

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

Regular Workshop Session of Monday, April 4, 2016
Community Center – Governors' Room – 5:30 p.m.*
600 South Fifth Street

I. CALL TO ORDER

II. DISCUSSION

- A. Watershed Approach Presentation MPCA
- B. Traverse Acres Subdivision Update
- C. Community Center Request for Proposals
- D. Community Center Lease Update
- E. May Goal Session Schedule
- F. Others

III. ADJOURNMENT

***PLEASE NOTE ROOM LOCATION**

Office of the City Administrator
Todd Prafke

TP/bal

MEMO

To: Honorable Mayor Zieman
Members of the City Council
City staff

From: Joanne Boettcher

Date: 3/30/2016

Re: 4/4/2016 Informational Meeting on the Watershed Approach



Minnesota
Pollution
Control
Agency

This memo is to provide a high-level summary of the information and supplementary material (attached) that will be presented and discussed at the 4/4/2016 Informational Meeting. The intended outcomes of this meeting are improved communication and outreach by state agencies on the "Watershed Approach" to the City of St. Peter and clarification of issues and questions about Lake Hallett.

The "Watershed Approach" is the State of Minnesota's means to restore and protect waterbodies statewide. This approach was directed by the legislature in 2008 and is substantially funded by the Clean Water Legacy Act. The MPCA Watershed Division and other divisions and agencies are tasked with applying the Watershed Approach to thousands of water bodies across the state. So while historically the City has demonstrated satisfactory completion and responsiveness to the MS4 (urban stormwater) program requirements, the Watershed Approach seeks to protect and restore water, in some cases, to a higher water quality than the MS4 program requirements produce.

As part of the Watershed Approach, Lake Hallett will be monitored in 2016-2017. The monitoring data, in addition to data collected over the last couple decades, will show where Lake Hallett is compared to the water quality standards. If the lake fails the standards, additional analysis and changes to the city's MS4 permit requirements would likely happen. If it passes the standards, the lake will be considered high priority for protection due to the documented decline in water clarity (which is an indicator of the overall water quality). Protection efforts would encourage voluntary improvements to meet a (non-regulated) water quality goal that would be part of the PCA Watershed Restoration and Protection Strategies (WRAPS) report.

The Clean Water Council recommended that "Civic Engagement" be woven into Watershed Approach work. Furthermore, the different agencies and divisions within agencies are striving to provide improved and consistent messages to stakeholders and communities in the Watershed Approach. Additionally, the PCA and DNR have received (both solicited and un-solicited) questions from St. Peter residents, councilpersons, and staff on issues related to the Watershed Approach. Therefore, I requested the 4/4 Informational Meeting with the council and staff to help reduce confusion and encourage open dialog. Also, I have been working with a few St. Peter community members to organize a Community Conversation/Visioning meeting; I mention the Community Conversation effort (although separate from the 4/4 Informational Meeting) to be transparent. Both of these efforts: the 4/4 Informational Meeting and helping organize the Community Conversation are considered Civic Engagement work.

Because the Watershed Approach involves many agencies and divisions and because there was a wide array of questions and issues that arose around Lake Hallett, I have assembled a team to present and discuss Watershed Approach issues at the 4/4 Informational Meeting. The team members, including their agency, division, and area of expertise are included below. I have scheduled six short presentations, but requested additional staff be present to answer questions applicable to their area of expertise. There will be time for additional/follow-up Q&A after the presentations.

Presenters (in order):

- Joanne Boettcher, PCA Watershed Specialist – WRAPS report, civic engagement in the Watershed Approach
- Garry Bennett, DNR Area hydrologist – Public water law, water body rules, hydrology
- Pam Anderson, PCA Monitoring Unit Supervisor – Monitoring and assessment of lakes
- Rachel Stangl, PCA MS4 program – MS4 program/rules
- Taralee Latozke, DNR Lakes Specialist – Lake ecology and riparian vegetation
- Gene Jeseritz, DNR Fisheries – Fish survey

Also in attendance:

- Amy Linnerooth, Nicollet County Environmental Specialist – County Water Planning
- Bryan Spindler, PCA Watershed Project Manager – PCA watershed division
- Jenny Mocol-Johnson, BWSR Board Conservationist – Wetland Conservation Act rules

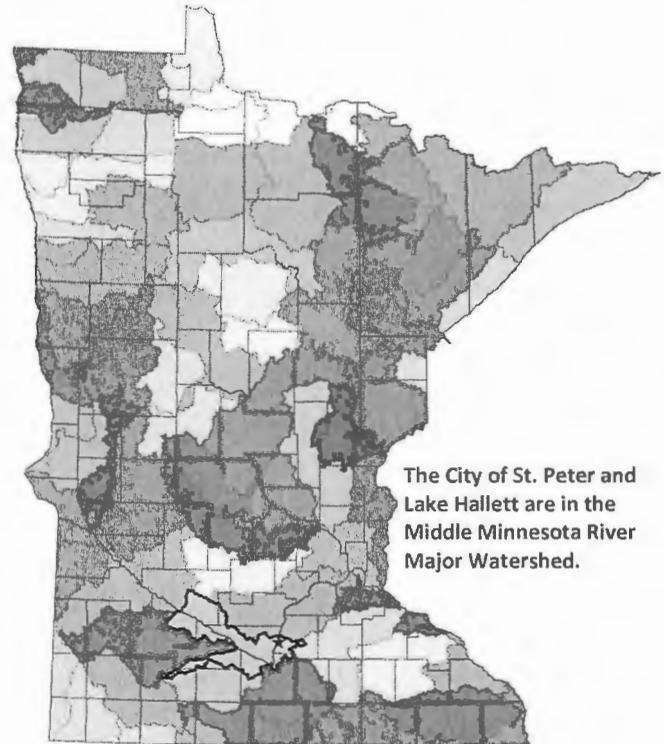
Watershed Approach to restoring and protecting water quality

The State of Minnesota employs a Watershed Approach to restoring and protecting Minnesota's rivers, lakes, and wetlands. Money to accelerate efforts to monitor, assess, and restore impaired waters, and to protect unimpaired waters was funded by the Minnesota's Clean Water Legacy Act.

There are 80 major watersheds in Minnesota. Intensive water quality monitoring and assessments will be conducted in each of these watersheds every 10 years.

During the 10-year cycle, the MPCA and partner organizations work on each of the state's 80 major watersheds to evaluate water conditions, establish priorities and goals for improvement, and take actions designed to restore or protect water quality. When a watershed's 10-year cycle is completed, a new cycle begins.

The primary feature of the Watershed Approach is that it focuses on the watershed's condition as the starting point for water quality assessment, planning, implementation, and measurement of results. This approach may be modified to meet local conditions, based on factors such as watershed size, landscape diversity, and geographic complexity (e.g., Twin Cities metro area). Civic engagement and public participation are core elements of all steps throughout the process.



Process for restoring and protecting water quality

Step 1. Monitor water bodies and collect data

The cycle begins with a two-year intensive monitoring program of lakes and streams in which the MPCA determines their overall health and identifies impaired waters. Results of monitoring that other state, federal, and local organizations have performed for various purposes are included in the process. Additional information is collected on the watershed's physical characteristics, including land use, topography, soils, etc.

Step 2. Assess the data

Based on the results of the monitoring in step one, MPCA water quality specialists evaluate the data to:

- determine whether or not water resources meet water quality standards and designated uses
- identify waters that do not meet water quality standards and list them as impaired waters
- identify waters that should be protected
- identify stressors affecting aquatic life in streams

Outcomes of steps 1 and 2 include the creation of a **Monitoring and Assessment Report** and a **Stressor Identification Report** on the watershed's biota (fish, bugs, etc.).

Step 3. Develop strategies to restore and protect the watershed's water bodies

Based on the watershed assessment, a **Watershed Restoration and Protection Strategies (WRAPS) report** and a **Total Maximum Daily Load (TMDL) report** are completed. The two provide analysis and details on water quality issues and identify pollution and stressor sources. The WRAPS report identifies what needs to be done to clean up streams and lakes that are impaired and to protect those that are at risk of becoming impaired.

Step 4. Conduct restoration and protection projects in the watershed

In this step, restoration and protection projects are implemented in the watershed. Various local units of government, including watershed districts, municipalities, and soil and water conservation districts, take the lead in developing and carrying out implementation plans based on what is learned during the earlier steps of the process.

Benefits of the Watershed Approach

MPCA adopted the Watershed Approach in 2008, as recommended by the 2008 Biennial Report to the Legislature and directed by the Minnesota Legislature. A significant share of the funding for water quality management is provided by the Minnesota Clean Water Fund.

The improved system allows efficient and effective use of public resources in addressing water quality challenges across the state. Concentrating efforts at the major watershed scale ensures:

- an ongoing, predictable cycle for water quality management and evaluation
- a more efficient approach to addressing impairments
- a common framework for monitoring, TMDL studies, assessments, setting required pollutant reductions, and implementation strategies
- improved collaboration and innovation
- increased stakeholder interest and local support
- a reduction in the cost of improving the quality of waters

The water quality management cycles for the 80 major watersheds are staggered, with 8 to 10 watersheds beginning a new cycle each year. By 2017, all watersheds will have at least begun their first cycle, and those that began in 2008 will enter their next cycle.

Civic engagement in the Watershed Approach

For many years, watershed assessment and planning has largely been a government agency activity, with limited citizen involvement. Too often, citizens and stakeholders were given opportunities to become involved too late in the process when they could do little to influence policy decisions and implementation plans. As a result, there has been limited ownership or buy-in to these plans. Not surprisingly, implementation of water quality plans and practices have often stagnated or not met goals developed for a particular watershed. This experience has led MPCA to reconsider the ways in which it studies and manages water pollution. In addition, The Clean Water Council has recommended that MPCA encourage greater civic engagement in watershed planning by encouraging more citizens to become leaders for change in their communities and holding individuals personally responsible for making needed changes that could reduce water pollution.

Since watershed protection and restoration depends largely on changing the behaviors of citizens who live on the land, it will require a real commitment at the community level to address problems in our lakes and streams. Watershed assessment and planning must be much more inclusive, with the public playing a much more active role, beginning early in the planning process. Citizens must be involved in framing the problem, developing solutions and taking responsibility for implementation.

How does civic engagement help Minnesotans take responsibility?

Civic engagement requires a different orientation - where the government works to create the appropriate venues and opportunities for Minnesotans to take part in the watershed planning processes and to take a greater share of the responsibility for clean water. How can this be encouraged and supported? At its best, civic engagement supports and encourages the following:

- **Conversation** - Government can provide a safe place where diverse stakeholders can meet to engage in deliberative dialogue. The quality of the conversation is very important. Citizens and Stakeholders are not brought together to debate each other, or to try and persuade others to support one view over another. Dialogue allows for the airing of many points of view and for the sharing of personal experience and stories. When meaningful dialogue occurs, participants are confronted with ideas that may challenge their own. In the end, significant shifts in thinking can occur among participants. Conversation can move people beyond self-interest to a concern for the common good.
- **Collaboration** - Collaboration requires social structures within a community that allow meaningful relationships and partnerships to emerge and mutual respect and trust to develop between previously disconnected neighbors, businesses, and local government officials. Trusting relationships can result in the sharing of information, resources and connections that support water restoration and protection efforts. When citizens find creative ways to connect and leverage resources in the community, exciting things can happen.
- **Community** - Civic engagement, at its core, builds community. Government, individuals and organizations can strengthen communities by strengthening existing or building new networks between people, building bridges during times of conflict and fostering a greater level of citizen involvement. Many Americans crave a deeper sense of community. Watershed activities can provide one important opportunity to build and increase social capacity across Minnesota.

Water Laws in Minnesota



Questions and Answers about Minnesota Water Laws

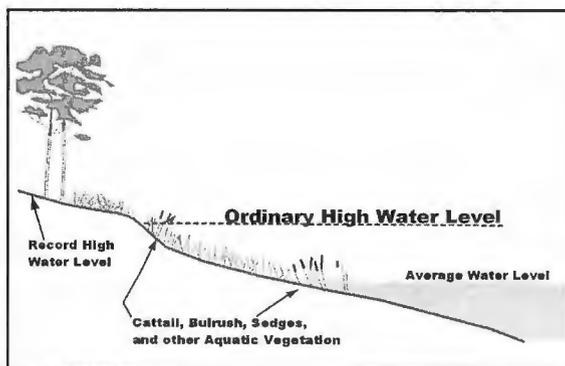
Basic Water Laws

Who owns the bed of a lake, marsh, or watercourse?

When a waterbasin or watercourse is *navigable* under the federal test, the State of Minnesota owns the bed below the natural ordinary low water level [see Minnesota Statute 84-032; *Lamprey v. State*, 52 Minn. 1981, 53 N.W. 1139 (1983) and *United States v. Holt State Bank*, 270 U.S. 49 (1926)]. The federal test used for navigability is “when they are used, or are susceptible of being used, in their natural and ordinary condition, as highways for commerce, over which trade or travel are or may be conducted.” [See *State v. Longyear Holding Co.*, 224 Minn. 451, 29 N.W. 2d 657 (1947).] If a court has found that a lake is non-navigable and meandered, the shoreland owners own the bed of the lake in severalty. [See *Schmidt v. Marschel*, 211 Minn. 543, 2d 121 (1942).] If a stream is non-navigable but has been meandered, the shoreland owners own to the thread (centerline) of the stream. If a lake or stream is non-navigable and not meandered, ownership of the bed is as indicated on individual property deeds.

What is the ordinary high water level?

The ordinary high water level is an elevation that marks a regulatory boundary of a Public Water lake, wetland, or stream. It is the highest level at which the water has remained long enough to leave its mark upon the landscape. [See *Lake Minnetonka Improvement*, 56 Minn. 513, 58 N.W. 295 (1894), and Minnesota Statutes, Section 103G.005, subd. 14.] Generally, for basins, it is the point where the natural vegetation changes from predominantly aquatic to predominantly terrestrial. On streams and rivers, it is the top of the bank of the channel.



What are riparian rights?

Riparian rights are property rights arising from owning property abutting water. They include the right to wharf out to a navigable depth; to take water for domestic and agricultural purposes; to use land added by accretion or exposed by reliction; to take ice; to fish, boat, hunt, swim; and to such other uses as water bodies are normally put [see *Sanborn v. People's Ice Co.*, 82 Minn. 43, 84 N.W. 641 (1900) and *Lamprey v. State*, 52 Minn. 181, 53 N.W. 1139 (1893)]. The riparian owner has the right to use the water over its entire surface [see *Johnson v. Seifert*, 257 Minn. 159, 100 N.W. 2d 689 (1960)].

What are riparian duties?

It is the duty of the riparian owners to exercise their rights reasonably, so as not to unreasonably harm the ecosystem nor interfere with the riparian rights of others [see *Petraborg v. Zontelli*, 217 Minn. 536, 15 N.W. 2d 174 (1944)]. They cannot dike off and drain, or fence off, their part of the waterbody [see *Johnson v. Seifert*, 257 Minn. 159, 100 N.W. 2d 689 (1960)]. It is a public nuisance and a misdemeanor to “interfere with, obstruct, or render dangerous for passage waters used by the public” [see Public Nuisance Law, Minnesota Statutes 609.74].

What are public rights?

Where the public is a riparian landowner, such as where there is a public access site, the public has riparian rights. [See *Fhynn v. Beisel*, 257 Minn. 531, 102 N.W. 2d 284 (1960).]

What is considered trespassing when the public seeks access to a water body?

