



**CITY OF SAINT PETER, MINNESOTA  
AGENDA AND NOTICE OF MEETING**

City Council Goal Session, Monday, March 30, 2015  
Governors' Room, Community Center – 3:00 p.m.

- I. WELCOME**
- II. RULES FOR THE DAY**
- III. BOSSY BAG**
- IV. DEEP DIVE DISCUSSIONS**
  - A. Lake Jefferson Sewer
  - B. Broadway Streetscape With Bridge Work
  - C. Private Service Line Assistance
  - D. Solar Partnership (Ameresco)
  - E. National League of Cities vs. American Public Power Association
  - F. Apartment Fire Stoppers - Rental Inspection Program
  - G. Future Financial Planning
  - H. Organizational Health
  - I. City Facilities
  - J. Housing Development
- V. QUICK HIT DISCUSSIONS**
  - A. Solace Project
  - B. Council Wages
  - c. Sales Tax
  - D. Natural Gas Tax
  - E. Donations and Cloud Sourcing
  - F. Donation Program Through Utilities
  - G. Fire Call Assessments
  - H. Pavilion
  - I. Cooperative Partnerships
  - J. Others
- VI. ADJOURNMENT**

Office of the City Administrator  
Todd Prafke



**I. WELCOME**

**II. RULES FOR THE DAY**

Typically the Council will take a few moments to review the brainstorming rules. We might also delve into "Hurling Day", determine a "break caller" and generally visit about how your time will be spent together.

**III. BOSSY BAG**

Time for a new version of "Bossy Ball" now called "Bossy Bag".

**IV. DEEP DIVE DISCUSSIONS**

**A. LAKE JEFFERSON SEWER**

An update on the discussions that the folks in this area are having and its potential impact on us.

**B. BROADWAY STREETScape WITH BRIDGE WORK**

A review of this area and the idea that changes could be made as a part of the Highway 99 Bridge work.

**C. PRIVATE SERVICE LINE ASSISTANCE**

A review of the potential for this as a part of the service you provide.

**D. SOLAR PARTNERSHIP (AMERESCO)**

A review of the potential relationship with Ameresco and establishment of some goals or priorities related to the use of solar power within our community.

**E. NATIONAL LEAGUE OF CITIES VS. AMERICAN PUBLIC POWER ASSOCIATION**

A review of our participation with APPA, benefits and subject matter and how it may relate to Councilmember opportunities with the National League of Cities.

**F. APARTMENT FIRE STOPPERS-RENTAL INSPECTION PROGRAM**

A short video on something that I found pretty cool and a great outreach as a part of our rental inspection program.



**G. FUTURE FINANCIAL PLANNING**

A discussion about goals and establishment of the quarterly review of financial issues over a year cycle to give you more information related to City finances.

**H. ORGANIZATIONAL HEALTH**

We will also review how we are doing. Council on Council mayhem; Council-staff relationships; whether everyone gets a chance; and how we disagree in a way that models the best of our community with civility, are all things we discuss as part of this agenda item.

**I. CITY FACILITIES**

A review of the work being done on the future of the Fire Hall and City Hall.

**J. HOUSING DEVELOPMENT**

An update on the potential for a housing development such as what you have done in Nicollet Meadows and Washington Terrace. Maps, costs, housing study data and other information will be provided and considered.

**V. QUICK HIT DISCUSSIONS**

**A. SOLACE PROJECT**

An update on this project as requested by the Council.

**B. COUNCIL WAGES**

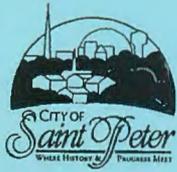
Based on previous direction from the Council, a review of the data from this area on this topic.

**C. REVENUE SOURCES**

A discussion about the implications of modification to your revenue sources including levy, sales, franchise and use fees.

**D. DONATIONS AND CLOUD SOURCING**

A discussion about funding project including those that are sponsored by the City and not for profits you may wish to assist.



**E. DONATION PROGRAM THROUGH UTILITIES**

A review on the potential to use this for fundraising and if used what type of policies should be put in place prior to its use.

**F. FIRE CALL ASSESSMENTS**

A review of this issue and the potential change in position on the part of the Council that those properties that do not or cannot pay for fire calls. The key question is...Do you wish to assess them for the unpaid call amount?

**G. PAVILION**

A prioritization discussion related to the previously completed work and allowing some latitude to invest in assembling some of those resources.

**H. COOPERATIVE PARTNERSHIPS**

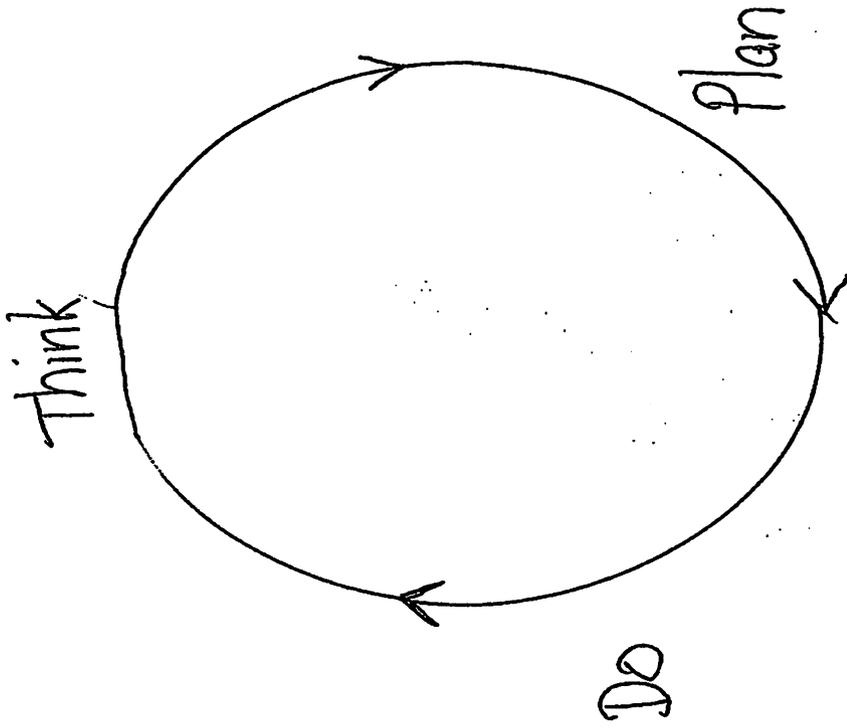
A review of our White Sheets and a discussion as to if there are any others that you may wish to add. It may be helpful to remember that these are folks we look to strategically partner with so maybe a bit broader perspective and additional strategic thinking may be of use here.

**J. OTHERS**

A discussion on any topics that may interest you. After all...it is your meeting!

**VI. ADJOURN**

Office of the City Administrator  
Todd Prafke



## Sticker shock, suspicion over lakes' sewer project

By Tim Krohn [tkrohn@mankatofreepress.com](mailto:tkrohn@mankatofreepress.com) | Posted: Friday, March 20, 2015 5:30 pm

CLEVELAND — Melissa Schaefer and some other lakeshore owners on German and Jefferson lakes see the possibility of a municipal-style sewer system as an economic death knell for many.

"People who deal with property sales in the area are saying this will bankrupt our community," said Schaefer, a West Lake Jefferson resident. "(There are) those who will not only be forced to sell but will have to go well below an already low market, dragging everyone down."

Le Sueur County commissioners say they have no interest in forcing any one solution on the hundreds of landowners around German, Big Jeff, Middle Jeff and West Jeff lakes that need to update their sewage systems. But they say they are adamant that every septic system on the lakes will come into compliance during the next two years.

"This board is not going to back down on being compliant by 2017," said Commissioner Steven Rohlring. "We just want to know if people want to get on their own (system) or with a (sewer) pipe. We just want them to be compliant."

The wrangling over septic systems out of compliance has dragged on for well over a decade. Of the 900 or so homes, cabins, trailers and mobile homes around the lakes, nearly half are not in compliance.

With an ordinance in place requiring 100 percent compliance by the start of 2017, the county in recent years started a process to determine the best way to get to that goal.

**No easy fix**



### Lake Jefferson sewer system

Melissa Schaefer, a West Lake Jefferson resident, is leading a group that does not want the area hooked up to a regional sewage system that would be connected to St. Peter. The group says individual property owners should be able to bring their systems up to compliance through cluster sewer systems or other individual systems. Photo by Pat Christman

The lots, cabins and homes around the lakes vary. Some are small seasonal cabins, others are expensive year-round homes. Some lots are vacant. There are resorts and mobile home parks. Some lots offer ample room for septic systems, others none.

So while a traditional septic system with an adequate drain field might work in some places, it will not in many others. Other than traditional septic systems, other possible options are sewage storage tanks that must be routinely pumped out; cluster septic systems in which several neighbors build a joint septic; or a city-like regional sewage system that would be hooked to the St. Peter sewer plant.

When Wenck Associates last winter released estimated costs for a regional sewage system and costs for publicly owned cluster systems, many residents had sticker shock. The per-lot cost for a regional sewage system was pegged at \$33,000 to \$43,000 depending on the number of landowners participating, while a publicly built cluster system could cost each lot owner as much as \$40,000.

Those costs would be assessed over 20 years, meaning annual costs for each landowner could be in the range of \$1,300 to \$2,800.

The annual costs for a regional sewage system would be on the lowest end of the cost range if everyone hooked up to it. But landowners who've upgraded their systems in recent years or built cluster systems with their neighbors say they would be out the several thousands of dollars they invested in those systems if they were forced to hook up to a new regional system.

### **Competing desires**

Lakeshore owners are far from any consensus on the best approach. While some have petitioned the county to not push a regional sewage system, others have petitioned for a regional sewage system, saying it would be the best environmentally and likely cheapest in the long run.

Chuck Fenger, along with wife Michelle and his sister and brother-in-law Jen and Brian Timm, bought Beaver Dam Resort on German Lake just over a year ago. The resort's three cabins, spots for 65 campers and a store are now handled by a septic system.

Fenger said he doesn't yet have enough information to make a decision on what would be best for their business but said having a regional sewer and pipe makes a lot of sense in a few ways.

"Cluster systems aren't free either. If it's cost effective (to do a regional system), then it's done. If someone has to put in a couple of mound systems in their life, then they're going to have \$50,000 into it. Do a permanent system once and it's done," Fenger said.

"If they had done (a pipe) 10 years ago, it would have cost a lot less and people wouldn't have put in these (newer) clusters. It's going to happen sometime. If you wait another 10 years, it's just going to get more expensive."

Lakeshore residents did, in fact, overwhelmingly vote 10 years ago not to have a regional sewer system around the lakes.

Schaefer — who served on the sewer district board at that time — said she then opposed a pipe around the lakes and still does.

She said similar projects on other area lakes cost much more than originally estimated and she thinks a city-style system would more likely bring more pollution problems to the lakes, not less.

"A pipe causes more building, higher density, more runoff and more pollution into the lake."

But Schaefer also said too many residents around the lakes were negligent 10 years ago because they didn't follow through with updating their septic systems after voting down the sewer pipe.

"Unfortunately people around the lake dropped the ball. We'd promised we'd clean up the septic systems and we didn't." She said the County Board at the time also failed to show the leadership needed to push people into compliance. "There's blame all around."

### **Rumors, suspicions**

Talk to some residents in the area and it quickly becomes apparent there are suspicions the county wants to force a regional sewer system on them.

At a County Board meeting this week that grew contentious at times, some residents said the board gave the appearance of not wanting full input because neighborhood information meetings about the different options were scheduled for next month and into May — a time when they say many snowbirds and seasonal cabin owners won't be here.

Commissioners said they will hold an additional information meeting in June for those who couldn't attend earlier meetings, but they said a solution needs to move forward because there are only two construction seasons left before all sewage systems must be in compliance.

Others said the estimates on costs for cluster septic systems are far too high and would push people to sign on to a regional sewer system. Several people who've built cluster systems with their neighbors in recent years say they paid around \$18,000 each — far from the \$40,000 Wenck estimate.

Commissioners said Wenck based the estimates on cluster systems that would be publicly built and owned, so cost estimates for things like prevailing wages and engineering costs could be higher than a privately built cluster system.

Rohlfing said commissioners have no desire to force a regional system on people if they don't want it. "That's not the case. A lot of that perception is from lack of information. If they can do it on their own, we as a board don't care. We just want it to be a viable system. We don't want people driven out of their house."

In the coming months, each landowner will be able to write down what option they think will best suit them — although it is not a binding declaration. "We just want to know what people want," Rohlfing said.

He said that by mid-August at the latest, the board will decide which route to pursue.

Schaefer said she does not think the commissioners are being underhanded. "I don't believe the intent is to ram anything down our throats. I think they're doing their due diligence in presenting these numbers from the engineers."

But she said she is worried people will not get fully informed about their options and will think the regional system is the best — or only — solution. And she said that while a deadline for compliance is forcing the issue to be addressed, she thinks the 2017 deadline is a bit too aggressive.

So now, she and others are scrambling to get accurate information on the cost of privately built clusters or other individual solutions and getting the information to lakeshore owners. "We need to step up and show we'll fix our problems. We want to do it ourselves," she said.

"The mandate of 2017 puts us very much under the gun and we feel we're getting backed into a corner of one solution — a pipe," Schaefer said.



City of Saint Peter  
August 21, 2013

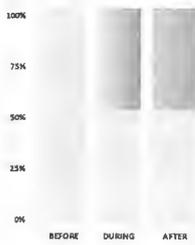
## ESPC Discussion



Green • Clean • Sustainable

### Energy Performance Contracting Concept

**HOW ESPC WORKS**  
PERFORMANCE CONTRACTING



- Operational/Maintenance & Energy savings pay for infrastructure improvements
- Energy savings guaranteed
- Take advantage of utility rebates and other incentives
- Projects Up to 20 Year Term
- Enabled through MN Statute §471.345

**Potential for "Deeper" Facility Upgrades**



### LED Street Lighting



**LED Street Lighting**

- Energy savings potential 70% over current HPS
- Bright comfortable color rendition
- Capable of directional light control (away from residential windows)
- Ameresco's brings significant purchasing power with national lighting manufacturers to you

**LED Street Lighting**

- Direct Maintenance savings potential 300% plus

**Must also consider other tangible savings**

- Reduction in staff work order requests & maintenance paperwork
- Reduced procurement time/effort and materials inventory




### What this Program Represents to the City of St. Peter

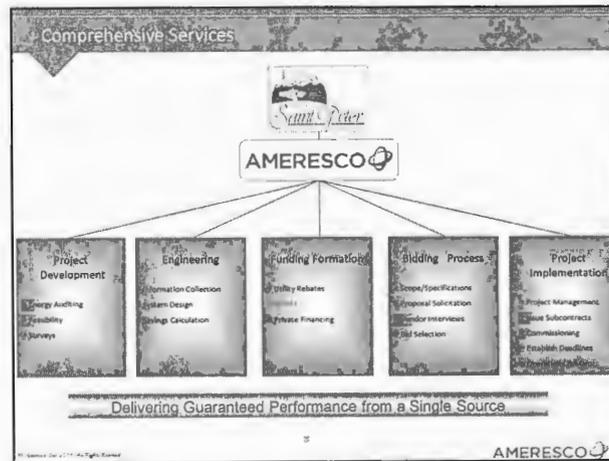
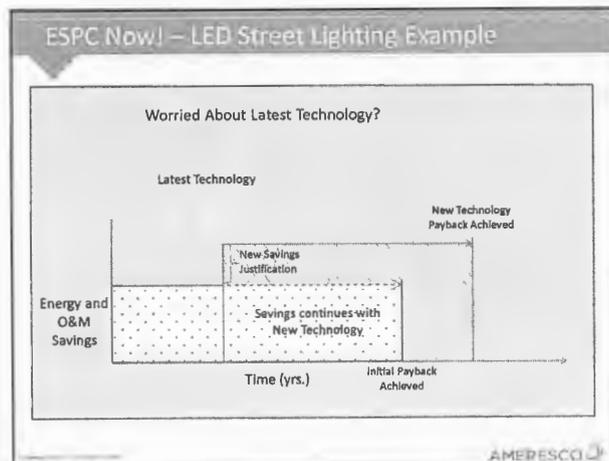
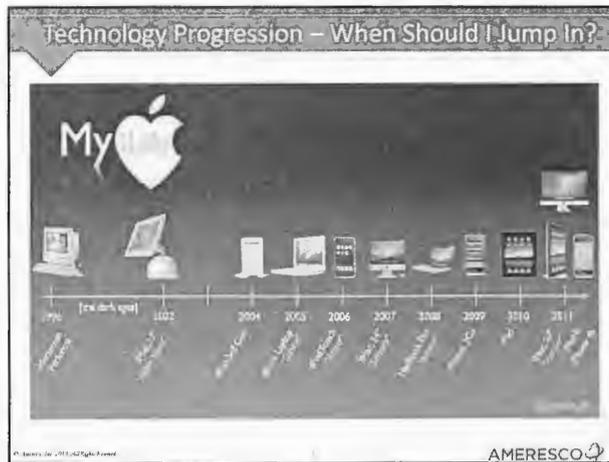
- Improved Efficiency and Effective Use of Tax Dollars
- Eliminate Waste
  - Increased Staff Comfort & Productivity
  - Better Work Environment
  - Manageable Systems
- Self funded Infrastructure Improvements directly from Energy Savings
- Decreased O&M costs





