



**CITY OF SAINT PETER
AGENDA & NOTICE OF REGULAR MEETING
ECONOMIC DEVELOPMENT AUTHORITY
Thursday, July 22, 2021 – Noon
Virtual Meeting via GoToMeeting**

- I. CALL TO ORDER**
- II. APPROVAL OF AGENDA**
- III. APPROVAL OF MINUTES**
 - A. March 25, 2021
- IV. UNFINISHED BUSINESS.**
- V. NEW BUSINESS**
 - A. 2021 CBD/ADA Accessibility Enhancement Grants
- VI. REPORTS**
 - A. Hotel 221 (Mayer & Bartelt)
 - B. River Rock Kitchen & Bakery (Subordination Request)
 - C. Spring Touch
 - D. Municipal Parking Lot #5
 - E. Sharra Compliant Loan Product
 - F. Revolving Loan Report
- VII. ADJOURNMENT**

Russ Wille
Director of Community Development

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CITY OF SAINT PETER, MINNESOTA
Economic Development Authority
REGULAR MEETING MINUTES – March 25, 2021
Virtual Meeting via GoToMeeting

Call to Order

The virtual meeting of the Saint Peter Economic Development Authority (EDA) was called to order by Community Development Director Russ Wille at approximately 12:01 p.m. Roll call was taken with James Dunn, Ed Johnson, Mike Favre, Julie Frederickson and Brad DeVos (12:02) in attendance. Absent were members Bob Southworth and Cory Abels. City staff present were Community Development Director Russ Wille, Finance Director Sally Vogel and Administrative Secretary Cindy Moulton.

Approval of Agenda

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

Approval of Meeting Minutes

Motion by Frederickson, second by Johnson to approve the minutes of the January 28, 2021 meeting of the EDA as presented. All voted in favor, the minutes were approved as presented.

COVID Loan Closure

On March 30, 2020, the City Council established a COVID-19 Micro Loan Program. Over a 5 month period, 56 loans totaling \$477,702 were distributed to eligible businesses in St. Peter.

Wille indicated that in November, 2020 the COVID-19 micro loans were converted to forgivable grants after the City of Saint Peter received \$901,000 in CARES Act assistance from the federal government.

Recognizing the need for continued financial assistance, the EDA and City Council authorized a second round of COVID-19 Micro Loans as well as a COVID-19 Hospitality Assistance program.

Given that the loan activity has significantly declined, Wille recommended that the application deadline be established as March 31, 2021.

Motion by Favre, second by DeVos to introduce Resolution No. 2021-02 entitled, "Resolution Establishing A March 31, 2021 Deadline For Submitting Applications For Participation In The COVID-19 Micro Loan Round 2 And COVID-19 Hospitality Assistance Programs Established By The City Council". All members voting in favor, the Resolution was passed and adopted.

Reports

Economic Impact of Arts & Culture Analysis – Ann Rosenquist Fee of the Arts Center and Jessica Becker of the Nicollet County Historical Society have requested that a study be conducted to identify the economic impact of the arts and cultural events in St. Peter. The cost of the study is said to be \$1,750. Wille indicated that the study will be funded by the Community Development departmental budget (\$584) and the St. Peter Development Corporation (\$583).

Fee will be approaching the St. Peter Tourism and Visitors Bureau requesting the remainder of funds (\$583).

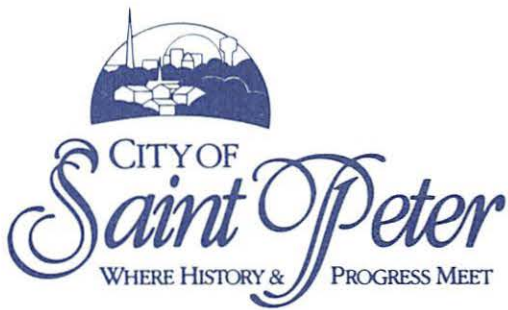
CBD/ADA Enhancement Loan/Grant Program – The City has received 8 grant applications which will exceed the \$28,000 that was allocated for the program. Applications will be reviewed by an ad hoc committee appointed by the Mayor and City Council and awarded to a limited number of applicants later in 2021.