The belief that the state owns a strip of land around all Minnesota lakes for public use is false. Riparian property (property abutting a lake, river, or wetland) is either privately or publicly owned. The general public can access water bodies or watercourses via public property, but not through private property. Individuals entering private property without permission from the landowner are trespassing and may be prosecuted under the state trespass laws. A person who has legally gained access to a water body may use its entire surface for recreation, such as boating, swimming, or fishing; and any “incidental use” of the bed or bottom, such as anchoring a boat or decoys, wading to fish or swim, and poling a boat, is allowed.

Water Laws in Minnesota

Regulation and Water Use

What are waters of the state?

Waters of the state are *any* surface waters or underground waters, except those surface waters that are not confined but are spread and diffused over the land [see Minnesota Statutes, Section 103G.005, subd. 17]. This includes *all* lakes, ponds, wetlands, rivers, streams, ditches, springs, and waters from underground aquifers regardless of their size or location.

When is a DNR permit needed to appropriate or use water?

A water appropriation permit from the Minnesota Department of Natural Resources (DNR) is needed to appropriate or use waters of the state for any use that exceeds 10,000 gallons in any one day or 1,000,000 gallons in a year except for domestic use serving less than 25 persons. [See Minnesota Statutes, Section 103A.201 and Section 103G.271, subd. 1, and Minnesota Rules, Part 6115.0600.]

What priorities are set for water use?

If there is not enough water for everyone, Minnesota law sets general priorities for which users can appropriate waters of the state. [See Minnesota Statutes, Section 103G.261.] These priorities, from highest priority to lowest priority, are as follows:

1. Domestic water supplies and power producers who have DNR-approved contingency plans
2. Uses of water consuming less than 10,000 gallons per day
3. Agricultural irrigation and processing of agricultural products (consuming in excess of 10,000 gallons per day)
4. Power production, without approved contingency plans
5. Other uses that consume over 10,000 gallons per day
6. Nonessential uses of water



What are the limitations on the use of ground water?

DNR is responsible for protecting ground water supplies and has authority to establish water appropriation limits through its water use permitting program. Applications for water appropriation proposals must show that the use will be sustainable now and into the future; and that the proposed use will not harm ecosystems, degrade water quality, or reduce water levels beyond the reach of public water supply and private domestic wells. [See Minnesota Statutes, Section 103G.287.]

What are the limitations on the use of surface water?

Minnesota law sets water use limits for waterbasins and watercourses and discourages taking water from waterbasins of less than 500 acres. [See Minnesota Statutes, Section 103G.285 and 103G.261.] On any waterbasin, the total of all withdrawals cannot be more than one-half acre-foot per acre per year (6 inches of water taken off the surface of the waterbasin). The DNR also establishes minimum *protection elevations* for waterbasins and *protected flows* for watercourses. Surface water withdrawals within a watershed may be suspended when water levels fall below minimum protection levels at indicator sites. *[See Minnesota Statutes, Section 103G.285, subds. 2 and 3.]

Regulation of Public Waters and Public Waters Wetlands

What are public waters and public waters wetlands?

Public waters are all waterbasins, wetlands, and watercourses that meet the criteria set forth in Minnesota Statutes, Section 103G.005, subd. 15, and are designated on the DNR's public waters inventory maps. *Public waters wetlands* include all type 3, 4, and 5 wetlands (as defined in U.S. Fish and Wildlife Service Circular No. 39, 1971 ed.) that, at the time of designation, were 10 or more acres in rural areas and 2½ or more acres within cities and are designated on the DNR's public waters inventory. [See Minnesota Statutes, Section 103G.005, subd. 18.]

Water Laws in Minnesota

When is a DNR permit needed?

A DNR *public waters work permit* may be needed to do any work that will change or diminish the course, current, or cross section of any lake, wetland, or watercourse that is designated as a public water or *public waters wetland* on the DNR's public waters inventory maps. Any work done below the ordinary high water level of public waters or public waters wetlands may require a permit. Examples of such work include draining; filling; dredging; channelizing; constructing dams, harbors, or permanent offshore structures; and placement of bridges and culverts. [See Minnesota Statutes, Section 103G.245, subd. 1, and Minnesota Rules, Part 6115.0150.] Certain projects are exempt from needing a permit provided they are done in accordance with conditions spelled out in Minnesota Rule (Part 6115).

What is the Public Waters Inventory (PWI)?

This is a map prepared by the DNR showing all public waters and public waters wetlands for each county in the State. [See Minnesota Statutes, Section 103G.201.] These maps are available for viewing on the DNR web site (mndnr.gov/waters/watermgmt_section/pwi/maps.html). The DNR is in the process of converting the original paper and scanned PWI maps to more accurate GIS-based maps. Until the GIS-based maps are completed for every county, the paper maps will continue to be available from the Minnesota Bookstore located at 660 Olive Street, St. Paul, MN 55155, telephone 651-297-3000 (metro area) or 1-800-657-3757 (statewide). The GIS-based maps available on the website should be used where available as they more accurately depict the basin and stream locations and they contain corrections to errors discovered on the original paper maps.

Is the state's regulation of public waters and public waters wetlands constitutional?

The Minnesota Supreme Court has held that DNR's inventory of public waters and public waters wetlands, and the DNR's regulation of work that changes the course, current, or cross section of public waters and public water wetlands are clearly constitutional. [See *State v. Kuluvar*, 266 Minn. 408, 418, 123 N.W. 2d 699, 706-707 (1963); *State v. Olsen*, 275 N.W. 2d 585 (Minn. 1979); and Minnesota Supreme Court file number C5-86-332, decided on December 24, 1987.]

Regulation of Lands Adjoining Public Waters

What types of Land Use Regulations do we have in Minnesota?

Land use regulations guide development and land management activity on lands adjacent to public waters through city and county zoning ordinances. These regulations seek the wise development of shoreland areas to preserve their economic and natural environmental values and to protect surface water quality. Most of Minnesota's water-related land use regulations are authorized in Minnesota Statutes, Chapter 103F. These land use regulations generally fall into two categories: floodplain and shoreland. Floodplain regulations work to minimize damage to property and human life. Shoreland regulations work to maintain the ecological and hydrological services of shoreland areas, and to protect the wild, scenic and recreational values of designated river segments. Minnesota's floodplain regulations address the Federal Emergency Management Agency (FEMA) floodplain and flood insurance requirements, as well as Minnesota standards. Minnesota has a variety of shoreland programs covering different bodies of water, including select rivers and river segments. The DNR establishes the minimum statewide standards and criteria for all floodplain and shoreland programs, and local governments implement the programs through land use ordinances. Always check with your local zoning authority for specific ordinance requirements.

What is floodplain zoning?

Floodplain zoning ordinances apply to the land around lakes, rivers, and streams inundated by the 100-year flood (the flood having a 1-percent chance of being equaled or exceeded in any single year). This land is known as the floodplain and is divided into two zones. Local ordinances specify the uses and construction activity permitted in each zone. The floodway is that part of the floodplain where floodwaters are likely to be deepest and fastest. This area needs to be kept free of obstructions to allow floodwaters to move downstream. The area of the floodplain outside the floodway is called the flood fringe. Development is generally allowed in the flood fringe, but it must be placed on fill or floodproofed high enough to keep it dry during a 100-year flood. The emphasis of the program is to minimize flood damage by promoting nonstructural remedies instead of construction of costly levees, dikes, or dams. [See Minnesota Statutes, Section 103F.101-103F.155, and Minnesota Rules, Parts 6120.5000-6120.6200.]



Water Laws in Minnesota

How do the shoreland regulations apply to local zoning?



Minnesota's shoreland programs originated in the 1970s with public concern over poor shoreland development in general and with specific high valued rivers in particular. All programs described here are implemented through local government zoning ordinances. Zoning provisions typically include minimum lot size and width, structure height, structure and septic system setbacks from the water, bluff and vegetation protections, stormwater management, and impervious surface limits. Following is a brief description of the shoreland management regulations in Minnesota.

Shorelands

This regulatory program covers land adjacent to most public waters in Minnesota. Shoreland protection is extended to land within 1,000 feet

of the ordinary high water level of a lake, pond, or flowage, and within 300 feet of a river or stream or to the landward extent of a designated floodplain on a river or stream, if it is wider than 300 feet. Waterbodies vary greatly in their size, depth, use and type of habit and are classified to reflect these characteristics. Minimum lot size and width and structure and septic system setbacks vary depending on the waterbody classification. These dimensional standards are intended to manage development impacts appropriate to the waterbody classification. Eighty-five Minnesota counties and about 160 cities have shoreland ordinances. Many of these communities are also covered by other program regulations (description of these other programs follows). In some cases performance standards for the different programs may overlap and conflict. In these situations, the stricter standard applies. [See Minnesota Statutes, Section 103F.201-103F.227, and Minnesota Rules, Parts 6120.2500-6120.3900.]

Wild and Scenic Rivers

This program applies to all or portions of seven rivers including the St. Croix (the only federal-designated river), the Mississippi, the Kettle, the Minnesota, the Rum, the Cannon, and the North Fork of the Crow. The boundary generally follows a land survey line or road and includes areas that are visible from the river. Locally administered ordinance standards vary for each river and are based on the management plan specific to each river and river classification. Segments of these rivers are classified as wild, scenic, or recreational. Note that the river management plans have been promulgated into Minnesota State Rules pertaining to each river. [See Minnesota Statutes, Section 103F.301-103F.345, and Minnesota Rules, Parts 6105.0010-6105.1700.]

Mississippi River Critical Area

The Mississippi River Critical Area includes designated land adjacent to the 72-mile section of the Mississippi River that runs through the 7-county metro area. This area was originally designated in 1976, and the designation was extended in 1979 by Executive Order 79-19 and made permanent by resolution of the Metropolitan Council in Minnesota Statute 116G. The Critical Area boundary coincides with the boundary of the Mississippi National River and Recreation Area, a unit of the National Park Service. All cities containing land within the boundary are required to develop a management plan and adopt zoning ordinances that implement the plan. The DNR and the Metropolitan Council review and approve community land use plans and ordinances. [See Minnesota Statutes, Section 116G.15 and Minnesota Rules, Parts 4410.8100-4410.9910.]

Other River-Related Land Use Regulations

A number of river segments are protected through local management plans and regulations that are jointly administered by local governments. These include:

Upper Mississippi River Headwaters: The upper 400 miles of the Mississippi River and seven headwater lakes are covered by land use regulations developed by the Mississippi Headwaters Board (MHB) in its management plan. All of the eight counties from the headwaters to Little Falls have adopted zoning ordinances that implement land use standards of the MHB. The district includes land within 500 feet of the river for the scenic portion of the river and 1000 feet of the river for the wild portion of the river. Land use applications are reviewed and approved by the county and then sent to the MHB for final review and certification. [See Minnesota Statutes, Section 103F.361-103F.377 and <http://www.mississippiheadwaters.org/>]

Minnesota River: Shoreland along the Minnesota River between the City of Franklin in Renville County and the City of Le Sueur in Le Sueur County is protected by the zoning ordinances of Renville, Redwood, Brown, Nicollet, Blue Earth, and Le Sueur counties. These ordinances implement the policies developed in the 1981 Project Riverbend Comprehensive Plan. [See Minnesota Statutes, Section 103F.381-103F.393.]

DNR Contact Information



DNR website and a listing of Area Hydrologists: mndnr.gov/contact/ewr.html

DNR Ecological and Water Resources
500 Lafayette Road, Box 32
St. Paul, MN 55155
(651) 259-5700

This information is available in an alternative format on request.

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DNR Information Center

Twin Cities: (651) 296-6157
Minnesota toll free: 1-888-646-6367
Telecommunication device for the deaf (TDD): (651) 296-5484
TDD toll free: 1-800-657-3929

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DEPARTMENT OF NATURAL RESOURCES PERMITS

I. OVERVIEW – MINNESOTA DNR PUBLIC WATERS PERMIT PROGRAM (MNDNR PWPP)

A. Public Waters Regulation

Work in public waters has been regulated by the Minnesota Department of Natural Resources (“DNR”) or its predecessor the Department of Conservation since 1937. See generally Application of Christenson, 417 N.W. 2d 607, 609 (Minn. 1987).

B. Public Waters Wetlands

In 1979, the legislature expressly identified “public waters wetlands” as a category of public waters. See 1979 Minn. Laws ch. 199, § 3. See generally Application of Christenson, 417 N.W.2d 607, 609 (Minn. 1987).

C. Basic Rule

The basic rule is that a public waters work permit must be obtained from the DNR for work affecting the course, current, or cross-section of public waters, including public waters wetlands. See Minn. Stat. § 103G.245, subd. 1(2). This would include, for example, work involving the draining, filling, excavating, and placing structures in public waters wetlands. See id.; Minn. R. 6115.0190, .0200, .0210.

D. Statutes and Rules

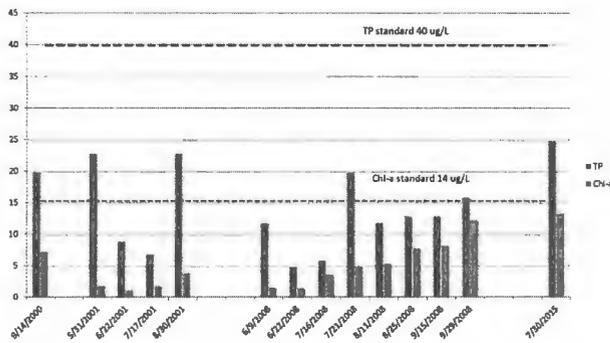
The statutes pertaining to public waters work permits are found in Minn. Stat. ch. 103G. DNR’s administrative rules for the program are found in Minn. R. ch. 6115.

E. “Public Waters Wetlands” vs. “Wetlands”

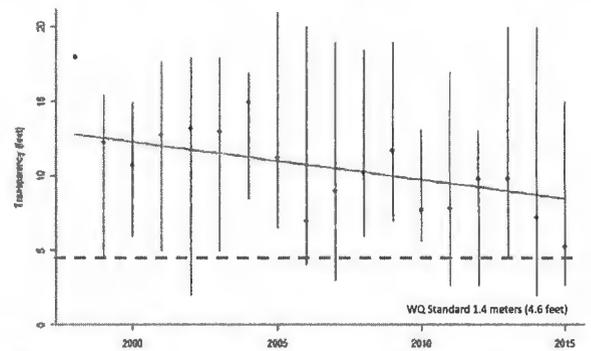
In reading Minn. Stat. ch. 103G, it is important to distinguish between those provisions that refer to “public waters wetlands” which are regulated as public waters under DNR’s public waters permits program and those provisions that refer to “wetlands” which are regulated under the Wetland Conservation Act.

See full online document “Wetlands Regulation in Minnesota” 2003 at:
<http://www.bwsr.state.mn.us/wetlands/publications/MNRegulations.pdf>

Existing Data on Lake Hallett

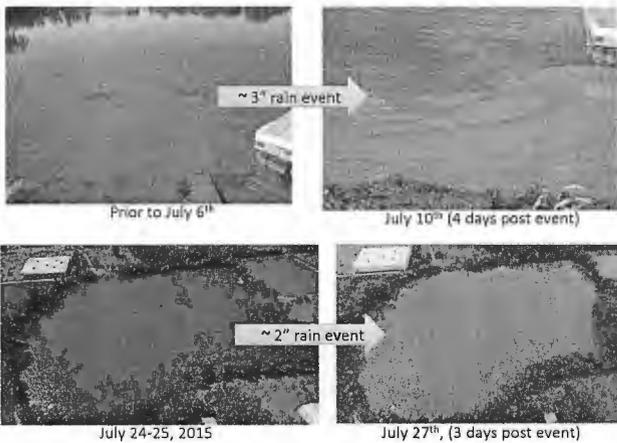


Strong Declining Trend



Estimated decrease of 3/4 of a foot to 4 feet of clarity over the course of a decade

Recent Conditions - 2015



Are the fish safe to eat?