- A Sustainable Energy Reduction Project
- Good Stewardship of Resources for the City
- Financial (positive cash flow)
- Environmental





### Other Factors to Consider

- Major lighting manufacturers are now and have been producing & warranting LED products
- Financing rates continue to be best available
- Reduce energy consumption, O&M, and capital equipment/facility budgets in future outlying years
- Guaranteed savings will exceed project's finance payments
- Self-Funding - No new taxes required
- Unique opportunity to use excess energy savings potential for current unfunded capital projects

AMERESCO

### Next Step - Letter of Authorization

- Non-binding Letter of Authorization
  - Authorizes Ameresco to commit resources for Facilities Survey, budget & O&M information data collection
  - Establishes mutual interest in working together to reduce costs and upgrade buildings
  - Establishes Next Steps and Timeline to deliver/discuss Preliminary Analysis
- Project Goals Discussion
- Schedule City Audit Work



AMERESCO

### AMERESCO Information and Resources

Please visit our website:

- Services
- Press Releases
- Case Studies
- Videos

Set up a Google Alert:

- "Ameresco"

Kent Wolf  
Business Development Manager  
612.315.6940  
Cell: 612.804.6274  
Ameresco-Midwest Region  
9855 West 78th Street, Suite 310  
Eden Prairie, MN 55344  
kwolf@ameresco.com

Thank You

AMERESCO

**AMERESCO Services**  
January 21, 2013



**City of St Peter**



### Ameresco Highlights

- Leading Energy Efficiency & Solutions Company in North America
- Independent Company Not aligned with equipment manufacturer or utility
- 20 Year History with \$5 Billion in Projects completed on 9,000 Facilities
- Over 900 employees in 62 offices across 29 states and 3 provinces
- Regional Offices in:
  - Mid-Point, MN
  - St. Cloud, MN
  - Chicago, IL
- Publicly listed on New York Stock Exchange (NYSE:AMER)




### Ameresco Attributes

- Focused** – Energy, Facility and Business Improvement is our only business
- Guaranteed Performance** – Transferring risk, resources and single-source responsibility to Ameresco
- Independent/Un-Biased Solutions** – Programs built around what is in the best interest of our Customers
- Financially Strong** - Rated "A Excellent"
- Deep Knowledge & Experience** - \$5 Billion of Completed Projects, 2,000 Satisfied Customers
- Certified** - By the National Association of Energy Services Companies (NAESCO) and State of Minnesota



**Independent - Deep Experience - Exceptional Customer Satisfaction**



### Solutions and Services Offered

Energy Efficiency	Energy Supply Management	Energy Infrastructure	Renewable Energy	Process Management
Energy Savings Performance Contracting	Utility Budgeting	Asset Monetization	Landfill Gas	Involved Collection & Auditing
Demand-side Management	Commodity Procurement	Plant Rehabilitation	Biogas	Utility Bill Analysis
Demand Response	Risk Analysis	Facilities Management	Solar - PV and Thermal	Utility Bill Processing & Payment
Turnkey Design/Build	Price Risk Mitigation	On-site Cogeneration	Wind	Energy Star Reporting
Facility Renovation	Green House Gas Management	Distributed Generation	Biomass	Carbon Management
LEED Construction			Geothermal	Green House Gas Reporting
Power Quality & Reliability				

**Guaranteed Savings Programs integrates many of our services**



### Energy Savings Performance Contract (ESPC)

- ESPC is a great way to reduce future energy costs and to use those savings to make infrastructure improvements today
- Energy Saving Performance is Guaranteed
- A Budget Neutral Project
- Take advantage of grants, utility rebates, local incentives, etc.
- Use City Capital Budget \$\$\$ for OTHER Non-Energy Projects

AMERESCO

### Factors to Consider in Today's Environment

- Unique opportunity to use "energy savings" to fund new equipment
- Some of the best funding rates available in many years
- Great contractor and equipment pricing
  - We will work to use local vendors and contractors, upon your request
  - This Project will Create Jobs in the City of St Peter
- Savings Projects can be implemented in an expedited manner
- Reduce Energy, O&M, and Capital Equipment budgets in future years
- Very "Taxpayer Friendly" -- Budget Neutral

AMERESCO

### Building Condition Assessment

<p><b>MECHANICAL</b></p> <ul style="list-style-type: none"> <li>Heating Systems</li> <li>Ventilation Systems</li> <li>Air Conditioning</li> <li>Plumbing/Drainage</li> <li>Building Controls</li> <li>Fire Prevention</li> </ul>	<p><b>ARCHITECTURAL/ STRUCTURAL</b></p> <ul style="list-style-type: none"> <li>Health Life Safety</li> <li>Roofing, Windows, Ext. Doors</li> <li>Foundation &amp; Exterior Walls</li> <li>Flooring &amp; Ceilings</li> <li>Interior Walls/Doors/Millwork</li> <li>Painting &amp; Window Coverings</li> <li>Accessories &amp; Equipment</li> </ul>	<p><b>ELECTRICAL</b></p> <ul style="list-style-type: none"> <li>Power &amp; Distribution</li> <li>Interior Lighting</li> <li>Exterior Lighting</li> <li>Emergency Power</li> <li>Fire Alarm System</li> <li>Comm / IT systems</li> <li>Security Systems</li> <li>Clock Systems</li> </ul>
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<p><b>PROPERTY / SITE</b></p> <ul style="list-style-type: none"> <li>Roadways / Driveways</li> <li>Paving &amp; Walkways</li> <li>Retaining Walls</li> <li>Landscaping</li> <li>Fencing</li> <li>Underground Utilities</li> <li>Street/Parking Lot Lighting</li> </ul>		<p><b>RENEWABLE OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>Solar Photovoltaic Systems</li> <li>Wind Turbine Generators</li> <li>Geothermal Installations</li> </ul>
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### Comprehensive Services


<p><b>Project Development</b></p> <ul style="list-style-type: none"> <li>Energy Auditing</li> <li>Feasibility</li> <li>Surveys</li> </ul>	<p><b>Engineering</b></p> <ul style="list-style-type: none"> <li>Information Collection</li> <li>System Design</li> <li>Savings Calculation</li> </ul>	<p><b>Funding Formation</b></p> <ul style="list-style-type: none"> <li>Utility Rebates</li> <li>Grants</li> <li>Private Financing</li> </ul>	<p><b>Bidding Process</b></p> <ul style="list-style-type: none"> <li>Scope/Specifications</li> <li>Proposal Solicitation</li> <li>Vendor Interviews</li> <li>Risk Selection</li> </ul>	<p><b>Project Implementation</b></p> <ul style="list-style-type: none"> <li>Project Management</li> <li>Issue Subcontract</li> <li>Commissioning</li> <li>Establish Deadlines</li> <li>Closeout &amp; Maintenance</li> </ul>
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Delivering Guaranteed Performance from a Single Source

AMERESCO

### What this Program Represents to the City of St Peter

- A Sustainable Energy Reduction Project
- Good Stewardship of Resources for the City
- Financial (positive cash flow)
- Environmental
- Improved Efficiency and Effective Use of Tax Dollars
- Eliminate Waste
  - Increased Staff Comfort & Productivity
  - Better Work Environment
  - Manageable Systems
  - Minimize Complaints
- Infrastructure Improvements which are self funded through Energy Savings
- Decreased O&M costs

AMERESCO

### Ameresco Provides Best Value

*Ameresco's approach will result in more projects per investment dollar for the Customer with a higher level of satisfaction*

- We Are Independent – Unbiased Approach Due To Independence From Any Utility, Manufacturer, or Parent Affiliation
  - Our vendor neutrality offers you the freedom to choose the best products (i.e. controls/equipment/vendors/installers/service providers) for your project
- Energy is our only business – Performance contracting is our core business
- We are multi-faceted – Energy Efficiency, Renewables, Supply Management, Demand Response, Utility Bill Analysis and Payment, Behavioral Modification Program Engagement
- We Are Customer Focused – Our track record for energy savings performance is exceptional, and we have met **ALL** of our guarantees
- We are Local, Knowledgeable, And Dedicated – Experienced, local project team with proven track record. Ameresco is committed to providing top-quality services for the long-term

AMERESCO

### Next Steps:

- City Council Presentation: Ameresco Introduction and ESPC Concept
- Council approves Letter of Authorization for a Preliminary Energy Assessment
- Follow Up City Staff Meeting to Identify and Agree Upon Successful Project Goals:
  - Assemble a list of city building improvement needs
  - Obtain Copies of Historical (2-3 years) Utility Invoices

AMERESCO

### AMERESCO Information and Resources

Please visit our website: [www.ameresco.com](http://www.ameresco.com)

- Services
- Press Releases
- Case Studies

**Kent Wolf**  
 Business Development Manager  
 952.942.5142 ext. 4690  
 Cell: 612.804.6274

**Ameresco-Midwest Region**  
 9855 West 78<sup>th</sup> Street  
 Eden Prairie, MN 55344  
[kwolf@ameresco.com](mailto:kwolf@ameresco.com)

**Thank You**

AMERESCO

### Numerous Industry Awards & Distinctions

**ASHRAE: Outstanding HVAC Achievement**  
Tropic City Hall: First place ASHRAE Award  
Mount Sinai Hospital: First place ASHRAE Award  
Liquor Control Board of Ottawa: First place ASHRAE Award  
Nuclear Diagnostic Optical Systems: First Place Technology Award

**Landfill Gas-to-Energy Project with BMW:**  
2007 EPA Industry Partner of the Year  
2008 Energy Partner of the Year  
2006 EPA Green Star Award  
2003 Governor's Excellence Award  
2002 EPA Project of the Year Award  
2003 EPA and DOE Green Power Leadership Award

2010 Performance Contract of the Year  
2010 Renewable Project of the Year  
2010 Honorable Mention for Performance Contract of the Year (Public)

**DEFENSE LOGISTICS AGENCY**  
"New Contractor of the Year" award, based on performance, customer service, technical expertise, and savings generated

**Business Journal**  
WINTROP  
Hill Area Utah  
Ameresco's Landfill Gas-to-Energy Project with Hill AF Base  
2004 Utah State Energy Champion

**AMERESCO**



## Letter of Authorization

The City of St Peter is authorizing Ameresco to complete a preliminary feasibility analysis for its facilities and other city-wide assets. The analysis will focus on finding energy and other cost reduction opportunities including the installation of a solar photo voltaic system(s).

Both Ameresco and the City of St Peter understand that:

1. Ameresco shall dedicate its resources to develop a Preliminary Feasibility Analysis of a Potential Project for the City.
2. The City will work with Ameresco to complete the preliminary feasibility analysis and will provide the necessary resources to support Ameresco. The City will also provide historical utility and operating expenses as requested to complete the assessment.
3. The purpose of the preliminary analysis is to establish the foundation for completing a Potential Project under an energy savings performance contract. An Energy Efficiency project is a negotiated agreement as defined in Minnesota Statute 471.345
4. Upon completion of the feasibility analysis, a meeting will be held to discuss and present the preliminary findings and to define the next steps, if any, in the development of the potential project.
5. Ameresco will not charge a fee for this preliminary analysis and will complete the preliminary analysis and report within 30-60 days or as agreed upon.

The below approval authorizes Ameresco to begin the preliminary facility assessment.

**City of St Peter:**

\_\_\_\_\_  
**Authorized Signature**

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

# American Public Power Association



47  
million

Number of people served by public power

## Public Power's United Voice in Washington, D.C.

APPA is a non-partisan organization, committed to advocating national policies that will ensure the viability and progress of community-owned, customer-driven, not-for-profit electric utilities.

Policy positions emphasize the importance of hometown decision making that puts customers first and ensures a stable supply of electricity while protecting the environment.

Since two-thirds of public power utilities do not generate their own electricity and instead buy it on the wholesale market for distribution to customers, securing competitively priced and reliable wholesale power is a priority.

APPA participates in a wide range of legislative and regulatory forums. It advocates policies that:

- ensure reliable electricity service at competitive costs;
- advance diversity and equity in the electric utility industry;
- promote effective competition in the wholesale electricity marketplace;
- protect the environment and the health and safety of electricity consumers; and
- safeguard the ability of communities to provide infrastructure services—such as community broadband networks—their consumers require.



The American Public Power Association (APPA) was created by and for the nation's more than 2,000 not-for-profit, community- and state-owned electric utilities to:

- Advance the national public policy interests of its members and their consumers.
- Provide services to help ensure adequate, reliable electricity at a reasonable price with proper protection of the environment.

## American Public Power Association

Providing national representation and services to community- and state-owned electric utilities

APPA was created in September 1940 as a world war loomed. The nation's municipal utilities recognized their need to unite in support of national defense, as well as to create a national service organization that would represent their common interests. Today, the increasing complexity of the electric utility industry and federal government involvement in it has intensified the need for a national association.

### Members are APPA's Guiding Lights

The executives and elected and appointed policymakers who work for and oversee APPA's member organizations are its guiding lights. APPA is governed by a board of directors, which is comprised of 30 elected members from 10 geographic regions, five officers, and the chairs of the Policymakers' Council and the Advisory Committee. More than 4,500 men and women participate in specialized APPA committees, task forces, and online forums that help to develop an array of policy positions and services. About 60 staff members serve the membership.

Year by which half of public power utilities will celebrate a centennial

## Powerful Member Services Promote Education and Networking

### Representation before Congress, federal agencies, and the courts

APPA is the national advocate for public power in Washington, D.C., on legislative and regulatory issues, and in legal proceedings. APPA lobbies public power positions, and monitors and reports on federal events and activities. The Legislative & Resolutions Committee gives all utility members an opportunity to develop consensus on issues, as do task forces, committees, and work groups. The annual Legislative Rally brings managers and policymakers to Washington, D.C., to tell the public power story.

Collection, analysis, and dissemination of information *Public Power Weekly* newsletter, *Public Power* magazine, and *Public Power Daily* are respected throughout the country as timely, reliable sources of information about public power and the industry. APPA's website at [www.PublicPower.org](http://www.PublicPower.org) provides information for a variety of audiences. Specialized publications, reports, surveys, and Internet-based networking groups inform and educate in various utility disciplines.

### Educational programs and services

The APPA Academy offers many opportunities to learn from and network with colleagues, utility experts, and local and national policymakers. The National Conference is the largest annual public power meeting. Other annual meetings cover business and finance, engineering and operations, legal, and customer and community services topics. APPA also conducts smaller professional-development courses and provides a variety of continuing education and consumer-oriented materials.

### Funding for research and development programs

The Demonstration of Energy & Efficiency Developments (DEED) program provides grants to APPA-member utilities and students from public power communities. Projects explore techniques and technologies that could be widely applicable to public power.

### Recognition of utilities and individuals for excellence

Major awards are given at APPA's National Conference to executives and policymakers who have advanced public power's goals, as well as to utilities that have met the highest standards. Throughout the year, others are recognized for safety records, reliability, annual reports, lineworker skills, continuing education, and dedication to energy innovation.

### Competitively priced products and services

Hometown Connections, a subsidiary, secures group discounts for APPA members in a variety of areas, including engineering and operations, customer service, business and finance, and system improvement. More information is available at [www.HometownConnections.com](http://www.HometownConnections.com)

## About APPA Members

Most public power utilities are owned by municipalities, with others owned by counties, public utility districts, and states. Regular APPA membership (with voting and committee privileges) is open to U.S. public power utilities, joint action agencies (state and regional consortia of public power utilities); rural electric cooperatives;

Canadian municipal/provincial systems; public power utilities within U.S. territories and possessions; and state, regional, and local associations in the United States and Canada that have purposes similar to APPA. The association also welcomes associate memberships from entities and individuals that have an interest in doing business with public power, and from cities and towns exploring the possibility of establishing public power utilities.



## Facts About APPA Services:

68

Percentage of public power customers served by utilities participating in APPA's Tree Power planting program

884

Number of utilities taking part in APPA's DEED (Demonstration of Energy & Efficiency Developments) program

15,500

Number of people who receive APPA's print magazine

82,800

Number of unique monthly visitors to APPA's website [www.PublicPower.org](http://www.PublicPower.org)



## About NLC

The National League of Cities (NLC) is dedicated to helping city leaders build better communities. Working in partnership with the 49 state municipal leagues, NLC serves as a resource to and an advocate for the more than 19,000 cities, villages and towns it represents.

