

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

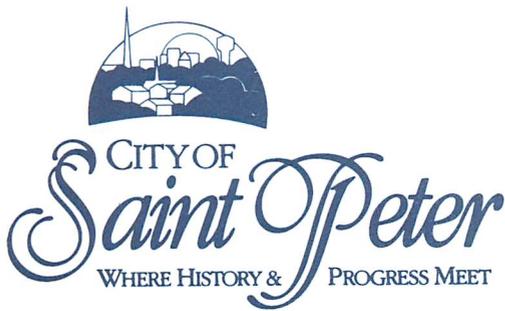
Regular Workshop Session of Monday, October 21, 2013
Library Meeting Room 5:30 .p.m.

- I. **CALL TO ORDER**

- II. **DISCUSSION**
 - A. MSA Route Modifications
 - B. St.Julien/Old Minnesota Roundabout Design Update
 - C. EDA Revolving Loan Balloon Policy Discussion
 - D. Welco West RFP Update
 - E. Others

- III. **ADJOURNMENT**

Office of the City Administrator
Todd Prafke



Memorandum

TO: Todd Prafke
City Administrator

DATE: 10/17/13

FROM: Lewis G. Giesking
Director of Public Works

RE: Proposed Changes In Designated Municipal State Aid Route Streets

ACTION/RECOMMENDATION

For your information and input.

BACKGROUND

Saint Peter is over 5000 in population and therefore, is eligible to designate certain streets as municipal state aid roadways. These roadways are eligible for annual funding which is established based on the city's population and calculated needs. "Needs" are simply the cost to reconstruct the roadways.

The Minnesota Department of Transportation (MnDOT) evaluates each city and its state aid routes each year to establish a reimbursement amount based on total funds available from the State for distribution. MnDOT has been working several years to develop a better determination of needs for funding purposes and, beginning in 2014, the basis for funding will be traffic volumes.

To assure the city would receive the maximum amount of funding available each year the city would designate the maximum mileage of streets available. The designated mileage must all interconnect MSA to MSA street, or to a county road, or to a state highway. Often there have been small bits of mileage that would not fit the existing street system; therefore, some mileage would be designated utilizing vacated streets or undeveloped right-of-way. The city currently has two blocks of Myrtle Street between Front Street and Third Street that is on the MSA route system. The block next to Family Fresh was vacated in 1993 and the block next to the Courthouse was vacated in 1999. To maximize the city's MSA funding, beginning in 2014, that MSA mileage should be placed on functioning streets.

It is proposed to add Third Street from Myrtle Street to Walnut Street, and Walnut Street from Third Street to Minnesota Avenue to the MSA system. Third Street from Myrtle Street to Broadway Avenue is part of the MSA system. Adding these two blocks would complete a west side downtown loop of the MSA system. The length of the two blocks being added are equal to the length of the two blocks being vacated so there is no net change in the total length of the designated MSA system. The existing street on the two blocks being added, does not currently meet the standards for municipal state aid design; however, the city can draw needs on these

streets. There currently is no timeline requirement for reconstruction of these two blocks of street; however, when the city determines to reconstruct these streets with MSA funding, they would have to be upgraded to comply with MSA standards.

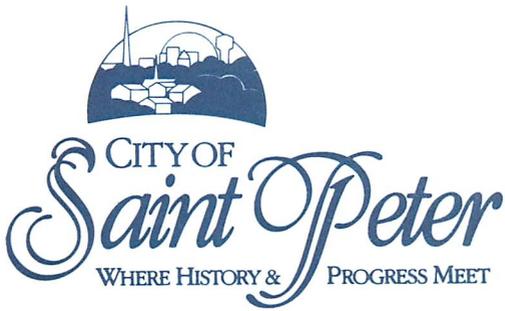
If this proposed change is acceptable, the City Council will have to take action, by resolution, at a City Council meeting to complete the change.

Fiscal Impact:

Confirming this action with MnDOT should add a small amount of additional reimbursement funding annually.

Please contact me if you have any questions or concerns.

LGG:bl



Memorandum

TO: Todd Prafke
City Administrator

DATE: 10/17/13

FROM: Lewis G. Giesking
Director of Public Works

RE: Old Minnesota Avenue Roundabout

ACTION/RECOMMENDATION

Staff will review a concept plan for a roundabout located at the intersection of old Minnesota Avenue and St. Julien Street.

BACKGROUND

City staff and the City Council have been working with the Minnesota Department of Transportation (MnDOT) District Seven staff to evaluate improvements needed in the area of Saint Julien St., Old Minnesota Avenue, and Union Street in the area related to trunk Highway # 169. MnDOT will be reconstructing trunk Highway 169 during the year 2014 to meet safety requirements and to raise the grade above flood elevation. The City is planning to construct the roundabout in the year 2014 as a joint project with MnDOT. The City has prepared a traffic study for the area, and has evaluated a number of alternatives. Several neighborhood meetings have been held to receive citizen input, as well as, two open houses held in partnership with MnDOT to consider project issues. The section of Saint Julien Street and Highway 169 extending to and including the intersection of old Minnesota Avenue is anticipated to have a substantial increase in traffic.