Sharia Compliant Loan Products – As the community continues to diversify it has been suggested that the City consider a Sharia Compliant loan program. The Sharia law is a set of religious principles which form part of the Islamic culture. The law prohibits them from paying interest on any loan. Wille indicated that while not paying interest on the compliant loan, the interest would be recouped via other ways such as administrative costs.

Wille stated that in the Traverse Green Subdivision there are Sharia compliant mortgage products that are available from U.S.D.A. Rural Development. He also added that there are a number of banks that have access to the Compliant Loan Products.

Adjournment

With no further business a motion was made by Johnson, seconded by DeVos to adjourn. All members voting aye, the meeting adjourned at 12:19 pm.



Memorandum

To: EDA Members

Date: May 20, 2021

From: Russ Wille, Community Development Director

RE: CBD / ADA Accessibility Enhancement Grant Program

ACTION/RECOMMENDATION

Adopt the attached resolution recommending that the City Council approve Central Business District Accessibility Enhancement grants to Arrow Commercial Properties, LLC, Nicollet Hotel, LLC, Red Men Club, Inc., Nicollet Lodge #54 Masons and the Foot & Ankle Clinic.

BACKGROUND

In 2019, 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 of Central Business District properties in a manner that enhances the accessibility to 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.

CBD property owners were notified of the program via direct mailing. They were all invited to an informational meeting and encouraged to participate.

In 2020, the EDA recommended and the City Council approved the installation of push button, automatic door opening systems at Kind Vet Clinic, Swedish Kontur and Riley – Tanis and Associates.

Given the perceived success of the 2020 program, the City Council reauthorized the program for a 2021 grant cycle. Applications for participation in 2021 were accepted until February 26th. A total of 8 applications were submitted seeking to participate in the current cycle.

To complete each of the 8 projects contemplated in the applications would require a budget of \$67,634 (see spreadsheet). Given that only \$28,750 was budgeted for the 2021 grant cycle, an ad hoc committee was appointed by the Mayor and Council to select which projects to recommend for financing.

Those chosen by the ad hoc committee to participate in 2021 include Arrow Hardware & Paint, Nicollet Hotel, Red Men Club, Nutter's Clothing, Cooks & Company and the Foot & Ankle Clinic.

The Arrow Hardware, Red Men Club and Foot & Ankle Clinic alterations required the review and approval of the Heritage Preservation Commission which has been granted.

FISCAL IMPACT:

The installation of the five projects recommended to be funded in 2021 would expend \$35,765, or \$7,015 more than originally budget for the 2021 project cycle. Sufficient funding is available within the established revolving loan fund(s) to incur the recommended obligations.

ALTERNATIVES/VARIATIONS:

Do not act: The applicants and installers will be notified of the delay.

Negative Votes: The applicants will be notified that their application have been rejected.

Modification of the Resolution: This is always an option of the EDA.

Please feel free to contact me should you have any questions or concerns about this agenda item.

RJW

CENTRAL BUSINESS DISTRICT

ACCESSIBILITY IMPROVEMENT GRANT PROGRAM

1. PURPOSE

The purpose of this grant program is to establish guidelines and procedures for the administration and implementation of the Central Business District Accessibility Improvement Grant Program designed to finance the renovation or alteration of downtown buildings to enhance the accessibility of the structures to those with mobility impairments.

2. ELIGIBILITY

To improve the handicapped accessibility of structures within the Central Business District CBD), grants awarded under this program may be used for the alteration or renovation of the entryway, doorway or other public access to the participating structure.

3. CONSTRUCTION STANDARDS / PRESERVATION

- 3.1 All renovations or alterations must be completed in conformance with the codes, standards and practices required by the municipal ordinance, state statute, Federal rule or law.
- 3.2 When required by ordinance, the Heritage Preservation Commission shall review and approve the exterior renovation or alteration to any property located within the Heritage Preservation Overlay district as identified in the adopted Zoning Code.
- 3.3 All renovation or alterations to structures within the Heritage Preservation Overlay district shall be undertaken in a manner consistent with the Secretary of Interior's Standards for the Renovation and Rehabilitation of Historic Structures.

