



**ALLEN S. KING PLANT ADVISORY PANEL
ACTION PLAN**

June 1, 2022

Prepared for:
Oak Park Heights City Council

Prepared by:
Stantec Consulting Services Inc.

Table of Contents

ACKNOWLEDGEMENTS	ii
1 INTRODUCTION	1
2 ACTION PLAN	2
2.1 Xcel Energy Action Steps	2
2.2 City Infrastructure Action Steps	2
2.3 City Funding Action Steps	3
2.4 City Economic and Fiscal Action Steps	3
2.5 City General Action Steps	4
3 ACTION PLAN TIMELINE.....	5

LIST OF APPENDICES

APPENDIX A GRANT AND FUNDING OPPORTUNITIES.....	8
A.1 Infrastructure – Sewer/ Water/ Storm	8
A.2 Environmental Remediation	10
A.3 Public Parks/ Preserves/ Wetlands	11
A.4 Economic Development – Industrial/ Commercial	12
A.5 Multifamily Housing	13



Acknowledgements

The City of Oak Park Heights would like to acknowledge the following individuals and organizations for their contributions to the Advisory Panel process. The process took place during the Covid-19 pandemic and participants persisted through pauses in the process, virtual meetings and more. This process would never have been as successful without the dedication of each individual involved.

Advisory Panel Members

Special thanks to Tim Freeman and Gina Zeuli who served as co-chairs for the advisory panel, and Eric Johnson and Jennifer Pinski as the City staff liaison.

Adam Josephson – MnDOT
AJ Paron - Citizen Member
Beth Goodpaster – MCEA
Brian Behm – Xcel Energy
Brian Zeller – MSCWMO
Chris Eng – Washington County CDA
Collette Jurek and Michael Wilhelmi – Xcel Energy
David White – Oak Park Heights Planning Commission
Deb Ryun – St. Croix River Association
Eliza Chlebeck – Anderson Windows
Jennifer Pinski – City of Oak Park Heights
Jennifer Van Dyke – Oak Park Heights Planning Commission
Jim Kremer – Citizen Member
Jim Levitt – MnDNR
John Regal – Citizen Member
Judith Chirhart – Oak Park Heights Parks Commission
Kate Hanson – Citizen Member
Larry Schneider – Citizen Member
Lisa Yager and Julie Galonska – National Park Service

Robin Anthony – Greater Stillwater Chamber of Commerce
Sara Taylor – City of Bayport
Scott Richards – Oak Park Heights Planner
Shane Zahrt and Greg Pruzinski – Flaherty and Hood
Tim Axel – Citizen Member
Tim Holden – Citizen Member
Tom McCarthy – City of Stillwater
Tony Wilger – Stillwater Area School District

Xcel Energy Representatives

Several representatives from Xcel Energy volunteered time and effort to participate in the advisory panel process.

Collette Jurek
Brian Behm
Michael Wilhelmi
Rick Rosvold
Trisha Duncan
Dan Pfeiffer

Washington County CDA provided sponsorship and participation

Special thanks to Robert Stretar PhD of Stretar Consulting Services for his expertise



1 Introduction

In July 2019, Xcel Energy submitted its Integrated Resource Plan (IRP) to the Minnesota Public Utilities Commission, which identified the decommissioning of the Allen S. King Plant in 2028. Given the magnitude of this change and the breadth of its implications, the City of Oak Park Heights appointed an Advisory Panel made up of stakeholders with an interest in the closure of the Allen S. King Plant to help inform the City Council's decision-making process and next steps. The Advisory Panel process involved a series of ten workshops reviewing detailed information about the physical characteristics of the property, the plant itself and its operations. The Advisory Panel also reviewed information about the unique location of the property along the Wild and Scenic St. Croix River Corridor and its multi-jurisdictional regulatory context. Finally, the Advisory Panel reviewed the fiscal and economic impacts of the plant closure and what that might mean for the city. With this information as a foundation, the Panel participated in several exercises designed to discuss priorities, review challenges and opportunities and identify potential high-level reuse concepts.

Several key takeaways came out of the Advisory Panel process, which can help to inform the City's action plan moving forward. The Panel generally was supportive of a mixed-use concept for the King Plant property, assuming the restoration of natural areas along the St. Croix River. The Panel also highlighted the need for cleanup of the site to appropriate standards, depending on the anticipated future use of the land. The concepts that the Advisory Panel created take advantage of the existing infrastructure on site and acknowledge that certain infrastructure will remain in place post-closure of the King Plant. Finally, there was an understanding by the Advisory Panel that Xcel Energy (Xcel) owns the King Plant land, and any future land use concept will need to be determined in close coordination with Xcel.