A roundabout at the intersection of old Minnesota Avenue and Saint Julien Street has been determined to be the best solution to carry the increase in traffic volume. MnDOT has agreed to reconstruct the portion of Saint Julien Street, with a median, from trunk Highway 169 to the west side of the Holiday Station's west driveway. Holiday Station and McDonald's will be allowed to have a driveway access with left turning traffic located in the area of the current west driveway of the Holiday Station. Left turns at these driveways are anticipated to be eliminated in five to eight years due to increasing traffic volume. A substantial portion of the traffic in this area of St Julien Street will be accessing the Holiday Station and/or McDonald's property.

The design of the roundabout includes several features to improve traffic flow through the intersection. The roundabout is a standard single lane round with an inner sloped area to handle semi traffic making the turns. Additional lanes have been provided in portions of the roundabout where anticipated traffic increases would cause future congestion in the roundabout. Please see the map.

Traffic going west on St. Julien Street will be split at Old Minnesota Avenue with the inner lane utilizing the round to make a left turn and the outer lane providing the opportunity to make a right turn or to continue west through the intersection in their own lane.

Traffic moving north on Old Minnesota Avenue will combine with traffic exiting McDonald's and then split into two lanes, one to make a right turn onto St. Julien Street and the other to continue into the round to make a left turn or continue through the intersection.

Traffic moving south on Old Minnesota Avenue will have the opportunity to make a right turn in their own lane as they approach the intersection to avoid the round. Traffic making a left turn or continuing through the intersection will use the round. As southbound traffic moves past the intersection, a left turn lane will be provided to access the driveway entrance to McDonald's.

Traffic moving east of St. Julien Street will utilize the round to make a right turn, continue through the intersection, or make a left turn.

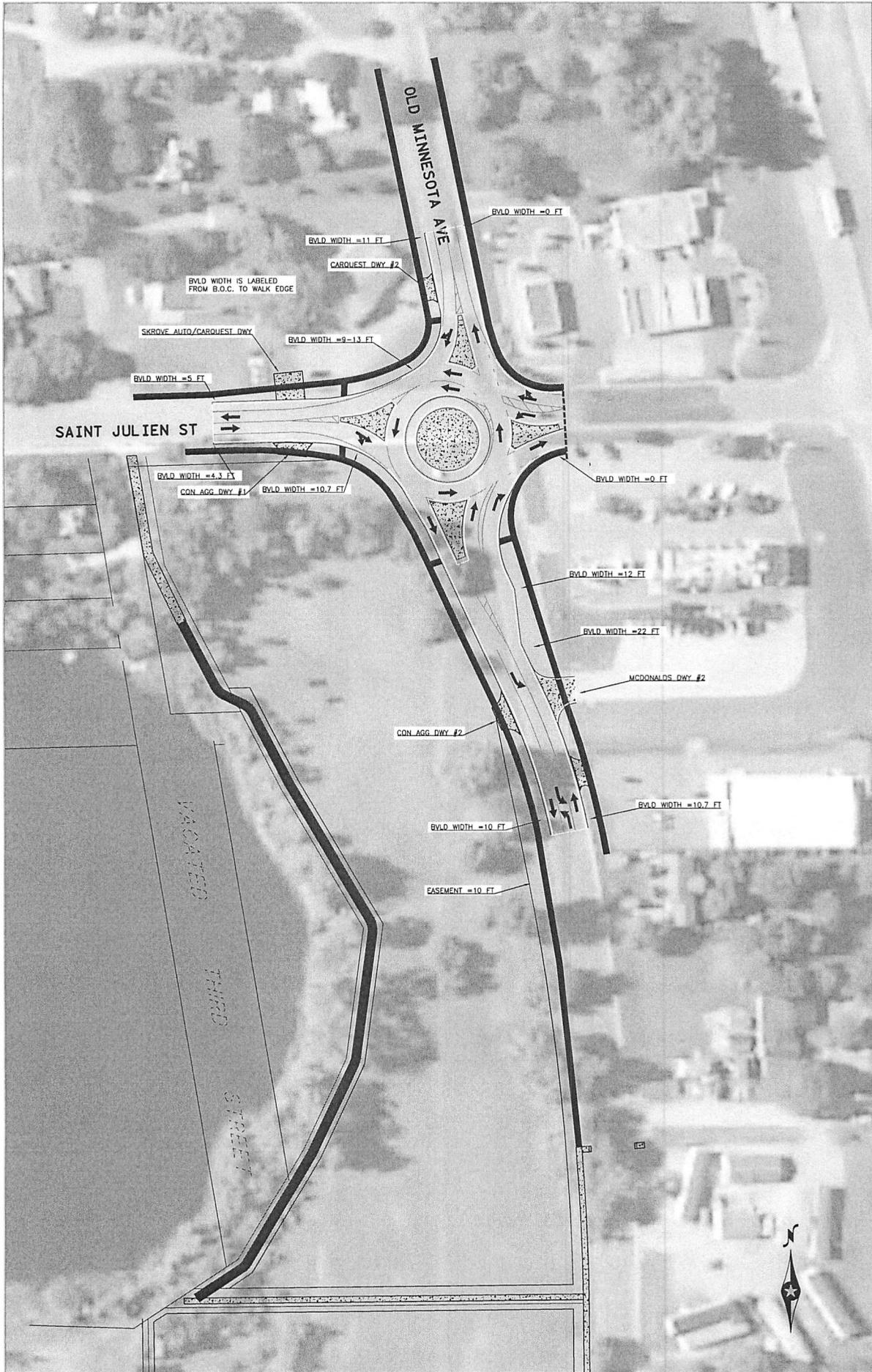
The pedestrian traffic would utilize sidewalks in the area of the roundabout with crossings situated to take advantage of the medians as safe havens. A separate map has been developed to show the sidewalk layout. Staff will work with MnDOT to extend a sidewalk on the south side of Saint Julien Street to the front entrance of the new McDonald's store. Sidewalk on the west side of old Minnesota, north of the intersection is proposed to be extended to Center Street, as a termination point. Sidewalk on the north side of Saint Julien Street, west of the intersection would be extended to Third Street. Sidewalk on the east side of Old Minnesota Avenue, south of the intersection, would be extended south across the front of the dollar store property. Sidewalk on the west side of Old Minnesota Avenue, south of the intersection will be extended from Saint Julien Street to the existing sidewalk at Brown Street. An aglime trail is shown along the east shore of Hallett's Pond to connect from ShopKo to the sidewalk at Saint Julien. This portion of trail will not be constructed as a part of the roundabout project. Municipal State Aid funding would not cover the cost of this trail. The trail is shown to help in obtaining an access easement, located in the area of the setback required, for use in the future.