4. GRANT RESTRICTIONS

- 4.1 Individual grants awarded under this program shall be limited to \$25,000 per Central Business District property.
- 4.2 Property owners chosen to participate in this program shall guarantee that the improvements financed by the program shall be maintained, repaired or replaced as per the terms of the grant agreement reference in Section 7 of this document.
- 4.3 The property owner shall maintain an insurance policy on the participating property in an amount equal to the debt (mortgages, liens, assessments, etc.) recorded against the real estate.
- 4.4 Grants are intended to finance 100% of the renovation or alteration and will pay for project costs such as design, materials, labor, mobilization and other standard and customary costs of such construction.
- 4.5 Renovation or alterations which cost in excess of \$25,000 may be undertaken if the applicant can demonstrate and document that sufficient funds are on deposit or otherwise immediately accessible to finance the completion of the improvement(s).

4.6 Governmental entities may not participate in the grant program, however, private properties leased or rented to a governmental entity may be eligible to participate in the grant program.

5. GRANT APPLICATION PROCESS

5.1 Grant applications shall be accepted prior to February 26th.

5.2 Each grant applicant shall submit an application to the office of the Community Development Director which at a minimum, contains the following information.

- a. Building ownership
- b. Mailing address
- c. Description of building usage and tenants.
- d. Description of proposed alterations.
- e. Estimated daily customer traffic count.
- f. Photographs of the entry, door or access intended to be renovated to enhance accessibility.
- g. Quotes from at least two licensed building contractors itemizing the cost of the proposed construction project.

6. GRANT REVIEW

6.1 The City Council shall appoint a committee of citizens and city staff to undertake a review of the grant applications submitted by the established deadline.

6.2 Projects that would be undertaken in compliance with the regulations and standards of the American's with Disabilities Act of 1990 may be given priority as opposed to those projects that only improve accessibility.

6.3 Buildings occupied by uses which generate higher customer traffic may be given program priority.

7. GRANT AGREEMENT

7.1 Successful grant applicants will be required to enter into a grant agreement by and between the building owner and City of Saint Peter prior to initiating any improvements to be financed by the grant.

7.2 The grant agreement will obligate that the improvements are completed as approved by the City Building Official and all applicable building codes, standards or regulations established by any municipal, state or federal ordinance, statute or rule.

7.3 The grant agreement will obligate the building owner to maintain or repair the structure following completion of the renovation or alteration until released from the terms and conditions of the grant agreement.

7.4 The grant agreement will obligate the building owner to undertake any maintenance or repair of the improvement as may be ordered by, and to the satisfaction of the City of Saint Peter.

7.5 The building owner will be released from the terms of the grant agreement 15 years after completion of the accessibility improvements financed by the grant program.

7.6 Upon execution of the grant agreement, the document shall be recorded in the office of the Nicollet County Recorder.

8. DISPURSEMENT OF FUNDS

8.1 Successful grant recipients will be provided documentation of grant participation which demonstrates the City's commitment to fund the improvement if they are undertaken as approved by the City Building Official.

8.2 Once the improvement has been completed in the manner prescribed by the City Building Official, the grant funds will be disbursed to the building owner for payment to the licensed building contractors.

8.3 Those property owners which fail to maintain and repair the renovated property as required by the terms and conditions of the grant agreement shall be required to repay a pro rata share of the grant. The grant funds shall be "forgiven" at a rate of 1/15 per year for the life of the grant agreement.

**CITY OF SAINT PETER, MINNESOTA
ECONOMIC DEVELOPMENT AUTHORITY**

RESOLUTION NO. 2021 -

**STATE OF MINNESOTA)
COUNTY OF NICOLLET)
CITY OF SAINT PETER)**

**RESOLUTION RECOMMENDING APPROVAL OF CENTRAL BUSINESS DISTRICT /
ACCESSIBILITY IMPROVEMENT GRANT AWARDS TO ARROW COMMERCIAL
PROPERTIES, NICOLLET HOTEL, RED MEN CLUB, NICOLLET LODGE #54 MASONS AND
THE FOOT & ANKLE CLINIC**

WHEREAS, the Saint Peter Economic Development Authority administers the City of Saint Peter Revolving Loan Funds; and

WHEREAS, the City of Saint Peter has established the Central Business District / Americans with Disabilities Act Accessibility Improvement Grant Program to make interest free, forgivable loans to improve the accessibility of properties within the Central Business District; and

WHEREAS, the Economic Development Authority (the "EDA") was granted power to administer all of the loan programs, and to make recommendations to the City Council for disbursement of new loans; and

WHEREAS, guidelines have been established which govern and establish the criteria of the loan / grant program; and

WHEREAS, applications to participate in the program in 2021 were due to be submitted by February 26, 2021; and

WHEREAS, a total of 8 applications were received from property owners wishing to participate in the 2021 funding cycle; and

WHEREAS, an ad hoc committee appointed by the Mayor and City Council has recommended that 5 of the applications be approved to participate in the 2021 funding cycle; and

WHEREAS, it has been determined that each of the selected applicants are proposing an eligible renovation and are located within the Central Business District.