It is important to highlight that the City of Oak Park Heights is the land use authority for the King Plant property. Any Comprehensive Plan amendment modifying the future land use of the property will need to be approved by the City Council. The City will need to work with Xcel as the owner of this property to determine the future land use and ensure that the future of this property is beneficial for both the City and Xcel. The Advisory Panel process has shown that the City is committed to working with all stakeholders to ensure the highest and best use for the future of the King Plant property.

From a planning perspective, it is appropriate for the City to focus on the closure of the King Plant and work towards mitigating any potential impacts to the City. That being said, the anticipated closure and decommissioning of the King Plant is planned for the 2028-2030 timeframe. Due to the length of time between now and the closure of the plant, more detailed activities and actions will need to be identified closer to the decommissioning. For the purpose of this action plan, we want to identify near-term specific actions that the City might take, as well as high-level actions prior to decommissioning, which should be revisited in more specificity in a couple years. Acknowledging that Xcel Energy is the owner of the King Plant property, this action plan highlights Xcel Energy's key milestones and identifies steps that the City can and should take at this point.



2 Action Plan

2.1 Xcel Energy Action Steps

Match engagement strategies and other activities based on an awareness of Xcel's process. The following Action Steps were agreed to by Xcel with the adoption of the Integrated Resource Plan in 2022.

- Retire the Allen S. King plant in 2028.
- Replace Allen S. King's 600MW of generation with solar and/or storage between 2028 and 2030, to maximize the King gen-tie and fully reuse the King interconnection.
- Conduct quarterly stakeholder meetings regarding the King Plant site with interested parties, including the city of Oak Park Heights, Washington County, and a list of environmental, regulatory, and labor stakeholders. Xcel Energy must provide PUC with annual reports, beginning January 1, 2023, that describe our stakeholder outreach and provide updates for the demolition and remediation of the King Plant site and any other impacted land.
- Prepare a detailed report describing our disposition plans for the King Plant site, buffer property and equipment. Direction from PUC includes a detailed list of items that should be included in the report. The report can be included in our next IRP and must be submitted by December 31, 2023.
- Develop a comprehensive plan to support transitioning workers. We must work with Minnesota DEED's Energy Transition Office as well as a variety of other state agencies, labor unions and environmental nonprofits in the creation of the plan. Xcel Energy must file the plan with the PUC by the end of the year, and then provide annual updates on plan implementation.

2.2 City Infrastructure Action Steps

A feasibility study has been conducted to identify the water system, sanitary sewer and stormwater management facilities, with associated costs, needed to serve the future re-development of the King Plant site. The cost identified to provide the water, sanitary sewer and stormwater facilities to serve the redeveloped site is \$4,800,000. It has also been identified that a redeveloped site would necessitate the construction of a new water tower and water supply well. The additional cost for the water tower and well is \$4,100,000. The feasibility report highlighted the following action steps funded by a grant from the State of Minnesota. These action steps exclude construction of the water tower and the well & pumphouse.

- June 2022 - Grant awarded to City
- July 2022 - Accept Feasibility Report
- July 2022 - Authorize Preparation of Plans & Specifications
- December 2022 - Approve Plans & Specifications
- December 2022 - Authorize Advertisement for Bids
- January 2023 - Receive Bids
- March 2023 - Review Bids/Award Contract
- May 2023 - Begin Construction
 - June 2024 - Substantial Completion
 - August 2024 - Final Completion

NOTE: as of June, 2022 - This process assumes STATE BOND FUNDING in 2022. The State did not pass a Bonding Bill in 2022 - Presumably this schedule would move forward for future requests.



2.3 City Funding Action Steps

Staff from Stantec’s North American Funding Program reviewed the potential redevelopment scenarios and assembled a list of current external grant funding programs that would be particularly relevant to supporting site readiness and site development elements at the King Plant site. These grant funding programs are those that are currently available in 2022 and will need to be updated regularly until the decommissioning is complete to ensure accuracy and relevancy to different aspects of site readiness and site development. Placed in the appendix to this action plan, this library of opportunities includes federal, state, regional and foundational programs and contains important characteristics such as eligibility, funding amounts, deadlines and next steps for each funding source. It is intended to be a reference over time to be updated regularly as the development process unfolds. Programmatic resources are categorized as relevant to infrastructure (sewer, water and storm), environmental remediation, public parks, preserves and wetlands, economic development and multifamily housing. Suggested City action steps related to funding are summarized below.