The configuration of property to be purchased for construction of the proposed roundabout is shown on a third map. The roundabout has been shifted slightly to the southwest to minimize the impact on the existing structures and parking facilities in the area of the intersection. Most of the property (15,390 SF) is required to be purchased from Northern Con Ag. It is also proposed to obtain an access easement for the trail from Con-Ag. The access easement is in the area of the property that would be required for a setback for any construction on the Con Ag property. Smaller parcels of property would also be purchased from McDonald's, Holiday Station, and Carquest. The City will also be acting on behalf of MnDOT to obtain construction easements from McDonald's and Holiday Station.

Fiscal Impact

The City portion of this project will be funded from Municipal State Aid funds in the short-term, with possible reimbursement by TIF funds in the long-term.

Please contact me if you have any questions or concerns.





T.H. 169

SAINT JULIEN ST

OLD MINNESOTA AVE

VACATED
LEWIS QUINN STREET



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NOT TO SCALE
BOLTON & MENK, INC.
 Planning, Engineering & Surveying
 10000 UNIVERSITY AVENUE, SUITE 100, MINNEAPOLIS, MN 55425
 612.338.8800
 WWW.BOLTONANDMENK.COM
 CITY OF ST. PETER, MINNESOTA
 2014 OLD MINNESOTA AVE / ST. JULIAN STREET ROUNDABOUT
 EXISTING & PROPOSED SIDEWALKS & TRAIL
 OCTOBER, 2013
 FIGURE NO. 3



NOT TO SCALE

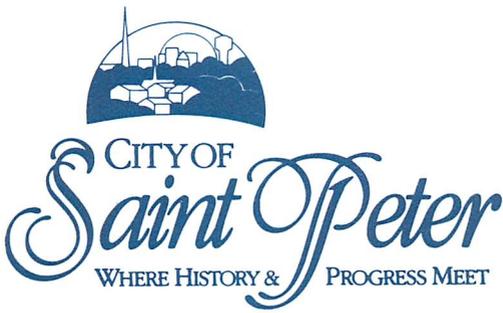
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 Consulting Engineers & Surveyors
 MANKATO, MN FAIRMONT, MN SLEEPY EYE, MN BURDICKVILLE, MN
 WILLMAR, MN CHASKA, MN RAMSEY, MN MAPLEWOOD, MN
 BAKER, MN ROCHESTER, MN AMES, IA SPENCER, IA

CITY OF ST. PETER, MINNESOTA
 2014 OLD MINNESOTA AVE / ST. JULIAN STREET ROUNDABOUT
 PROPOSED RIGHT OF WAY

OCTOBER, 2013

FIGURE NO. 2



Memorandum

TO: Todd Prafke
City Administrator

DATE: 10/17/13

FROM: Russ Wille
Community Development Director

RE: EDA Revolving Loan Policies

ACTION/RECOMMENDATION

Consider and discuss the alterations to the revolving loan guidelines and policies approved by the Economic Development Authority.

BACKGROUND

Prior to 2005, the Economic Development Authority revolving loans were established on straight amortization schedules. The loans regularly provided with terms of up to 10 – 15 years.

In 2005, the EDA and City Council adopted alternative loan guidelines establishing balloon payments for nearly every loan. The establishment of the balloon payment provided the EDA with an opportunity to “touch base” with the borrower to review the financial performance of the business.

