

**CITY OF SAINT PETER, MINNESOTA
ECONOMIC DEVELOPMENT AUTHORITY
SPECIAL MEETING MINUTES – SEPTEMBER 14, 2023
Saint Peter Room – Saint Peter Community Center**

The meeting of the Saint Peter Economic Development Authority (EDA) was called to order at approximately 1:00 pm by President Julie Frederickson. Roll call was taken with Frederickson, Bob Southworth, Keri Johnson, Cory Abels and Brad DeVos in attendance. Member absent was Ayan Omar. There is one vacant seat on the board. City staff present was Community Development Director Ben Baker, City Administrator Todd Prafke and Finance Director Sally Vogel. Visitors present included Gerald Dotson and Amanda Pipal, co-owners of The Haven at Hallett's, and Carlie Ness, GO! Therapy Director of Communications & Community Engagement and Jenny Korteum Co-Owner of GO! Therapy.

Approval of Agenda

Baker amended the agenda with the addition of item C) Accessibility Improvement Grants – St. Peter Family Dental Center. A motion was made by Abels, seconded by Johnson to approve the agenda as amended. With all voting in favor, the motion was carried and the agenda was approved.

Approval of Meeting Minutes

Johnson made a correction to the June 22, 2023 minutes stating that GMG, not REDA, received a \$1.9M grant. A motion was made by DeVos, seconded by Johnson to approve the minutes of the June 22, 2023 meeting of the EDA as amended. All in favor of the motion, the minutes were approved.

Consider Approval of a Revolving Loan Request from The Haven at Hallett's for Startup Costs at 1042 Old Minnesota Avenue

Baker explained that Gerald Dotson and Amanda Pipal (co-owners) are starting up a new holistic health and healing business. The Haven at Hallett's, will be located at 1042 Old Minnesota Avenue, Suites 200 and 300. Baker said that the co-owners are seeking Revolving Loan Funds in the amount of \$30,000 to partially finance equipment and finishing expenses.

Baker stated that it will take approximately \$100,000 in startup costs to get the business up-and-running. He indicated that Hometown Bank has committed to 50% of the financing (\$50,000), the applicant's contribution 20% (\$20,000), and should the request be approved by the EDA, the City/EDA would contribute 30% of the financing (\$30,000).

Pipal provided an overview of their business. She stated that their goal is to provide health and healing options and to bridge the gap between allopathic (modern medicine) healthcare and complete holistic well-being. She indicated that several services will be offered such as; Herbal Supplements, Personal Training, Meditation, Yoga, Massage Therapy, Acupuncture, Mental Health Counseling, Craniosacral Therapy, Crystal Healing, EFT/Tapping, Group Classes, Lymphatic Drainage, Reiki, Hydrotherapy and Holistic Sauna.

A motion was made by Abels, seconded by DeVos to introduce Resolution No. 2023-04 entitled, "RESOLUTION APPROVING A \$30,000 REVOLVING LOAN TO 'THE HAVEN AT HALLETT'S' (1042 OLD MINNESOTA AVENUE) TO PARTIALLY FINANCE NEW BUSINESS STARTUP COSTS". Member Frederickson, Johnson, Abels and DeVos voting aye, Member Southworth abstaining. The RESOLUTION was passed and adopted.

Consider Approval of a Revolving Loan Request from GO Property Management for the Purchase of the Building/Land at 1 Scholarship Way

Baker stated that GO! Therapy is currently located at 830 Sunrise Drive (River of Life Church). He indicated that GO! continues to expand and add additional employees and is in need of additional space.

Baker stated that GO! has been searching for more space and is looking for real estate opportunities. He said that GO! has recently formed "Go Property Management" and is working with Scholarship America (SA) to purchase their property located at 1 Scholarship Way.

He indicated that the SA building is five times (5X) larger than GO!'s current location. He said due to the large capacity of the building, GO! is currently working to finalize letters of intent for two additional tenants.