Minnesota Department of Natural Resources

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Fish consumption guidelines

These fish consumption guidelines help people make choices about which fish to eat and how often. Following the guidelines can help people reduce their exposure to contaminants while still enjoying the many benefits from fish.

Important! Women who are pregnant or nursing and children under age 15.

Lake Name / County / DNRID	Contaminant	Consumption Category	Frequency	Amount
LAKE IT / Itasca Co. / 1047-108	Polychlorinated Biphenyls (PCBs)	Highly Contaminated	1 time per year	1/2 lb
		Contaminated	1 time per year	1/2 lb

Source: Population

Lake Name / County / DNRID	Contaminant	Consumption Category	Frequency	Amount
LAKE IT / Itasca Co. / 1047-108	Polychlorinated Biphenyls (PCBs)	Highly Contaminated	1 time per year	1/2 lb
		Contaminated	1 time per year	1/2 lb

NOTE: PCBs are listed as a contaminant of concern in the Minnesota Pollution Control Agency's (MPCA) list of contaminants of concern. Contaminants listed were measured at levels that trigger advice to limit consumption. Listing of contaminants of concern does not imply the fish are high in toxic, but that they are contaminants of concern.

Source: Minnesota Pollution Control Agency (MPCA)

Next Steps

- Next Steps
 - Monitoring scheduled for 2016 and 2017
 - Work will be completed collaboratively with the MPCA and local volunteers through our Citizen Lake Monitoring Advanced Program
 - Opt-in assessment can occur upon completion of monitoring (2018)
 - If impaired, TMDL would be required

What Does MS4 Really Mean?

"Municipal Separate Storm Sewer System"

Municipal – Must be government entity, operating under state law, with jurisdiction over the discharge of stormwater to lakes, rivers, streams and wetlands.

Separate Storm Sewer – Years ago in MN, sanitary and storm sewers were combined. Waste water treatment plants were overwhelmed. Efforts to separate all sanitary and storm sewers in MN is largely complete today.

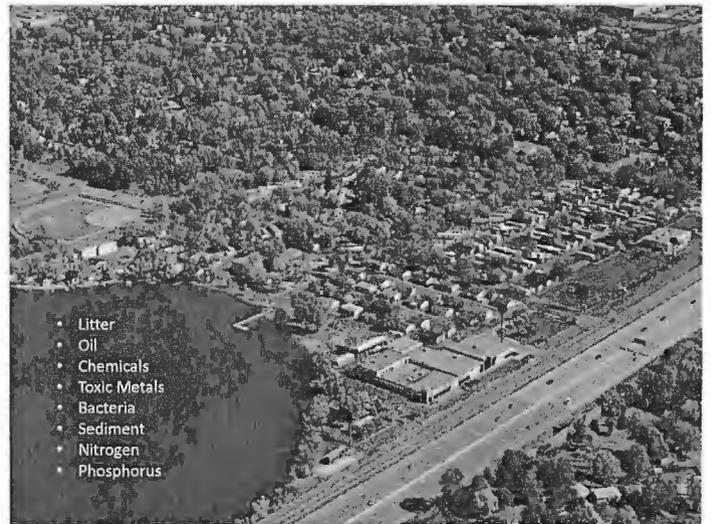
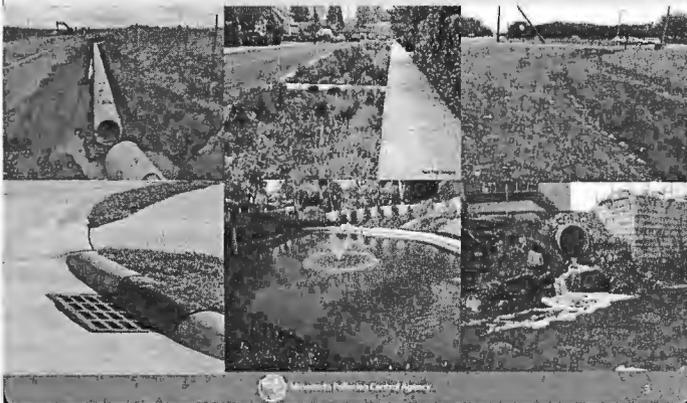
System – Complex array of stormwater conveyances and treatment practices owned by municipality.

233 Regulated Small MS4s

- Counties, Cities, Townships
- Watershed Districts
- Transportation Departments
- Public Universities/Colleges
- Correctional Facilities
- Hospitals



System/Conveyances



Reducing Pollutants From Your System To Receiving Waters

- EPA established that six focus areas are critical for a local program to be effective in reducing pollutants discharged from your system. (Minimum Control Measures)

1. Public Education & Outreach
2. Public Participation & Involvement
3. Illicit Discharge (aka dumpings & spills) Prevention
4. Active Construction Site Runoff Control
5. Post Construction Long-term Runoff Management (permanent practices that reduce pollutants long after the project is completed)
6. Inspection and Maintenance of Municipal Stormwater Infrastructure



Is St. Peter compliant with the MS4 Permit?

- St. Peter was audited in May 2013 for Overall Program Management, Illicit Discharge Detection & Eliminations, and Active & Post Construction Site Runoff Control.
- Found 'Satisfactory' in all areas but one
 - Illicit Discharge Ordinance, which the city has since enacted

What is required for Municipal Operations?

- ❑ Develop procedures and a schedule of determining effectiveness of ponds
- ❑ Annual inspections of all structural BMPs
- ❑ One inspection every five years of all ponds and outfalls
- ❑ Quarterly inspections of stockpiles and material storage and handling areas
- ❑ Based on inspections, necessary maintenance should be completed as soon as possible
- ❑ Stormwater management training for staff



If Hallett is deemed impaired, what is the city required to do?

- ❑ To trigger additional MS4 permit requirements, the city must be assigned a Waste Load Allocation (WLA) from an EPA-approved TMDL (approved **prior** to the effective date of the current MS4 permit)
- ❑ If triggered, the city will need to determine whether or not it is meeting the WLAs.
 - If the city believes it is, they will provide a list of BMPs already in place that have gotten the city there.
 - If not, the city will need to develop a compliance schedule consisting of BMPs to be implemented over the course of the permit term. That compliance schedule then becomes the TMDL requirement for the duration of the permit term, outlining any progress made each year within the annual report.



If Hallett is deemed not impaired, what is the city required to do?

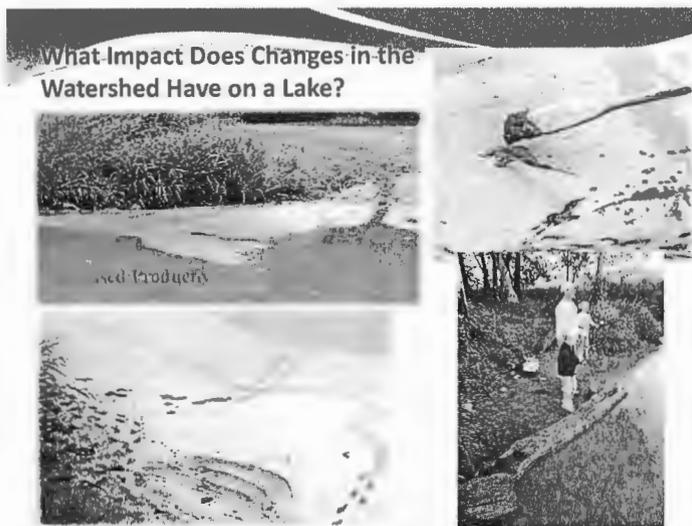
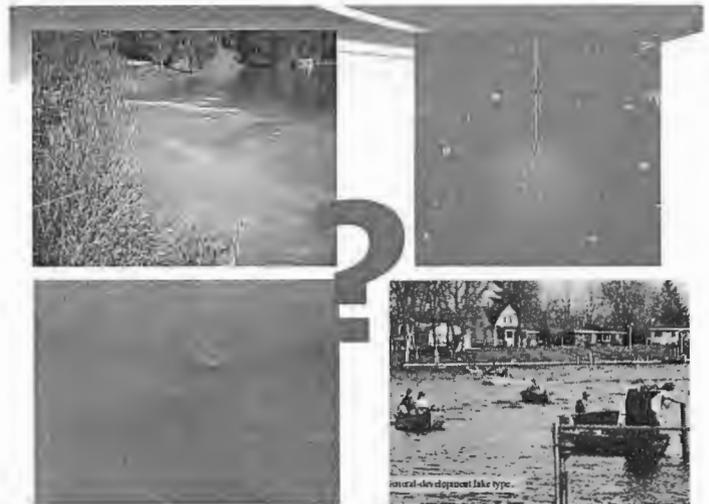
- ❑ There will be no trigger for additional MS4 permit requirements.
- ❑ From a non-regulatory stand-point, improving water quality is always encouraged.

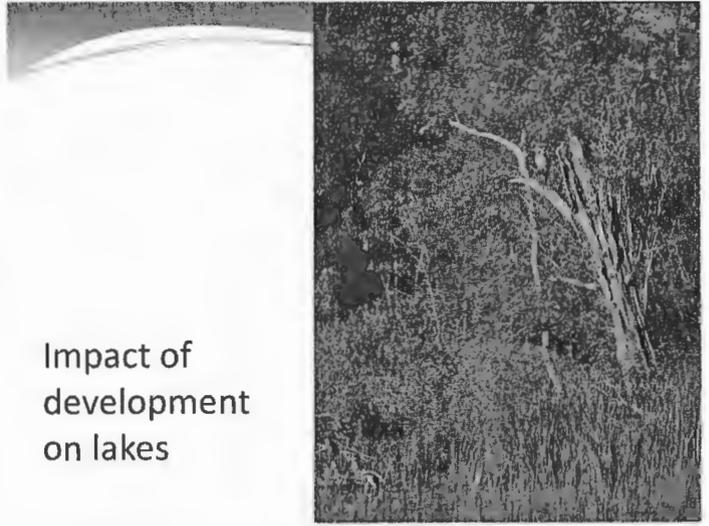
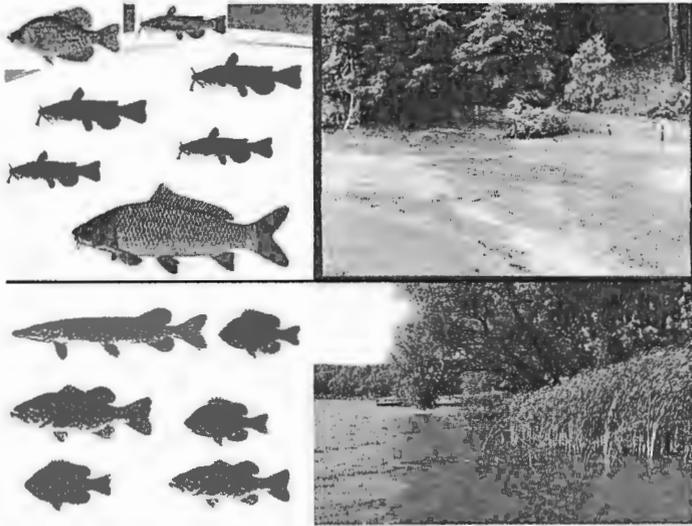




Watershed Changes Mean:

- Increased Phosphorous Loading.
- Reduced Water Clarity.
- Increased Frequency of Nuisance Algal Blooms.
- A Decrease in the Diversity of the Submerged Plant Community and Loss of Fish Habitat.
- Change in Fish Community from Largemouth Bass and Sunfish to Black Bullhead and Carp.





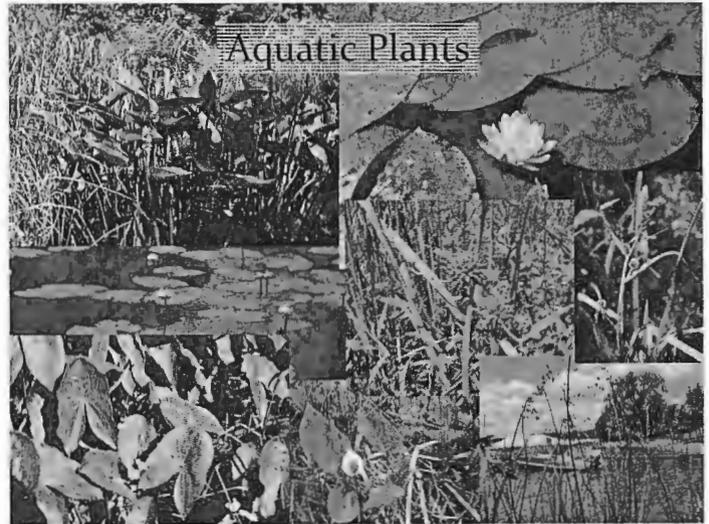
Impact of
development
on lakes

Importance of Shoreland Plants

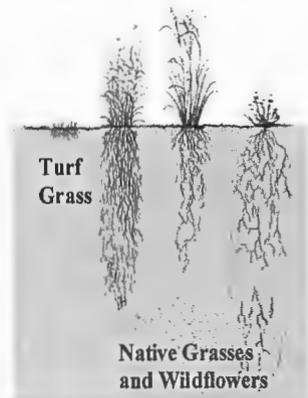
- Protect water quality
- Provide fish and wildlife habitat
- Reduce erosion
- Offer privacy
- Add natural beauty
- Enhance natural insect control
- Discourage Canada Geese



Aquatic Plants



A Comparison of Root Depths

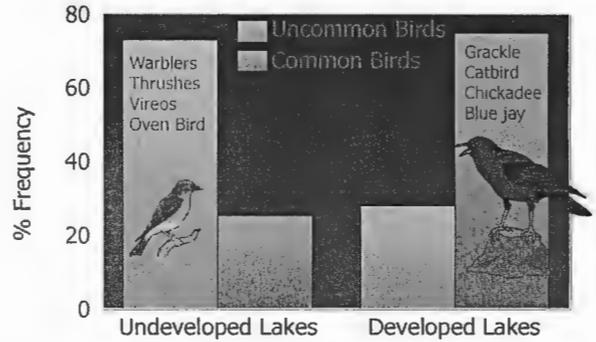


Research on the loss of Dead & Fallen Trees on shorelines

- Fallen trees are important to fish & many species of wildlife
- Significantly less trees in water along developed compared to undeveloped shorelines
- Fewer trees in the water means fewer spots to catch fish, fewer spots to see turtles, fewer safe roosting sites for newly hatched ducks, etc.

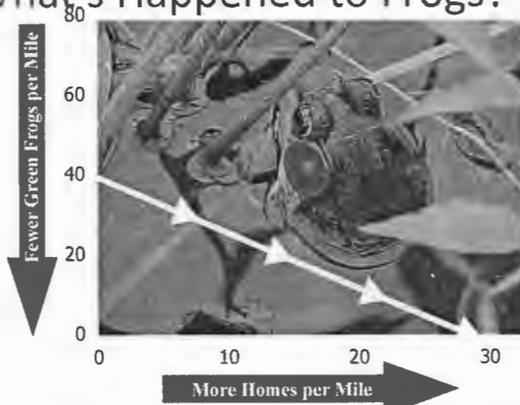


What's Happened to Songbirds?



Meyer et al. 1997, Wisconsin DNR, Lindsay et al. 2002

What's Happened to Frogs?