Depending upon the purpose and use of the loan funds, the repayment terms varied. The repayment guidelines were:

<u>Purpose</u>	<u>Term</u>	<u>Amortization</u>	<u>Balloon</u>	<u>Extension</u>
Real Estate*	15 years	30 years	10 years	5 years.
Machinery / Equip.	10 years	10 years	5 years	5 years
Working Capital	4 years	10 years	2 years	2 years

* Real Estate includes purchase, construction or renovation of structures.

In the last few years, nearly every borrower has requested an extension of the established balloon payment date. To receive an extension, the primary lender (bank) would need to indicate that it is unable to extend the credit necessary to repay the EDA loan.

When determined necessary, borrowers were usually provided with a single, twenty-four month extension.

Some EDA members suggested that it would be appropriate to require that the borrower be rejected by at least two banks before receiving an extension of a balloon payment.

Some on the EDA have also suggested that if a balloon payment is extended, the interest rate of the EDA should be altered to reflect a market rate or be raised to match the rate charged by the primary lender (bank).

The EDA considered the process of extending the balloon payments. In addition to the balloon extension policy, the EDA recommended additional alterations to correct perceived deficiencies in the guidelines and policy.

The EDA discussed the revolving loan policies and made the following changes to the policy.

1. The maximum amortization of Real Estate loans shall be reduced from thirty (30) to twenty (20) years.
2. The maximum balloon payment extension for loans secured by fixtures, furnishings and equipment shall be two (2) years.
3. The maximum balloon payment extension for loans provided to finance working capital shall be two (2) years.
4. All loan recipients shall be obligated to submit annual financial reports to the Community Development Director's office that at a minimum shall include a profit & loss statement and balance sheet.
5. Loan recipients seeking to extend an established balloon payment shall be required to provide correspondence from the primary project lender that they are unable to extend additional credit to the business or otherwise refinance the debt.
6. The text, "...and located within the boundaries of School District 508" shall be deleted from Section 3.2 of the guidelines.
7. The text, "Small loans of \$5,000 or less, may be granted or guaranteed by the EDA upon recommendation of the EDA President and Economic Development Officer for the City of Saint Peter. Applications for small loans shall be supported with a bank loan application and letter describing the project" shall be deleted from Section 4.1.

Please feel free to contact me if you have any additional questions or concerns.

ECONOMIC DEVELOPMENT REVOLVING LOAN PROGRAM GUIDELINES

1. PURPOSE

The purpose of this document is to establish guidelines for application and administration of the City of Saint Peter Economic Development Revolving Loan Program. These guidelines are intended to insure fairness and to avoid discrimination in the application of loan procedures. However, as these policies are merely guidelines, departure from the guidelines is expected, when supported by a rational basis for the departure.

2. POLICY STATEMENT

2.1 Recognition of Needs: The City of Saint Peter recognizes the need to stimulate private sector investment in facilities and equipment in order to create/retain jobs for local residents and to upgrade facilities to maintain competitiveness and/or boost productivity; to provide affordable loans for expansion and/or rehabilitation of commercial and industrial buildings in order to maintain the commercial and industrial viability of Saint Peter and; the Saint Peter Central Business District; and to provide working capital funds to Saint Peter businesses within the boundaries of School District 508.

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3. PROJECT ELIGIBILITY

3.1 Economic Development Revolving Loans can be used for: 1.) fixed asset financing (i.e. land acquisition, building construction, machinery and equipment, expansion of existing facilities, renovation and modernization of buildings, or public infrastructure needed for economic development expansions); 2.) working capital including inventory, supplies, accounts receivable, wages and advertising.; and/or 3.) -capital to remodel and/or construct residential facilities in the Central Business District which promotes the commercial viability of the Central Business District.

3.2 **Eligible Geographic Area:** Any project meeting the definition in Section 3.1 and located within the corporate boundaries of School District 508 the City of Saint Peter is eligible to receive an Economic Development Revolving Loan.

3.3 Local Contractors, Suppliers, Professionals, and Financial Institutions Favored:
Ineligible Expenses:

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a. Expenditures for the construction and/or renovation of residential units are not permitted.

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b. Trucks, vans or other automobiles are ineligible expenses.

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c. Incorporation and organizational expenses, loan packaging fees, finders' fees for financing, application fees, and origination fees are considered ineligible expenses.

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d. Expenditures for the acquisition, installation or repair of furnishings or trade fixtures is not permitted.

e. Economic Development Revolving Loans cannot be used for refinancing of existing debt or for the payment of accrued obligations. Loan proceeds cannot be used for speculative investment purposes or speculative product development.

Projects which propose to use local contractors (heating, ventilation, air conditioning, plumbers, electricians), suppliers, vendors, professionals, (e.g. accountants, engineers, and attorneys), and/or financial institutions will be favored when applications are considered by the Saint Peter Economic Development Authority (EDA).