### Who are NLC 's Members?

The National League of Cities members are municipalities from across the country. A city or town joins NLC and the elected officials and staff participate in NLC's programs, activities and governance. State municipal leagues are also active members of NLC, guiding the organization's priorities and serving as an important link to cities in their state. And, NLC offers membership opportunities for members of the private and non-profit sector.

### Cities and Towns

More than 2,000 municipalities of all sizes pay dues directly to NLC and actively participate as leaders and voting members in the organization.

### State Municipal Leagues

State Municipal Leagues occupy a special position within the National League of Cities as the founding members and serve as a conduit of communication with NLC for our mutual memberships. Through the state municipal league network, NLC represents over 19,000 cities and towns.

View and search the member directory at myNLC.

### Associate Members

The Associate Member Program is designed to meet with needs of corporations and other organizations who do business with America's cities and towns and need to stay on top of activity in this area. Associate Membership can provide the edge your company needs in the competitive local government marketplace of products, services and ideas.

### Corporate Partners Program

This program promotes the exchange of ideas between corporate leaders and the leaders of America's cities in order to strengthen local government, encourage economic competitiveness, and promote corporate civic engagement. Participation in the NLC Corporate Partners Program is by invitation of the NLC Leadership.

## **Spotlight**

### **NLC Benefits Members**

- advocates for cities and towns in Washington, D.C. through full-time lobbying and grassroots campaigns
- provides programs and services that give local leaders the tools and knowledge to better serve their communities
- provides opportunities for involvement and networking to help city officials seek ideas, share solutions, and find common ground for the future
- keeps leaders informed of critical issues that affect municipalities and warrant action by local officials
- strengthens leadership skills by offering numerous training and education programs
- recognizes municipal achievements by gathering and promoting examples of best practices and recognizing cities and towns for model programs and initiatives
- partners with state leagues to supplement resources and strengthen the voice of local government in the nation's capital and all state capitols
- promotes cities and towns through an aggressive media and communications program that draws attention to city issues and enhances the national image of local government

# STOVE TOP FIRE STOP VIDEO

<http://www.stovetopfirestop.com/2014/11/video/wfmy-tv-greensboro-nc>



23



# City of St. Peter

## City Hall/Police Facilities Assessment

24

February 5, 2013

Todd Prafke  
City of St. Peter  
227 South Front Street  
St. Peter, MN 56082

RE: City of St. Peter City Hall/Police Department Facilities Assessment

Dear Todd,

It is with pleasure that Paulsen Architects submits our findings in regards to the City of St. Peter City Hall/Police Department facilities assessment.

In October 2012, Paulsen Architects was engaged to provide a space needs assessment, conceptual site/space "block" plans and an estimated construction cost for each option presented. We have met with all the departments within City Hall as well as the Police and Transit departments and have determined their required space needs for the next 15 years.

After this space analysis was completed, we then studied two site locations; the existing site at the current city hall, police and transit facility, and an alternative site currently owned by the City of St. Peter which is the Lot 5 site.

Through our analysis of these two sites, we developed 5 site/space "block" plan options:

- Site 1a: existing site-option 1a
- Site 1b: existing site-option 1b
- Site 2a: Lot 5 site-option 2a
- Site 2b: Lot 5 site-option 2b
- Site 2c: Lot 5 site-option 2c

As a conclusion to our report, we have provided a cost analysis for each option representing construction costs in the years 2013-2014.

Once again, thank you for the opportunity to assist the City of St. Peter in this analysis. If there are any questions or clarifications, please do not hesitate to give me a call.

Sincerely,



Bryan Paulsen, AIA, LEED AP  
BJP/tla

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**Option 1b Site** Page 17  
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**Option 2b Site** Page 22  
**Option 2c Site** Page 23  
**Preliminary Cost Estimates** Page 24

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**Planning Data Summary**

**Existing building space:**  
13,900 SF

**Projected future building space required:**  
24,000 SF

**By Department:**

*(By space program Numbers)*

1.0	Common Area	5,408 SF
2.0	Administration	957 SF
3.0	Finance	1,084 SF
4.0	Computer Services/Public Access	993 SF
5.0	Transit	2,408 SF
6.0	Community Development	364 SF
7.0	Building Development	702 SF
8.0	Police	8,271 SF
<b>Total:</b>		<b>20,187 SF</b>

<i>Circulation (Multiply by 12%)</i>	<i>2,422 SF</i>
<i>Mechanical (Multiple by 6%)</i>	<i>1,357 SF</i>
<b>Total Gross Square Feet:</b>	<b>23,966 SF</b>

**Parking required:**  
50 Spaces (Approximate)

## ST. PETER PUBLIC FACILITY SPACE NEEDS

Space #	Space Name	# of Areas	Space Standard	Net Sq. Ft.	Gross Factor	Gross Sq. Ft.	Remarks
<b>1.00</b>	<b>Common Area</b>						
1.01	Small Conference Room	1	200	200	1.30	260	seat 6, accessible from common hallway
1.02	Large Training/Conference Room	1	480	480	1.30	624	seat 20, 16 x 30, use for training, ceiling projector, white board, accessible from common hallway, access to breakroom
1.03	Conference Room	1	240	240	1.30	312	seat 10, 12 x 20, access to city administrator and assistant, projector, accessible from common hallway
1.04	Break Room	1	600	600	1.30	780	2 soda machines, 2 refrigerators, 1 microwave, 2 coffee pots, stove, oven, outlets for crock pots, 2 compartment sink, 15 seats at square tables, honor table for snacks
1.05	Copy/Work Room	1	500	500	1.30	650	large collating copy machine (3'x8'), envelope folding/stuffer machine, office supply storage, case paper storage, shelving for binders (3'-3' units) work surface, adjacent to file room countertop
1.06	Public Lobby	1	150	150	1.30	195	4-6 waiting chairs, access to departments and conference rooms
1.07	Reception Secretarial Work Area	1	100	100	1.30	130	10x10, controls access to building, printer, POS
1.08	Public Restrooms	2	200	400	1.30	520	mens and womens, 3 fixtures, 3 lavs in each
1.09	Application Carrols	2	20	40	1.30	52	privacy panels, computer and monitor in each
1.10	Supply Room	1	350	350	1.30	455	bulk office supplies, bulk paper storage

## ST. PETER PUBLIC FACILITY SPACE NEEDS

Space #	Space Name	# of Areas	Space Standard	Net Sq. Ft.	Gross Factor	Gross Sq. Ft.	Remarks
1.11	Long Term Storage/Archived	1	1,100	1,100	1.30	1,430	
	<i>Common Area Subtotal</i>			4,160		5,408	
<b>2.00</b>	<b>Administration</b>						
2.01	City Administrator	1	216	216	1.30	281	office 12 x 18, small conference table for 3-4. Access to 10 seat conference room
2.02	City Administrator Assistant	1	120	120	1.30	156	office 10 x 12, lockable storage cabinet, 2 visitor chairs, close to copy room
2.03	Secured Storage for Election Material	1	120	120	1.30	156	
2.04	Telephone Room	1	80	80	1.30	104	
2.05	Fire Proof Vault	1	120	120	1.30	156	needs a small table and chair
2.06	Personnel Files	1	80	80	1.30	104	3-4d lateral files
	<i>Administration Subtotal</i>			736		957	
<b>3.00</b>	<b>Finance</b>						
3.01	Finance Director	1	180	180	1.30	234	office 10 x 16, one (1) 4 d lateral file, 2 visitors chairs, U shaped work surface, seating for 4 at table. Need visual and audio connectivity with accountant
3.02	Accountant	1	140	140	1.30	182	10 x 14, hanging files 16" x 48", three (3) 4 d file cabinet, one (1) 2 d file cabinet, desk and computer table

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## ST. PETER PUBLIC FACILITY SPACE NEEDS

Space #	Space Name	# of Areas	Space Standard	Net Sq. Ft.	Gross Factor	Gross Sq. Ft.	Remarks
3.03	Accounts Receivable Clerk	1	50	50	1.30	65	located at customer counter, 2 POS registers, utility pay box on counter
3.04	Future Office	1	140	140	1.30	182	10 x 14, interns, work study, meter readers, serve as small conference room for Finance
3.05	Utility Biller	1	64	64	1.30	83	8 x 8, semi-private work space, backup to front counter
3.06	Fireproof Vault	1	80	80	1.30	104	checks, cash, data CD storage, misc. supplies
3.07	Storage/Utility Billing	1	80	80	1.30	104	
3.08	Work Counter/Copy Area	1	100	100	1.30	130	need small work counter, copy machine, fax machine
	<i>Finance Subtotal</i>			834		1,084	
<b>4.00</b>	<b>Computer Services/Public Access</b>						
4.01	Computer Services Server Room	1	200	200	1.30	260	printer, hub in closet, server, UPS system, work station w/ pc and printer, storage for systems manuals, software, vinyl flooring
4.02	Computer Services Computer Tech	2	80	160	1.30	208	8 x 10, modular furniture, near server room, counter top for monitoring 3 networks, computer troubleshooting
4.03	Computer Services Storage	1	100	100	1.30	130	
4.04	Computer Services Parts Room	1	50	50	1.30	65	
4.05	Public Access Computer Racks	2	15	30	1.30	39	2 computer racks

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## ST. PETER PUBLIC FACILITY SPACE NEEDS

Space #	Space Name	# of Areas	Space Standard	Net Sq. Ft.	Gross Factor	Gross Sq. Ft.	Remarks
4.06	Public Access Editing Station	1	64	64	1.30	83	8 x 8
4.07	Public Access Work Station	1	80	80	1.30	104	8 x 10
4.08	Public Access Storage	1	80	80	1.30	104	3 storage racks, 2-3' wide tall cabinets
	<i>Computer Services/Public Access Subtotal</i>			764		993	
<b>5.00</b>	<b>Transit</b>						
5.01	Coordinators Office	1	160	160	1.30	208	10 x 16, driver work station, small floor safe, storage/shelving for manuals, radio charging counter
5.02	Transit Bus Garage	1	2,000	2,000	1.10	2,200	4 stalls, work bench, cleaning supplies
	<i>Transit Subtotal</i>			2,160		2,408	
<b>6.00</b>	<b>Community Development</b>						
6.01	Director	1	180	180	1.30	234	10'x18', table for 4, 5-2d files, 3' w. bookshelf
6.02	Admin Assist.	1	64	64	1.30	83	8'x8' U shaped w.s., printer on stand, 1-4d lat file, 1-2d file, 3'w bookshelf, backs up Bldg. development assist.
6.03	Vault w/ 2-4 d Fire Proof Cabinets	1	0	0	1.30	0	See 2.05 Admin. Fireproof vault
6.04	Intern Space	1	36	36	1.30	47	6'x6' w.s.
	<i>Community Development Subtotal</i>			280		364	

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## ST. PETER PUBLIC FACILITY SPACE NEEDS

Space #	Space Name	# of Areas	Space Standard	Net Sq. Ft.	Gross Factor	Gross Sq. Ft.	Remarks
<b>7.00</b>	<b>Building Development</b>						
7.01	Director	1	180	180	1.30	234	10 x 18, seating for 4, U shaped work area for plan review (7' long to rollout drawings), 3'w book shelf
7.02	Inspector	1	80	80	1.30	104	8 x 10 U shaped w.s., close to Director
7.03	Admin. Assist.	1	80	80	1.30	104	8 x 8 w.s., printer stand, greeter for dept.
7.04	Central files, work area	1	200	200	1.30	260	30"x42"map drawer, 2-30"x36" hanging plan racks, 4-3d lat. Files, 13-4d files, 36" w x 30" d rolled plan storage, misc. office supply shelving 24" d x 36" H x 12' L, central to Community Development
	<i>Building Development Subtotal</i>			<i>540</i>		<i>702</i>	
<b>8.00</b>	<b>Police</b>						
8.01	Waiting/Lobby Area	1	160	160	1.30	208	seating for 6
8.02	Public Restrooms	2	60	120	1.30	156	1 fixture and 1 lav
8.03	Communications Work Stations	3	48	144	1.30	187	6 x 8, radio console, access to records, near restrooms, communications technicians as receptionist as well as dispatcher
8.04	Records	1	120	120	1.30	156	near communications, Kardex record system(4'd x 8' l)
8.05	Work/Copy Room	1	120	120	1.30	156	copy machine, fax machine, office supplies
8.06	Chief of Police	1	216	216	1.30	281	12 x 18, seating for 4

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## ST. PETER PUBLIC FACILITY SPACE NEEDS

Space #	Space Name	# of Areas	Space Standard	Net Sq. Ft.	Gross Factor	Gross Sq. Ft.	Remarks
8.07	Office Manager	1	120	120	1.30	156	10 x 12, supervises communications
8.08	Patrol Sargent	1	160	160	1.30	208	10 x 16, small table
8.09	Investigative Sargent	1	160	160	1.30	208	10 x 16, small table
8.10	Investigators Office	1	240	240	1.30	312	12 x 20, two (2) 8 x 10 work stations
8.11	Investigations Work Area	1	200	200	1.30	260	meeting table, wall space, interview room monitoring
8.12	Police Reserve Office	1	240	240	1.30	312	12 x 20, two (2) 8 x 10 work stations
8.13	CSO Work Room	1	160	160	1.30	208	10 x 16 room with 5' w.s. on the perimeter
8.14	Conference Room	1	192	192	1.30	250	12 x 16, seating for 6
8.15	Meeting/Training/Reserve Area	0	0	0	0.00	0	This room shared with Training Room in common area
8.16	Squad Room/Patrol	1	360	360	1.30	468	10 small work areas, future expansion for 4
8.17	Patrol Gear Lockers	15	10	150	1.30	195	near squad room
8.18	Patrol Storage	1	100	100	1.30	130	reports, supplies
8.19	Evidence Room	1	400	400	1.30	520	easily accessed from garage, 16 individual secured "lockers", refrigerator, drugs, guns and money room inside
8.20	Evidence Processing/Forensic Lab	1	200	200	1.30	260	16 evidence lockers, refrigerator, work surface
8.21	Gun Cleaning	1	80	80	1.30	104	

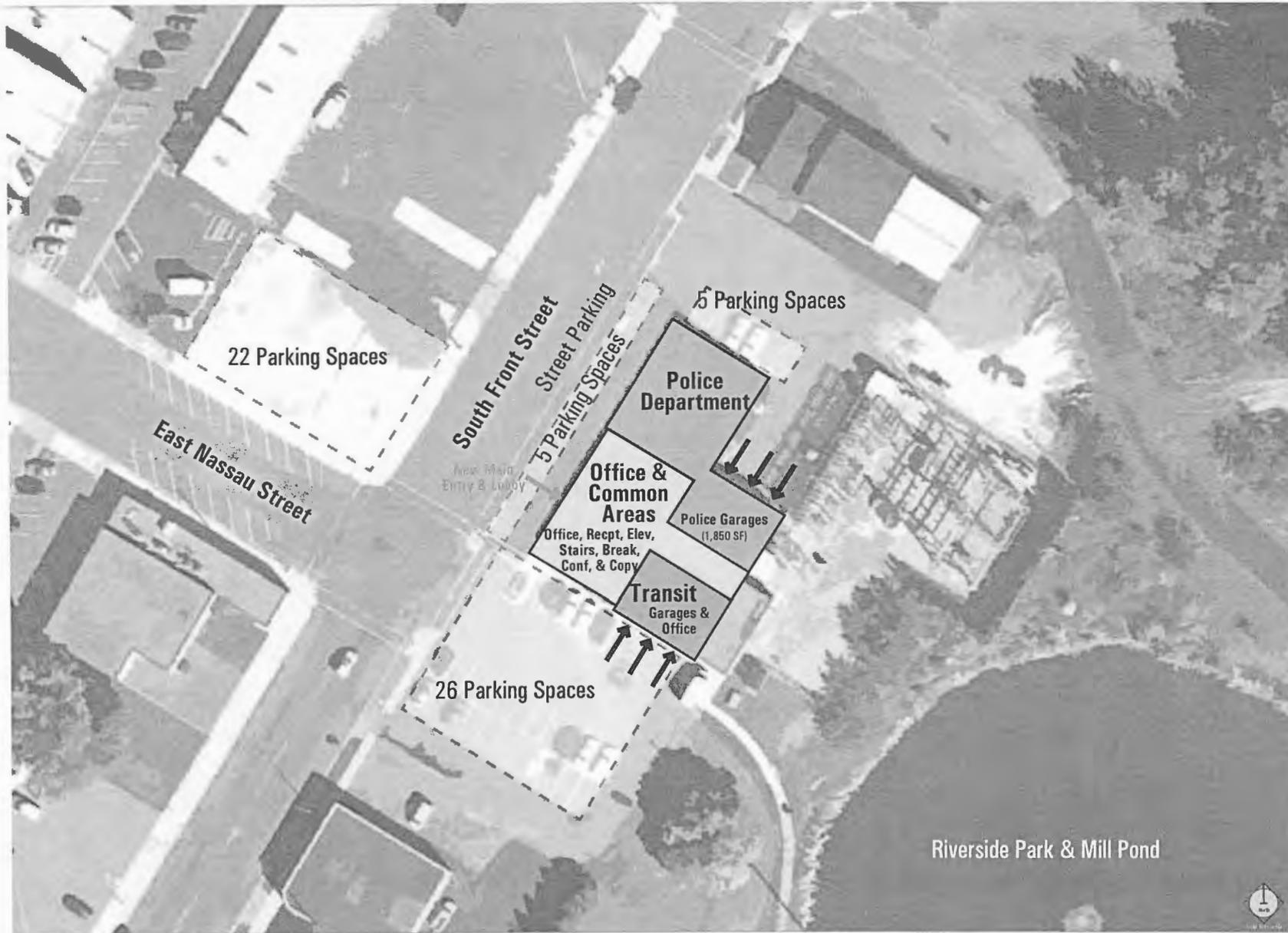
31

## ST. PETER PUBLIC FACILITY SPACE NEEDS

Space #	Space Name	# of Areas	Space Standard	Net Sq. Ft.	Gross Factor	Gross Sq. Ft.	Remarks
8.22	Police Equipment	1	120	120	1.30	156	tactical equipment, misc.
8.23	Reserve Uniforms and Equipment	1	120	120	1.30	156	
8.24	File Storage	0	0	0	0.00	0	included in archive storage
8.25	Large Evidence Storage	1	80	80	1.30	104	8 x 10
8.26	Interview Room - "soft" room	1	80	80	1.30	104	8 x 10
8.27	Interview Room - "hard" rooms	2	80	160	1.30	208	8 x 10, small table, 2 chairs
8.28	Locker Room/Shower/Restroom						
	Men	1	350	350	1.30	455	14 lockers
	Women	1	250	250	1.30	325	9 lockers
8.29	Parking Garage - 4 stalls	1	1,248	1,248	1.30	1,622	12 x 26, work bench, small tools
8.30	Parking Garage - 1 secure stall	1	312	312	1.30	406	12 x 26
	<i>Police Subtotal</i>			6,362		8,271	
	<b>Sub-Total St. Peter Public Facility</b>			<b>15,836</b>		<b>20,187</b>	
	Circulation/Wall Factor (12%)					2,422	
	Mechanical Factor (6%)					1,357	
	<b>Total Gross Square Feet</b>					<b>23,966</b>	