Meyer et al. 1997, Wisconsin DNR, Woodford and Meyer 2003

Shoreline Vegetation Provides Wildlife Habitat



Shoreline Plants Enhance Natural Insect Control



Hallett Lake

LAKE SURVEY REPORT

TARGETED SURVEY DATED 03/15/2016 FOR DOW NUMBER 52-0001-00

DRAFT

Length Frequency Distribution

3/4 inch single-frame trapnet (Five nets)

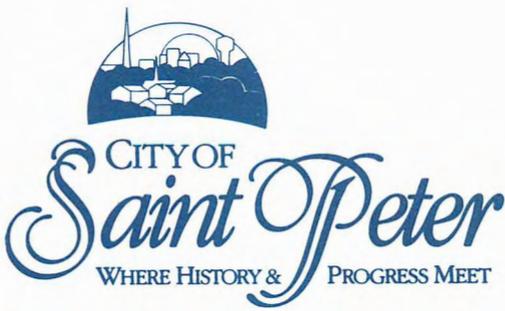
(Field work conducted between 03/15/2016 and 03/16/2016)

Length in inches	Black Crappie	Bluegill	Green Sunfish	Largemouth Bass
< 3.00	-	-	-	-
3.00 - 3.49	-	1	-	-
3.50 - 3.99	-	-	-	-
4.00 - 4.49	-	-	-	-
4.50 - 4.99	-	-	-	-
5.00 - 5.49	-	-	-	-
5.50 - 5.99	-	-	-	-
6.00 - 6.49	-	2	1	-
6.50 - 6.99	2	2	-	-
7.00 - 7.49	4	5	-	-
7.50 - 7.99	1	2	-	-
8.00 - 8.49	-	-	-	-
8.50 - 8.99	-	-	-	-
9.00 - 9.49	-	-	-	-
9.50 - 9.99	-	-	-	-
10.00 - 10.49	1	-	-	3
10.50 - 10.99	-	-	-	2
11.00 - 11.49	-	-	-	-
11.50 - 11.99	-	-	-	-
12.00 - 12.99	-	-	-	-
13.00 - 13.99	-	-	-	-
14.00 - 14.99	-	-	-	-
15.00 - 15.99	-	-	-	-
16.00 - 16.99	-	-	-	-
17.00 - 17.99	-	-	-	-
18.00 - 18.99	-	-	-	-
19.00 - 19.99	-	-	-	-
20.00 - 20.99	-	-	-	-
21.00 - 21.99	-	-	-	-
22.00 - 22.99	-	-	-	-
23.00 - 23.99	-	-	-	-
24.00 - 24.99	-	-	-	-
25.00 - 25.99	-	-	-	-
26.00 - 26.99	-	-	-	-
27.00 - 27.99	-	-	-	-
28.00 - 28.99	-	-	-	-
29.00 - 29.99	-	-	-	-
30.00 - 30.99	-	-	-	-
31.00 - 31.99	-	-	-	-
32.00 - 32.99	-	-	-	-
33.00 - 33.99	-	-	-	-
34.00 - 34.99	-	-	-	-
35.00 - 35.99	-	-	-	-
= > 36.00	-	-	-	-

Maximum Depth Found - 24 feet

Secchi Disc Reading - 4 feet

	<u>BLC</u>	<u>BLG</u>	<u>GSF</u>	<u>LMB</u>
Total	8	12	1	5
Min. Length	6.81	3.39	6.18	10.20
Max. Length	10.31	7.76	6.18	10.67
Mean Length	7.59	6.72	6.18	10.44
# Measured	8	12	1	5
No Lengths for	0	0	0	0



Memorandum

TO: Honorable Mayor Zieman
Members of the City Council

DATE: 4/1/2016

FROM: Todd Prafke
City Administrator

RE: Housing Subdivision

ACTION/RECOMMENDATION

None needed. For your information and discussion.

BACKGROUND

It is my hope to have updated information related to a housing subdivision at your workshop on Monday evening. The goals for our discussion will be:

- Update on what we know and have calculated related to affordability of the project
- Discussion of financing issues including use of Tax Increment Financing
- Discussion of market place
- Timelines and sequence of actions

Here is where we are today:

- We have been unable to work the numbers to eliminate the gap which now stands roughly at breakeven over three phases. The gap has been reduced from our last discussion based on three main drivers: very positive bids on the infrastructure and additional work and certainty on housing designs and housing construction costs, and better understanding of mortgage and other products that can help home buyers.
- We continue to pursue filling the gaps and additional buyer's assistance goals with outside resources, but will not know whether that can be done in the near term. It is likely to occur in small increments should the project move forward.
- We continue to evaluate the developed short list of alternatives that the Council could pursue that may meet some of the goals articulated related to housing and demographics, although none are fully worked out yet. Those include:
 - Review of additional rentals
 - Rehab opportunities
 - Working with another developer (North parcel of 14 acres)
 - Short term incentives such as building permit fee modifications to stimulate construction over a defined period.

A number of issues have been reviewed by the Council. Although there may be other issues or concerns out there, here is a list of many of those covered issues:

- Affordability (discussed at Goal Session and information provided in packet today)
- Design of neighborhood (Goal Session and we are now at the stage where very few tweaks should be made)
- Housing study and its' data (Goal Session and included in today's information)
- Changes in the ownership market place (Ongoing discussion)
- Money (Discussed at Goal Session and today, issuance of debt, construction and mortgage financing, GAP monies and other sources of funding for construction and sales)
- Timeline
 - Market
 - Actions needed by Council to move project forward
- Marketability (Ongoing)
- Community concerns about development (Ongoing)
- Change in the development standards exemplified by getting rid of sidewalks (Discussed by Council at Goal Session and no changes to the BBN design criteria were made.)

The project is at the new threshold as you discussed at your goal session which I have interpreted to be:

- Council believes a project of this type is needed for the community.
- Maintain the affordability we discussed at income levels at the mid \$35,000 per year range for a couple with total construction costs in the \$190,00 to \$207,000 range and working family incomes. (This number was slightly increased at your Goal Session.)
- Provide for a component, working with a private developer, that can augment the diminishing supply of lots for homes in the \$230,000+ range (North 14 acres).
- Take advantage of the infrastructure construction market as able (bids were very positive).

If the project is going to go forward with those criteria or goals I don't think we can get you any closer. In other words, additional time and work will not get you any closer to having data that helps in your decision process. We know as much as we can know. We have planned as far as we can plan. We have calculated all the numbers, reviewed finances, sought out other money about as far or in as many different ways as we can. You are in the best position we can put you in to make a decision.

Included in your packet is a timeline for the numerous actions you would need to take. This list hits the larger issues, but may need modification in the future. It should also be noted that the list does not include actions related to the house building that would need to take place. We believe those spec homes to be critical to the success of this project.

Another way to evaluate this is from a risk mitigation standpoint. Please see below a list of those risks and what we can do to mitigate them.

- **Infrastructure costs** - We have taken bids which are under estimates. We know very clearly the cost for first stage development.

- **Housing Market** - We are basing our work on the latest study you have. There are no indications that the market in the area has changed substantially in your target market. We have learned that, based on costs, we are unlikely to be able to hit the target on the lowest income levels in our original target range, but we believe there is opportunity to hit the vast majority of the original target incomes established. To say that in another way, while our affordability is certainly in the “working family” income ranges, it does not go as low as we originally anticipated.
- **Mortgage products or assistance.** We have about \$100,000 in Help or GAP assistance committed - some from the City and some from Southwest Minnesota Housing Partnership (SWMHP). In addition, Minnesota Housing Finance mortgage programs are readily available and we will continue to apply for other resources that will assist in these areas, but we will not know fully until fall as to whether you will get them. The EDA seems committed to providing construction financing for spec houses the City will build and SWMHP has committed funds to build spec houses as well.
- **Overall economy in our area.** We have no ability to control this, but within our region unemployment remains very low; job growth, though slightly slower over the last quarter, is still positive; and as we have discussed previously, if you are betting on a project like this anywhere this is probably the location that provides the highest potential for success. In addition, many folks in our State and Federal government as well as employers in the private sector are talking about “workforce housing”. This discussion centers around identified needs and what we do to meet those needs. It seems no one else is moving nor do they have an answer. I am not saying we have the whole answer, but we are in a position to meet the targets you previously have discussed and identified.

All that said it probably comes down to a few key questions.

- Can we build houses and get working families with working family incomes into houses? If we have accurately projected the cost and income target range, the answer seems to be “Yes”. Based on a range of total development costs (housing and lot and all that goes with this) that our price range is \$190,000 to \$207,000 which translates into a home ownership income minimum of about \$30,000. The table shown here illustrates how that can be done (similar to what you have seen in the past).

If the Council believes that is in the range, we can't get this project any further or closer than where we are. I do not believe that waiting a year will make the cost factors look better

- Do we have the programing and people to make this work? Yes. You really have the

AMI	54%	77%
Income	\$ 30,500.00	\$ 43,896.00
Household size	2	2
Sale Price	\$ 198,000.00	\$ 198,000.00
Closing Costs	\$ 2,500.00	\$ 10,243.00
Lender	USDA	MHFA/Guar
Term	33	30
Rate	3	3.25
Loan Amount	\$ 163,000.00	\$ 163,000.00
Prin/Int	\$ 483.43	\$ 709.40
Taxes	\$ 133.33	\$ 133.33
Insurance	\$ 100.00	\$ 100.00
PMI/MI/Guar Fee	\$ -	\$ 81.50
Payment	\$ 716.76	\$ 1,024.23
Front End Ratio	28%	28%

right team of people and partners to make it work. But from a programming standpoint, a little more surety on additional programming funding would reduce risk a lot. We don't have more, but will be working to get some more.

- Is the project meeting the goals set by the Council? Yes. But not in every aspect. We are able to meet the affordability goals with the exception of the very lowest income numbers (compared to original estimates). Our lot costs are slightly higher than we would like to see, but I believe this has been managed relative to the affordability of end purchasers.
- What is the biggest risk? This memo has outlined some of the risks, but all of this is a risk with the worst case scenario of \$2.7 million in development of assets that takes a very long time to convert to housing. The best case is breaking even, increasing your population, additional tax and utility gross revenues and enhancing the impact it will have on the businesses within your community by seeing it build out very quickly. Part of this will be bolstered by a more aggressive market strategy that was not used or needed with the other two subdivisions. This is not a slam dunk, but rather a risk/reward question. From an overall City financial standpoint, you are in very good health so a couple of bumps would not tip your entire City operation over, but could mean you would need to develop other revenues in future years for any shortfalls.
- Could we wait a year or two? You could wait a year or two, but I don't think it makes the picture better. With anticipated increases in infrastructure costs and house construction cost, I just don't see the numbers getting any better. (As an aside I would love to talk about what this means in the big picture for housing development in our region but that might need to wait for another meeting.)

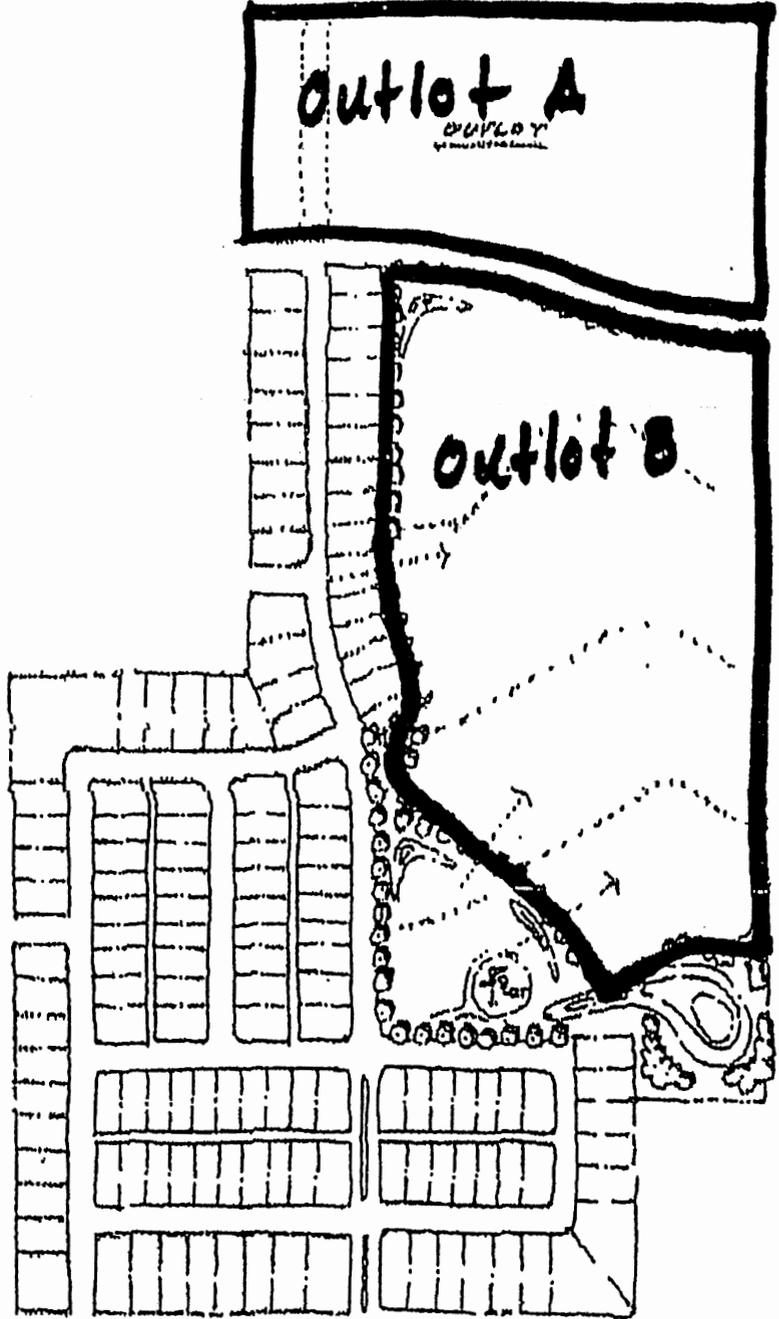
My recommendation is that you take action to initiate the project by taking actions as shown in the timeline that is attached.

This type of project and work is a big challenge, but please know that we are not alone in this challenge. The State and nation are struggling with first time home ownership opportunities and workforce housing. After all the work involved in this, I firmly believe that no one else is as able to do this as you are.

My overall goal for your meeting is to provide opportunity for you to know where we are at, explain and discuss some of the most pertinent issues, and solicit any direction you might have.