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Adopted by City Council: 10-23-06

3.4 Job Creation Requirements:

In Projects seeking loans from the EDA which demonstrate job creation will be favored. There shall be no job creation requirements for projects in the Central Business District accordance with State Statutes, applicants with loan requests for over \$25,000 must demonstrate they will create jobs in Saint Peter. The EDA will use the criteria of at least one (1) job being created for every \$10,000 borrowed.

3.5 Livable Wage Requirement:

Where jobs created are determined to be an important part of a proposed loan, the minimum total wage/benefit package that must be paid by the borrower in order to receive a loan from the EDA must equal 150% of the Federal Poverty Guidelines for a family of four within Nicollet County, as established by the U.S. Department of Housing and Urban Development.

If over \$25,000 of revolving loan funds are used by a company for their project, the applicant must demonstrate that a livable wage will be paid to the employees. The EDA will review the proposed wages with applicants.

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4. LOAN AMOUNT

4.1 Small loans of \$5,000 or less, may be granted or guaranteed by the EDA upon the recommendation of the EDA President and City of Saint Peter Community Development Director Economic Development Officer for the City of Saint Peter. Application for small loans shall be supported with a bank loan application and letter describing the project. The minimum loan amount that will be considered is \$5,000 and normally the maximum loan amount that will be considered is \$60,000. The loan shall not exceed 50% of the available cash in the Revolving Loan Fund.

4.2 The maximum loan available is in the discretion of the EDA Board with loans not to exceed 75% of the funds on deposit in the Revolving Loan Fund, net of guaranteed funds. A loan cannot exceed eighty percent (80%) of the valuation of the property upon completion of the project less the outstanding balance of any prior mortgage.

4.3 The aggregate of an EDA loan and private financing may not exceed 125% of the County Assessor's estimated market value, or 100% of a certified appraiser's value of the property, as valued at the completion of the project. The interest rate on any loan will be fixed for the duration of the loan at a rate of 2.5% below New York Prime at the time of origination. Loans determined to be of higher risk may be fixed at a rate up to 2.5% above the New York Prime lending rate.

4.4 Interest rates on a loan may be fixed at any non-usurious interest rate for the duration of the loan. An interest rate shall be negotiated based upon relevant loan factors.

4.5 Depending on the purpose of the loan funds, the repayment schedule shall have the following general maximum limitations: Depending on the purpose of the loan funds, the repayment schedule shall have the following maximum limitations:

Table with 2 columns: Term, Purpose. Rows include 20 years purchase of land and/or construction, purchase or renovation of buildings; 10 years purchase of machinery and/or equipment; 7 years Working capital and/or inventory. Working capital is the excess of current assets over current liabilities.

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Adopted by City Council: 10-23-06

<u>Loan Purpose</u>	<u>Term</u>	<u>Amortization</u>	<u>Balloon</u>
<u>Extension</u>			
<u>Land Purchase and/or years*: 5 years</u>	<u>15 years</u>	<u>30 years</u>	<u>10</u>
<u>Construction, Purchase or Renovation of Building</u>			
<u>Purchase of Machinery and/or Equipment</u>	<u>10 years</u>	<u>10 years</u>	<u>5 years</u>
<u>Working Capital and/or Inventory (Working Capital is the excess of current assets Over current liabilities)</u>	<u>4 years</u>	<u>10 years</u>	<u>2 years</u>

*-Loans in this category for projects in the Central Business District shall have a fifteen (15) year balloon.

- 4.6 Repayment shall be a negotiable item between the Economic Development Authority (EDA) lending institution and business, but will normally commence the first day of the month after closing of the loan and be due the first day of each month for the duration of the loan. The loan will be considered in default after thirty (30) days have elapsed past the due date. After thirty (30) days have elapsed, the EDA will make contact requesting payment by written notice. After sixty (60) days have elapsed past the due date, the EDA will again discuss the nonpayment and past due balance. If ninety (90) days elapse without payment, the EDA will initiate collection efforts/foreclosure proceedings. Loans shall be due upon sale of the property or equipment.
- 4.7 In rare cases where a commitment is made for a future loan, no more than ~~50%~~75% of existing cash on hand shall be committed; and loans shall not be committed more than ~~six (6) months one (1)-year-~~into the future. Other potential funding sources should be explored by the applicant.

4.8 **Maximum Loan Per Business:**

The maximum loan per business is ~~\$500,000~~\$60,000 subject to the provisions of ~~Section Paragraph 4.2 above~~. If a business expands in phases, the total outstanding loan amount to any one business shall be no more than \$100,000.

4.9 **EDA Guarantee of Bank Financing: Maximum Loan Amount Per Applicant:**

If a subject borrower has no other loans with the EDA, the EDA may consider a guarantee of bank financing; up to the lending limits described in ~~Section Paragraphs 4.8 above~~. The maximum loan per applicant is \$60,000. If an applicant is financing more than one business venture, the total outstanding loan amount to any one applicant shall be no more than \$120,000. This restriction may be waived for organizations that are established for the purpose of promoting industrial and/or commercial development.

