
- ❖ We will including some aerial photos that have not been finished as of yet. We will also denote access to each site on the respective photo.

- ❖ We have noted that the highest rated proposer will likely be asked to make a presentation to the City Council to give you a chance to become familiar with the project and to ask any pertinent questions you may have.
- ❖ We have asked for City advertising as part of the proposal (at no cost).
- ❖ Proposals are tentatively planned to be due on May 18th.
- ❖ The proposal doesn't not include much detail on contract/lease provisions. We will negotiate those terms with the successful proposer.

SOURCE OF FUNDS:

N/A

City of South St. Paul
REQUEST FOR PROPOSALS

Outdoor Advertising - Digital Billboards

Purpose:

The City of South St. Paul is a first-ring suburb located south of St. Paul with a population of just under 21,000. Two major highways (52 & 494) are present in the community as indicated on Exhibit #1. Currently, new billboards are prohibited by City Ordinance. However, the City is interested in expanding our revenue sources and is considering the possibility of modifying that restriction under the right circumstances and subject to the formal approval process. We desire to select a qualified developer who will work with us on modifying our ordinance and then, subject to the approval of ordinance provision allowing billboards, develop and operate one or two-sided digital billboards on City owned sites that would be leased to the selected developer. Two possible sites are under consideration as noted on Exhibit #1.

Instructions on Proposal Submission:

1. Closing Submission Date

Proposals must be submitted no later than 2:00 p.m. on Thursday, April 28th, 2022. All proposals must comply with the provisions of all applicable laws and regulations of the State of Minnesota, Dakota City, and the City of South St. Paul.

2. Addenda

The City of South St. Paul reserves the right to issue addenda to this Request for Proposals (RFP). If it becomes necessary to revise any part of this RFP, addenda will be provided in writing to all prospective proposers who have registered their participation by sending an email to jhanson@southstpaul.org. Any addenda issued shall be deemed a part of this RFP. The City is not bound by any oral representations, clarifications, or changes made in the written specifications by City employees, unless such clarification or change is by addendum.

3. Inquiries should be directed to:

Joel Hanson, City Administrator
City of South St. Paul
125 3rd Avenue North
South St. Paul, MN 55075
651-554-3272

4. Conditions of Proposal

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the bidder and will not be reimbursed by the City of South St. Paul.

5. Instructions to Prospective Bidders

Please submit proposals via postal mail or hand delivery (no e-mail) in a sealed envelope marked: ***Outdoor Advertising – Digital Billboards Proposal for South St. Paul***

To:

**City of South St. Paul
125 3rd Avenue North
South St. Paul, MN 55075**

Late proposals will not be considered.

6. Responsibility for Costs

The selected proposer will be solely responsible for all costs arising from preparation of the proposal, negotiations, planning, permitting, installing, operating, and maintaining the digital billboards. The City will be responsible for ordinance modifications to be considered.

7. City Responsibility to Proposal

This Solicitation does not commit the City to award a contract, to pay any costs incurred in the preparation of the proposal. The City reserves the right to accept or reject any or all proposals received as a result of this request, or to cancel in part or in its entirety this proposal if it's in the best interest of the City to do so. If the proposal fails to conform to the essential requirements of the RFP, the City alone will be the judge as to whether that variance is significant enough to consider the RFP non-responsive and therefore not considered for award.

8. Ownership of Material

All proposals submitted in response to this document shall become the property of the City. Proposals submitted may be reviewed and evaluated by any person(s) at the discretion of The City upon award of contract.

9. Discussions/Negotiations

By submission of a proposal, offeror agrees that during the period following issuance of the RFP and prior to final award of contract, offerors shall not discuss this procurement with any party except the City Administrator or his designee.

Proposal Requirements:

Proposals must specifically address each of the following requirements in the order they appear below. These terms will be negotiated in more detail with the selected developer and included in the Development Agreement and/or Lease for any digital billboards ultimately approved by the City.

1. Locations:

Proposals must address the two (2) proposed locations (Site 1 and Site 2) for digital billboards as identified in Exhibit #2 and #3.

2. Billboard Specifications:

Proposals must provide the specifications of the digital signs, including screen sizes, pixel dimensions, and lumen output at the property lines visible to the motoring public as well as any residential properties within 500 feet of the proposed sign and whether the sign will be single or double sided.