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

TP/bal

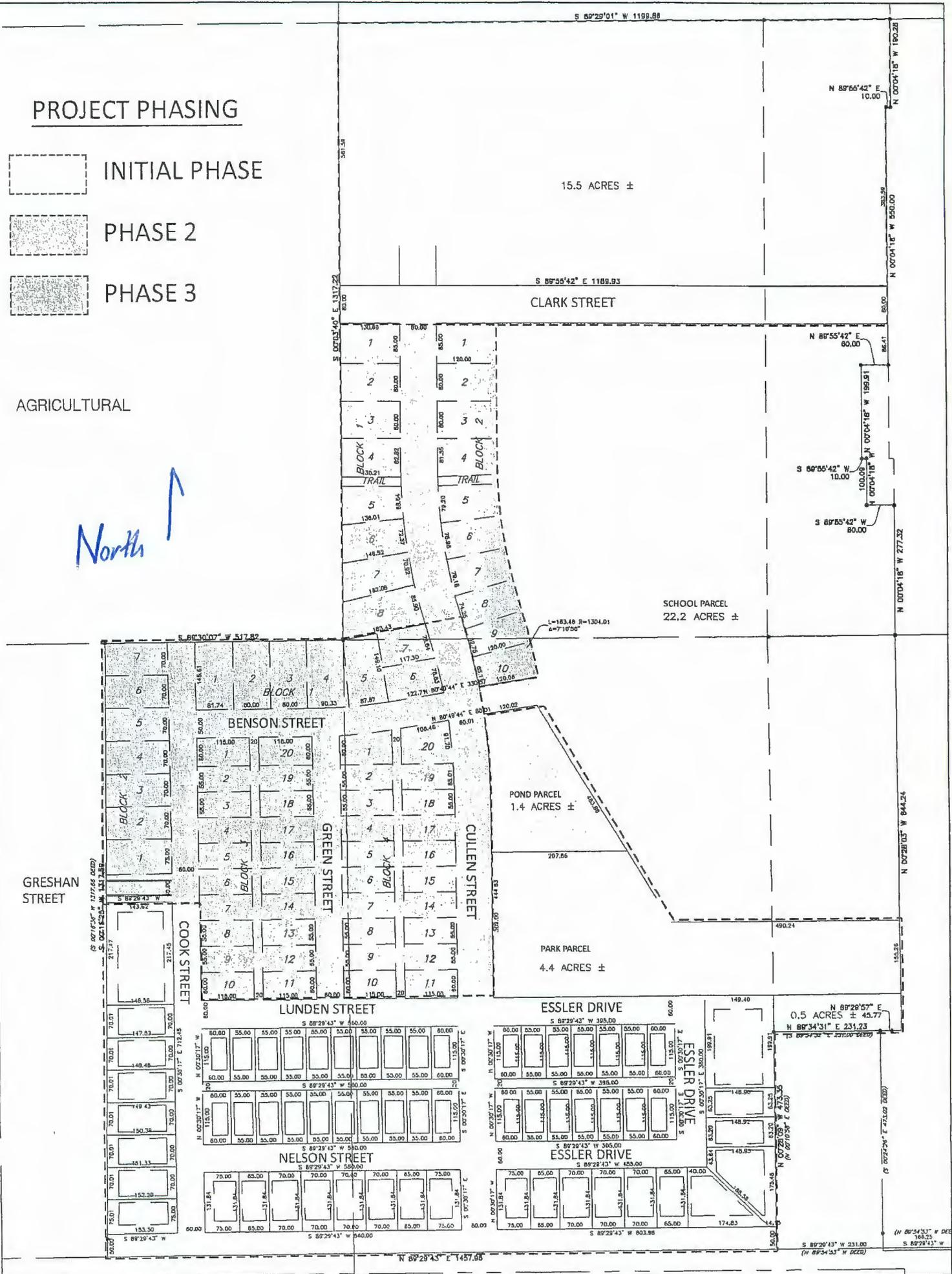


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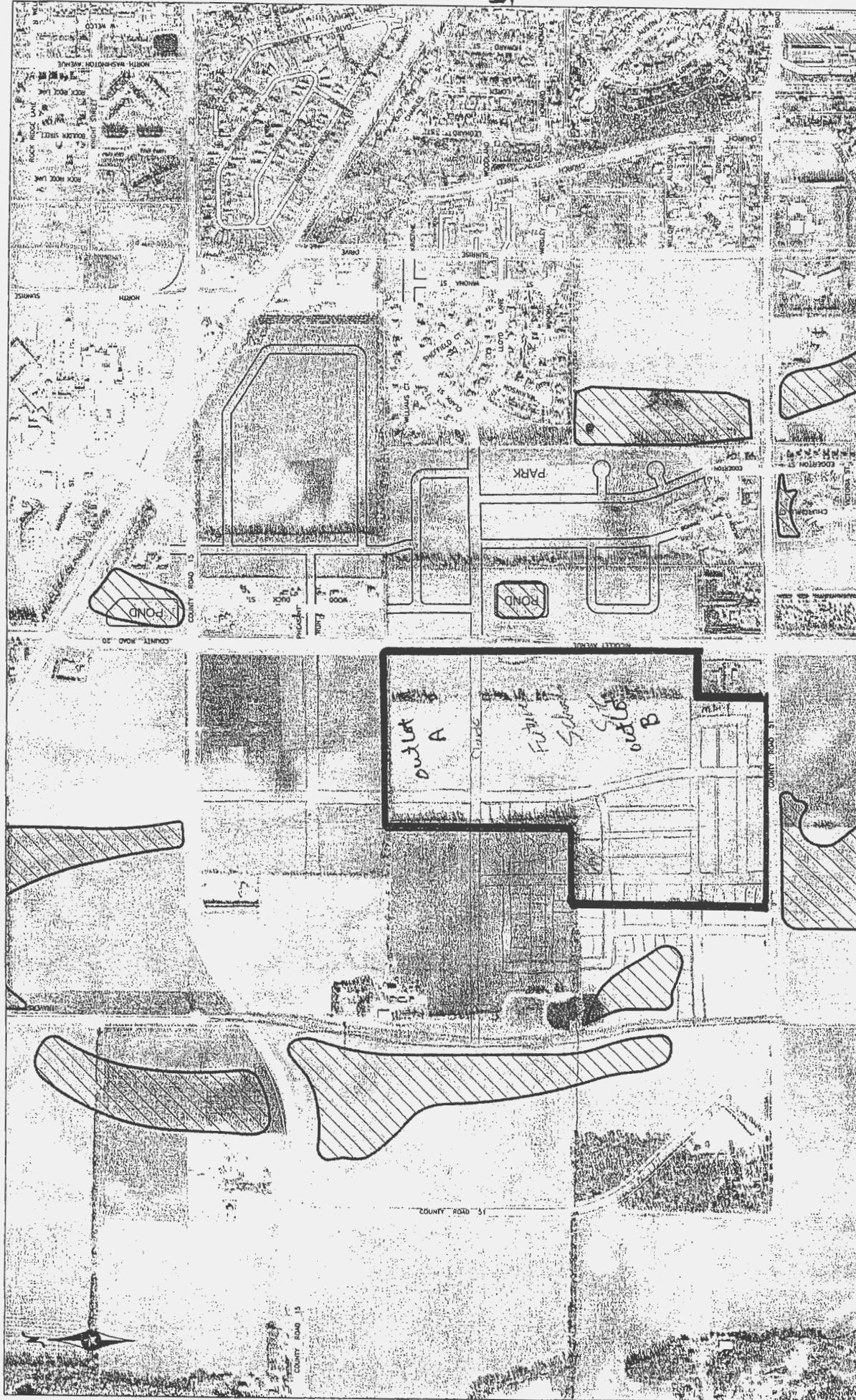
PROJECT PHASING

-  INITIAL PHASE
-  PHASE 2
-  PHASE 3

AGRICULTURAL



h2



SHEET
1 of 1

CITY OF SAINT PETER
AERIAL PHOTO
FUTURE STREET LAYOUT

BOLTON & MENK, INC.
Consulting Engineers & Surveyors
MANASSAS, VA FAIRMONT, MN SLEEPY COE, MN WILLMAR, MN
BURNSVILLE, MN CHASKA, MN AMES, IA

COUNTY ROAD 15
COUNTY ROAD 20
COUNTY ROAD 31

POND
POND
POND

PARK

outlet A
Future School Site B
outlet B

SCALE
0 300 600
FEET

COUNTY ROAD 15

24

Saint Peter Housing

Nicollet Meadows
Washington Terrace

Buyer Home Sale Price and Payment

	Nicollet Meadows	Washington Terrace
Purchase Price	<ul style="list-style-type: none"> Average \$128,020 High \$179,000 Low \$108,300 	<ul style="list-style-type: none"> Average \$144,382 High \$209,750 Low \$116,000
Monthly Payment	<ul style="list-style-type: none"> Average \$735 High \$976 Low \$409 	<ul style="list-style-type: none"> Average \$823 High \$1,423 Low \$514

Buyer Income and Homes Developed

	Nicollet Meadows	Washington Terrace
Average Income	\$40,445	\$37,231
High	\$74,000	\$64,172
Low	\$17,500	\$2,453
Homes Built	44 Homes Built by Saint Peter and SWMHP October of 2001 to June of 2004	40 Homes Built by Saint Peter and SWMHP February of 2005 to December of 2007

Buyer First Mortgage and Down Payment

	Nicollet Meadows	Washington Terrace
First Mortgage Amount	<ul style="list-style-type: none"> Average \$116,297 High \$147,500 Low \$84,000 with a down payment Low \$92,400 with gap 	<ul style="list-style-type: none"> Average \$124,039 High \$207,825 Low \$85,000 with down payment Low \$86,100 with gap
Down Payment	<ul style="list-style-type: none"> Average \$6,223 High \$32,500 Low \$611 	<ul style="list-style-type: none"> Average \$8,498 High \$96,620 Low \$394

Buyer First Mortgage Loan Programs		Nicollet Meadows	Washington Terrace
		• MN Housing 23	• MN Housing 19
		• Rural Development 5	• Rural Development 8
		• Conventional 10	• Conventional 9
		• Other/Unknown 3	• Other/Unknown 4
		• VA 1	

Buyer Assistance Programs		Nicollet Meadows	Washington Terrace
		• 6 Gap Loans • Average \$10,804 • High \$17,300 • Low \$2,000	• 11 Gap Loans • Average \$35,180 • High \$25,000 • Low \$7,000
		• 15 MN Housing Loans • Average \$3,160 • High \$8,000 • Low \$2,100	• 14 MN Housing Loans • Average \$5,171 • High \$9,440 • Low \$3,000
		• 13 HELP Loans • Average \$2,110 • High \$5,748 • Low \$922	• 11 HELP Loans • Average \$3,726 • High \$2,604 • Low \$1,218
		• 7 FHLB Loans @ \$6,500	• 6 FHLB Loans @ \$5,500

Buyer Assistance Programs		Nicollet Meadows	Washington Terrace
		• Minnesota Housing 1 st Time Homebuyer Loans • 23 Households • 5.25% - 6.75%	• Minnesota Housing 1 st Time Homebuyer Loans • 19 Households • 5.125% - 6.125%
		• Gap and HELP Loans • 24 Households • Average Assistance/Household \$7,725	• Gap and HELP Loans • 27 Households • Average Assistance/Household \$13,744

Traverse Acres Costs of Construction		Washington Terrace	Traverse Acres
		• Sticks and Bricks in 2007	• Sticks and Bricks in 2016
		• 2 Bedroom/1 Bath	• 2 Bed/1.5 Bath Unfinished Basement • \$163,000
		• Unfinished Basement • \$118,255	• 4 Bed/2 Bath Finished Basement • \$272,000
		• Soft Costs • \$24,204	• Soft Costs • \$34,101/\$35,424
		• TDC • \$147,359	• TDC • \$197,101/\$207,424
		• Sale Price • \$143,000	• Sale Price • \$197,250/\$207,500

Traverse Acres

- Cost Difference Of Construction
 - Lot Cost
 - Construction Loan Interest
 - Annual Increase in Material Costs
 - Labor Shortage
 - Building Code
 - Energy Code
 - Sheetrock ceiling in basement and sidewalks
 - Duct work must be metal

Traverse Acres

- Financing
 - Minnesota Housing
 - Low interest loans 3.25%
 - Monthly Payment Loan up to \$10,000
 - Deferred Payment Loan up to \$5,000 or \$7,500
 - Gap Application
 - Rural Development
 - Low interest loans with payment assistance
 - Greater Minnesota Housing Fund
 - Homeowner Fund up to \$5,000
 - Federal Home Loan Bank
 - Apply for Affordable Home Program up to \$10,000

DESIGN, BIDDING AND CONSTRUCTION SCHEDULE

TRAVERSE ROAD AFFORDABLE HOUSING SUBDIVISION

BMI PROJECT NO. M14.111082

C:\Users\toddp\Documents\Housing\[March 29th DESIGN BIDDING CONSTRUCTION SCHEDULE (002).xls]Sheet1

EVENT	DATE	NOTES
1) POST AD FOR BIDS ON QUEST CDN	Monday, February 15, 2016	PUBLICATION MUST BE MADE AT LEAST 3 WEEKS BEFORE THE LAST DAY TO SUBMIT A BID
2) ADVERTISE IN SAINT PETER HERALD	Thursday, February 18, 2016	PUBLICATION MUST BE MADE AT LEAST 3 WEEKS BEFORE THE LAST DAY TO SUBMIT A BID
3) CITY COUNCIL CONSIDERS PLANS AND ORDERS AD FOR BIDS	Monday, February 22, 2016	ADVERTISEMENTS APPEAR IN NEWSPAPER BEFORE COUNCIL ORDERS ADVERTISEMENT BUT TO STAY ON SCHEDULE, THIS IS NECESSARY. PLANS RELEASED TO CONTRACTORS AROUND THIS TIME OR
4) OPEN BIDS	Thursday, March 10, 2016	
5) City Council Workshop review money, sw contract, applications	Monday, April 04, 2016	
6) CITY COUNCIL CONSIDERS BIDS AND AWARD	Monday, April 11, 2016	CITY COUNCIL ADOPTS PRELIMINARY AND FINAL PLATS AT SAME MEETING
7) City Council Plat approval	Monday, April 11, 2016	
8) TIF Hearing	Monday, April 11, 2016	CALLS FOR HEARING ON CREATION OF TIF
8) CONTRACTS PREPARED & SUBMITTED TO CONTRACTOR	Friday, April 15, 2016	Both construction and SWMHP on applications and program administration
9) CONTRACTOR RETURNS SIGNED CONTRACTS TO CITY FOR SIGNATURE AND NOTICE TO PROCEED	Monday, April 25, 2016	
10) Council adopts TIF plan, initiates competitive sale of bonds	Monday April 26th, 2016	CITY COUNCIL INITIATES COMPETITIVE SALE OF BONDS (SET SALE RESOLUTION)
11) PRECONSTRUCTION MEETING	Thursday, April 28, 2016	
12) Approval of Sales Plan, Covenantss and marketing	Monday, May 9th, 2016	
13) approval of EDA Funds for Spec Home Construction	Sunday, May 01, 2016	
14) Approval of Sales and Covenants	Monday June 13th, 2016	
15) ADOPT TIF PLAN, AWARD SALE OF BONDS	Monday, June 13, 2016	CITY COUNIL ADOPTS TIF PLAN, AWARDS THE SALE OF BONDS
16) Bidding out of Spec homes	Wednesday, June 01, 2016	
17) BEGIN CONSTRUCTION	Monday, April 04, 2016	
a) GRADING & UTILITY CONSTRUCTION	April / May 2016	
c) SIDEWALK CONSTRUCTION, PRIVATE UTILITY INSTALL	July 2016	
d) TREE PLANTING / TURF INSTALLATION	August 2016	
e) INSTALL FINAL LIFT ROADWAY PAVEMENT	August 2016	
f) PUNCH LIST	September 2016	

88

\$2,405,000

General Obligation Tax Increment Financing Bonds, Series 2016A

Uses of Funds

Phase 1 Construction, Engineering & Contingency		2,328,220
Land Acquisition		-
Other Costs		-
Other Costs		-
Total Project Costs		2,328,220
Underwriter's Discount Allowance	1.4000%	33,670
Unused Underwriter's Discount Allowance		-
Fiscal Fee & TIF		21,500
Bond Counsel		8,000
Pay Agent/Registrar		750
Printing & Misc		1,250
Rating Agency		13,000
Capitalized Interest		-
Rounding surplus		-
		<u>2,406,390</u>