- Review and modify grant funding program list every other year until 2026.
- Review and modify grant funding list annually after 2026 as the decommissioning approaches.

2.4 City Economic and Fiscal Action Steps

A grant from the State of Minnesota funded an economic and fiscal impact study to determine impacts of the plant closure, including a fiscal tool which allows the City to visualize impact under different scenarios. Suggested City action steps are summarized below.

- **Cost of Service Analysis:** An element of this analysis would benefit from additional analysis. The cost of providing services to new development is a key variable that can be made more accurate. This analysis estimates those costs conservatively, using an average cost model. The average cost model scales up existing departmental costs in direct proportion to the additional service burden. A marginal cost model recognizes that the cost of City services have fixed elements and variable elements, and it is the variable cost component that will need to scale up proportionate to the additional service burden.
- **Redevelopment Market Study:** Choosing a redevelopment path requires consideration of multiple factors that are additional to their economic and fiscal impacts—such as land suitability and community needs. Another important consideration is the market context for different development types at this location. Although the demand for development of different kinds will change between now and the year of the first groundbreaking, some key market insights can be brought to the table in the near term that can shape informed expectations for the future.
- **Budget Benchmarking:** A benchmarking exercise would compare Oak Park Heights costs of service and revenues to those of similarly situated cities in the Twin Cities metropolitan area. The study may benefit Oak Park Heights by surfacing cost categories that have the potential for efficiency gains, and/or categories of revenues or impact fees that are common in peer cities but underutilized in Oak Park Heights.
- **Fiscal Strategic Plan:** The Cost of Service Analysis, Redevelopment Market Study and Budget Benchmarking exercises will provide insights that build on the findings from this Economic and Fiscal Impact Analysis. That strong information base will position Oak Park Heights to develop and adopt an initial strategic plan for addressing the fiscal challenge ahead.