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### Existing Site

- Police Department
- Transit
- Common Areas, Administration, Finance, Computer Services/ Public Access, Community Development & Building Development
- Parking area

-  Police Department
-  Transit
-  Common Areas
-  Administration
-  Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
-  Unfinished or filled area

34



City of St. Peter — Existing First Floor Plan

#1225.2

February 5, 2013

Sheet  
12

-  Police Department
-  Transit
-  Common Areas
-  Administration
-  Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
-  Unfinished or filled area

35



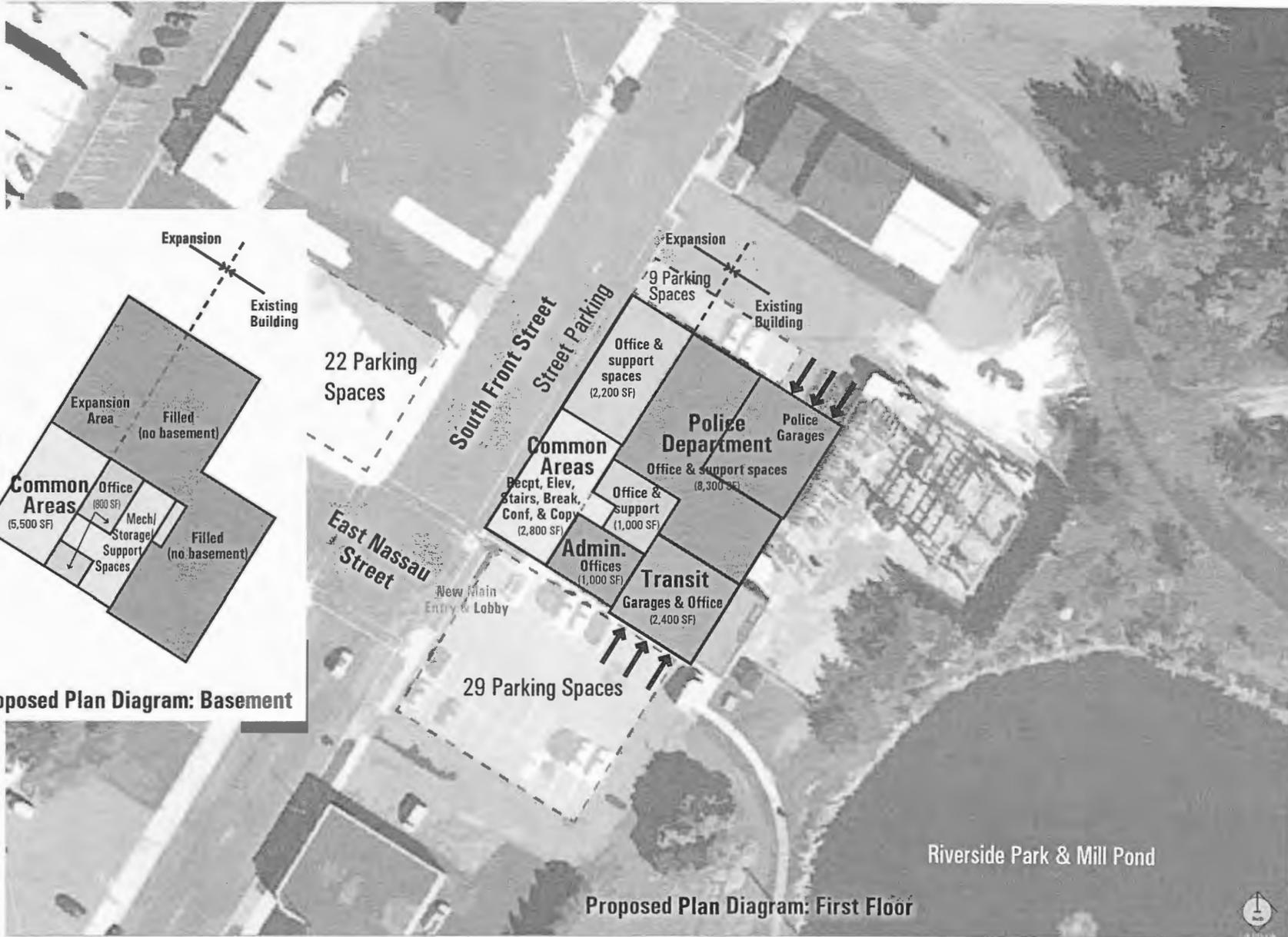
City of St. Peter — Existing Basement Floor Plan

#1225.2

February 5, 2013

Sheet

13



### Option 1a

Redevelop Existing Site

- Police Department
- Transit
- Common Areas
- Administration
- Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
- Unfinished or filled area
- Parking Area

#### Site Summary:

Police Department	8,300 SF
Transit	2,400 SF
Common Areas	4,000 SF
Administration	1,000 SF
Finance, Computer Services/ Public Access, Community Development & Building Development	8,300 SF
<b>Total:</b>	<b>24,000 SF</b>

Parking Requested	40 Spaces
Parking on Site:	60 Spaces
<b>Total:</b>	<b>+ 20 Spaces</b>

**Proposed Plan Diagram: Basement**

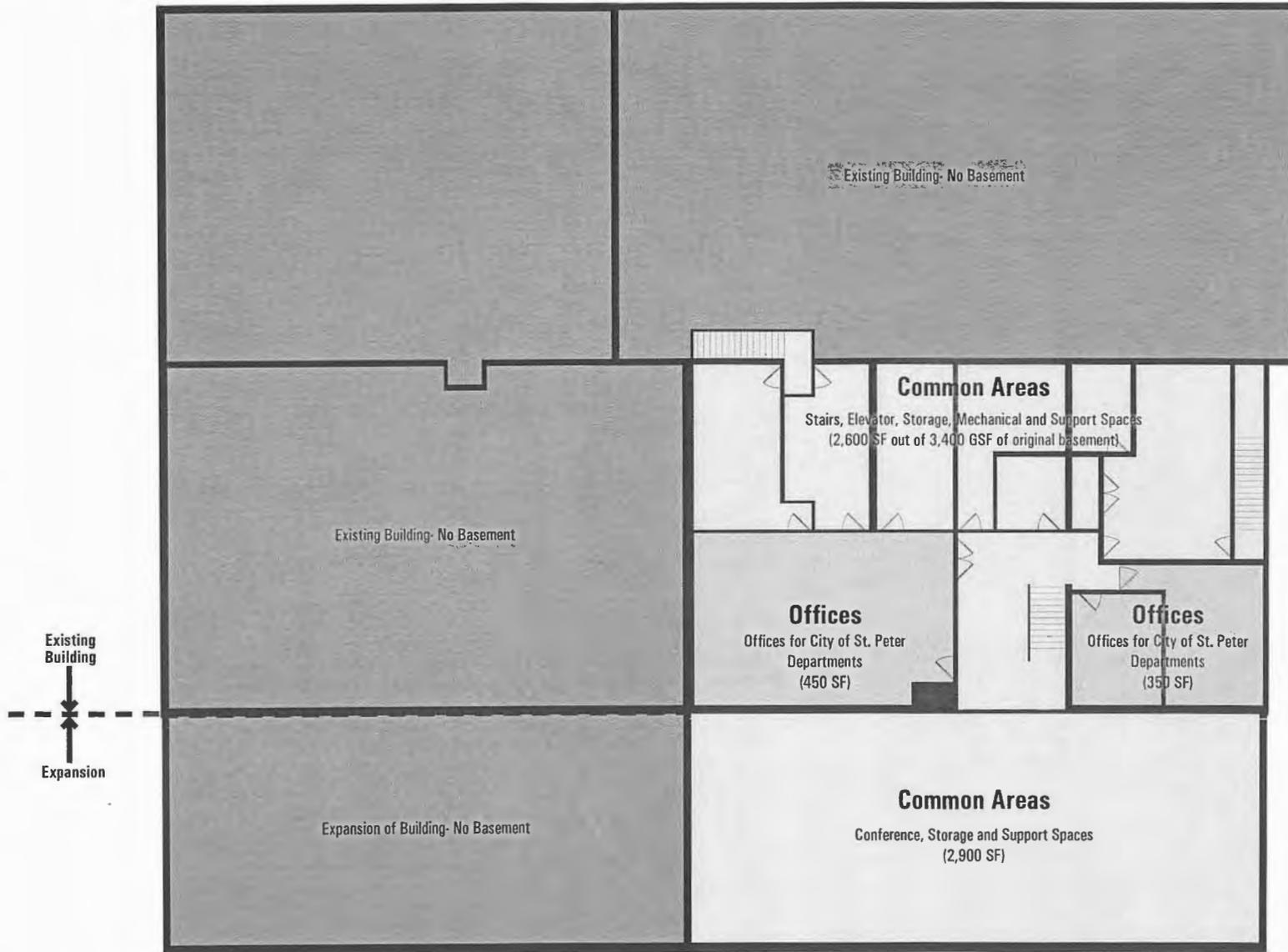
**Proposed Plan Diagram: First Floor**

## City of St. Peter — Proposed Expansion on Existing Site

#1225.2

February 5, 2013

37



### Option 1a

Redevelop Existing Site

- Police Department
- Transit
- Common Areas
- Administration
- Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
- Unfinished or filled area
- Parking Area



38

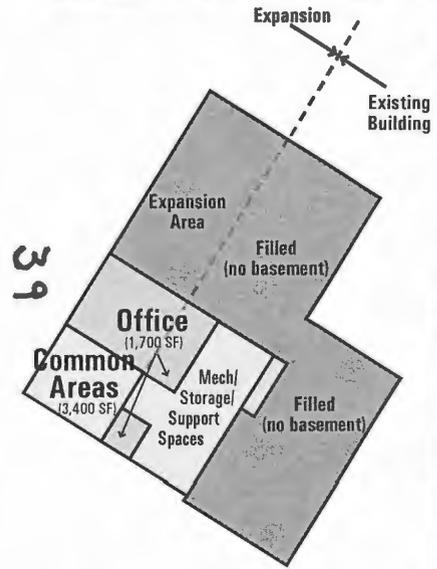


**Option 1a**  
 Redevelop Existing Site

- Police Department
- Transit
- Common Areas
- Administration
- Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
- Unfinished or filled area
- Parking Area



Scale: Not to scale



Proposed Plan Diagram: Basement



Proposed Plan Diagram: First Floor



Proposed Plan Diagram: Second Floor

**Option 1b**

Redevelop Existing Site

- Police Department
- Transit
- Common Areas
- Administration
- Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
- Unfinished or filled area
- Parking Area

**Site Summary:**

Police Department	8,300 SF
Transit	3,200 SF
Common Areas	8,100 SF
Administration	1,000 SF
Finance, Computer Services/ Public Access, Community Development & Building Development	4,000 SF
<b>Total:</b>	<b>24,600 SF</b>

Parking Required	50 Spaces
Parking on Site:	56 Spaces
<b>Total:</b>	<b>+ 6 Spaces</b>

4b



### Option 1b

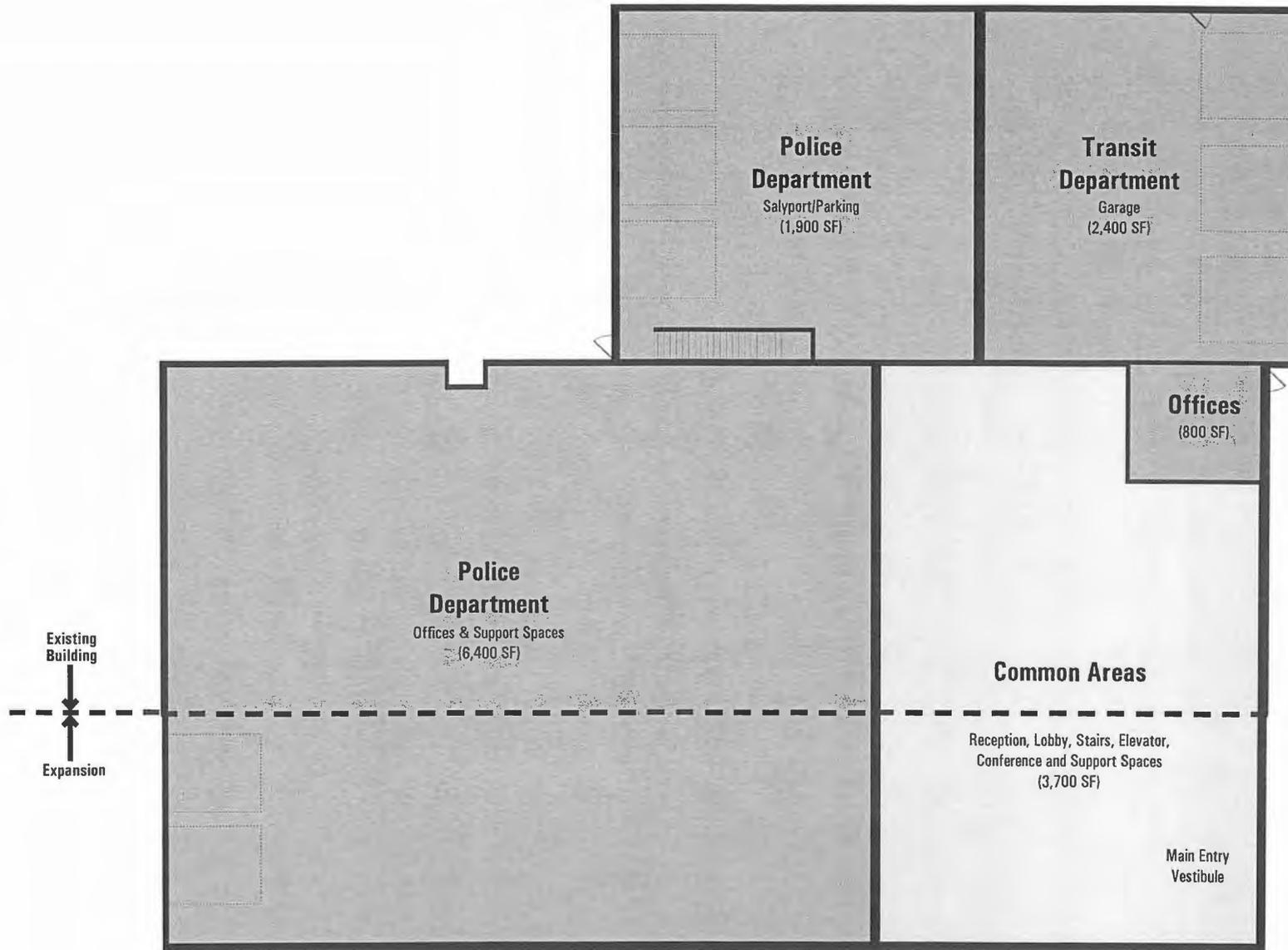
Redevelop Existing Site

- Police Department
- Transit
- Common Areas
- Administration
- Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
- Unfinished or filled area
- Parking Area