Sources of Funds

Bond Issue	2,405,000
Cash Contribution	-
Construction Fund Earnings	1,390
	<u>2,406,390</u>

Bond Details

Set Sale Date	3/28/2016
Sale Date	5/9/2016
Dated Date	6/1/2016
Closing Date	6/1/2016
1st Interest Payment	2/1/2017
Proceeds spent by:	12/31/2016
	to Dated Date
Purchase Price	2,371,330.00
Net Interest Cost	1,037,109.17
Net Effective Rate	3.2708%
Average Coupon	3.1646%
Yield	TBD
Weighted Avg Maturity	9.4840
Call Option	2/1/2020
Purchaser	Proposed for Competitive Sale
Bond Counsel	Briggs & Morgan
Pay Agent	Northland Trust
Tax Status	Tax Exempt, Bank Qualified
Continuing Disclosure	Full
Rebate	\$5 million Small Issuer Exemption
Statutory Authority	M.S. 469, 475

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Payment Schedule & Cashflow

12-Month Period ending		Interest		Payment	plus 5%
Principal	Rate	Interest	Total	Coverage	
6/1/2016	-	-	-	-	-
2/1/2017	-	0.600%	44,047	44,047	46,249
2/1/2018	85,000	1.000%	66,070	151,070	158,624
2/1/2019	90,000	1.150%	65,220	155,220	162,981
2/1/2020	90,000	1.400%	64,185	154,185	161,894
2/1/2021	90,000	1.550%	62,925	152,925	160,571
2/1/2022	90,000	1.700%	61,530	151,530	159,107
2/1/2023	95,000	1.850%	60,000	155,000	162,750
2/1/2024	95,000	2.050%	58,243	153,243	160,905
2/1/2025	95,000	2.200%	56,295	151,295	158,860
2/1/2026	100,000	2.350%	54,205	154,205	161,915
2/1/2027	100,000	2.450%	51,855	151,855	159,448
2/1/2028	105,000	2.600%	49,405	154,405	162,125
2/1/2029	105,000	2.750%	46,675	151,675	159,259
2/1/2030	110,000	2.900%	43,788	153,788	161,477
2/1/2031	115,000	3.050%	40,598	155,598	163,377
2/1/2032	115,000	3.200%	37,090	152,090	159,695
2/1/2033	120,000	3.300%	33,410	153,410	161,081
2/1/2034	125,000	3.400%	29,450	154,450	162,173
2/1/2035	130,000	3.500%	25,200	155,200	162,960
2/1/2036	130,000	3.600%	20,650	150,650	158,183
2/1/2037	135,000	3.700%	15,970	150,970	158,519
2/1/2038	140,000	3.800%	10,975	150,975	158,524
2/1/2039	145,000	3.900%	5,655	150,655	158,188
	2,405,000		1,003,439	3,408,439	3,578,861

Pledged Revenues				Account Balances	
Collection Year	Lot Sales	TIF Reve	Tax Levy	Surplus (deficit)	Account Balance
				Capitalized & accrued interest >	-
2016	255,915		-	209,666	209,666
2017	358,281	-	-	199,658	409,324
2018	438,281	14,426	-	289,727	699,051
2019	358,281	34,623	-	231,011	930,062
2020	179,141	54,820	-	73,390	1,003,451
2021	100,000	75,017	-	15,911	1,019,362
2022	-	85,116	-	(77,634)	941,728
2023	-	85,116	-	(75,789)	865,939
2024	-	85,116	-	(73,744)	792,195
2025	-	85,116	-	(76,800)	715,395
2026	-	85,116	-	(74,332)	641,063
2027	-	85,116	-	(77,010)	564,054
2028	-	85,116	-	(74,143)	489,911
2029	-	85,116	-	(76,361)	413,550
2030	-	85,116	-	(78,262)	335,288
2031	-	85,116	-	(74,579)	260,709
2032	-	85,116	-	(75,965)	184,744
2033	-	85,116	-	(77,057)	107,688
2034	-	85,116	-	(77,844)	29,843
2035	-	85,116	43,223	(29,843)	-
2036	-	85,116	73,403	-	-
2037	-	85,116	73,408	-	-
2038	-	85,116	73,072	-	-
	1,689,900	1,625,855	263,106		-

\$1,730,000
General Obligation Tax Increment Financing Bonds, Series 2022A

Uses of Funds

Phase 2 Project Cost		1,641,157
Other		-
Other		-
Total Project Costs		1,641,157
Underwriter's Discount Allowance	1.4000%	24,220
Unused Underwriter's Discount Allowance		-
Fiscal Fee & TIF		15,000
Bond Counsel		8,000
Pay Agent/Registrar		750
Printing & Misc		1,250
Rating Agency		9,000
Capitalized Interest		29,978
Rounding surplus		-
		<u>1,729,355</u>

Sources of Funds

Bond Issue	1,730,000
Cash Contribution	-
Construction Fund Earnings	(645)
	<u>1,729,355</u>

Bond Details

Set Sale Date	4/1/2022
Sale Date	5/1/2022
Dated Date	6/1/2022
Closing Date	6/1/2022
1st Interest Payment	2/1/2023
Proceeds spent by:	12/31/2023
	<i>to Dated Date</i>
Purchase Price	1,705,780.00
Net Interest Cost	644,798.33
Net Effective Rate	3.1115%
Average Coupon	2.9946%
Yield	TBD
Weighted Avg Maturity	9.4840
Call Option	2/1/2029
Purchaser	Proposed for Competitive Sale
Bond Counsel	Briggs & Morgan
Pay Agent	Northland Trust
Tax Status	Tax Exempt, Bank Qualified
Continuing Disclosure	Full
Rebate	\$5 million Small Issuer Exemption
Statutory Authority	M.S. 469, 475

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Payment Schedule & Cashflow

		<i>Payment Schedule</i>			
12-Month		Interest		Payment	plus 5%
Period ending	Principal	Rate	Interest	Total	Coverage
6/1/2022	-		-	-	
2/1/2023	-	0.600%	29,978	29,978	29,978
2/1/2024	70,000	1.000%	44,968	114,968	120,716
2/1/2025	70,000	1.150%	44,268	114,268	119,981
2/1/2026	75,000	1.400%	43,463	118,463	124,386
2/1/2027	75,000	1.550%	42,413	117,413	123,283
2/1/2028	75,000	1.700%	41,250	116,250	122,063
2/1/2029	75,000	1.850%	39,975	114,975	120,724
2/1/2030	80,000	2.050%	38,588	118,588	124,517
2/1/2031	80,000	2.200%	36,948	116,948	122,795
2/1/2032	80,000	2.350%	35,188	115,188	120,947
2/1/2033	80,000	2.450%	33,308	113,308	118,973
2/1/2034	85,000	2.600%	31,348	116,348	122,165
2/1/2035	85,000	2.750%	29,138	114,138	119,844
2/1/2036	90,000	2.900%	26,800	116,800	122,640
2/1/2037	90,000	3.050%	24,190	114,190	119,900
2/1/2038	95,000	3.200%	21,445	116,445	122,267
2/1/2039	100,000	3.300%	18,405	118,405	124,325
2/1/2040	100,000	3.400%	15,105	115,105	120,860
2/1/2041	105,000	3.500%	11,705	116,705	122,540
2/1/2042	110,000	3.600%	8,030	118,030	123,932
2/1/2043	110,000	3.700%	4,070	114,070	119,774
	<u>1,730,000</u>		<u>620,578</u>	<u>2,350,578</u>	<u>2,466,608</u>

		<i>Pledged Revenues</i>			<i>Account Balances</i>	
Collection	Lot	TIF	Other	Surplus	Account	
Year	Sales	Reve	Revenues	(deficit)	Balance	
			Capitalized & accrued interest >		29,978	
2022	-	-	-	(29,978)	-	
2023	392,000	-	-	271,284	271,284	
2024	392,000	-	-	272,019	543,303	
2025	392,000	20,197	-	287,811	831,115	
2026	336,000	40,394	-	253,111	1,084,225	
2027	-	60,591	-	(61,472)	1,022,754	
2028	-	77,903	-	(42,821)	979,932	
2029	-	77,903	-	(46,614)	933,318	
2030	-	77,903	-	(44,892)	888,426	
2031	-	77,903	-	(43,044)	845,381	
2032	-	77,903	-	(41,070)	804,311	
2033	-	77,903	-	(44,262)	760,049	
2034	-	77,903	-	(41,942)	718,107	
2035	-	77,903	-	(44,737)	673,369	
2036	-	77,903	-	(41,997)	631,372	
2037	-	77,903	-	(44,365)	587,008	
2038	-	77,903	-	(46,423)	540,585	
2039	-	77,903	-	(42,958)	497,627	
2040	-	77,903	-	(44,638)	452,990	
2041	-	77,903	-	(46,029)	406,961	
2042	-	77,903	-	(41,871)	365,090	
	<u>1,512,000</u>	<u>1,289,720</u>	-		<u>365,090</u>	

\$755,000

General Obligation Tax Increment Financing Bonds, Series 2026A

Uses of Funds

Phase 3 Project Cost		701,533
Other		-
Other		-
Total Project Costs		701,533
Underwriter's Discount Allowance	1.5000%	11,325
Unused Underwriter's Discount Allowance		-
Fiscal Fee & TIF		15,000
Bond Counsel		6,000
Pay Agent/Registrar		750
Printing & Misc		1,250
Rating Agency		9,000
Capitalized Interest		13,458
Rounding surplus		-
		<u>758,317</u>

Sources of Funds

Bond Issue	755,000
Cash Contribution	-
Construction Fund Earnings	3,317
	<u>758,317</u>

Bond Details

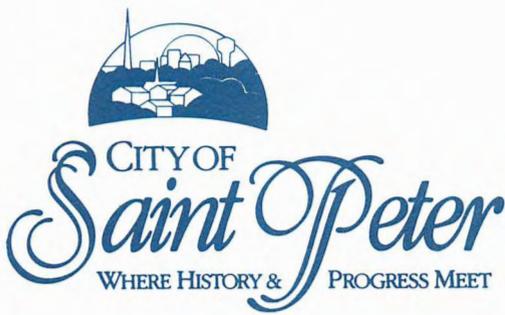
Set Sale Date	4/1/2026
Sale Date	5/1/2026
Dated Date	6/1/2026
Closing Date	6/1/2026
1st Interest Payment	2/1/2027
Proceeds spent by:	12/31/2026
	<i>to Dated Date</i>
Purchase Price	743,675.00
Net Interest Cost	303,950.83
Net Effective Rate	3.2000%
Average Coupon	3.0808%
Yield	TBD
Weighted Avg Maturity	9.4840
Call Option	2/1/2033
Purchaser	Proposed for Competitive Sale
Bond Counsel	Briggs & Morgan
Pay Agent	Northland Trust
Tax Status	Tax Exempt, Bank Qualified
Continuing Disclosure	Full
Rebate	\$5 million Small Issuer Exemption
Statutory Authority	M.S. 469, 475

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Payment Schedule & Cashflow

Payment Schedule					
12-Month	Interest		Payment		plus 5%
Period ending	Principal	Rate	Interest	Total	Coverage
6/1/2026	-	-	-	-	-
2/1/2027	-	0.600%	13,458	13,458	13,458
2/1/2028	30,000	1.000%	20,188	50,188	52,697
2/1/2029	30,000	1.150%	19,888	49,888	52,382
2/1/2030	30,000	1.400%	19,543	49,543	52,020
2/1/2031	30,000	1.550%	19,123	49,123	51,579
2/1/2032	30,000	1.700%	18,658	48,658	51,090
2/1/2033	30,000	1.850%	18,148	48,148	50,555
2/1/2034	30,000	2.050%	17,593	47,593	49,972
2/1/2035	30,000	2.200%	16,978	46,978	49,326
2/1/2036	35,000	2.350%	16,318	51,318	53,883
2/1/2037	35,000	2.450%	15,495	50,495	53,020
2/1/2038	35,000	2.600%	14,638	49,638	52,119
2/1/2039	35,000	2.750%	13,728	48,728	51,164
2/1/2040	35,000	2.900%	12,765	47,765	50,153
2/1/2041	40,000	3.050%	11,750	51,750	54,338
2/1/2042	40,000	3.200%	10,530	50,530	53,057
2/1/2043	40,000	3.300%	9,250	49,250	51,713
2/1/2044	40,000	3.400%	7,930	47,930	50,327
2/1/2045	45,000	3.500%	6,570	51,570	54,149
2/1/2046	45,000	3.600%	4,995	49,995	52,495
2/1/2047	45,000	3.700%	3,375	48,375	50,794
2/1/2048	45,000	3.800%	1,710	46,710	49,046
	755,000		292,626	1,047,626	1,099,334

Pledged Revenues				Account Balances	
Collection	Lot	TIF	Tax	Surplus	Account
Year	Sales	Reve	Levy	(deficit)	Balance
Capitalized & accrued interest >					
2026	-	-	-	(13,458)	-
2027	392,000	-	-	339,303	339,303
2028	112,000	-	-	59,618	398,921
2029	-	20,197	-	(31,823)	367,099
2030	-	25,968	-	(25,611)	341,487
2031	-	25,968	-	(25,123)	316,365
2032	-	25,968	-	(24,587)	291,777
2033	-	25,968	-	(24,005)	267,773
2034	-	25,968	-	(23,359)	244,414
2035	-	25,968	-	(27,916)	216,498
2036	-	25,968	-	(27,052)	189,446
2037	-	25,968	-	(26,152)	163,294
2038	-	25,968	-	(25,196)	138,097
2039	-	25,968	-	(24,186)	113,912
2040	-	25,968	-	(28,370)	85,542
2042	-	25,968	-	(27,089)	58,453
2043	-	25,968	-	(25,745)	32,708
2044	-	25,968	-	(24,359)	8,349
2044	-	25,968	19,832	(8,349)	-
2045	-	25,968	26,527	-	-
2046	-	25,968	24,826	-	-
2047	-	25,968	23,078	-	-
	504,000	487,612	94,264	-	-



Memorandum

TO: Honorable Mayor Zieman
Members of the City Council

DATE: 4/1/2016

FROM: Todd Prafke
City Administrator

RE: Community Center Request For Proposals (RFP)

ACTION/RECOMMENDATION

None needed. For your information and discussion.

BACKGROUND

As members may know School District #508 will be leaving four rooms in the Community Center in the summer of 2017. Their ECFE programming will be moving their facilities to Lincoln Drive as a part of the overall work and relocations that were planned associated with the building of the new High School. The rooms to be vacated from the Community Center are located on the first floor.

Members are aware that the City has been approached by both daycare providers that are located in the building as both have expressed an interest in the room(s) to expand their current operations.

Your staff has reviewed a number of different ways to help determine if and/or to whom you should lease space to including others that may be interested in leasing that space if they meet the established goals for rental in the Community Center.

Those goals were put in place prior to construction of the building and the goals are:

- Renters must be a community based provider of services.
- Service must be available to the broader community.
- Non-profits and providers that offer programs that positively impact families are preferred.

Previous Councils have stuck pretty closely to those goals in considering rental agreements in the past.

My thoughts have centered on a way to help prospective renters provide you with information about their plans, their goals and mission, and how those might address needs within the building and in the broader community. Putting out a Request for Proposals (RFP) seems like a

reasonable way to not only articulate your goals, but also allow interested parties to express how their rental of the facility may positively impact the goals of the Council. It is a way to give all interested parties notice of availability and allow all to provide you with information that, in turn, can be used to determine who might be the best fit for the Community Center.

