Hiawatha Campus Fact Sheet

Project Purpose and Need
• Replaces 100-year-old inadequate water distribution facility.
• Consolidates Surface Water and Sewers staff. Over 30 employees are currently in temporary space.
• Provides improved and more efficient service from a centralized location for Public Works operations such as water distribution maintenance, street maintenance, and sewer maintenance.

Sustainability
The project will remediate pollution and improve environmental conditions at the site. Most importantly the project will remediate contamination, including arsenic in the soil from the former CMC Heartland Partners Lite Yard. The project will also improve stormwater management on the site. Buildings will be solar ready and additional electric vehicle infrastructure will support the city’s green fleet policy and vehicle electrification.

Project History
1991 – Public Works Comprehensive Facility Master Plan completed
2001 – City Council authorizes discussions with Roof Depot for acquisition
2010 – Phase 1 of the Hiawatha Master Plan is complete with remodel of north end of the site
2016 – City Council authorizes purchase of Roof Depot building and property
2016 – City takes ownership of Roof Depot building and property
2018 – City Council approves master plan. Project begins.
2021 – City Council approves revised master plan, setting aside approximately 3 acres for community development

Finances

<table>
<thead>
<tr>
<th>Expenses to Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and building purchase</td>
<td>$7.3 million</td>
</tr>
<tr>
<td>Roof Depot Cleanup (abatement 2020)</td>
<td>$0.3 million</td>
</tr>
<tr>
<td>Planning, design, documentation, environmental</td>
<td>$6.4 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$14 million</strong></td>
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Drinking Water Fund Restrictions and Required Payback
• Minnesota state law permits local governments to create and maintain specialized funds for certain infrastructure projects. The Waterworks Fund is a special fund authorized by state law to be used to support all water services provided by the City of Minneapolis to its customers, including “repairs, additions or alterations to any pumping stations, treatment facilities, equipment, water mains or other facilities of any kind related to water treatment or distribution.” Uses of water fees are restricted to operating and capital expenses for the water utility.
• Terminating the facility project and turning the site into a development project requires reimbursement of the water fund immediately.
  o Repaying the water fund of $14M would mean either
    ▪ Raising taxes in 2023 by $14M
    ▪ Cutting $14M in programs to repay (2022 new investment amount was $16M)

Project Next Steps
• April 2022 - Mediation on two lawsuits by EPNI
• Continued Construction Document Design Phase through summer 2022
• Late Summer 2022 - Demolition of Roof Depot building, pending bid approval by City Council
• Spring 2023 – Phase 1 construction, pending bid approval by City Council