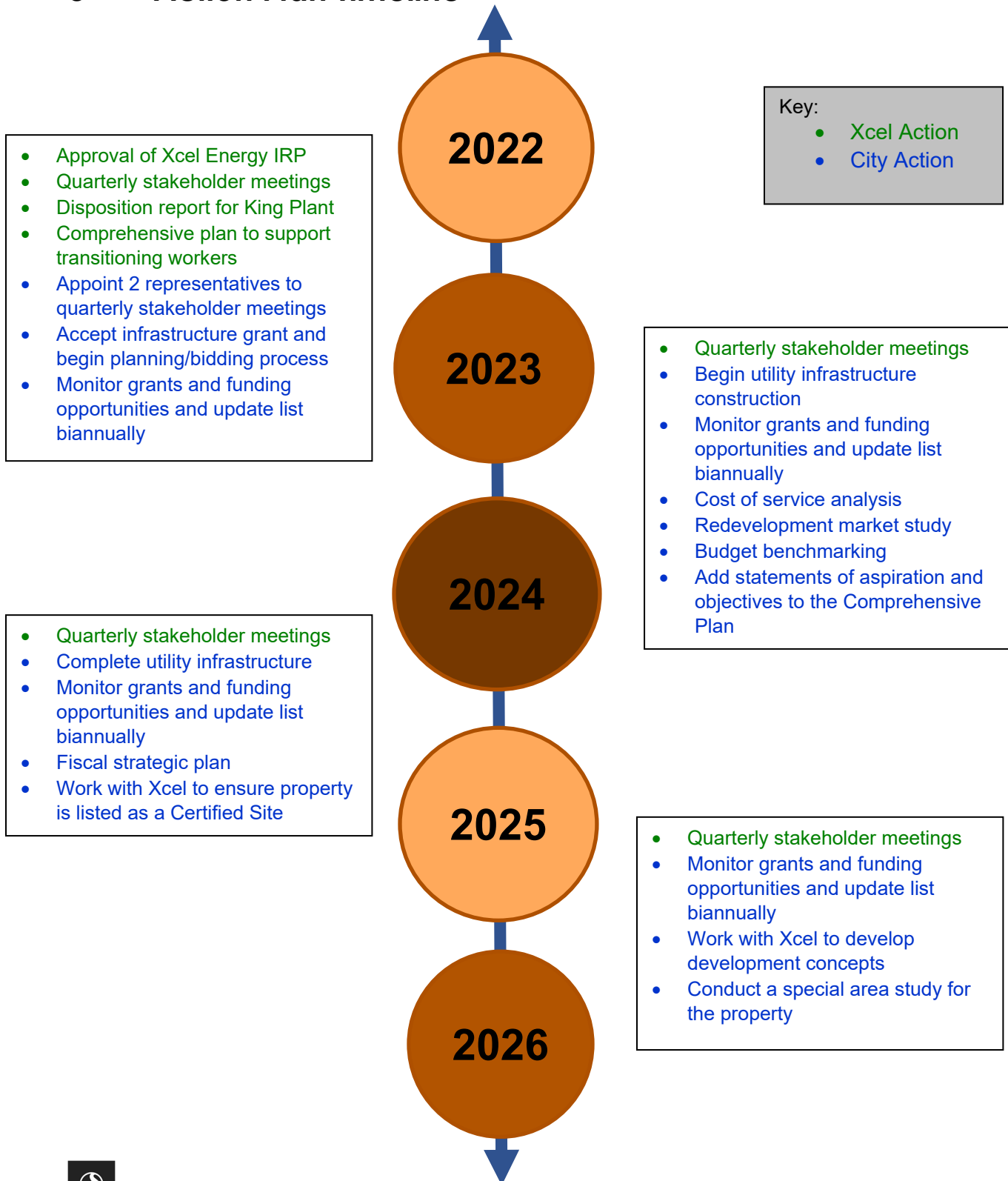
2.5 City General Action Steps

As the City prepares for the decommissioning of the King Plant in 2028, there are several action steps that can be taken to guide the process in the manner that best serves the city and its residents. These steps include coordination with Xcel as the property owner, and items that the City can take on individually.