It is my hope that you will take a few minutes to review the RFP and that at your workshop we can discuss if it meets your needs for gathering of information.

There are a couple of key areas I would like to draw your attention to. First, if there are other factors that may be important to your decision as to who to lease to it seems we should lay them out so that prospective respondents know and can address the criteria or other things you are looking for. One example already written into the RFP is the explanation in the number of infant day care slots. I continue, as do many of you, to hear that infant daycare slots are still very hard to come by in Saint Peter.

Second, the process as described provides for a staff review. You may wish to modify that so the review is by the City Council. There are pros and cons to each of those processes and you have used both Staff and Council review in the past. Of course any lease must be approved by the City Council. Another note here, because of the nature of the users on the first floor which currently include not only ECFE but two day cares and Head Start, finding an entity that can work cooperatively with those current users (a good fit) seems important as well.

Remember you have four rooms that will become available. This does not presuppose that all of those rooms will go to one entity nor does it preclude you from renting them all to one entity.

One additional thing to note. Although it is clear both daycares currently located in the Community Center have expressed written interest, we just don't know who else may be out there and be a great fit for your center and the community.

Lastly, as a staff we continue to look to meet your needs first. We may come to you as a part of the timeline on this process and ask for some of that space for Recreation and Leisure Services Department programming. We realize that may be something that should be weighed against any proposal you receive in order to best serve the community.

My overall hope is to have a process that allows interested parties to respond to criteria that you establish and ultimately helps you determine who you are going to rent to.

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

TP/bal

**CHILD CARE STUDY COMMITTEE
INTERIM REPORT TO SAINT PETER CITY COUNCIL**

This intent of this report is to provide an update about the discussions of the group and the Committee's position on various issues thus far.

Original members of the group include:

Shannon Proski	Kid's Corner
Brad DeVos	St Peter Community Child Care
Rhonda Prince	St Peter Community Child Care
Calie Afdahl-Doble	Child Care Aware of Minnesota
Ed Lee	Chamber of Commerce
Jane Timmerman	Recreation and Leisure Services
Jeff Brand	City Council
Jeff Olson	School District #508
Ytve Prafke	School District #508
John Kvamme	City Council
Kristina Guth	Nicollet County
Larry Taylor	Taylor Corporation

Please note that from time to time others have participated in the group discussions.

Work of the Committee:

Attendance has been good through the three meetings that have been held thus far. Meetings are casual with City Administrator Prafke acting as the convener and group facilitator. Agendas have been provided and followed. Each meeting has lasted about an hour.

The Committee has reviewed data from a number of sources including data developed by local providers, Nicollet County, Child Care Resource and Referral, Saint Peter Schools as well as demographic data from a number of sources including Census, State Demographer's Office and the Regional Economic Development Alliance (REDA). Survey material was collected using the Chamber of Commerce and its web and Facebook pages.

Committee's Opinion on number of slots needed:

The Committee's strong opinion is that there continues to be a substantial need for child care slots in the Saint Peter community. There is clearly more need for infant slots and toddler slots with infants being the highest and more pressing priority. While exact numbers are hard to ascertain, the development of a minimum of 12 infant slots should be a priority. Toddler slots of similar number are also needed.

Opportunities to develop childcare slots:

The Committee reviewed a number of different ideas and opportunities to create the slots they believe are needed within the community. Those ideas and opportunities fall into two primary categories which are Long Term and Short Term.

Long Term Opportunities

- More additional square footage for one of the current centers at the Community Center
- Development of a new center facility
- Continue to explore opportunities with the School District related to their facilities planning
- Review opportunities for reuse of Grandview
- Work with Gustavus on new or modified facilities
- Additional work with local businesses or real estate professional who may own space that could be modified

Short Term Opportunities

- Promotion of in-home opportunities through the reduction or elimination of the fees associated with licensing, which includes both City and County fees, tied to incentives in the target age groups
- Provide additional discounted rents at the Community Center for development of more slots in the targeted age groups
- Host a child care fair to get both potential providers in touch with potential users.
- Provide business and child care learning workshops through the City or School District that would make it easier for in-home service providers to understand the business and standards that can make them successful.

Challenges to additional slot development:

- The Committee identified a number of challenges to development of additional slots.
 - Lack of facilities or buildings that are suitable for this use.
 - Cost of facilities
- Improving economy meaning that past providers or potential future providers have many employment opportunities and development of private in-home business is not easy.
- Seeking out community partners to provide assistance including the business and public sectors. Often businesses do not understand the correlation between workforce development and daycare opportunities.
- Infant slots do not provide a sustainable business model. The cost to care for infants, primarily due the rations of provider to child means the providers do not make money. While this is believed to be the community's most pressing need, the cost is higher and the revenue is unable to support the costs.

Next Steps:

The Committee will meet in July to further explore a couple of the ideas, both long and short term, listed above. Should the Council wish to provide any additional direction or commentary the Committee will continue to work to find ways to grow slots within the community.

Should Councilmembers wish to have access to the data reviewed by the Committee, please let me know and I will be happy to provide the specific data.



City of Saint Peter, Minnesota
Request for Proposals
Opportunity to Lease Rooms XXXXXXX
Located at the Saint Peter Community Center
600 South Fifth Street Saint Peter, MN 56082

April XXX, 2016

To all Interested Parties:

The City of Saint Peter, Minnesota currently owns and will have available to lease four rooms on the first floor on the Saint Peter Community Center. The rooms are:

Parent Room 110 = 564 sq ft
Room 115 = 812 sq ft
Room 117 = 1112 sq ft
Room 119 = 1014 sq ft

Enclosed in this proposal document please find a floor plan for the first floor of the Community Center indicating the location of the rooms available for lease.

The following information is provided for your convenience and utilization. Inquiries regarding the proposal process or property may be directed to:

Jane Timmerman
Recreation and Leisure Services Director
600 South Fifth Street
Saint Peter, MN 56082
507.934.0667
jane@saintpetermn.gov

- I. **Project Location:** In the 600 block of South Washington Avenue. The facility is a multi-use community center with an estimated over 100,000 visitors annually for education, recreation, child care and social services. The building is generally open from 6 a.m. to 10 p.m. with some seasonal adjustment of building hours. The building features educational rooms, community use meeting and gathering spaces, a gymnasium and library.
- II. **Project Site and History:** The building was constructed in 2002.
- III. **Parking, Signage and Lease:**
 - Signage within the building is permitted as approved by the Director of Recreation and Leisure Services.
 - Off-street parking is provided, however, no designated parking is available.
 - A copy of a standard lease is attached for review. This document provides insight into the general lease provisions that the City provides to interested parties. This is not a lease offer, but rather is intended to give interested parties insight on potential lease provisions.

IV. **Timeline:** The rooms will be available in June of 2017. Successful proposals will include a clear description of the planned use of the room or rooms to be leased with special attention to the goals of the City Council which include:

- Use of building by organizations and businesses that can demonstrate a directed benefit to the larger community.
- Use or operation that can work collaboratively with other current building tenants.
- Uses that might benefit families, and specifically families with infant or young children.
- Uses that complement the current uses provided for in the Community Center.

V. **Submittals:** Proposals submitted by firms or individuals should address the following elements in the form of text, imagery, and work examples.

- A. Organizational/personal background and qualifications of the Lessee including organizational structure, name of Board members, owners and/or principles in the operation.
- B. Description of proposed use of the leased space.
- C. A listing of the rooms you wish to lease and the monthly amount of money you are willing to pay for the lease, as well as the length of lease desired (example 60 months).

The City's evaluation of your submittal will focus on the respondent's ability to meet the goals articulated in Section IV. Additional considerations include the respondent's ability to adequately finance its' proposed operations, and respondents ability to promptly, professionally and effectively coordinate its' operation and impact on the larger Saint Peter community.

Additionally, preference will be given to:

- respondents that will provide care for children and more specifically infants.
- XXXX
- XXXX
- XXXX

VI. **Process:** City staff will review the submittals, conduct interviews (if necessary), compile a comparative analysis of the submittals, and present a recommendation to the City Council prior to the City entering into exclusive negotiations for the lease of the property. The City may hire such consultants or professionals as needed to assist in review of the submittals. If there is interest among potential respondents, City staff may schedule additional group or individual preliminary meetings with interested parties.

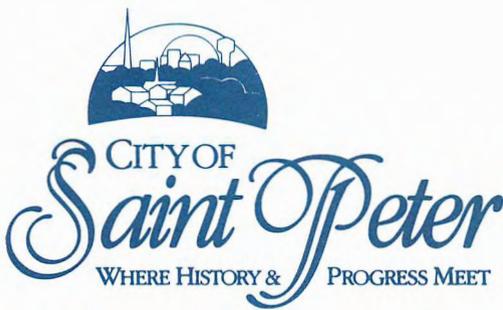
Respondents are requested to submit **three (3) copies** of their proposal for staff review and comment to the City of Saint Peter, City Administrator, 227 South Front Street, Saint Peter, MN 56082 on or before **5:00 p.m., XXXX , 2016.**

VII. **Waiver:** The City reserves the right to reject any or all submittals, to waive any informalities in the submittal procedure and to accept any submittal deemed by the City

Council to be in the City's best interest. No submittal may be withdrawn within forty-five (45) days after the submittal deadline.

VIII. Additional Information: Any questions related to this request for proposals, or requests for additional information may be directed to:

Jane Timmerman
Recreation and Leisure Services Director
600 South 5th St.
Saint Peter, MN 56082
507.934.0667
jane@saintpetermn.gov



Memorandum

TO: Honorable Mayor Zieman
Members of the City Council

DATE: 4/1/2016

FROM: Todd Prafke
City Administrator

RE: Community Center Lease update

ACTION/RECOMMENDATION

None needed. For your information and discussion.

BACKGROUND

Members may recall that Room 211 in the Community Center has been vacant for some time after the Center for Rural Policy and Development ended their lease to become a virtual office. The space has been used by the Recreation Department for programming and at times intermittent storage of program supplies and materials.

You had previously given Saint Peter Community Childcare Center (SP3C) exclusive rights to rent contingent on their ability to acquire the remodeling costs. That exclusive right expired at the end of February.

The Council direction was to work with others who had expressed interest in the space and meet the goals of the Community Center. Those goals were put in place prior to construction and are:

- Renters must be a community based provider of services.
- Service must be available to the broader community.
- Non-profits and providers that offer programs that positively impact families are preferred.

Good Samaritan Society Home Care, which is currently located at 221 West Park Row, has expressed interest and staff is working on a lease with them for that space. They have agreed to the terms generally used as a part of the other leases at the Community Center. The per month lease will be about \$1,500 with a term of 36 months. The lease has a rent escalator after each 12 month period. That sum is similar to the amount the Center for Rural Policy and Development was paying as it left and I believe represents an appropriate rate based on the quality of the space, criteria for rental in the building, and the market place.

Good Samaritan Society Home Care is a not for profit that provides home health care and related services. They have been located at a couple of different locations in Saint Peter and

employ office staff and health care workers that provide service, primarily to seniors and their families, in Saint Peter and the surrounding area.

While I have not received a signed lease or deposit I do expect that will be provided prior to your next meeting.

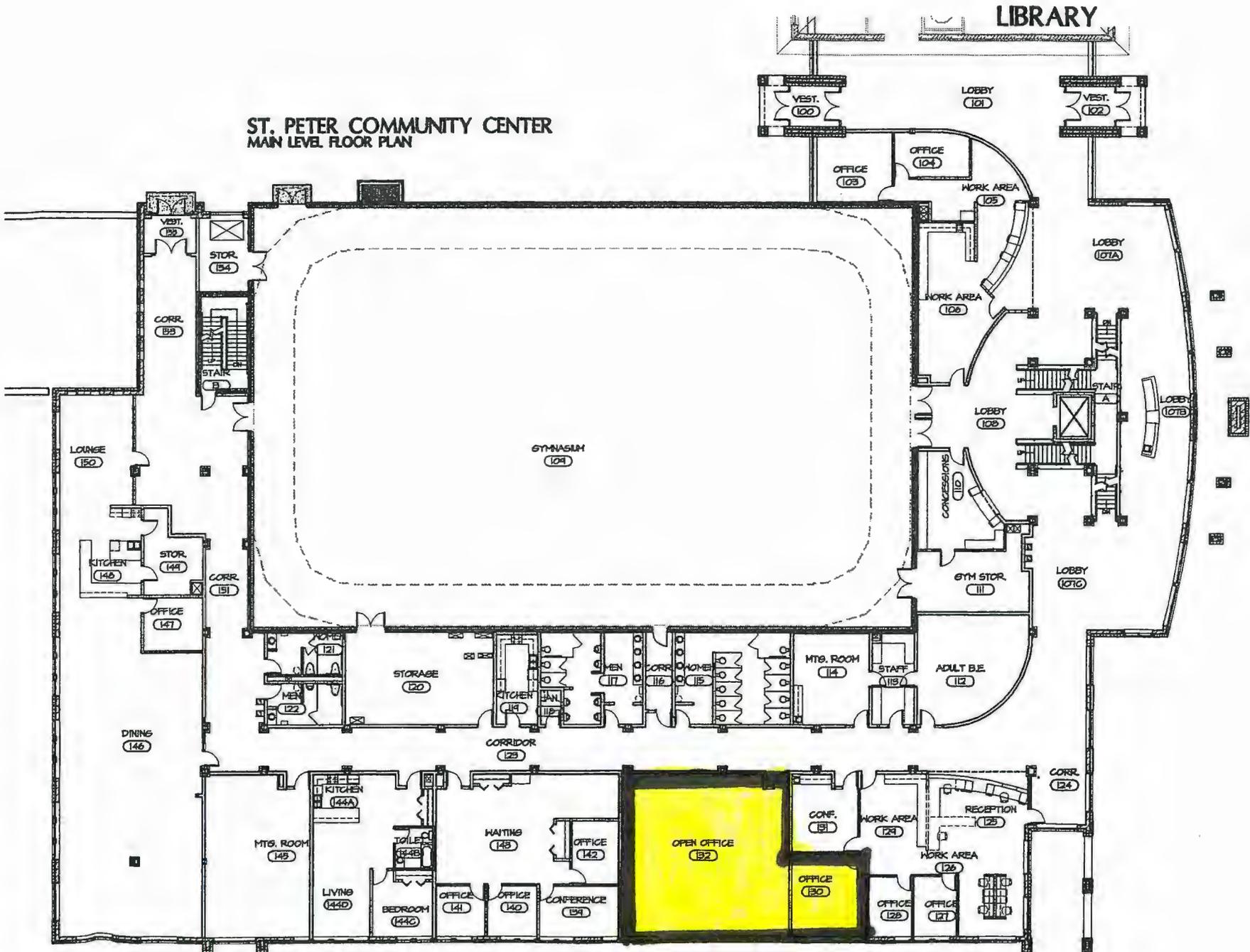
Your attorney has reviewed the proposed lease.

All revenue received from rental and leases stay in the Community Center Fund to pay for operations of the facility.

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

TP/bal

ST. PETER COMMUNITY CENTER
MAIN LEVEL FLOOR PLAN



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SUBLEASE

This Sublease is made and entered into this _____ day of _____, 2016, by and between the City of Saint Peter, a Minnesota municipal corporation (**CITY**), and The Evangelical Lutheran Good Samaritan Society– GSS HCBS, LLC d/b/a Good Samaritan Society Home Care St. Peter, a non-profit corporation (**TENANT**) incorporated in the State of _____.