3. Unique Site Conditions:

Proposals shall discuss how each site will be developed to avoid or mitigate conflicts with underground utilities, vegetation, existing structures, and existing uses. The proposal shall also address how the impacts the sign(s) will have on adjoining properties in terms of light impacts. Site 1 is part of Kaposia Park and is adjacent to Highway 52. A disc golf course operates in this area and a tee box is in the immediate vicinity of the proposed sign location. Site 2 is a City water supply well house that has significant underground utilities and a steep bank to the south. The sign structure and footing will need to be setback at least xx feet from the building and xx feet from any watermain, and xx feet from any fiber cable system. ACCESS TO EACH SITE????

4. Lease Rate:

Proposals must specify the proposed lease rate for each digital billboard location on an annualized basis. Proposals should include a base rent amount with annual escalation factors.

5. Term:

Proposal should identify their proposed lease term provisions. Ideally, this would include an initial lease term with renewal options subject to the proposed terms.

6. Compliance with Minnesota States Chapter 173 & Other Laws:

Proposals must describe how the developer will achieve compliance with any state or federal restrictions on billboards or highway advertising including permitting requirements, if any. Proposals must also indicate what role, if any, the City is expected to have in that process.

7. Acknowledgement that Rezoning to Allow Billboards is not Guaranteed:

The City is exploring the possibility of making zoning modifications that would allow placement of billboards within the City. However, the evaluation of proposals and the public hearing process will ultimately determine if any such changes occur. By submitting a proposal, the proposer is hereby acknowledging that possibility and assumes the associated risk with no repercussions to the City if billboards are not approved.

8. Development Schedule:

Assuming zoning changes do occur that provide for the placement of billboards, the Proposal must include a development schedule timeline. The timeline should start from an assumed City approval of zoning modifications. The timeline is to be based upon weeks/months versus dates. It should also include an allowance for obtaining a conditional use permit or any other permits needed from other agencies, building permits, completion of construction, and the target date by which the City will begin receiving lease revenue for each billboard location.

9. Emergency Preemption:

Proposal must allow the City or other designated authorities to preempt digital advertisements with emergency alerts or information at no cost.

10. City Advertising:

Proposals shall identify how much City content will be allowed over a specific time period (per day, per week, or per month) and under what conditions. There shall be no cost to the City associated with this provision.

11. Construction and Maintenance Costs:

The developer shall be solely responsible and shall bear all costs for the construction, installation, and operation of the digital billboards including the cost of permitting. The developer shall also be solely responsible of providing and paying for all preventative and ongoing maintenance of the digital billboards.

12. Removal Upon Termination of the Lease:

Proposal shall also include an acknowledgment that the sign and all related equipment and appurtenances shall be removed from the site(s) within 120 days from the expiration of the lease. The acknowledgment shall also include the responsibility for restoration of the site to a condition consistent with adjoining property.

Evaluation of Proposals:

In evaluating the proposal, the City reserves the right to accept or reject all or any part of any proposal, waive minor technicalities, and award the contract to the offeror deemed to best serve the interest of the City; and adopt any part or all of a proposal if it is judged in the best interest of the City. Each proposal will be evaluated on the content of the offeror's proposal.

During the review process, the City shall have the right to request from offerors any other information or evidence which it deems necessary for evaluation of the proposal and relevant to any one or more of the stated evaluations factors. The failure of an offeror to promptly provide such requested information or evidence shall be sufficient grounds for determining the offeror to be non-responsive and for rejection of the proposal.

The City reserves the right to contact an offeror for clarification of information submitted, to contact references, and to use other sources of obtaining information regarding the offeror that is deemed appropriate and would assist in the evaluation.

Evaluation Criteria:

Subject to potential zoning modifications, the City award of a contract will be based on the following criteria as determined in the City's sole judgment:

- a. Proposal content and its responsiveness to the RFP (include a detailed description of how the technical requirements for the proposed will be met). Demonstrate understanding of the scope and objects and work plan presented in the RFP.
- b. Overall qualifications and technical competence of the individuals to be involved in the project as they relate to this project.
- c. Past performance based upon the offeror's submittal of a representative list of all similar projects completed within the past three (3) years to include location of the installation, a contact person from the lessor's, technical contacts that includes names, addresses and telephone numbers.
- d. The firm's insight related to the project and the City's needs including insights into possible zoning revisions and mitigation techniques or options that minimize the negative impact of each proposed sign relative to each site.
- e. Financial return to the City.