Baker informed the EDA that GO (applicant) has already paid \$15,000 in earnest money for the SA property, and they have secured financing for all but \$285,000 of the \$2,700,000 purchase price. Baker mentioned that the property was appraised at \$3,900,000.

Baker indicated that GO Property Management, LLC is requesting a Revolving Loan in the amount \$285,000 to finance the remainder of the purchase of the Scholarship American Property. He added that GO has proposed a short-term (1 year), interest-only loan with an option for a 1-year extension.

Baker stated that the Loan Review Committee comprised of Members Abels, Southworth and City Staff reviewed the loan application, the projects information and the financial documents and are recommending approval of the loan based on the following conditions: 1) Commitment letter from Pioneer Bank. 2) Commitment letter from Region Nine Development Commission. and 3) Letters of Intent from Future tenants (used in calculating project revenue source).

Baker said that should the loan be approved, as per the policy, the loan would require: 1) a first position mortgage on the northwest portion of the land, 2) a second position mortgage on the entire property, 3) a personal guarantee from the co-owners, and 4) life insurance, from both owners, payable to the City/EDA for the amount of the loan.

Ness provided an overview of GO! Therapy expansion plans as well as GO Property Management, LLC 2024 – 2028 Financial Forecast.

Ness stated that their overall goals is to address the needs of; daycare, provide autistic/medical complexity children with 1-on-1 staff to provide an inclusive Playschool, offer individual and family therapy, to provide Early Intensive Developmental and Behavioral intervention, and care for the caregivers. She said in the end, they would like to expand their services to occupy the entire building.

Discussion was held and it was suggested that the EDA consider the loan be amortized over 15 years at 0% interest.

The Commissioners discussed collateral and land value. DeVos said he would like to see the interest rate drop from 8.5% to 6%. Ables and Southworth explained how bankers look at risk and why the proposed interest was appropriate. However, they agreed that lowering the interest rate to 7% would still be accessible.

A motion was made by Abels, seconded by DeVos, to amend the resolution with the following changes:

- 2) The interest rate on the loan shall be 7%, and monthly payments shall be interest-only.
- 4) The applicant shall provide the City with commitment letters from Pioneer Bank, Region Nine, and signed leases from Scholarship America and GO! Therapy.

With all members voting aye, the motion carried.

A motion was made by Abels, seconded by DeVos to introduce Resolution No. 2023-05 entitled, "RESOLUTION APPROVING A \$285,000 REVOLVING LOAN TO GO PROPERTY MANAGEMENT TO PARTIALLY FINANCE THE ACQUISITION OF REAL ESTATE AT 1 SCHOLARSHIP WAY". With all members voting aye, the RESOLUTION was passed and adopted as amended.

ACCESSIBILITY IMPROVEMENT GRANTS – ST. PETER FAMILY DENTAL CENTER

Baker stated that GO! Therapy was awarded a \$17,453, 2023 Accessibility Improvement Grant. Baker indicated that GO! Therapy is not comfortable accepting the loan, knowing their business may move to another location.

Baker indicated that Saint Peter Dental had submitted a Grant application in the amount of \$17,357.00 and was next on the recommendation list by the Application Review Committee.

Baker stated that since GO! Therapy has declined the Grant, \$17,453 has become available for an additional project. He asked the EDA if they were in favor of awarding St. Peter Dental a \$17,357 Grant for their automatic door project.

A motion was made by Southworth, seconded by DeVos to introduce Resolution No. 2023-06 entitled, "RESOLUTION RECOMMENDING APPROVAL OF ACCESSIBILITY IMPROVEMENT GRANTS FOR COMMERCIAL PROPERTIES/BUSINESS". With all members voting aye, the RESOLUTION was passed and adopted.

Reports

Johnson encouraged EDA members to attend the 12th Annual REDA meeting on Thursday, October 12, 2023 from 6 pm – 8 pm at Gustavus Adolphus College.

Johnson asked that the meeting information be emailed to members.

Adjournment

With no further business before the EDA, a motion was made by Abels, seconded by Southworth to adjourn. All members voting aye, the meeting adjourned at approximately 1:56 pm.