Scale: 1/8" = 1'-0"

1b



**Option 1b**  
 Redevelop Existing Site

- Police Department
- Transit
- Common Areas
- Administration
- Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
- Unfinished or filled area
- Parking Area



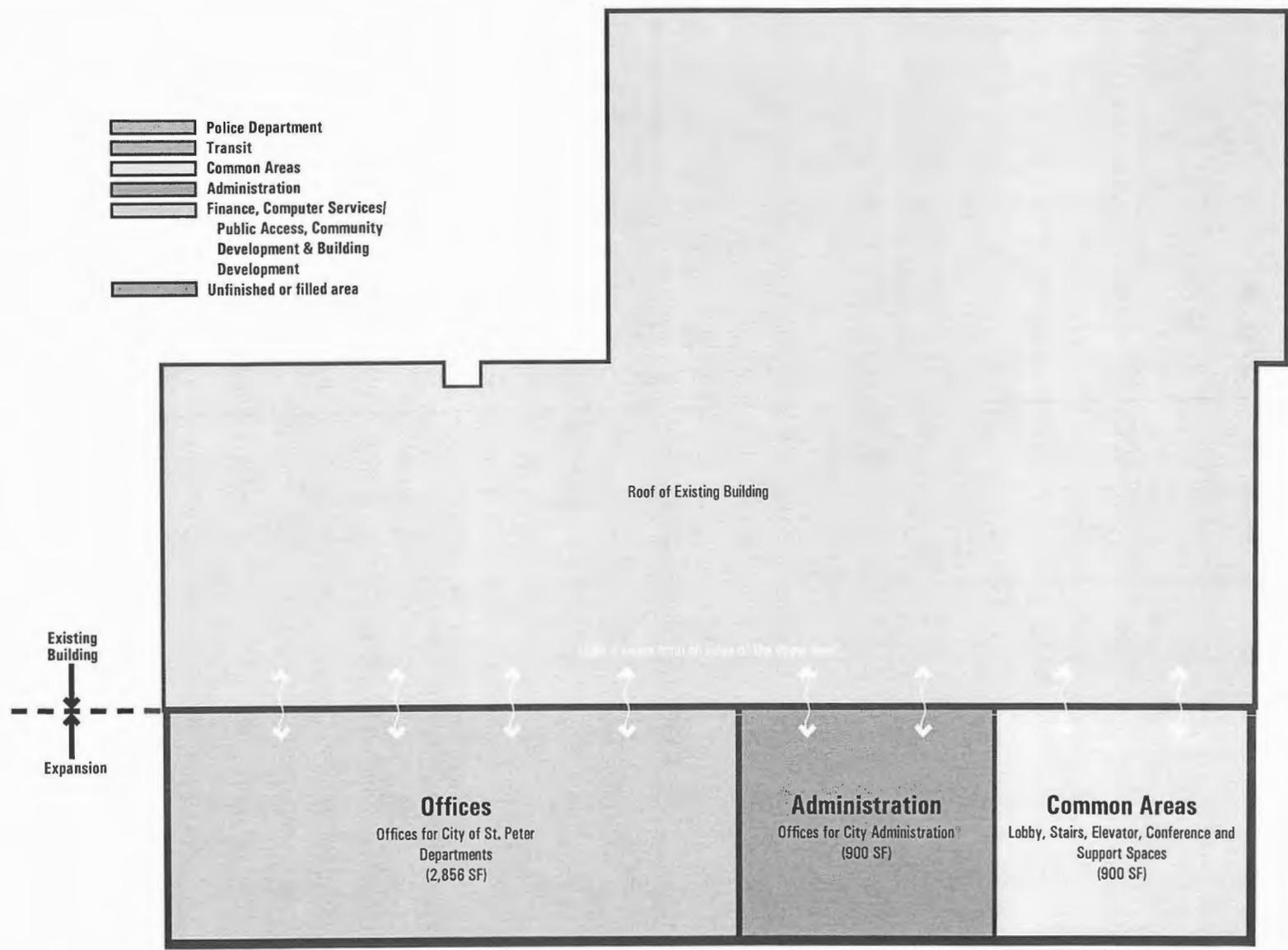
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eh

-  Police Department
-  Transit
-  Common Areas
-  Administration
-  Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
-  Unfinished or filled area

Option 1b  
Redevelop Existing Site

-  Police Department
-  Transit
-  Common Areas
-  Administration
-  Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
-  Unfinished or filled area
-  Parking Area





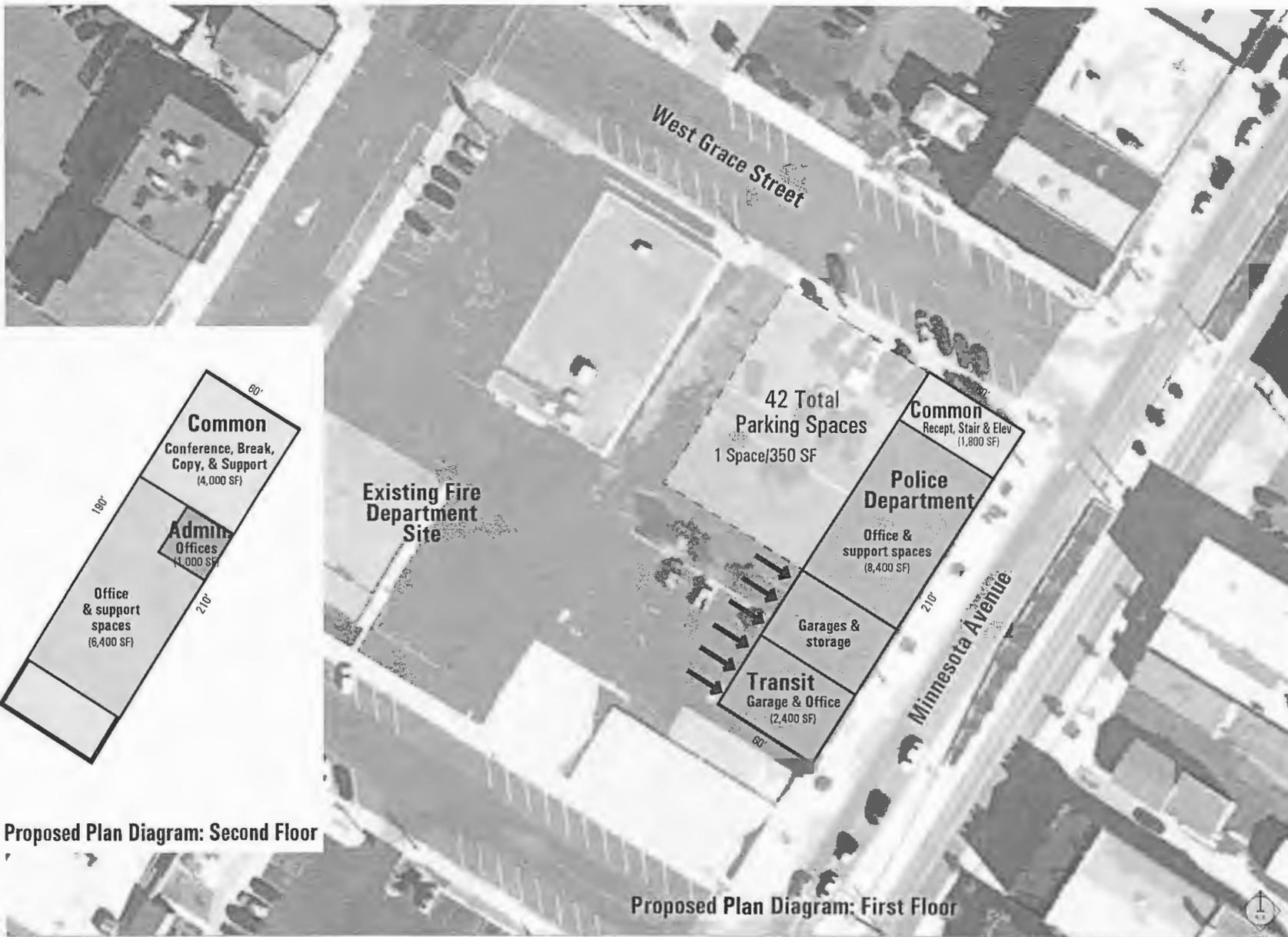
**Option 2a**

One Story New Site

- Building Area
- Parking Area

**Site Summary:**  
 All Departments Total: 24,000 SF  
 Parking Required: 50 Spaces

Proposed Plan Diagram: First Floor



## Option 2b

Two Story New Site

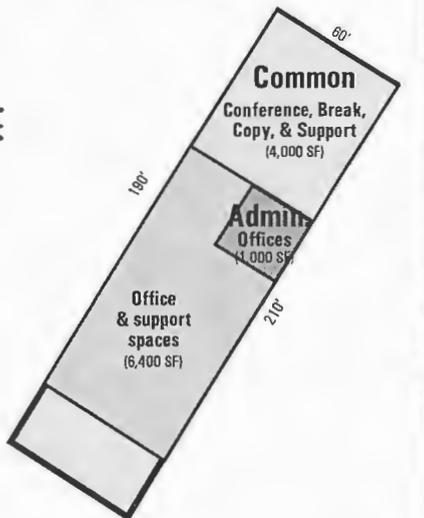
- Police Department
- Transit
- Common Areas
- Administration
- Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
- Unfinished or filled area
- Parking Area

**Site Summary:**

Police Department	8,400 SF
Transit	2,400 SF
Common Areas	5,800 SF
Administration	1,000 SF
Finance, Computer Services/ Public Access, Community Development & Building Development	6,400 SF
<b>Total:</b>	<b>24,000 SF</b>

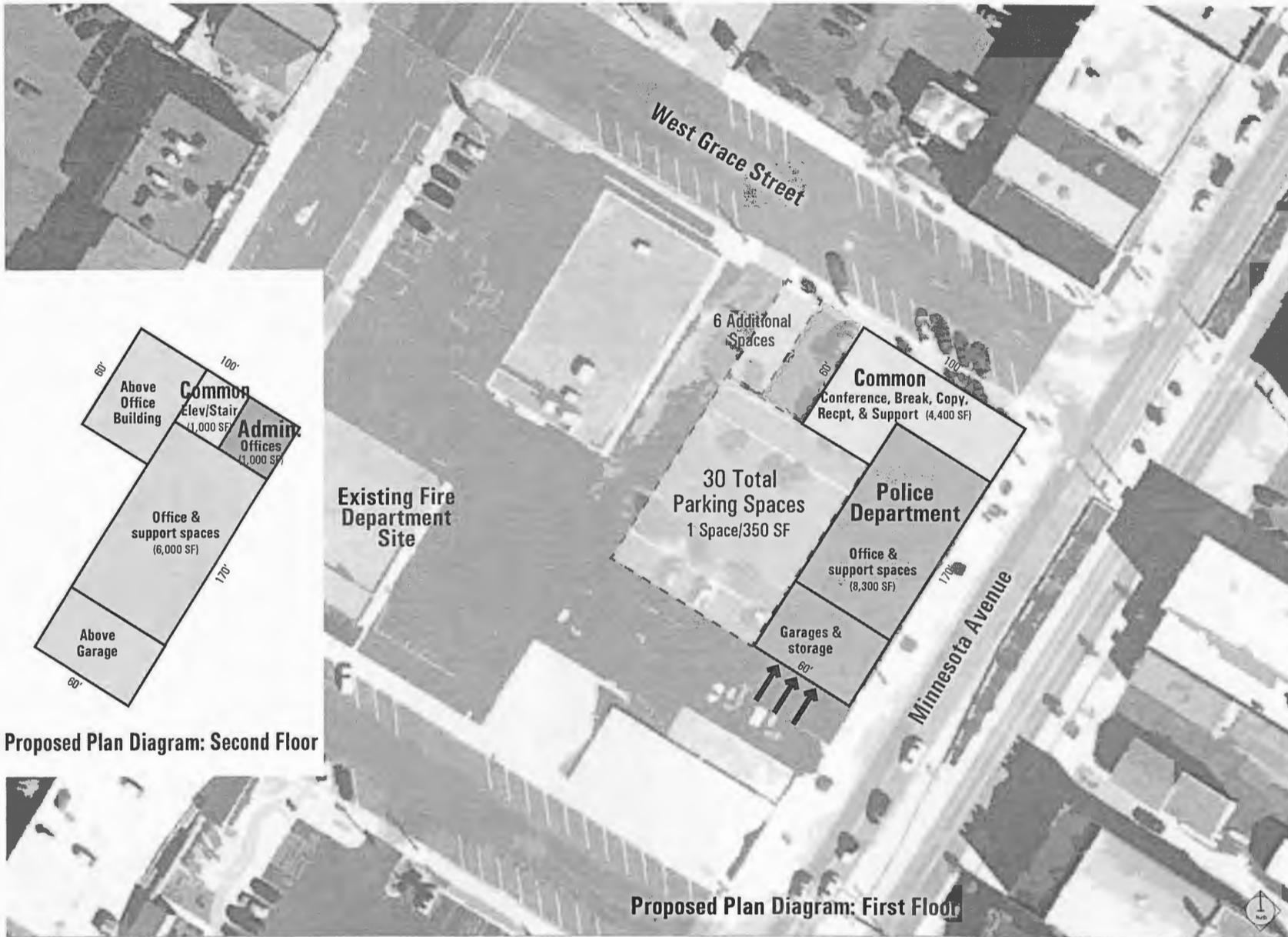
Parking Requested	40 Spaces
Parking on Site:	42 Spaces
<b>Total:</b>	<b>+2 Spaces</b>

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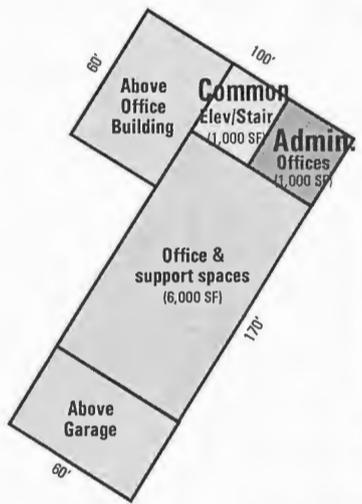


Proposed Plan Diagram: Second Floor

Proposed Plan Diagram: First Floor



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Proposed Plan Diagram: Second Floor

Proposed Plan Diagram: First Floor

### Option 2c

Two Story New Site

- Police Department
- Common Areas
- Administration
- Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
- Unfinished or filled area
- Parking Area

**Site Summary:**

Police Department	8,300 SF
Common Areas	5,400 SF
Administration	1,000 SF
Finance, Computer Services/ Public Access, Community Development & Building Development	6,000 SF
<b>Total:</b>	<b>20,700 SF</b>

Parking Requested	40 Spaces
Parking on Site:	36 Spaces
<b>Total:</b>	<b>- 4 Spaces</b>

**Cost Estimates for Site Options:**  
(2014-2015 Construction)

<u>Option #:</u>	<u>Description:</u>	<u>Low Estimate:</u>	<u>High Estimate:</u>
<b>1a</b>	<b>Existing Site (Pages 15-16)</b>	<b>\$3,397,000</b>	<b>\$3,827,000</b>
	Renovate 13,900 SF x \$110 to \$130/SF	\$1,529,000	\$1,807,000
	New construction 10,100 SF x \$185 to \$200/SF	\$1,868,500	\$2,020,000
<b>1b</b>	<b>Existing Site (Pages 17-20)</b>	<b>\$3,397,000</b>	<b>\$3,827,000</b>
	Renovate 13,900 SF x \$110 to \$130/SF	\$1,529,000	\$1,807,000
	New construction 10,100 SF x \$185 to \$200/SF	\$1,868,500	\$2,020,000
<b>2a</b>	<b>New site* (Page 21)</b>	<b>\$4,320,000</b>	<b>\$4,680,000</b>
	New construction 24,000 SF x \$180 to \$195/SF		
<b>2b</b>	<b>New site* (Page 22)</b>	<b>\$4,320,000</b>	<b>\$4,680,000</b>
	New construction 24,000 SF x \$180 to \$195/SF		
<b>2c</b>	<b>New site* without Transit (Page 23)</b>	<b>\$3,726,000</b>	<b>\$4,036,500</b>
	New construction 20,700 SF x \$180 to \$195/SF		