Basis for Award:

Based on the City's evaluation, the highest rated offeror(s) may be invited to attend a Work Session meeting of the City Council of South St. Paul to make oral presentations and answer any questions the City Council may have. The City Council will make the final decision regarding the acceptance of any proposal. Based upon the direction of the City Council, designated City Staff shall then negotiate a proposed contract with the highest qualified offeror. At the time proposed contract is negotiated, the City may negotiate any desired changes in the final agreement deemed to be in the best interest of South St. Paul. If a satisfactory proposed contract cannot be negotiated with the highest qualified offeror, negotiations will be formally terminated. Negotiations shall then be undertaken with the second most qualified offeror and so on. Staff will make the appropriate recommendation(s) to the City Council prior to actual award of contract.

Contracting/Leasing:

Upon award of the proposal, this document and the successful offeror's proposal, including all correspondence, supporting documents and completed forms, shall become part of any development contract and/or lease document. All written communications between the City of South St. Paul and the successful offeror after the proposal opening may also be incorporated into the document(s). The City also reserves the right to negotiate with all qualified proposers if it is in the best interest of the City to do so.



Agenda Item: Economic Development Revolving Loan Policy

Desired Outcomes:

- Discuss proposed modification to Revolving Loan Policy
- If consensus is to accept modification, direct staff to place updated policy on future EDA Agenda

Issue/Opportunity:

In August 2021, the EDA adopted Resolution 2021 – 18 which authorized the EDA to administer a modified Business and Development Loan Program for certain economic development activities. This program was established in the early 2000s by the HRA and has assisted at least 35 businesses since that time. Despite the program’s ample funding, the program has been underutilized in recent years due to declining interest rates, and there is only one active and current loan in the portfolio (Quik-Serv License Center).

Staff would like to discuss one potential “tweak” to the program at Monday’s worksession. Currently, the Program is structured such that an applicant can apply for no more than \$150,000 in EDA assistance. In part, this limit was set in an effort to “streamline” the process for applicants by avoiding the more rigorous requirements of Minnesota’s Business Subsidy Policy, which requires any assistance greater than \$150,000 to be treated as a business subsidy (subject to a public hearing as well as annual reporting requirements). Staff continues to believe that in most cases, this approach is prudent and makes the program most nimble and attractive. However, we would like for the EDA to consider whether larger loans might be considered in specific, potentially “catalytic” circumstances. Namely, we are suggesting a change that would allow the EDA to extend financing beyond \$150,000 if all of the following conditions are met:

- The proposed project meets two (2) or more of the Eligible Activities listed in Section IV of the Loan Policy. This section of the policy establishes the following as “Eligible Activities”:
 - Creation or retention of jobs; or the improvement of jobs as measured by wages
 - Acquisition of land and buildings
 - New Construction
 - Façade and building renovations, including renovations to address code deficiencies
 - Purchase and installation of machinery and equipment
 - Clearance, demolition, or removal of structures
 - Infrastructure improvements necessary to support new or expanding businesses
- The proposed project is located within one of the Priority Areas listed in Section VI of the Loan Policy/ This section of the policy identifies the following as “Priority Areas”:
 - Concord Street between Annapolis Street and Wentworth Avenue
 - Southview Boulevard and Marie Avenue
 - Concord Exchange

- Concord Street between Dale Place and Linden Avenue
- The proposed project involves the renovation and/or reinvestment in a building constructed more than 35 years prior to the date of application; and
- Where required by State Law and the City's Business Subsidy Policy, the proposed project will be subject to an Approved Business Subsidy Agreement.

Recommendation:

Staff believes that the proposed modification to the Loan Program will expand the reach and impact of the loan program for projects that have catalytic potential. Potentially, having larger loan amounts may result in fewer total loans extended at any given time through this program. However, commercial interest rates continue to be attractive and generally speaking SSP businesses are finding financing products in the commercial lending market, as reflected in the relative inactivity associated with our program since about 2015 (only 3 applications since then). Ultimately, we present this proposed modification with a recommendation that the EDA approve the changes to give the program more flexibility when projects present a significant public benefit.