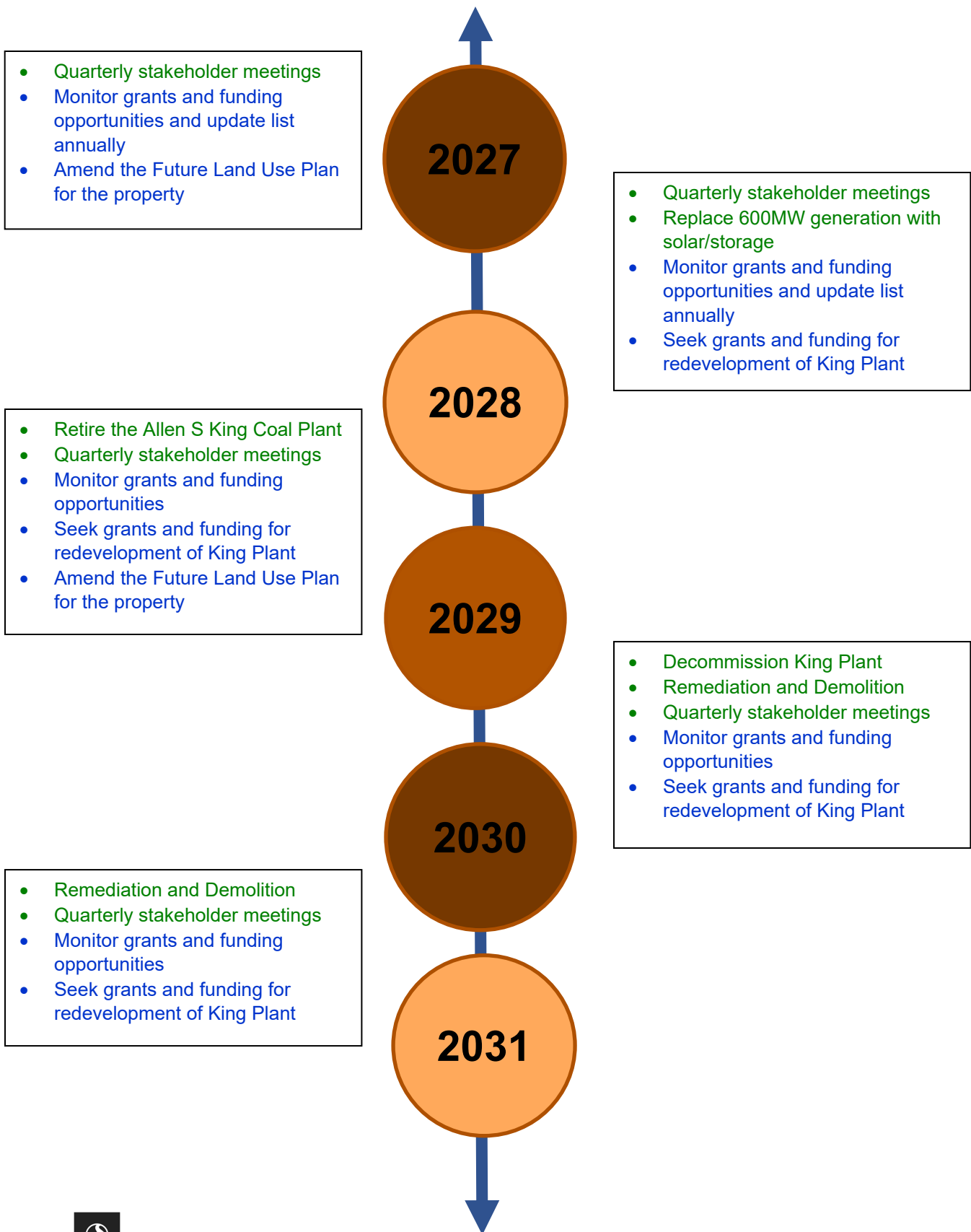
- Xcel Energy is required by their Integrated Resource Plan to hold quarterly meetings with stakeholders, including the City of Oak Park Heights, to discuss the future use of the property. The City should be an active participant in these discussions and advocate for the interests of its residents.
 - The City Council should appoint 2 representatives to the stakeholder meeting committee.
 - The City representatives shall serve at the City Council's pleasure and be guided by policies to guide their participation. Policies reflective of the Advisory Panel Process for consideration are included below.
 - Strive to understand the many factors that complicate decisions about the decommissioning of the King Plant and its reuse and recognize and advocate for the City's interests through these meetings.
 - Support reuse scenarios that positively impact the fiscal and economic health of the City.
 - Respect Xcel Energy's ownership of the property and its responsibilities related to the Integrated Resource Plan, its existing and future infrastructure investments, and legal interests.
 - Promote environmental remediation, the restoration and conservation of natural systems and the scenic character of the St. Croix River Valley.
 - Positively consider reuse scenarios that include mixed-use opportunities and promote equity.
- The City will review Xcel's annual report to the PUC summarizing the stakeholder process. The City will work with Xcel to make certain that information key to OPH is reflected in each report. If necessary, the City may prepare a supplement report conveying information deemed critical to its future.
- The City should work with the property owner, Xcel Energy, to determine potential development concepts that would be mutually beneficial and accomplish the highest and best use of the property.
- The City should conduct a special area study for the property as the King Plant approaches the decommissioning date. This special area study can include updating market research, exploring development concepts, understanding access and constraints to development etc.
- As the decommissioning approaches, and more certainty is known about the redevelopment concepts for the site, the City should plan to amend the Future Land Use Map in its Comprehensive Plan to guide future development.
 - In the interim, the City should add statements of aspiration and objectives to the Comprehensive Plan regarding the King Plant property.
- The City will work with Xcel Energy to ensure the property is listed as a Certified Site by Xcel's Corporate Economic Development.