WHEREAS, the **CITY** is the lessee in that certain Lease With Option To Purchase Agreement between the Economic Development Authority of the City of Saint Peter, Minnesota, as Lessor, and the City of Saint Peter, Minnesota, as Lessee, dated the 21st day of March, 2001; and

WHEREAS, the **CITY** has the right to sublease the premises upon the written consent of the Economic Development Authority of the City of Saint Peter, Minnesota, as Lessor;

WHEREAS, the **CITY** has space within the Community Center to lease to various non-profit organizations;

WHEREAS, **TENANT** is engaged in the business of home health care for community-based seniors;

WHEREAS, **TENANT** wishes to lease space from the **CITY** under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and agreements, the parties make the following:

1. Description of Premises.

A. Rented premises include Rooms 211 and storage space as designated in the Community Center located at 600 South Fifth Street, Saint Peter, Minnesota.

B. Common areas include rest rooms, hallways, kitchen facilities and laundry room.

C. **TENANT** shall have the right of ingress and egress through the halls and corridors of the building.

D. **TENANT** acquires no other right in any other part of the building than the parts herein specified.

E. **TENANT** shall have the right to use one, 4 hour block of meeting room time each month of the lease. This use must be scheduled through the designated party at the City of Saint Peter.

F. **TENANT** shall have the right to scheduled use of the gymnasium and Governor's Room at no charge.

2. Restrictions on Use. **TENANT** shall not use or permit the premises, or any part of the premises, to be used for any purposes other than those set forth in this lease. **TENANT** shall neither permit on the premises any act, sale, or storage that may be prohibited under standard forms of fire insurance policies, nor use the premises for any such purpose. In addition, no use shall be made or permitted to be made that result in:

A. Waste on the premises;

B. A public or private nuisance that may disturb the quiet enjoyment of other tenants in the building;

C. Improper, unlawful or objectionable use, including sale, storage or preparation of food, alcoholic beverages, or materials generating an odor on the premises;

D. Noises or vibrations that may disturb other tenants.

E. Installation of signage within the facility without the express written approval of **CITY**, which approval shall not be unreasonably withheld.

TENANT shall comply with all governmental regulations and statutes affecting the premises either now or in the future.

3. Responsibility of **CITY**.

A. General maintenance of the building.

B. General maintenance of the grounds for all seasons.

C. General maintenance of rest rooms and hallways.

D. Provide utility services of heat, electricity, garbage, water and sewer.

E. Provide general supervision of the building.

F. Provide locks for building entrance and office entrance, and keys to tenants for the tenant's space.

G. Provide phone lines to the building.

H. Provide initial floor covering, wall construction, ceiling and overhead lighting.

4. Responsibility of **TENANT**.

A. General maintenance of area leased by **TENANT**.

B. **TENANT** agrees that **CITY** has no liability for property lost, stolen or damaged on the common or leased premises.

C. General supervision and responsibility for securing the rented space.

D. General supervision and responsibility for securing the building at all times other than 7:00 a.m. to 11:00 p.m., Monday through Friday -- or other such times as subsequently indicated by **CITY** upon written notice -- unless otherwise arranged with the Building Supervisor.

E. Phone lines from the point of entry into the building to the leased premises and phone service.

5. Term and Rent.

A. Term. This lease shall run for a period commencing on May 1, 2016

B. Rental.

i. For a period of time from May 1, 2016 to April 30, 2017 **TENANT** shall pay a lease payment, in advance, on the first day of each and every month, the sum of \$1,450.00.

ii. For a period of time from May 1, 2017 to April 30, 2018 **TENANT** shall pay a lease payment, in advance, on the first day of each and every month, the sum of \$1,493.50.

iii. For a period of time from May 1, 2018 to April 30, 2019 **TENANT** shall pay a lease payment, in advance, on the first day of each and every month, the sum of \$1,538.31.

C. Payments. Payments shall be made to the **CITY** at 227 South Front Street, Saint Peter, Minnesota.

D. Late Payments. A payment shall be delinquent if not paid by the 15th day of each month. A late charge of \$5.00 per day thereafter will be added to the amount due until paid. Failure to declare default on any particular payment that becomes delinquent shall not constitute a waiver of the rights to exercise the same at any subsequent time. If expenses are incurred or suit is commenced on this lease because of delinquent payments, **TENANT** agrees to pay all costs of collection, including reasonable attorney fees.

E. Reserve. **TENANT** shall keep on account with the **CITY** a reserve in the amount of \$4,350 which is equal to three (3) months rent. The sum of \$4,350 which was paid on _____, 2016 will remain on account with the City. The funds may be drawn upon by the City in the event the lease payments are late to pay the lease payment and any late fees. The funds must then be replenished by **TENANT** within forty-five (45) days. Upon expiration and/or termination of this Lease, the City agrees to refund any remaining monies in the reserve account to Tenant within thirty (30) days of the date Tenant vacates and satisfactorily surrenders the leased space to the City.

6. Default.

A. Events of Default. If **TENANT** does not pay the full amount on the date it is due or violates any agreement contained in this lease, **TENANT** will be in default.

B. Right to Cancel. Upon evidence of default, **CITY** shall have the right to cancel and terminate this lease, as well as all of the right, title and interest of **TENANT** under this lease.

C. Notice of Default. If either party is in default of a term or condition of this Lease, the non-defaulting party must give the defaulting party notice of said default. The defaulting party shall have no more than thirty (30) days to correct said default(s). In the event the defaulting party fails to cure the default(s) within the aforementioned thirty (30) day time period, this Lease shall terminate upon expiration of the thirty (30) day cure period. In the event the defaulting party is unable to cure said default within the thirty (30) day cure period but is using commercially reasonable efforts to cure said default(s) (excluding a payment default), the defaulting party shall be afforded an additional ninety (90) days to CURE said default(s).

D. Remedies on Default. On expiration of the time fixed in the notice and the defaulting party's failure to cure the default within the time allowed in the notice, this lease shall terminate.

In the event of Tenant's default, **CITY** shall have the right to obtain reimbursement from **TENANT** of all reasonable expenses incurred in regaining possession of the premises and the right to recover all additional rental, if any, required under the lease term if **CITY** re-enters and re-lets the premises for the benefit of **TENANT**.

On expiration of the time fixed in the notice and **TENANT**'s failure to cure the default within the time allowed in the notice, **CITY** may enter immediately and remove the property and personnel of **TENANT**, and store the property in a public warehouse or at a place selected by **CITY**, at the expense of **TENANT**. **CITY** may resort to any legal proceedings to obtain the possession of the premises and disposal of **TENANT**'s property.

CITY may elect, but shall not be obligated to make any payment required of **TENANT** or comply with any agreement, term or condition required to be performed by **TENANT**, for the purpose of correcting or remedying any such default at the expense of **TENANT**. Any expenditure for the correction by **CITY** shall not be deemed to waive or release **TENANT**'s default or **CITY**'s right to take any action as may be otherwise permissible hereunder in the case of any default.

7. Modifications. There shall be no modifications or materials affixed to the interior or exterior walls, doors, windows, floors or other inner structure of the leased premises without the express written approval of the **CITY**, which consent shall not be unreasonably withheld.

TENANT is required to secure any building permits required by law. Should the **CITY** and **TENANT** be unable to agree on the exact execution of modifications, the lease may be cancelled by either party upon written notice prior to December 15, 201 with no financial penalty.

8. Damage. If the premises or any portion of the building or any equipment contained therein during the term of this lease shall be damaged by the act, default or negligence of **TENANT**, or of **TENANT**'s agents, employees, patrons, guests or any person admitted to the premises by **TENANT**, **TENANT** will pay to the **CITY** upon demand such sum as shall be necessary to restore the premises or equipment contained therein to their present condition.

TENANT hereby assumes full responsibility for the character, acts, and conduct of all persons admitted to the premises or any portion of said building by the consent of Saint Peter Community Child Care or by or with the consent of any person acting for or on behalf of **TENANT**.

9. Insurance. It shall be the responsibility of **TENANT** to assure that its leased premises and personal property are covered by hazard and public liability insurance policies. The public liability insurance policy shall provide coverage at least in the amount of the **CITY**'s maximum liability limits as set by statute. **TENANT** shall at the request of the **CITY** provide proof of insurance coverage required by this section.

10. Indemnification. **TENANT** covenants and agrees to save **CITY** harmless and to indemnify **CITY** against any claims or liabilities for compensation which may arise or accrue by reason of the use of **TENANT**, **TENANT**'s agents, employees, patrons, guests or any person admitted to the premises by **TENANT**.

11. Casualty. In case said building or any part thereof shall be destroyed or damaged by fire or any other cause, or if any other casualty or unforeseen occurrence renders the fulfillment of this lease by **CITY** impossible, the **CITY** may terminate the lease, and **TENANT** shall pay rent for said premises only up to the time of such termination, at the rate set in this lease. **CITY** waives any claims or damages or compensation from **TENANT** should this lease be so terminated.

TENANT may, with approval of **CITY**, lease equipment, as set forth on Exhibit A attached, in the premises, but **TENANT** assumes full responsibility in the event of a casualty and in accordance with the above.

12. Option to Renew. **TENANT** shall have the option to renew this lease before **CITY** offers the premises to any other party. Written notice of intention to renew must be furnished to the **CITY** 120 days prior to the expiration of the lease or any renewal hereunder. The terms of the lease shall be subject to renegotiation at the time of any renewal with the proposed rental price furnished to **TENANT** 90 days prior to the expiration of the lease.

13. Mail Distribution. All tenant mail shall be distributed from the central mail facility. Each tenant will be assigned a Post Office Box. No tenant mail will be delivered directly to the tenant's leased space. There shall be a nominal Post Office box key rental fee.

14. Election Regulation Compliance. **TENANT** shall be required to comply with all State election regulations including removal of any and all campaign materials from the leased property and/or parking lot when the building is being used as a polling place and/or as directed by City officials.

15. Termination Prior To End Of Lease Term. In the event the **TENANT** completes or reasonably anticipates completion of construction of its own building or consolidation of operations to one location, then **TENANT** may terminate this lease without penalty by giving CITY one hundred and twenty (120) days written notice.

TENANT understands that this lease is subject to the terms of that certain Lease by and between the Saint Peter Economic Development Authority, a body politic, and the City of Saint Peter, as Lessee, dated March 21, 2001. **TENANT** understands and agrees that this sub-lease may be terminated pursuant to the terms of said Lease Agreement.

16. Waivers. The failure of the **CITY** to insist on a strict performance of any of the terms and conditions of this Lease shall not be deemed a waiver of any subsequent breach or default of any terms or conditions of this Lease.

17. Notice. All notices to be given with respect to this Lease shall be in writing. Each notice shall be sent by registered or certified mail, postage pre-paid and return receipt requested to the parties as follows:

CITY OF SAINT PETER
Attn: City Administrator
227 South Front Street
Saint Peter, Minnesota 56082

GOOD SAMARITAN SOCIETY HOME CARE
ST. PETER
600 South Fifth Street, Suite 211
Saint Peter, MN 56082

18. Surrender of Possession. **TENANT** shall, on the last day of the term or renewal, or on earlier termination or forfeiture of the lease, peaceably and quietly surrender and deliver the lease premises to the **CITY** free of any encumbrance placed on it by **TENANT**, except movable trade fixtures, all in good condition and repair. In the event **TENANT** does not remove its personal property at the termination or default of the Lease, the **CITY** may elect to consider the property abandoned and the property of the **CITY** without any further payment or offset.

19. Assignment. This Lease may not be assigned by either party without the written consent of the other party. The written consent shall not be unreasonably withheld.

20. Total Agreement. This Lease contains the entire agreement by and between the parties and supersedes any and all prior agreements, whether oral or written, related to the subject matter herein OK and cannot be changed or terminated except by a written instrument executed by all parties. This Lease and terms and conditions of the Lease apply to and are binding on the legal representatives, successors and assigns of both parties.

21. **APPLICABLE LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MINNESOTA.**

22. **TIME OF THE ESSENCE. TIME IS OF THE ESSENCE AND ALL TERMS OF THIS LICENSE.**

23. Further Assurances. Each of the parties agree to execute all documents and instruments and to take or to cause to be taken all action which are necessary or appropriate to comply with the terms of this Agreement.

24. Amendments, Supplements, etc. This Agreement may be amended or supplemented at any time by additional written agreements as may mutually be determined by the parties to be necessary, desirable, or expedient to further the purpose of this Agreement or to clarify the intention of the parties.

25. Rights Cumulative. All rights and remedies of each of the parties under this Agreement will be cumulative, and the exercise of one or more rights or remedies will not preclude the exercise of any other right or remedy available under this Agreement or applicable law.

26. Severability. Any term or provision of this Agreement that is invalid or unenforceable will not be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable but remaining rights of the party benefiting from the provision or any other provisions of this Agreement.

27. Execution of Counter-Parts. This Agreement may be executed by one or more counter-parts, each of which will be deemed an original, but all of which together shall constitute one and the same agreement.

28. No Reliance. CITY and TENANT represent to one another that each has read this Agreement and has obtained such advice from counsel as deemed appropriate under the circumstances. Except as clearly indicated, CITY and TENANT have not relieve any promises or representations of the other.

29. Interpretation. This Agreement and any other documents related to it will be interpreted in a fair and neutral manner, without favoring one party over the other. No provision of this Agreement or any other document related to it will be interpreted for or against any party because that party or its legal representatives drafted the provision.

30. Titles and Headings. Titles and headings to sections are inserted for convenience of reference only, and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF the parties have executed this Lease at Saint Peter, Minnesota, on the day and year first written above.

CITY OF SAINT PETER

**TENANT – Good Samaritan Society Home
Care St. Peter**

By: _____
Charles Zieman
Mayor

By: _____
Todd Prafke
City Administrator

STATE OF MINNESOTA)
) SS
COUNTY OF NICOLLET)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Charles Zieman and Todd Prafke, the Mayor and City Administrator of the City of Saint Peter, Minnesota.

Notary Public

CONSENT

The Economic Development Authority of the City of Saint Peter does hereby consent to the attached sublease by and between the City of Saint Peter and Good Samaritan Society Home Care St. Peter, dated _____, 2016.

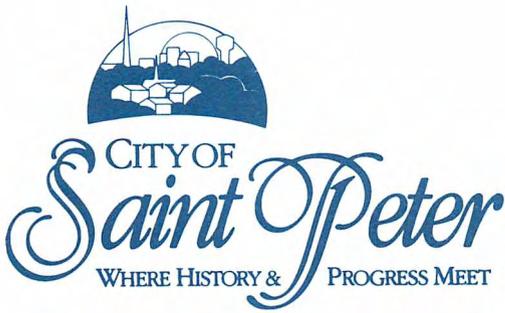
Chair

Executive Director

STATE OF MINNESOTA)
) SS
COUNTY OF NICOLLET)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Bob Southworth and Todd Prafke, the Chair and Executive Director of the Economic Development Authority of the City of Saint Peter, Minnesota.

Notary Public



Memorandum

TO: Honorable Mayor Zieman
Members of the City Council

DATE: 4/1/16

FROM: Todd Prafke
City Administrator

RE: May City Council Goal Session Schedule

ACTION/RECOMMENDATION

None needed. For your discussion and information only.

BACKGROUND

The Council has expressed a desire to schedule Council goal sessions on the fifth Mondays of each month. The next date that would occur is Monday, May 30th which happens to be Memorial Day.

Time has been set aside on the workshop agenda to discuss a schedule for the next goal session. Please be sure to bring your calendars to the workshop.

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

TP/bal