5. **REGULATIONS FOR IMPROVEMENTS**

5.1 All building construction or renovation is to be in conformance with the applicable

Adopted by City Council: 10-23-06

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~~building code and other City codes and policies. State Building Code and other City Codes and policies.~~ Repairs may include but are not limited to the following systems and portions of real property.

- ~~1.~~ 1. Mechanical - including heating and plumbing.
- ~~2.~~ 2. Electrical
- ~~3.~~ 3. Structural - including the facade of the structure, the roof, and energy related improvements.

6. LOAN SECURITY AND GUARANTEES

6.1 Applicant must be able to secure the revolving loan with a first or second mortgage or other acceptable collateral. Joint and several personal guarantees from company owners (greater than 25% ownership) may be required.

~~6.2 Applicant must demonstrate to the EDA that he or she possesses the financial means to repay the loans as determined by the EDA.~~

~~6.2~~ 6.2 The applicant must demonstrate that the building to be constructed or renovated is insured for its full replacement cost market value.

7. TIMING OF PROJECT EXPENSES

7.1 Building construction may not commence until all the required permits are secured, unless lien waivers from each contractor, subcontractor, and supplier are provided to the EDA.

7.2 All Costs incurred before the loan application has been approved may be considered as eligible expenditures subject to financing by an EDA loan; in the discretion of the EDA, are not eligible expenditures.

8. PROCEDURAL GUIDELINES FOR APPLICATION AND APPROVAL

8.1 Application and Review

1. Any interested loan applicant should meet with the City of Saint Peter City staff to obtain information about the Saint Peter Economic Development Revolving Loan Program and to discuss the proposed project and obtain application forms.
2. A completed application form, ~~(a form of which is attached hereto)~~, together with a processing fee equal to 1% of the amount requested (minimum of \$50), must be submitted to the ~~EDA City of Saint Peter Economic Development Authority~~ prior to review and consideration. The fee is used to cover City expenses for processing said application and is non-refundable. Application's; ~~(complete with all exhibits and the application fee), that are received by the 5th of the month will be reviewed and acted upon by the EDA at their next regularly scheduled meeting. Applications deemed incomplete by the EDA staff or committee will be held over until the next month.~~
3. Applications are ~~The application is~~ reviewed by City staff to determine conformity ~~if it conforms~~ to all City policies and ordinances and to consider the following:
 - a. The availability and affordability of private mortgage credit;
 - b. The availability and affordability of other governmental programs;
 - c. Whether the proposed project will result in conformance with the building and zoning and related City codes.

Adopted by City Council: 10-23-06

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8.2 **Project Review:**

1. The City of Saint Peter Community Development Department will review each application in terms of its proposed activities in relation to theirs impact on the Saint Peter economic community. The Department will make a recommendation concerning funding of the proposed project to the Saint Peter Economic Development Authority EDA and, based upon the EDA recommendation, to the City Council for final approval of disbursements.
2. After receipt of the project cost summary or estimates, company's applicant's historical financial and projections of future revenues, the Saint Peter EDA will evaluate the project application in terms of the following:
 - a. Project Design - Evaluation of pProject design will include review of proposed activities, timeliness and capacity to implement.
 - b. Financial Feasibility - Availability of funds, private involvement, financial packaging and cost effectiveness.
 - (1) Ratio of private funds to Saint Peter Economic Development Revolving Loan Funds shall be determined based on project eligibility, but a minimum threshold of \$1 private funds for \$1 SainSaint Peter Economic Development Revolving Loan Funds will be required.
 - (2) Determination of financial viability of the request. The determination will be completed and presented to the EDA Board for review. See Exhibit "A" to this policy statement. Sufficient cash flow to cover proposed debt service.
 - (3) Net Worth Test: Business to be assisted must show a positive net worth.
 - (3) Letter of commitment from applicable business pledging to complete project during proposed project duration if loan application is approved.
 - (4) Letter of commitment from regulated financial institution stating terms and conditions of itstheir participation in project.
 - (5) The applicant may be required to obtain technical assistance from sources such as the Small Business Development Center; prior to approval or release of funds.
 - c. Project compliance with all City Codes and policies.
3. All applications failing to meet the minimum threshold standards may be reviewed on a case-by-case basis. The EDA reserves the right to waive certain requirements of this program and may request additional information and documentation as deemed necessary.
4. The City Council will have final review and approval.

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9. **ORIGINATION**

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~~9.1~~ The loan closing will be handled by City staff and/or their designee. At the closing the following documents will be executed:

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- ~~a.~~ Promissory Note
- ~~b.~~ Loan Security Agreement
- ~~c.~~ First or Second Mortgage on property and/or other means deemed necessary.
- ~~d.~~ A document authorizing automatic debit of borrower's accounts to pay loan obligations.

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10. **RELEASE**

10.1 Upon full and final payment of the Promissory Note, City staff shall prepare, execute, and have delivered to the Applicant all necessary documents to satisfy the Promissory Note, Loan Security Agreement, or Mortgage.

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10.2 In the event less than all the Applicants wish to be released from their financial obligations under the Promissory Note, the Applicants shall complete the following requirements:

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1. The Loan Applicant wishing to be released shall meet with the Saint Peter City staff to obtain information about the Saint Peter Economic Development Partial Release and obtain an application form.