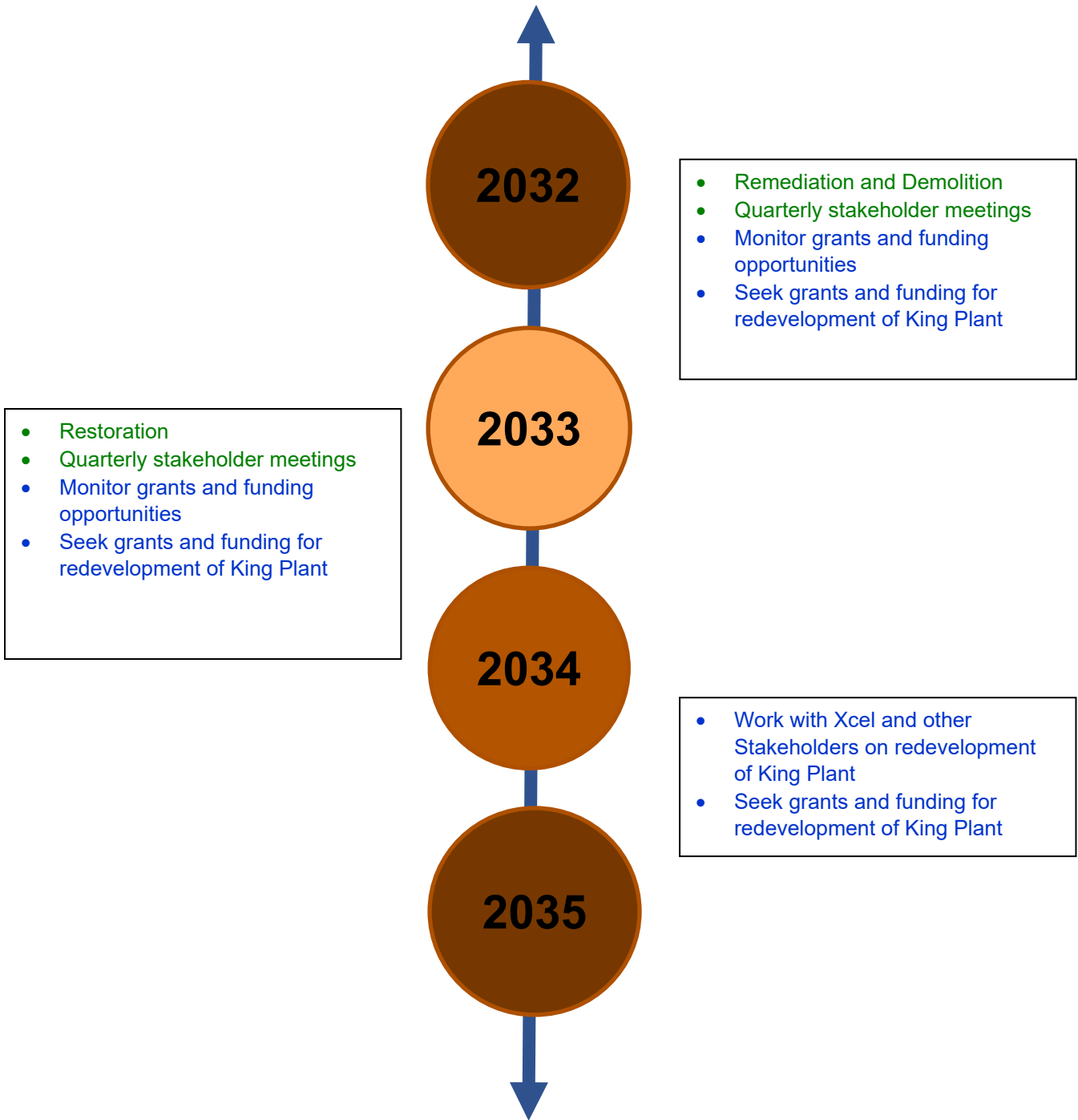
3 Action Plan Timeline



Allen S. King Plant Advisory Panel Action Plan



Allen S. King Plant Advisory Panel Action Plan



Appendix A Grant and Funding Opportunities

This appendix is a summary of potential grant funding opportunities available in 2022 to support site preparation and development activities for the King Plant property. This list should be reviewed and updated every other year until 2026, and annually as the decommissioning approaches.

A.1 Infrastructure – SEWER / WATER / STORM

Minnesota Public Facilities Authority (PFA), State Revolving Funds (*Clean Water (sewer and storm) and Drinking Water Revolving Funds*)

Eligible Applicants:

Cities, counties, townships, districts or other governmental subdivisions responsible for wastewater or drinking water systems are eligible.

Eligible Projects:

The PFA works in partnership with the Minnesota Pollution Control Agency (MPCA) (clean water) and the Minnesota Department of Health (MDH) (drinking water) to deliver projects that make improvements to existing or new:

- public drinking water systems – treatment, storage, distribution
- public sanitary sewer systems – treatment, collection
- stormwater or subsurface drainage water systems – manage, reduce, treat, or recapture

Funding Amounts / Terms:

Low-interest loan program with interest rate discounts for small and low-income communities. Principal forgiveness is provided for very small and very low-income communities.

Deadline:

Two-step process:

- Project Priority List (PPL) request
 - due the first Friday in March to the MPCA for the Clean Water Revolving Fund
 - due the first Friday in May to the MDH for the Drinking Water Revolving Fund
- Intended Use Plan (IUP) request is due the first Friday in June to the PFA for both SRFs.

Recommended Application Timeframe

- March and May the year prior to intended construction start date.

