



**CITY OF SAINT PETER
AGENDA & NOTICE OF REGULAR MEETING
ECONOMIC DEVELOPMENT AUTHORITY
Thursday, January 27, 2022 – Noon
Governors Room – St Peter Community Center**

- I. CALL TO ORDER**
- II. OATH OF OFFICE**
- III. APPROVAL OF AGENDA**
- IV. ELECTION OF OFFICERS**
- V. APPROVAL OF MINUTES**
 - A. September 23, 2021
- VI. UNFINISHED BUSINESS**
- VII. NEW BUSINESS**
 - A. Accessibility Enhancement Grant Program
- VIII. REPORTS**
 - B. Hotel 221
 - C. Creation Technologies
 - D. COVID – 19 Micro Loan Repayment
- IX. ADJOURNMENT**

Russ Wille
Director of Community Development

CITY OF SAINT PETER, MINNESOTA
Economic Development Authority
REGULAR MEETING MINUTES – September 23, 2021
Saint Peter Room – Saint Peter Community Center

Call to Order

The meeting of the Saint Peter Economic Development Authority (EDA) was called to order at approximately 12:02 p.m. Roll call was taken with James Dunn, Brad DeVos, Ed Johnson, Bob Southworth and Julie Frederickson in attendance. Members Mike Favre and Cory Abels were absent. Community Development Director Russ Wille was also present.

Approval of Agenda

Motion by Johnson to approve the agenda as presented. DeVos seconded the motion. With all voting in favor the motion was carried and the agenda approved.

Approval of Meeting Minutes

Motion by Dunn, seconded by Southworth to approve the minutes of the August 26, 2021 meeting of the EDA as presented. All voted in favor of the motion and the minutes were approved as presented.

Traverse des Sioux Enterprises, LLC – Revolving Loan Request

Community Development Director Wille presented the request from Traverse des Sioux Enterprises, LLC seeking a \$200,000 revolving loan to partially finance a 38,880 square foot addition to the manufacturing facility that they lease to Creation Technologies.

Wille also explained the financial assistance package that was assembled in 2009 when the existing 50,000 square foot Creation Technologies facility was constructed. That assistance included Tax Increment Financing, revolving loan funds and an arrangement where the Economic Development Authority purchased the former Creation Technologies production facility at 430 Ritt Street.

In 2009, the EDA provided a \$416,673 revolving loan to partially finance the new construction. The note was provided interest free and payable over a fifteen year amortization with semi-annual payments.

Every loan payment has been made as due, when due and in the amount due without a single exception. The balance of the 2009 loan is calculated to be \$69,445 after receipt of the August, 2021 installment.

Wille noted that his notes from 2009 suggest that an expansion of the manufacturing facility would be necessary when Creation Technologies approached 230 employees and \$50 million in sales. Nearing those thresholds, Traverse des Sioux Enterprises, LLC would like to move now to provide for the expansion.

When Creation Technologies moved in to the 2004 North Sunrise Drive facility they had 85 full-time equivalent positions. At this time they are approaching 230 employees while they are still challenged by the shortage of available workers.

When they moved in to the new building in 2009 their annual payroll was calculated to be \$3,463,000. Since that time their payroll has increased by 235% to \$8,138,000.

At this time, Traverse des Sioux Enterprise is seeking a \$200,000 revolving loan from the EDA to partially finance the 38,880 square foot plant expansion. They have asked that the loan be once again provided interest free with a fifteen year amortization.

The total construction costs have been estimated to be \$4,800,000 by R.W. Carlstrom Construction of Mankato.

The various owners of the LLC are able to assemble \$1,000,000 to partially finance the expansion. They are currently in discussions with multiple lenders as to the provision of a \$3,400,000 construction loan. A lender will be selected in the very near future.

In addition to the \$200,000 revolving loan, Traverse des Sioux Enterprises is seeking Tax Increment Financing to capture value added taxes generated by the new construction. A total TIF benefit of \$245,000 is contemplated. A public hearing regarding the TIF is scheduled before the City Council on Monday, September 27, 2021.

As the EDA began discussion, Johnson asked why the new loan would be made at 0% interest. He noted that other borrowers such as the St. Peter Food Coop have generated new taxes, jobs and utility billings yet they are paying interest.

DeVos mentioned that he shared Johnson's concerns.

Wille noted that the Creation Technologies jobs pay wages and benefits at a level that is at least 120% of the poverty rate. The exceptional performance and creating over 100 new jobs is unprecedented and it was suggested that the 0% would be warranted.

Dunn noted that the interest rate exemption is noted in the revolving loan guidelines. The guidelines read, "A lower rate of interest may be established for those projects demonstrating: i. the creation of new jobs, ii. Increased tax capacity resulting from new construction, iii. substantial municipal utility consumption.

Frederickson asked if Creation Technologies is worried about the ability to fill the new jobs? Wille noted that they have not expressed any new concerns. They have struggled at times to fill jobs due to the shortage of available workers. They would expect the challenges to continue in to the new future.