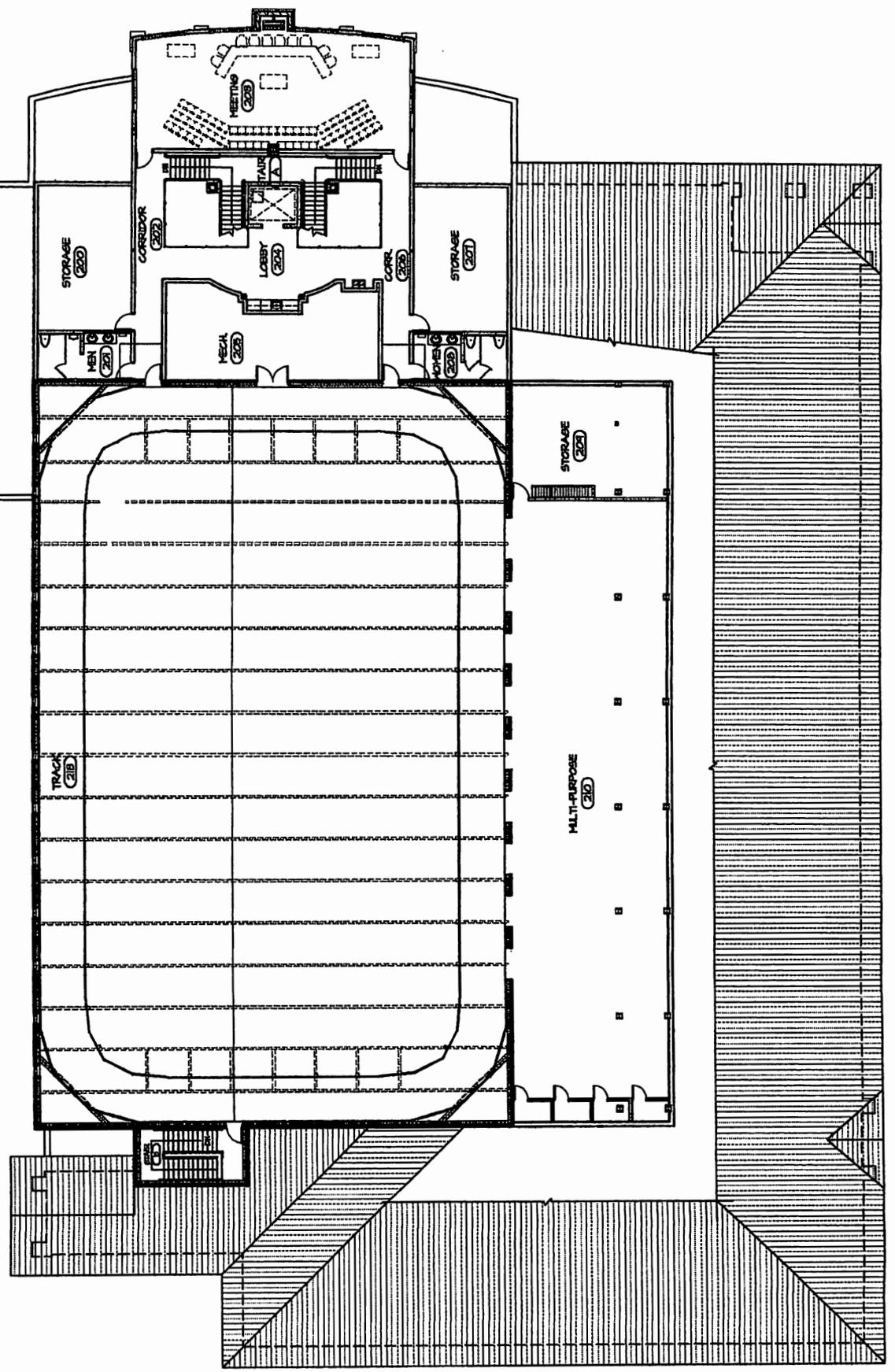
\*Does not include land acquisition

97



LIBRARY

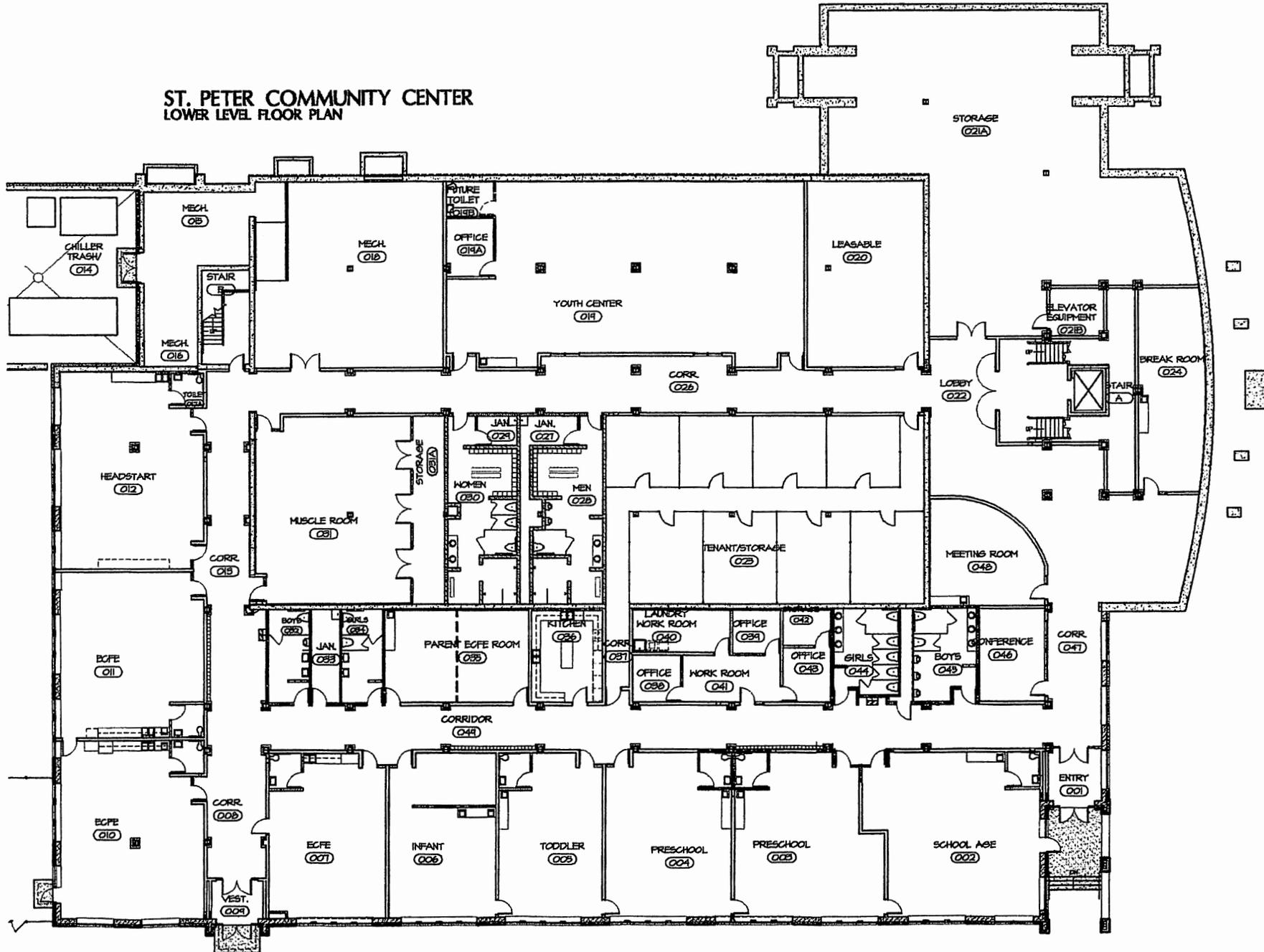
ST. PETER COMMUNITY CENTER  
UPPER LEVEL FLOOR PLAN



ST. PETER COMMUNITY CENTER  
LOWER LEVEL FLOOR PLAN

LIBRARY

67



-  Police Department
-  Transit
-  Common Areas
-  Administration
-  Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
-  Unfinished or filled area



50

50



**City of St. Peter — Existing First Floor Plan**

#1225.2

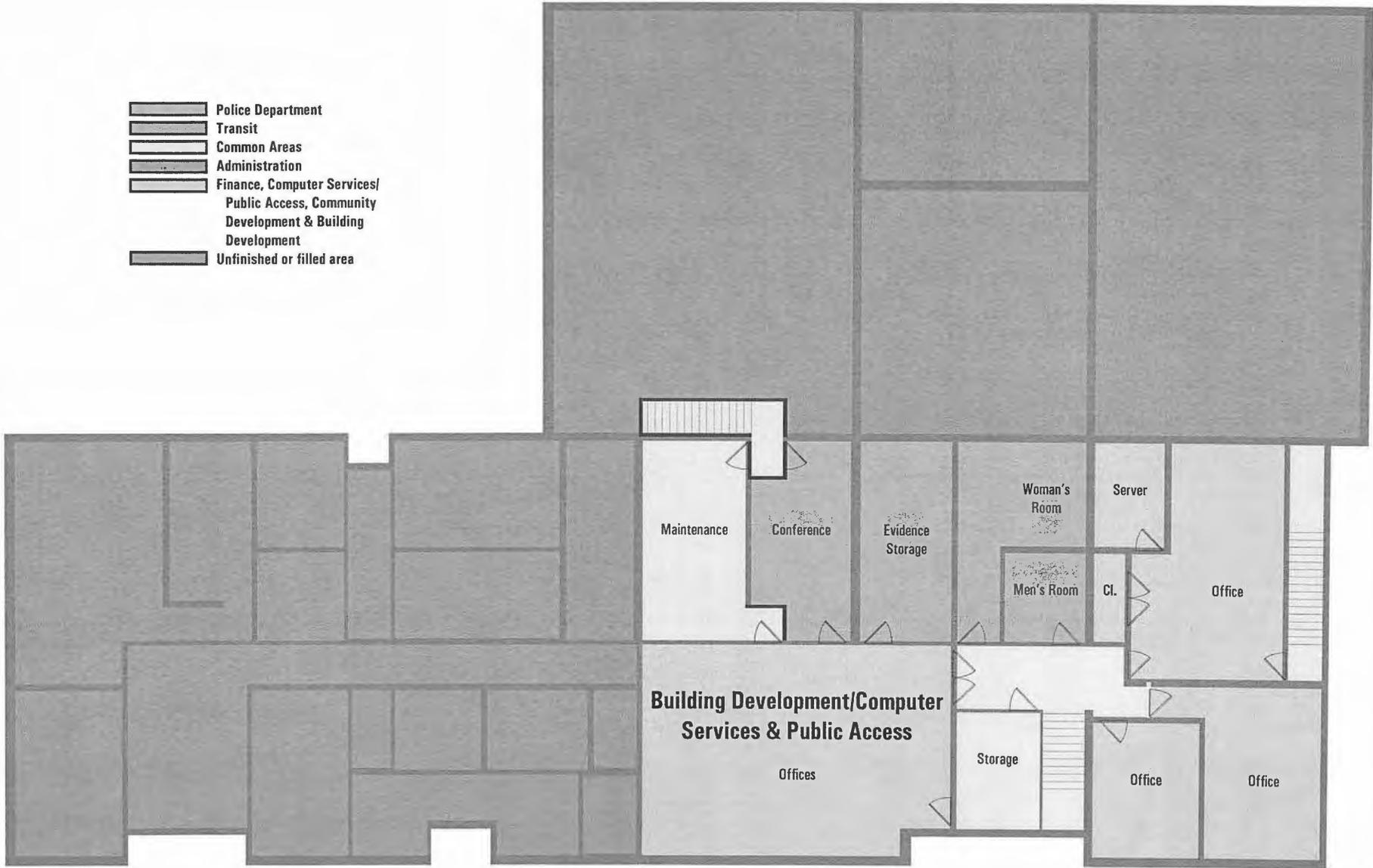
February 5, 2013

Sheet

12

51

-  Police Department
-  Transit
-  Common Areas
-  Administration
-  Finance, Computer Services/  
Public Access, Community  
Development & Building  
Development
-  Unfinished or filled area



City of St. Peter — Existing Basement Floor Plan

#1225.2

February 5, 2013

Sheet  
13

Bob Brown File  
 Council Wages

X:1,AB

Search Results for Council Member. No comparison salary provided.

Organization	Population	Region	Num. of Elected Officials	Annual Wages	Add'l Pmt. for Special Meetings	Health Provider	Organization ANNUAL Cost for Single	Organization ANNUAL Cost for Family
Albion	1,706	Southeast	4	\$8,000.00				
Andover	31,298	Metro	4	\$7,500.00	\$1.00 per EDA	N/A	\$0.00	\$0.00
Arden Hills	10,937	Metro	4	\$8,000.00				
Bemidji	13,541	Northwest	6	\$10,000.00	\$25 per 2 hr	N/A		
Brookville Center	2,810	Metro	4	\$8,800.00				
Buffalo	14,193	Central	4	\$3,440.00	\$25 Per Meeting			
Cass County	2,654	Central	4	\$2,654.00	\$25.00 per hr	QUINCY CROSS BOWERS	\$873.00	\$1,207.00
Champlin	23,934	Metro	4	\$6,610.00	0	Health Partners	\$0.00	\$0.00
Columbia Heights	18,851	Metro	4	\$7,800.00		PROJECTED OTHER	\$7,434.56	\$10,380.00
Cottage Grove	34,502	Metro	4	\$6,780.00				
Crystal	2,074	Metro	4	\$8,088.00				
Farmington	18,959	Metro	4	\$7,020.00				
Fern Falls	1,733	Central	4	\$7,400.00			\$0.00	\$0.00
Forest Lake	17,496	Metro	4	\$5,500.00	No	Health Partners		
Frenchburg	10,576	Northwest	4	\$7,200.00			\$0.00	\$0.00
Ham Lake	15,324	Metro	4	\$4,900.00	N/A			
Hastings	22,911	Metro	4	\$6,000.00				
Hutchinson	14,073	Central	4	\$5,278.00				
Iron Pointe	1,563	Southwest	4	\$2,400.00	\$100 per meeting	ALBERT CROSS BOWERS	\$3,162.00	\$4,301.00
Lino Lakes	20,305	Metro	4	\$5,018.00	\$40	None		
Little Canada	10,038	Metro	4	\$4,800.00		N/A		
Marshall	13,156	Southwest	6	\$5,426.40				
Mendota Heights	12,706	Metro	4	\$7,200.00				
Monticello	11,501	Central	4	\$7,200.00	0			
Mounds View	4,233	Metro	4	\$7,000.00			\$0.00	\$0.00
New Brighton	22,321	Metro	4	\$7,000.00	NA	Health Partners	\$6,473.52	\$0.00

New Hope	20,748	Metro		\$8,150.00		Zipcar/EDA	HealthPartners	\$5,000.00	\$5,000.00
New Ulm	13,396	Southwest	5	\$8,000.00					
North Mankato	19,043	Southwest		\$8,000.00					
Ramsey	23,272	Metro	6	\$6,000.00					
Red Wing	16,294	Southeast		\$5,500.00					
Roseville	34,178	Metro	4	\$7,020.00	0	NA		\$0.00	\$0.00
Savage	27,537	Metro		\$8,000.00					
Shakopee	34,691	Metro	4	\$7,500.00	0				
South St. Paul	20,380	Metro		\$6,600.00					
St. Peter	10,917	Southeast	6	\$4,017.72	\$25 per meeting	BLUE CROSS BLUE		\$0.00	\$0.00
Stillwater	18,235	Metro		\$7,200.00		Blue Cross Blue		\$558.50	\$573.50
Vadnais Heights	13,071	Metro	4	\$6,000.00					
Waconia	10,181	Metro		\$4,000.00					
West St. Paul	18,947	Metro	6	\$7,150.00					
Wilton	27,474	Southeast		\$7,600.00		Blue Cross Blue			
Worthington	11,405	Southwest	5	\$6,000.00	\$50/ mtg (max)	Public Employees		\$8,241.12	\$12,276.00



## MINNESOTA CITIES magazine

### Seeking to Restore Civility



By Andrew Tellijohn

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*Remember the days when people said "please" and "thank you"? That kind of civility seems to be a thing of the past in government, including at city council meetings. But many Minnesota cities and the League are working to bring it back.*

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A half-dozen years ago, the City of Maplewood was in the newspapers constantly. Distrust and debate over the use and potential sale of some parkland had the community concerned. The 2005 election brought in a new mayor and two city councilmembers, who hired a long-time political ally as city manager without conducting a search.

The drama that unfolded over the next couple years led to heavy turnover on city staff, as about 70 percent of the management team was fired or left voluntarily, which led the alternative weekly paper, *City Pages*, to call Maplewood the Twin Cities' most dysfunctional suburb.

Ultimately, the issues didn't just make for uncomfortable work days and long, unproductive council meetings. The dissension led to a bevy of lawsuits that jeopardized Maplewood's standing with the League of Minnesota Cities Insurance Trust (LMCIT), and it ground city work to a halt, says Chuck Ahl, who now holds the title of city manager.

Ahl was public works director for the city of 38,000 when the election that brought on the controversy took place. He served as temporary city manager and then assistant city manager through much of the upheaval and the subsequent healing period. He was appointed to his current role in June 2013.