Minnesota Legislature, Minnesota Capital Bonding Bill

Eligible Applicants:

Local governments and political subdivisions.

Eligible Projects:

Eligible projects must be for a public purpose, publicly owned, and constitute capital expenditures.

Funding Amounts / Terms:

Generally, 50% of eligible capital costs.



Allen S. King Plant Advisory Panel Action Plan

Deadline:

Requests are due mid-June in odd-numbered years. The Governor submits a proposed capital budget to the Legislature in January of even-numbered years.

Recommended Application Timeframe

- With only occurring once every two years (theoretically), should tentatively plan 2027 or 2029 for submitting the request for funding the following year

Federal Economic Development Administration, Public Works and Economic Adjustment Assistance

Eligible Applicants:

Nonprofits, Native American Tribal Organizations, State Governments, Special District Governments, Public and Private Institutions of Higher Education, County, City or Township Governments.

Eligible Projects:

Projects supporting economic development, including water and sewer system improvements, industrial parks, business incubators, brownfield redevelopment, and much more. Proposed project must align with the region's comprehensive economic development strategy.

Funding Amounts / Terms:

50% of total project costs, up to \$3,000,000 maximum.

Deadline:

Applications are accepted year-round.

Recommended Application Timeframe

- With the year-round application process, initiate as soon as project parameters are identified.

Washington County Community Development Agency, GROW Fund

Eligible Applicants:

Municipalities and their development authorities located in Washington County.

Eligible Projects:

For redevelopment projects:

- Land acquisition
- Relocation expenses
- Environmental investigation and/or remediation
- Site improvements (i.e. streets, sewer, water, lighting, landscaping)
- Demolition

Funding Amounts / Terms:

Loan, up to \$250,000 per project. Minimum of two dollars of other funds public or private to one dollar of GROW Funds (i.e. 2:1 ratio).

Deadline:

Applications accepted year-round.



Allen S. King Plant Advisory Panel Action Plan

Recommended Application Timeframe

- With the year-round application process, initiate as soon as project parameters are identified.

A.2 Environmental Remediation

US Environmental Protection Agency, Multipurpose, Assessment, and Cleanup Grants

Eligible Applicants:

County, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

Eligible Projects:

Four separate categories of brownfield projects funded through this funding opportunity

- Multipurpose – to plan, assess and cleanup sites
- Assessment – to determine extent of contamination and plan revitalization at brownfield sites
- Cleanup Grants – to Cleanup contamination on brownfield sites

Funding Amounts / Terms:

- Multipurpose – up to \$10 million, no cost share requirement
- Assessment – up to \$10 million, no cost share requirement
- Cleanup Grants – up to \$5 million, no cost share requirement

Deadline:

Anticipate a November 2022 deadline for all programs.

Recommended Application Timeframe

- Historically, the application cycle falls in the 4th quarter each year (however always subject to change and availability). Since this program helps to position for all other work, can be done as soon as site control is in place.

Minnesota Department of Employment and Economic Development, Contamination Cleanup

Eligible Applicants:

Cities, EDAs, HRAs, Port Authorities, Counties.

Eligible Projects:

Investigation and cleanup costs necessary to implement Response Action Plan (RAP).

Funding Amounts / Terms:

Up to 75% of costs.

Deadline:

Annually, May 1 and November 1.



Allen S. King Plant Advisory Panel Action Plan

Recommended Application Timeframe

- Since this program helps to position for all other work, can be done as soon as site control is in place.

A.3 Public Parks / Preserves / Wetlands

Minnesota Department of Natural Resources, Outdoor Recreation Grant Program

Eligible Applicants:

Cities, counties, and townships.

Eligible Projects:

Park acquisition and/or development/redevelopment including, internal park trails, picnic shelters, playgrounds, athletic facilities, boat accesses, fishing piers, swimming beaches and campgrounds.

Funding Amounts / Terms:

Grants up to 50 percent of the total eligible costs, up to \$250,000.

Deadline:

Annually, typically the end of March.

Recommended Application Timeframe

- March the year prior to intended construction start date.

Metropolitan Council (in partnership with MnDOT, Transportation Enhancements

Eligible Applicants:

The seven counties, all cities and towns within the Twin Cities seven-county region, and the ten Regional Park System implementation agencies.