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2. A completed application form (a copy of which is attached hereto) together with a processing fee equal to \$200.00, must be submitted to the City of Saint Peter Economic Development Authority prior to review and consideration. The fee is used to cover City expenses for processing said application and is non-refundable. Applications (complete with all exhibits and application fee) that are received by the fifth (5th) of the month will be reviewed and acted upon by the EDA at their next regularly scheduled meeting. Applications deemed incomplete by EDA staff, or committee will be held over until the next month.

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3. The application will be reviewed by City staff to determine if it conforms to all City policies and ordinances and to consider the following:

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- a. The availability and affordability of private mortgage credit;
- b. The availability and affordability of other government programs;
- c. Whether the loan will retain its priority after release of the requester;
- d. Whether the security of the loan will be unreasonably adversely impacted by release of less than all the applicants;
- e. The remaining parties must qualify under all EDA loan policy guidelines.

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~~Policies revised 16th day of March, 2001 by the Economic Development Authority.~~

~~Adopted by City Council: 10-23-06~~

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EXHIBIT "A"

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Financial Ratios Guide for Business applications:

1. Current Ratio: total current assets/total current liabilities:
 - a. A rough indication of the firm's ability to service its current obligations.
 - b. Higher the number the better.
 - c. Liquidity ratio (ability to meet current obligations)
2. Earnings before interest and Taxes: EBIT/Annual interest expense:
 - a. Measures a firm's ability to meet interest payments.
 - b. Higher ratio the better
 - c. Coverage ratio (ability to service debt)
3. Debt to Worth: Total liabilities/tangible net worth:
 - a. Shows how much protection the owners are providing creditors.
 - b. A lower number provides more safety to creditors.
 - c. Leverage ratio (protection given to creditors by borrowers)
4. Other ratio's determined to be appropriate.

~~The Economic Development DirectorCommunity Development Director should consult with local bankers for Robert Morris & Association (RMA) ratios for the new or existing business. The banker can print out the appropriate pages from the RMA guides and allow for the Economic Development DirectorCommunity Development Director, to make the determination and present to the EDABoard. The presentation to the EDABoard should consist of a narrative with ratio's showing the strengths and weaknesses of the credit.~~

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Other:

1. Require Personal Financial Statement(s) from the borrower(s).
2. Require two (2) years history, balance sheet and income statements. Projections for a minimum of two (2) years if the business is a start-up.
3. Require a letter of commitment from the lending institution.
4. Comments in file explaining the exceptions to policy.
5. Require bids and/or quotes for expense.
6. Require appraisal of real estate or valuation of collateral securing the loan.
7. Credit reports, tax statements, previous -UCC filings.
8. Documents are given to banks and the same copies can be given by the borrower(s) and to the Economic Development DirectorCommunity Development Director,(EDD).
9. Should the EDA request, bank's can make the loans to clients and utilize the guarantee of the EDA/City without issue. However, under State law, the bank must declare the exception under Lending Limits quarterly reports. Also, if the institution runs into lending limit issues, it may request the EDA complete the loan on its own or ask for cash deposits to guarantee the obligation so as to avoid exceeding its lending limit. Other internal issues may need to be worked out.

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**SAINT PETER REVOLVING LOAN FUND
APPLICATION**

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APPLICANT _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____

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CONTACT PERSON(s) _____

BUSINESS PHONE _____ HOME PHONE _____

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AMOUNT REQUESTED _____

TERMS REQUESTED _____

SOCIAL SECURITY NUMBER _____ FED ID # _____
STATE ID # _____

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1. Type of Project:

_____ Construction/new Business _____ Expansion/Existing Business
_____ Equipment/Machinery/Fixtures _____ Remodel/Commercial Retail/Industrial
_____ Other _____

2. Described Project:

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3. Purpose of Loan:

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4. Cost of Project:

A) Land	\$
B) Buildings (attach plans & costs)	\$
C) Equip./Mach./Fixtures (attach list & cost)	\$
D) Remodeling (attach plans & costs)	\$
E) Other (attach description)	\$
F) Other (attach description)	\$
TOTAL COSTS	\$

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5. Proposed Financing:

SOURCE	NAME	TERMS	AMOUNT
A) State Grant/Loan			\$
B) Fed Grant/Loan			\$
C) Bank Loan			\$
D) Bank Loan			\$
E) Other Private			\$
F) Other			\$
G) This Loan			\$
H) Applicant Contrib			\$
TOTAL FINANCING			\$

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6. Collateral to be assigned (Describe and show lien position):

A) To State

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B) To Federal Govt

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C) To Bank

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D) To Bank

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E) To Private

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F) To Other

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G) To This Loan

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7. Value of Collateral:

	COST	Net BOOK VALUE	Market/Appraised
A) Land	\$	\$	\$
B) Buildings	\$	\$	\$
C) Mach. & Equip.	\$	\$	\$
D) Other	\$	\$	\$
E) Other	\$	\$	\$

8. Employment:

Present Number of Employees	Total Payroll
After Project # of Employees	Total Payroll

*If Loan is for Job Retention Only, Explain in Business Plan.