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

1. It is recommended to the City Council that CBD / ADA Accessibility Improvement Grant Program funds be awarded to the following applicants in the dollar amount indicated.

a.	Arrow Commercial Properties, LLC	\$12,444
b.	Nicollet Hotel, LLC	\$ 2,572
c.	Red Men Club, Inc.	\$ 6,302
d.	Nicollet Lodge #54 Masons	\$ 5,553
e.	Foot & Ankle Clinic	\$ 8,894

Adopted by the Economic Development Authority of the City of Saint Peter, Nicollet County, Minnesota, this 22nd day of July, 2021.

James Dunn
President

ATTEST:

Rosten Wille
Community Development Director

REVOLVING LOAN REPORT	7/1/2021					
	ORIGINAL	ORIGINATION	CURRENT	12/31/2020	MONTH-YEAR	
BORROWER	BORROWER	DATE	BALANCE	BALANCE	BALLOON DUE	
Azure Skye/Bertram	\$ 16,003.00	1/1/2019	\$ 11,868.54	\$ 12,802.36	Dec-28	
Brandt	\$ 20,593.00	3/1/2021	\$ 19,421.00		Nov-26	
David Bushaw	\$ 20,000.00	12/1/2016	\$ 11,333.16	\$ 12,499.85	Nov-26	
Building Good Communities LLC	\$ 39,834.00	10/1/2017	\$ 34,938.91	\$ 35,787.33	Aug-22	
Flame Bar/Mike Hobday	\$ 25,000.00	11/1/2019	\$ 20,625.07	\$ 22,083.38	Oct-27	230 Fund
Kaduce Properties	\$ 16,831.00	9/1/2017	\$ 10,238.78	\$ 11,220.60	Aug-27	
Mayer - Chabeans	\$ 25,000.00	7/1/2016	\$ 12,916.86	\$ 14,375.17	Jun-26	
River Rock Bakery & Kitchen	\$ 40,000.00	4/1/2016	\$ 21,539.81	\$ 23,868.29	Feb-21	
Anytime Fitness/Chad Guentzel	\$ 75,000.00	1/1/2021	\$ 73,636.22		Dec-40	
River Rock Bakery & Kitchen	\$ 21,500.00	9/1/2020	\$ 21,028.88	\$ 21,360.00	Sep-45	
JAEL Properties	\$ 65,008.00	8/1/2014	\$ 46,525.27	\$ 48,217.84	Jul-24	
K&C/ Stelter	\$ 25,000.00	1/1/2020	\$ 21,041.73	\$ 22,500.04	Dec-29	240 Fund
Kottke/Spring Touch Real Estate Holdings	\$ 500,000.00	9/1/2015	\$ 382,787.81	\$ 394,455.34	Aug-25	
St. Peter Food Coop	\$ 350,000.00	4/1/2011	\$ 196,696.58	\$ 206,741.33	Dec-20	
Tanis Brothers	\$ 59,012.00	9/1/2014	\$ 42,455.01	\$ 43,987.63	Aug-24	
Traverse des Sioux Enterprises/Check due Feb & Aug 1st	\$ 416,673.18	8/1/2009	\$ 83,334.54	\$ 97,223.65	Jan-24	230 Fund
PJ's Pizza	\$ 5,629.47	2/1/2010	\$ 5,629.47	\$ 5,629.47	JUDGEMENT	
	\$ 1,721,083.65		\$ 1,016,017.64	\$ 972,752.28		
		Loan 230	Loan 240	Loan 250		
LOAN FUND BALANCES <small>(report from Brenda)</small>	\$ 1,888,833.52	\$ 637,727.94	\$ 1,099,300.33	\$ 151,805.25		
LOANS OUTSTANDING	\$ 1,016,017.64					
	\$2,904,851.16					

at