Eligible Projects:

Pedestrian/bicycle facilities, acquisition of scenic easements & scenic/historic sites, scenic/historic hwy. programs, landscaping/scenic beautification, historic preservation, preservation of abandoned railway corridors, environmental mitigation to address water pollution due to highway runoff, establishment of transportation museums.

Funding Amounts / Terms:

Up to 80% of eligible construction costs.

Deadline:

Biennial regional solicitation, typically March of even-numbered years.

Recommended Application Timeframe

- With only occurring once every two years (theoretically), should tentatively plan 2028 or 2030 for submitting the request for funding the following year.



Allen S. King Plant Advisory Panel Action Plan

US Fish and Wildlife Service, North American Wetlands Conservation Act

Two tracks for U.S. projects – U.S. Small Grants (\$100,000 or less) or U.S. Standard Grants (>\$100,000)

Eligible Applicants:

They have no criteria for eligible applicants but typically they are conservation organizations. The main criteria is that the project(s) fit.

Eligible Projects:

Projects must involve only long-term protection, restoration, enhancement and/or establishment of wetland and associated upland habitats to benefit migratory birds.

- Acquisition
- Wetland restoration
- Wetland enhancement
- Wetland establishment

Projects they have funded in the past acquired / restored / established **thousands** of acres of habitat.

Funding Amounts / Terms:

Small Grants – 50% of project costs up to \$100,000

Standard Grants – 50% of project costs up to \$1M

Deadline:

Semi-annual program with deadlines typically in February and July. Current application cycle is due July 8, 2022.

Recommended Application Timeframe

- Either February or July cycle one year prior to intended construction start date.

A.4 Economic Development – Industrial / Commercial

Metropolitan Council, Livable Communities Demonstration Account

Eligible Applicants:

City/ town/counties or EDAs in the 7-county metro in the Local Housing Incentives program.

Eligible Projects:

- Projects that connect development or redevelopment with transit;
- intensify land uses;
- connect housing and employment;
- provide a mix of housing type and affordability;
- and/or provide infrastructure to connect communities and attract investment.

Funding Amounts / Terms:

No match requirement; 3-year grant term; there are no award limits on the dollar request per application, or per City.

Deadline:



Allen S. King Plant Advisory Panel Action Plan

Two-step process starting with the submittal of a Project Concept Plan (PCP), which are typically due July 1 annually.

Recommended Application Timeframe

- July the year prior to intended construction start date.

Federal Economic Development Administration, Public Works and Economic Adjustment Assistance

Eligible Applicants:

Nonprofits, Native American Tribal Organizations, State Governments, Special District Governments, Public and Private Institutions of Higher Education, County Governments, City or Township Governments.

Eligible Projects:

Projects supporting economic development, including water and sewer system improvements, industrial parks, business incubators, brownfield redevelopment, and much more.

Funding Amounts / Terms:

50% of total project costs, up to \$3,000,000 maximum.

Deadline:

Applications are accepted year-round.

Recommended Application Timeframe

- With the year-round application process, initiate as soon as project parameters are identified.

A.5 Multifamily Housing

Washington County Community Development Agency, GROW Fund

Eligible Applicants:

Municipalities and their development authorities located in Washington County.

Eligible Projects:

For income restricted rental or owner-occupied projects:

- Land acquisition
- Construction and/or rehabilitation
- Architectural and engineering services
- Environmental remediation
- Site improvements (i.e. streets, sewer, water, lighting, landscaping)
- Demolition

Funding Amounts / Terms:

Loan, up to \$10,000 per eligible unit, up to \$500,000 per project. Minimum of two dollars of other funds public or private to one dollar of GROW Funds (i.e. 2:1 ratio).

Deadline:



Allen S. King Plant Advisory Panel Action Plan

Applications accepted year-round.

Recommended Application Timeframe

- With the year-round application process, initiate as soon as project parameters are identified.

Metropolitan Council, Livable Communities Demonstration Account

Eligible Applicants:

City/ town/counties or EDAs in the 7-county metro in the Local Housing Incentives program.

Eligible Projects:

- Projects that connect development or redevelopment with transit;
- intensify land uses;
- connect housing and employment;
- provide a mix of housing type and affordability;
- and/or provide infrastructure to connect communities and attract investment.

Funding Amounts / Terms:

No match requirement; 3-year grant term; there are no award limits on the dollar request per application, or per City.

Deadline:

Two-step process starting with the submittal of a Project Concept Plan (PCP), which are typically due July 1 annually.

Recommended Application Timeframe

- July the year prior to intended construction start date.