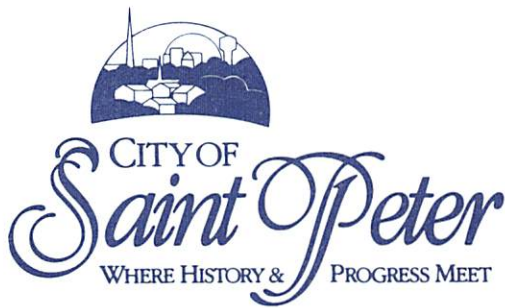
With no further discussion, Dunn moved the adoption of Resolution No. 2021 - ____ entitled "Resolution Recommending Approval of a \$200,000 Revolving Loan to Traverse des Sioux Enterprises, LLC to partially finance the construction of a 38,880 square foot addition to the Creation Technologies production facility." All voted in favor, the resolution was passed and adopted.

Fire Station Funding

Wille informed the EDA that the state legislature has authorized the City of Saint Peter to conduct a referendum to decide the fate of a proposed ½% sales tax to partially finance the construction of a new fire station. The referendum will be held in the upcoming election.

Adjourn

With no further business before the EDA, a motion was made by Southworth to adjourn. The motion was seconded by Johnson and all voted in favor of the motion. The meeting was adjourned at approximately 12:40 p.m.



Memorandum

To: EDA Members

Date: January 24, 2022

From: Russ Wille, Community Development Director

RE: Accessibility Enhancement Grants Program

ACTION / RECOMMENDATION

Adopt the attached resolution recommending that the City Council reauthorize the Accessibility Enhancement Grant Program for a 2022 funding cycle and expanding eligibility to commercial structures throughout the entire community.

BACKGROUND

In 2020, the EDA recommended, and the City Council adopted the guidelines for the CBD / ADA Accessibility Enhancement Grant Program. The program was developed in an attempt to incent the renovations or alterations to Central Business District properties that enhance the accessibility for those with mobility impairments.

Under the terms of the loan program, the City will finance improvements in the form of a forgivable loan available at a 0% rate of interest. The loan agreement would obligate the building owner to maintain and repair the improvements to maintain accessibility. The loan proceeds would be "forgiven" at a rate of 1/15th per year.

In 2020, a total of three applications were submitted for consideration. Applications were received from Kind Vet Clinic, Swedish Kontur and Riley-Tanis and Associates. Each were deemed to be eligible to participate and automatic door opening systems were installed.

In 2021, a total of nine applications were submitted of which five were awarded improvement grants. As a result of the second year, new door systems were to be installed at Nutter's / Cooks & Co., Red Man Club, Nicollet Hotel, St. Peter Foot & Ankle Clinic and Arrow Hardware and Paint. Given supply chain issues, the 2021 projects are just now being installed.

Given the perceived success of the program, the EDA is asked to recommend that the City Council authorize a 2022 funding cycle. Those projects which were not funded in 2021 would have the opportunity to re-apply for the funds.

In the previous two years, eligibility for the program was restricted to those commercial structures within the Central Business District. At this time, it is recommended that the program be expanded to include all commercial structures within Saint Peter.

FISCAL IMPACT

The funding for the program has been provided by the interest income of the various revolving loan fund accounts. The Finance Department reports that \$25,400 would be available to fund project in 2022.

**CITY OF SAINT PETER, MINNESOTA
ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2022 - 01**

**RESOLUTION RECOMMENDING THAT THE CITY COUNCIL ESTABLISH A COMMERCIAL
ACCESSIBILITY IMPROVEMENT GRANT PROGRAM TO FINANCE BUILDING
RENOVATIONS TO ENHANCE ACCESSIBILITY FOR THOSE WITH MOBILITY
IMPAIRMENTS**

WHEREAS, THE City of Saint Peter has established the Economic Development Authority (EDA) Revolving Loan Funds; and

WHEREAS, the American Disability Act of 1990 (ADA) established accessibility guidelines and requirements for when the standards would be required to be implemented; and

WHEREAS, while progress has been achieved over the ensuing 31 years, there are still a number of Saint Peter downtown structures which remain inaccessible; and

WHEREAS, the City Council has asked that the EDA consider the establishment of a grant program to assist Central Business District property owners in undertaking building renovations which increase handicapped accessibility; and

WHEREAS, the Minnesota Council on Disabilities reports that 11.9% of those over the age of 15 have an ambulatory disability; and

WHEREAS, the disability community in the United States has \$490 million of disposable income; and

WHEREAS, the ADA legislation requires that businesses remove barriers to their buildings when it is easily accomplishable and able to be carried out without much difficulty or expense; and

WHEREAS, many businesses have determined that the cost of renovating their structures to meet the ADA standards is cost prohibitive; and

WHEREAS, the EDA has considered the economic development benefits of enhancing the accessibility of the commercial structures within Saint Peter; and

WHEREAS, the City has offered accessibility enhancement assistance in both 2020 and 2021 resulting in accessibility improvements to eight Saint Peter businesses; and

WHEREAS, to assist in financing accessibility enhancements, the EDA has recommended that the Accessibility Improvement Grant Program be continued for a 2022 funding cycle and that eligibility for the program be expanded throughout the entire community.

NOW, THEREFORE BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF SAINT PETER, MINNESOTA, that:

1. The EDA recommends that the City Council continue to fund the Accessibility Improvement Grant Program for 2022 and that the eligibility be expanded throughout the entire community.

Adopted by the Economic Development Authority of the City of Saint Peter, Nicollet County, Minnesota this 27th day of January, 2022.

ATTEST:

President

Rosten Wille
Community Development Director