



SUMMARY STATEMENT OF INFORMATION RELATED TO THE CITY OF OAK PARK HEIGHTS NEED FOR THE ESTABLISHMENT AND ALLOCATION OF ELECTRIC GENERATION TRANSITION AID.

RELATNG TO: H.F. 1061, authored by Representative Hill for the City of Oak Park Heights

With the now planned 2028 closure of the 500-megawatt - Allen S. King Coal Fired Power Plant – the City will lose its major contributor to the City’s tax base.

The Allen s. King Plant provides 32 percent of the City’s total value applicable for tax levy totaling over \$1.8 million in General Fund Revenue annually. The City utilizes these funds to provide critical public services including Police, Fire, Parks, Roads, Park and Trails. The City would expect that these most basic services will not be fiscally sustainable post-closure without a viable replacement of this lost tax revenue.

Oak Park Heights does not receive Local Government Aid, does not receive Municipal Local Road Aid nor any other substantial State-aid that could be immediately relied on to off-set this lost tax revenue.

In addition, the City has received this Plant tax revenue in exchange for the hosting of this Plant for more than 50 years. The Plant benefitted and provided the entire region with its constant supply of power but is being lost due to transitioning for regional and State goals. While that transition may be necessary, our community will need some assistance to ensure it remains a fiscally viable entity while this decommissioning and transition process occurs.

Therefore to offset this loss, the City of Oak Park Heights is seeking the establishment of Electric Generation Transition Aid (H.F. 1061) to assist the City in supporting critical public services and transition away from this current revenue.

This proposed Electric Generation Transition Aid under H.F. 1061 would provide \$1,000,000 of annual financial assistance replacing approximately 55% of the revenue soon to be lost by the closure of the Allen S. King Plant.

This Electric Generation Transition Aid will also provide the City critical resources and a bridge of time over next decade, pre and post closure to:

1. Pursue redevelopment of this Site to again contribute to the City’s tax base.
 - Approximately 80 acres are viable for redevelopment and the City has developed two concept plans after a robust public engagement process.
2. Enable the City to rebalance its tax base in other areas to help off-set this loss.
 - The City has sought to ensure other development is tax-base positive and not create long-term liabilities that cannot be sustained.
3. The Aid will also bridge the City towards a timeline where it may be eligible for Municipal Road Aids or other LGA funds.

NOTE: With DEED financial assistance, 2021-2022 saw the completion of detailed fiscal and economic impact studies by the Oak Park Heights City Council and are available for review and input. Without this Electric Generation Transition Aid, even the full implementation of the other strategies will likely not result in necessary revenue to maintain services.