“It didn’t matter what side you were on,” he says. “The way everybody addressed each other certainly didn’t show any respect, and there was no compromise and no attempt to understand the other person’s position.”

### Principles of good government

The next election cycle, the tide began turning. The Council was still divided, but the new Council began working with staff to re-establish civility and stability within the city. Even though the economic downturn created tight budgets, Maplewood established a no-layoff policy to help rebuild trust with labor unions and staff.

And the city instituted what it called the principles of good government, which required those debating the issues to do so in a civilized, respectful manner.

“We clearly established rules for how people address the Council, and that bringing up personal agendas was not allowed,” Ahl says. “Those personal issues have no place in a public setting.”

Ahl acknowledges that it may take awhile for the labels from the past to completely disappear, but he believes the issues that once plagued Maplewood’s politics are no longer a problem.

### Incivility spreading rapidly

While the situation in Maplewood was highly publicized and perhaps a bit extreme, observers say it’s emblematic of a problem that is popping up in cities all around the state. Dan Vogt, who retired recently after two decades as city administrator in Brainerd and now works as a consultant for Little Falls and Cross Lake, says public employees at all levels used to have more respect from the general public than they do now.

Vogt recalls watching a town hall meeting President Obama conducted in which Obama was practically heckled by an attendee who had not been called on to speak.




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**Chuck Ahl in Gladstone Savanna Neighborhood Preserve, the parkland that sparked controversy and dissension in the City of Maplewood.**

*Photo by Paul Lundquist*

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“Is that the type of thing that would have been tolerated 20 or 30 years ago?” Vogt asks. “I doubt it. That’s just incredible to me. That’s a shining example of how uncivil we’ve become.”

He’s seen the same kinds of breakdowns regularly in communication between the public and city officials as well as between councilmembers and staff. Some of it is media driven. Some is the trickledown effect of watching hardline negotiations between highly visible Republican and Democrat officials on the state and national levels.

“They’re taking what they see in the news or the talking heads on television and how they refer to people and how they interact with people,” he says. “That’s another part of the problem. I’ve seen a general deterioration of that discourse.”

Incivility in government has become a prominent enough problem that the League of Minnesota Cities (LMC) conducted a panel discussion on the topic at its 2013 Annual Conference and convened a task force to look at the issue, says Kevin Frazell, LMC member services director.

The LMC Civility Task Force is looking into patterns that cause incivility issues to arise and how the League can work to help prevent them from damaging cities. When deliberations go beyond an honest difference of opinion and devolve into personal attacks, it can paralyze the government process and, in some cases, Frazell says, cause staff members to leave.

“Government can’t move forward and deal with issues very well when there is acrimony,” he says.



### **A proactive approach**

A few years ago budget cuts drove the City of Brooklyn Park to reconsider how it provides services to its 76,000 residents. In addition to the financial issues, the city was dealing with two high-profile incidents of youth violence and a significant home foreclosure issue during the recent recession. So city officials launched the Community Engagement Initiative and began some proactive community outreach efforts that have turned the situation around.

City Manager Jamie Verbrugge says city staff reached out to residents to establish a core planning team that laid out the vision, mission, and strategic objectives for the community. One of the principles that resulted was that city officials would not make decisions without consulting those who are affected by them.

For bigger issues, the city invites residents to “community cafe” discussions, where citizens can talk over their positions with city staff in a forum that is more casual than a Council meeting. The city then aggregates the information it receives and uses it to make more informed decisions.

These discussions are “focused on having people sit around a table with other members of the community,” Verbrugge says. “It becomes a more thoughtful and, I think, a more constructive



way to receive feedback.”

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**Robin Martinson announces an upcoming event  
at a recent meeting of Brooklyn Park’s Community  
Engagement Initiative teams.**

*Photo by Paul Lundquist*

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The city has also conducted “call to action” discussions with advocacy groups, nonprofits, and other organizations on issues such as domestic and youth violence, Verbrugge says. These help develop “a more community-based approach rather than a city-centric approach.”

Brooklyn Park’s Community Engagement Initiative has received national attention, and survey results indicate that it appears to have dramatically improved the community’s outlook on the city and those working for its betterment. “We’re definitely seeing results,” Verbrugge says.

### **Communication helps**

Communicating directly with the community can be a vital step toward maintaining the public’s trust and diffusing issues that could later create opportunities for uncivilized behavior. And cities are getting better at telling their story and communicating with citizens. That’s a major point in improving civility, says Bob Thistle, who was in city management in Minnesota for 25 years.

“Fifteen to 20 years ago, the basic communication tool was the newspaper or maybe a newsletter that went home once a quarter,” Thistle says. “Today cities have websites with all sorts of information. Cities have become much more adept at communicating a story more effectively than we did in the past—because we didn’t have the tools.”

Communication is also important in educating the public about their rights and responsibilities as far as what is expected of their behavior when attending meetings, adds Doug Anderson, former mayor of Dayton who is currently senior partner with Anderson & Orduno, a startup consulting firm that is working with the League and several cities around the state on civility issues.

Anderson suspects that one of the solutions for improving civil discourse at meetings will be better training for mayors and councils on how to communicate those expectations.

“The big jumping-off point where most people have to start is the communication piece and learning how to listen and how to talk to one another,” he says.

### **Paralyzing effects**

It’s critical that cities not allow incivility to continue, Anderson adds. When the problems start to fester and grow, incivility ultimately can create tense government bodies that are unable to govern.

“You become ineffective as a council if you have members that are not agreeing with one another in a constructive way,” he says. “It leads to a breakdown of trust from councilmember to councilmember, from council to staff, from council to the public. And it really erodes the ability to work effectively.”

In some extreme cases, LMCIT had to get involved when councilmembers were doing some unsavory things such as violating the Open Meeting Law or making threats. “Those things can become costly in terms of lawsuits, and insurance premiums can be greatly increased.



LMCIT has dropped coverage in the past of cities that can’t seem to get their act together,” Anderson says.

“That’s been a wakeup call to the cities and their residents that this isn’t a spectator sport or a ‘Jerry Springer’ episode. This is pretty serious stuff.”

One thing is certain, Thistle says. Public discourse must be conducted in a professional manner. He compared the job of chairing a public meeting with refereeing a sporting event. Rules and boundaries must be set in advance and, if people start getting abusive, they must be confronted.

“There is always a tendency not to want to create a confrontation,” he says. “Sometimes people come in [to a council meeting] and they get away with saying things and doing things and they are not called on it.”

Thistle says clear rules must be established upfront and, when someone starts getting abusive, the person should be warned or, in extreme cases, removed from the council chambers.

“The trick is calling people on it,” he says. “It’s like anything else. If you let somebody get away with something, they’ll keep doing it. So there needs to be really clear boundaries established.”

Maplewood’s Ahl agrees. He says it’s important to have rules in place for running meetings, and to adhere to them. Communication is key. Dealing with controversial issues is inevitable in government, but it doesn’t have to lead to discord or lack of trust.

“It’s that issue of making sure you are honest and open,” he says. “Establishing those principles and staying true to those principles, making sure meetings are run respectfully—I can’t say that enough. It’s OK to disagree, but disagreeing disrespectfully is unacceptable.”

*Andrew Tellijohn is a freelance writer based in Richfield, Minn.*

*Note: See related article "What's Happened to Civility?" (Link to: <http://www.lmc.org/page/1/AISINovDec13.jsp>)*

**Read the November-December 2013 issue of Minnesota Cities magazine** (Link to:

<http://www.lmc.org/page/1/nov-dec-2013.jsp>)

\* By posting you are agreeing to the **LMC Comment Policy** (Link to: <http://www.lmc.org/page/1/comment-policy.jsp>).

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**View the Nov-Dec 2013 Issue (pdf)**

(Link to: <http://www.lmc.org/media/document/1/mncitiesnovdec13.pdf?inline=true>)

# COOPERATIVE EFFORTS (White Sheet)

## SCHOOL DISTRICT

- Activity connection Senior Citizens, recreation, transit
- Facilities long term planning
  - Athletic Other Facilities, Drama, performance, arts
  - City/School offices - this is connected to school facility program
- Budgets
  - Levy
  - Pay
  - Others
- Association concept goals
- Early Childhood 95% coverage might be a goal
- The Third Floor (Keep City involved)
- City/School strategy with GAC
- Child Care
- Long Range Community Planning
- Studies (Housing Demo Others)
- Official Maps

## NICOLLET COUNTY

- Compost funds
- Library
- 1/4 - 1/4 good zone
- Office space (Campus Concept) Building
- Criminal Justice Committee
- Law enforcement share dispatch
- Official Mapping
- Emergency Planning
- Green Valley
- Gardner Road
- Stormwater

## GUSTAVUS ADOLPHUS COLLEGE

- Parking
- Housing - on campus \$\$ students and alumni
- Performance space
- Recreational facilities
- Off-campus behavior
- Hispanic inclusion/Sister City
- Child Care
- Transit use
- Employees live in City

## REGIONAL TREATMENT CENTER/STATE OF MN DEPT OF HEALTH

- Water distribution
- Trail system
- Gluek Park
- Future program/land/facilities
  - Parks
- Arts Association
- Tourism Opportunity

## BANKS

- Establish regular lunch meetings with them

## REALTORS

- BFF
- Promotion of opportunities for young families
- Others

## Todd Prafke

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**From:** Williams, Michael [REDACTED]  
**Sent:** Wednesday, January 28, 2015 8:30 AM  
**To:** MN C&C Mgr Assoc  
**Subject:** [mcma] Security for Public Meetings

Hello:

Oddly, on Monday night I had a police officer at our meeting because we knew a volatile individual would be present to protest a special assessment charge. I was a bit uncomfortable as I sat with my back to the subject of our concerns. As the officer was guard fully watching our Council Meeting, he learned of the shooting in New Hope.

I suggest to our MCMA or LMC leadership that we convene some kind of Ad Hoc Committee to make suggestions for securing our public officials during public meetings. I know there are security measures that we can all take, but these become intrusive and costly and therefore controversial. Elected officials and appointed officials need the support of our associations to make good proposals and decisions. In addition, I think there could be a role for the State Government for new laws or grant dollars to help protect our public officials.

County governments are ahead of city governments in protecting public officials due to the more volatile nature of people forced into the court system. We can learn from that knowledge and experiences.

I know that we, in St. Cloud, will be discussing this issue in the near future. I don't think we will conclude that no action is necessary. I think my Council is unwilling to accept the risk presented by inaction. Perhaps many of you are doing more and have done more than I am aware. If that is the case, then I would like to learn from you.

Thanks. And, thanks for your public service!

Michael Williams, PhD  
City Administrator  
St. Cloud, MN

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## **Growth Trends and Projections Overview**

The updated demographic section of this Study has presented information on current population and household estimates for the City and the surrounding areas. In general terms, St. Peter and the Three-County area have been able to consistently add population and households for more than thirty-three years (this and previous reviews have not analyzed data prior to 1980).

While overall growth has been consistently taking place, the rate of growth has varied from decade to decade. When examining the entire Three-County area, consisting of Nicollet, Blue Earth and Le Sueur Counties, the rate of household growth has not always been consistent. In the 1980s, the number of households in the Three-County area increased by 7.5%. In the 1990s, the percentage increase was at 11.5%. The decade of the 2000s represented an even faster period of growth, as the number of households increased by 14.7%.

However, the pace of growth has slowed more recently, with a more modest increase over the past seven years. The best available projections for the Three-County area would expect household growth of between 8% and 9% during the current decade. While this still represents a substantial increase, recent patterns suggest a more moderate rate of growth going forward, when compared to the rapid growth that was taking place in the early 2000s.

Housing unit construction patterns for the larger region have generally followed the trends for household growth. The number of housing units constructed each year between 2000 and 2006 was more than double the average that occurred from 2007 to 2013. The change was most severe in Le Sueur County, but even in Blue Earth County, the annual average after 2006 was at one-half the level of the preceding seven years.

This regional pattern was also very evident in the City of St. Peter. Although exact annual incremental change cannot be accurately measured, it is probable that St. Peter was adding more than 70 resident households in an average year from 2000 to 2006. After 2006, growth and housing unit construction slowed significantly. The best recent estimates show the City adding 40 or fewer households per year, approximately one-half the rate being achieved in the earlier part of the previous decade.

This 2014 analysis has examined different household projections that exist for the City of St. Peter and the larger region, and expects that near-term growth will remain reasonably similar to the most recent patterns. For the City of St. Peter, this represents annual average growth of between 36 and 46 households in a typical year through the year 2020.

For the larger Three-County region, annual average growth of approximately 366 to 412 households would be expected. Most of the regional growth will likely occur within the City of Mankato. The City of St. Peter would be expected to capture approximately 10% to 11% of this regional growth. While growth at this scale will continue to generate demand for new housing construction, it will be at a much lower level that had been occurring prior to the year 2007.

It is important to state that these calculations represent potential growth based on current conditions and expectations. Although the City of St. Peter has not experienced significant upward change in city-based employment, there may be larger-scale job growth within the region. In Mankato, projects such as a WalMart Distribution Center hold the potential for greater household growth within the near-future. Similarly, expansions at the Cambria facility near Le Sueur could also result in faster than expected growth within the regional work force, generating greater household growth potential. The projections contained in this Study may prove to be overly conservative in the future, but are supported by the patterns that have been present for the past seven or eight years.

## **Summary of Growth Projections by Age Group**

The Demographic section of this Study presented information on the changing age makeup of the City and the surrounding area. Tracking age-based changes can be informative in predicting future housing needs.

In general terms, much of the net change in households between 2000 and 2010 was generated by older adults. Nearly 68% of the City's net increase in households over the last decade was due to an increasing number of households age 55 and older. At the time of the 2000 Census, approximately 35% of all households in the City had a head of household age 55 or older. By 2010, this had increased to nearly 40% of all households. By the year 2020, this percentage will be even larger, as existing residents move through the aging cycle.

The same basic patterns have been present in the entire Three-County area, although the impact of a large student population in Mankato does lower the overall percentages. In 2010, more than 38% of all households in the Three-County area had a head of household age 55 or older. By the year 2020, nearly 44% of all households will be in the 55 and older age groups. The largest age-based changes among older adult households should occur in the groups between 55 and 74 years old. This would reflect the aging "baby boomers", all of whom will be age 55 or older by the year 2020.

Conversely, no growth would be projected among younger adult households, below the age of 55. While certain age cohorts in these younger ranges, such as the number of households age 25 to 44, will increase in number, they will be negated by even larger reductions in other age groups, especially households age 45 to 54 years old, as the advancing baby boom generation will not be replaced by the smaller demographic cohort that immediately followed.

The age-based projections from ESRI expect a net reduction of 643 households age 54 and younger between 2010 and 2019. The age-based forecasts from Community Partners Research expect a net reduction of 384 households age 54 and younger during the current decade.

Between 2000 and 2010, St. Peter did a better job than many other communities in attracting/retaining younger households. This was probably due in part to affordable subdivisions such as Nicollet Meadows and Washington Terrace. However, in the early 2000s, when these subdivisions were most active, most of the baby boomers were in the age groups between 35 and 54 years old, and were driving much of the demand for new single family homes. By 2020, all of the baby boomers will be older than 55, and less likely to build or buy a traditional single family detached unit in an affordable subdivision.

## **Summary of Housing Unit Demand and Tenure Projections**

St. Peter has developed a diverse range of housing options for area residents. Although the last decade was generally regarded as a very strong period for home ownership, the rental tenure rate in St. Peter actually increased, while the home ownership rate dropped. In terms of net change, St. Peter added 288 renter-occupancy households over the previous decade, compared to 225 owner-occupancy households, according to the 2010 Census.

After 2010, it is probable that the disparity between renter and owner household growth has been even greater. Most of the net increase in households after the 2010 Census count would be directly linked to the new housing opportunities that were created during this same time period. Based on building permit reports from 2010 to 2013, there were 195 rental housing units permitted (including very specialized senior housing with services) compared to only 34 single family homes.

As identified in the previous study completed for St. Peter, the level of owner-occupancy household growth from 2000 to 2010 was well below the level of single family housing unit construction during that same time. Housing units issued a building permit between 2000 and 2009 would probably have completed construction and been available for occupancy by the time the 2010 Census was completed. Based on building permit records, there were nearly 450 single family units constructed in St. Peter during this time period, but a net gain of only 225 owner-occupancy households.

Conversely, the level of renter-occupancy household growth between 2000 and 2010 exceeded the level of new unit creation, based on construction records. The City added 288 renter-occupancy households, but fewer than 220 actual rental units through new construction. The capacity to house more renter households was achieved either through access to formerly vacant housing, or through the conversion of units, as owner-occupancy housing changed use to become rental housing. The fact that owner-occupancy unit construction greatly exceeded growth in the number of owner households is probably a significant contributing factor to the slowdown in new home construction activity after 2006.

### **Tenure Projections to 2020**

There are multiple methods available for converting projected household growth over the next few years into expected tenure preference. The following summary is provided of the different methods reviewed. These methods have

then been compared to the projected annual growth potential of 36 to 46 households in an average year in St. Peter. Following this analysis, a tenure-based projection has been identified.

### **Long-term Tenure Patterns**

Based on historical tenure patterns for St. Peter, most of the demand should come from owner-occupancy households. At the time of the 2010 Census, 65.3% of all St. Peter households were owner-occupants. Although the home ownership rate in 2010 was down from the rate of 68.9% in 2000, the large majority of households still owned their housing unit.

If an ownership tenure rate of even 64% is applied to the expected annual range of future growth, this would yield growth-generated demand for approximately 23 to 29 additional owner-occupancy units in an average year.

### **Short-term Tenure Patterns**

While most St. Peter households have traditionally owned their housing, this pattern is much less evident in the incremental growth over the past 15 years. As tracked by the decennial census, the net tenure change for net household growth between 2000 and 2010 was approximately 56% renters compared to 44% owners. After 2010, it appears the rental tenure rate has probably been above 70% based on unit construction patterns.

If the home ownership tenure pattern from the prior decade of only 44% is applied to the expected annual range of future growth, then this would yield growth-generated demand for approximately 16 to 20 additional owner-occupancy units in an average year.

### **Age-based Tenure Patterns**

Aging patterns for City residents can also be used to predict future tenure demand, as households have distinct ownership versus rental preferences at different stages of their lives.

An analysis of future age distribution patterns for households would yield a reasonably similar forecast to historic tenure preferences, as most of the net household growth is expected to occur within the age ranges that have traditionally had very high rates of home ownership. If future households maintain the tenure preferences that are similar to historic precedent, then approximately two-thirds of the demand would exist for ownership options.

If an ownership rate of 67% is applied to the expected annual range of future growth, then this would yield growth-generated demand for approximately 24 to 31 owner-occupancy units in an average year.

### **Reconciliation of Projected Demand**

The various calculation methods presented above yield a range of annual demand for additional home ownership options, from a low of 16 units per year, to a high of 31 units per year.

Although this represents a fairly wide range, it is important to note that actual construction activity has not generally achieved even the lower end of this projected range since the year 2006. The possible exception is the current year, 2014, when as many as 21 owner-occupancy housing starts have occurred so far, although as many as six of these are believed to be speculative homes that may or may not sell during the year.

Going forward, this Study has used a forecast near the middle of this projected range, with growth-generated demand yielding the need for an additional 20 to 25 owner-occupancy units in an average year. Unit replacement and pent-up demand for certain types of units could take this annual demand as high as 30 units in an average year to the year 2020.

This level of production would be well below the levels the City was able to achieve from 2001 to 2006. However, it would be more than double the average level that has been reached annually since 2007.

While the analysts do anticipate ongoing recovery in single family construction activity, it is not necessarily evident in 2014. St. Peter has exceeded its prior year production total for single family homes, but this has not been the case in Mankato, which is unlikely to reach its 2013 construction level. With lowered construction levels in Mankato, it is probable that the regional total for single family production in 2014 will be lower than in 2013.

For St. Peter to achieve a higher level of annual production in the future, it is assumed that new home ownership promotional efforts, including gap financing, down payment assistance, and reduced lot pricing will all generate a level of construction that has not been reached recently without these types of incentives. It is also probable that the projections to 2020 will not necessarily result in a consistent level of annual construction. Reaching as many as 30 single family housing starts per year may not occur in the early years of this projection period, but then should gradually increase as market conditions continue to improve over time.

## **Findings and Recommendations Concerning Affordable Subdivision/Unit Construction**

**Findings:** The primary goal of this updated research project is to review and comment on market conditions pertaining to affordable home ownership housing potential in St. Peter. A similar research project had been completed in 2012. With slow home ownership market conditions present at that time, that study had not identified a near-term need for an affordable housing subdivision project. The City also recognized at that time that market conditions were not conducive to publicly-sponsored initiatives.

As local housing markets have stabilized, and some improvement has started to appear in new home construction activity, this topic has been examined based on information available in 2014.

It is important to acknowledge that St. Peter has had past success with promoting affordable home ownership options. In the previous decade, two publicly-owned subdivisions were developed, known as Nicollet Meadows and Washington Terrace. In addition to offering affordable residential lots, these development areas also packaged subsidy and financing programs that assisted income-eligible and first-time home buyers.

Lots in the previous subdivision projects were well-timed with peak market activity. Lots in the first phase of Nicollet Meadows were available from 2000 to 2002. The second phase of Nicollet Meadows then became available in 2002, with most lots sold by 2004. Lots Washington Terrace became available in 2004, and by 2006, more than 75% had been sold. Although some remnant lots remained after 2006 in Washington Terrace, most had been sold and houses on these lots had either started or completed construction before the housing downturn occurred.

During the years that active home building was underway in these affordable subdivisions, St. Peter was in a solid competitive position for attracting home owners. In the Competitive Environment section of this document, single family detached housing starts in St. Peter were compared to single family starts in Mankato, the single strongest jurisdiction in the immediate region for home construction activity.

From 2000 to 2006, when lots were being utilized in the City's affordable subdivisions, St. Peter was able to achieve a level of annual home building that ranged from approximately 20% to more than 38% of the level achieved each year in Mankato. The only exception was 2003, when Mankato reached its

single year peak for home building, and the level in St. Peter was only 18% of the volume achieved in Mankato.

From 2007 to 2013, when nearly all of the affordable lots had been sold, St. Peter never achieved a percentage above 16% of the volume being reached in Mankato. The exception could be in 2014, when the volume of construction is up and St. Peter and down in Mankato year-to-date. However, this is primarily due to the fact that through the end of September, Mankato was only at 60% of the single family housing starts reached at the same point in 2013.

After the national economic recession and housing market crash started in 2007, construction activity in St. Peter was going to slow significantly, regardless of the affordable lot supply. However, this appears to have been accentuated by the fact that the affordable subdivisions were nearing full build-out after 2006. Between 2006 and 2007, the total volume of single family home construction in Mankato dropped by approximately 22%. In St. Peter, the volume dropped by more than 70%.

**Recommendation:** The research completed as part of this 2014 update is generally supportive of a renewed effort to develop an affordable single family home subdivision in St. Peter, especially if this effort can include special buyer incentives and assistance programs. However, the City should not expect that the past successes can be directly replicated. Going forward, a goal of approximately 8 to 12 affordable homes per year represents the expected potential for affordable new construction efforts. There are also reasons to possibly delay the start of development activity, as will be further defined below.

The updated research in this document supports overall demand for up to 30 single family ownership units in an average year in St. Peter. Approximately 30% of this demand can be expected within the entry-level to more moderate price ranges that could be served by an affordable subdivision. At this rate, fewer than 10 affordable new homes would be needed in a typical year. However, with added financial incentives, such as "gap" financing, deferred loans and down payment assistance, a higher level of construction should potentially be achievable.

The annual projected demand of 8 to 12 affordable new homes per year would be substantially lower than the peak levels achieved in the previous Nicollet Meadows and Washington Terrace projects. However, broader market conditions were much stronger at that time, and overall home building activity in St. Peter and the surrounding region was proceeding at a pace that was more than double the overall level projected forward to the year 2020.

There is evidence that the elevated construction levels prior to 2007 may have actually exceeded actual demand, as tracked by growth in home ownership. A more moderate expectation for home building and home owner growth has been used when forecasting demand over the next few years.

Based on the projected demand, any affordable subdivision development would be recommended at a moderate scale, with smaller phases of lot improvement. An initial phase of 20 to 30 affordable lots should allow for absorption within two to four years. Additional phases could then be introduced based on the sales patterns that are established in phase 1.

Although this update is supportive of affordable ownership initiatives and subdivision development, there are a number of additional findings and concerns that should be considered before action is taken. These are summarized below.

- ▶ **Welco West will also address this market segment** - A tax forfeited subdivision was sold to an area home builder/developer, which included goals to provide some affordable housing options, including single family detached homes. In the fall of 2014, limited sales activity had occurred within Welco West, although some speculative model homes were nearing completion and would be actively used to market the lots and available design plans. State financial incentives had been applied for, but not yet awarded, which could offer incentive programs to income-eligible households.

Potential floor plan options for homes in Welco West could be as low as the \$150,000s, although most designs would be priced above \$180,000, before any incentives are applied. The application for buyer assistance funds had assumed a first mortgage of approximately \$165,000 for the affordable homes. Welco West has as many as 28 single family detached lots that could be used to serve this more affordable segment of the market.

In the near-term, Welco West has the potential to meet demand in St. Peter for the more affordable ownership market. A City-sponsored affordable subdivision created before lots in Welco West are absorbed would offer direct competition. In the opinion of the analysts, the lot sales and home building activity in Welco West should be closely monitored before any additional lot development is initiated. As lots/homes in Welco West are sold, there will be direct evidence of demand for this type of housing.

- ▶ **Privately-owned subdivisions will view a City-sponsored project as direct competition** - In addition to Welco West, there are other active subdivisions with unsold lot inventories in 2014. These include Country View Ridge, Rock Ridge, Orchard Ridge and possibly others. With the downturn in single family construction after 2006, many of these developments have been holding unsold lots for a prolonged period of time.

The basic research completed for this update indicates that lot prices in these other subdivisions tend to be higher than those typically associated with an affordable subdivision. The style and prices for homes built in the private subdivisions also tend to be higher, although no specific research was done on construction covenants that may be in place that would impact final pricing.

While these private subdivisions would generally not represent direct competition, based on lot pricing, the owners of existing subdivisions would generally view this as competition that will further limit their ability to sell their remaining lot inventory. Some of the representatives of these private subdivisions expressed their displeasure when interviewed for this update.

- ▶ **No direct competition appears to exist within neighboring communities, but may be present in the future** - As part of the research for this project, the analysts contacted other communities in the immediate area to learn about market activity and competitive developments. Specific cities included Mankato, North Mankato, Eagle Lake and Le Sueur. Although both Belle Plaine and Henderson are farther removed from St. Peter, they were also contacted.

The analysts did not identify any publicly-owned subdivisions that could also offer financial incentives to qualified buyers, similar to what is being considered in St. Peter. In Le Sueur, it is possible that a tax forfeited subdivision may be acquired by a public entity in the future. This would be the closest example to the possible project in St. Peter. However, in the past Le Sueur has been less attractive than St. Peter as a location for potential home buyers.

While no directly comparable example to the Nicollet Meadows/ Washington Terrace projects could be identified in 2014, these types of projects could surface in the future. Part of the success of previous affordable subdivisions in St. Peter can be attributed to the lack of direct

competition, offering a combination of affordable lots and attractive financial assistance programs. To the extent that direct competition develops, this could lower demand from the larger region that would be oriented to St. Peter.

The City of Mankato represents the single strongest community in the immediate area for attracting single family housing starts. After the market crash of the late 2000s, Mankato was left with a relatively large inventory of vacant lots and reduced annual absorption. This has generally limited any significant new subdivision development in many years. However, as this remnant lot supply is gradually absorbed, the analysts would expect to see renewed subdivision activity in Mankato. It is possible that this could include an affordable subdivision(s), which could also offer buyer incentive programs.

- ▶ **Tax forfeit or bank-owned lots may still exist that could impact market potential** - After the market collapse of the late 2000s, communities with an oversupply of lots often experienced defaults or tax forfeiture issues. This is similar to the experience in Welco West in St. Peter, where a new owner has acquired the property at a discounted price due to tax forfeiture, and can offer attractive pricing to home buyers.

While distressed sales have largely subsided by 2014, the potential does still exist for some “fire sale” pricing for lots in other communities. As identified above, a subdivision in Le Sueur is in the tax forfeiture process and may revert to public ownership. Past public sale of tax forfeited lots in Henderson generally netted less than \$1,000 per lot in that community. While no deeply discounted lot pricing was identified in Mankato, North Mankato or Eagle Lake, which are viewed as the most directly competitive communities, it is still possible that this could occur in the future. Some of the subdivisions in North Mankato were identifying lot prices as “negotiable” or “reduced” on project websites.

- ▶ **St. Peter is reported to have higher front-end development costs, negating some of the cost savings in an affordable subdivision** - The analysts did not complete a detailed comparison of up-front development costs within each of the comparison cities in the area. However, reputable sources indicated that St. Peter has a competitive disadvantage due to higher costs for initial development charges related to items such as plan reviews, permit fees, water and sewer charges and related municipal infrastructure costs. One builder reported a cost disparity exceeding \$4,000 per unit between St. Peter and Mankato.

While lower lot pricing and buyer incentives are intended to lower the purchase price for end buyers, some of this may be negated by higher development charges in the City.

- ▶ **Some cities are offering limited special financial incentives to generate higher construction levels** - After the large drop in home building that occurred Statewide in the last years of the previous decade, many communities were left with large inventories of unsold lots, and significant investment in public infrastructure. In an effort to spur a higher level of new home construction, it is becoming increasingly common to see special municipal incentives being offered. The Competitive Environment section of this document specifically highlights these efforts in Belle Plaine and Henderson.

The Belle Plaine example is probably best representative of local efforts that are attempting to generate a greater level of new home construction. Starting in 2012, Belle Plaine waived building permit and plan review fees for the first 10 houses that are constructed each year. In both 2013 and 2014, the 10 house maximum limit was reached. The actual value of the waived fees is dependant on the construction price of the home, but on average the fees are typically around \$3,300. A second incentive that is offered provides a \$2,000 down payment grant for new houses that utilize a local construction contractor. This incentive is limited to five houses per year. Although it is not possible to directly link the incentive programs to housing starts, both initiatives have been utilized to their respective limits in 2013 and 2014.

If an affordable housing subdivision is developed, and sales do not reach their potential, these types of additional incentives may need to be considered in St. Peter. Making these types of limited incentives available citywide could also help to generate some additional activity in the privately-owned developments.

- ▶ **Home buyer assistance programs will represent a market advantage** - St. Peter has a successful track record in offering affordable home ownership options. Projects such as Nicollet Meadows and Washington Square were models for other communities looking for successful local initiatives. With a demonstrated history of success, St. Peter can build on its reputation as a preferred community for potential home buyers.

Part of the past achievement can also be linked to financial incentives for qualified buyers, such as gap financing and down payment assistance, funded through various sources, including state agencies such as the Minnesota Housing Finance Agency (MHFA) and the Greater Minnesota Housing Fund (GMHF). At the time of the research for this update, an application had been submitted to MHFA for gap funds for eight households with incomes at or below statewide median income. The intent would be to offer an average of \$15,000 in gap funding per unit, up to a maximum of \$25,000 per home. The success of Welco West and any future publicly-sponsored subdivision will be directly impacted by the availability of buyer incentive programs.

- ▶ **Demographic patterns are less conducive to starter home construction than in the past** - The Demographic and Projection Data section of this document has highlighted the shifting demographic profile that continues to exist within the St. Peter area. Based on projected patterns, the Three-County area including Nicollet, Blue Earth and Le Sueur Counties would be expected to have a decreasing number of households age 54 and younger through the remainder of this decade. Certain subgroups, such as households in the 24 to 44 year old range should increase in number, which could drive demand for affordable homes, but significant reductions in the immediately younger and older age cohorts should result in an overall reduction in the number of households age 54 and younger.

Conversely, there should be a substantial increase in the number of households age 55 and older. As these households increasingly look to move to age-appropriate housing options, it should generate above-average availability in the sale of traditional single family houses suitable for younger families. With existing homes generally selling at a discount to comparable new construction, the demand for affordable housing can be partially addressed within the existing home resale market.

For comparison, in the year 2000 when the initial activity was underway at Nicollet Meadows, households age 54 and younger accounted for more than 67% of all households residing in the Three-County area. Projections to the year 2019/2020 point to approximately 56% of all households to be age 54 and younger by that time.

Real growth in the region's total number of households from 2000 to 2020 means that the number of younger adult households has not decreased, but their percentage has been reduced significantly, as large baby boom generation has moved through the aging cycle.

- ▶ **Existing homes will address part of the demand for affordable home ownership** - With the demographic trends identified above, there should be more traditional single family homes that become available for resale in the next several years. Available information shows that existing home values in St. Peter retreated after 2007. The median sale price recorded in 2007, at \$159,000, was the highest level reached over the past nine full sales years. Partial-year information for 2014 points to the potential that the median in the current year could approach the 2007 peak, but it may also drop as more transactions are recorded.

When housing construction markets were extremely active in the early 2000s, rising prices for existing homes were closing the gap between prices for affordable new construction and the average existing home. Price retreats after 2007 tended to widen this gap, making existing houses more attractive to potential buyers. For the 2013 sales period, the last full-year of data, the median existing home sale price in St. Peter was \$138,000, nearly \$10,000 lower than the median sale price in 2005.