9. Attorney, Accountant (Names, addresses, phone):

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10. Bank and Other References (Names, addresses, phone):

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11. Attach and include the following:

A) Written Business Plan:

- 1. Description of business
- 2. Ownership
- 3. Date established
- 4. Products/Services
- 5. Management
- 6. Future Plans

B) Financial Statements for past Two Years

C) Financial Projections for Five Years*

D) Resume of Owner/Management

E) Personal Financial Statements of proprietor, partners, guarantors

F) Letter of commitment from applicant pledging to complete during the proposed project duration

G) Letter of commitment from the other sources of financing, stating terms and conditions of their participation in project.

H) Other

I) Other

I/We certify that all information provided in this application is true and correct to the best of my/our knowledge. I/We authorize the City of Saint Peter and the Saint Peter

Economic Development Authority to check credit references and verify financial and other information. I/We agree to provide any additional information as may be requested by the City of Saint Peter and the Saint Peter Economic Development Authority.

DATE: _____

Applicant Name _____

BY _____

By _____

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CHECKLIST

- 1. Application
- 2. Financial Statements and Income Tax Returns (2 years)
- 3. Title Opinion
- 4. Credit Bureau Report Authorization and Credit Reference
- 5. Appraisal
- 6. Proof of Sufficient Insurance Coverage and the City listed as Loss Payable (where applicable)
- 7. Proof of Paid Property Taxes, Utilities, Assessments, Etc.
- 8. Bids
 - A. Accepted
 - B. Not Accepted
- 9. Contract Amount
- 10. Date of Approval
- 11. Completion

COMMENTS:

DATE

SIGNATURE

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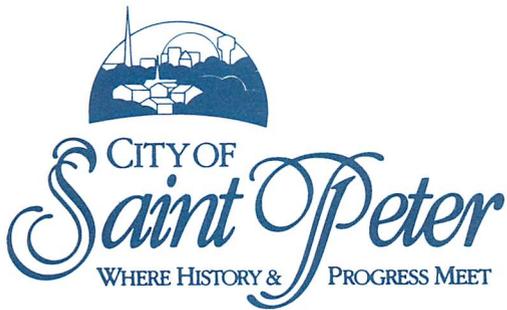
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Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 10/17/13

FROM: Todd Prafke
City Administrator

RE: Welco West RFP Update

Action/Recommendation

No action needed. For your information and discussion only.

Background

Our goals for your meeting are:

- Address the request made by the Council for an update at this workshop.
- Provide additional information related to the proposals that the Council reviewed and heard presentation on at your last workshop.

Staff has talked with both respondents and has developed some additional data and thoughts about the proposals. We will provide those at your meeting.

From a process standpoint, we anticipate that you will provide some direction as to which respondent or developer best meets your goals. At that point, we will start to draft and negotiate a development agreement with the developer based on some of the information we will share and your comments.

There are really two parallel paths that need work. Those two might be titled the Development path and the Partnership path.

The next step for the Council on the Development path would be resolving to enter into a Development Agreement. I would expect that might occur in November of this year. From the staff perspective, when you give us a preferred developer we will move forward with the negotiation of that agreement.

On the Partnership path with Nicollet County, I hope to communicate your preference of developer thus far, why you believe this action is in the public's best interest, why the law allows for this action, and get their commitment to transfer the property. That agreement is likely based on an agreement in the significant principles of a development agreement that must first be negotiated with the preferred developer.

There is of "Chicken and Egg" going on here but we will do our best to help it flow smoothly.

I have not recopied the proposals in this document so you may wish to go to our website at <http://www.saintpetermn.gov/sites/default/files/meetings-agendas-packets> to review the packet from October 7 or bring your last workshop packet to our meeting. Alternatively, let me know if you would like a hard copy and we will get one to you.

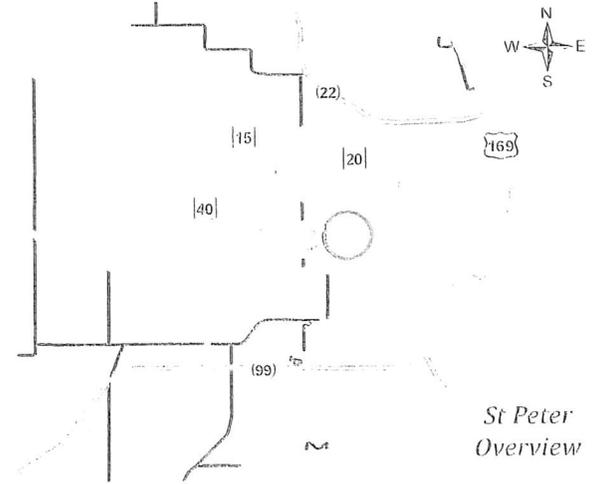
Please contact me if you have any questions or concerns.

TP/bal

Welco Development

October 9, 2012

County Overview

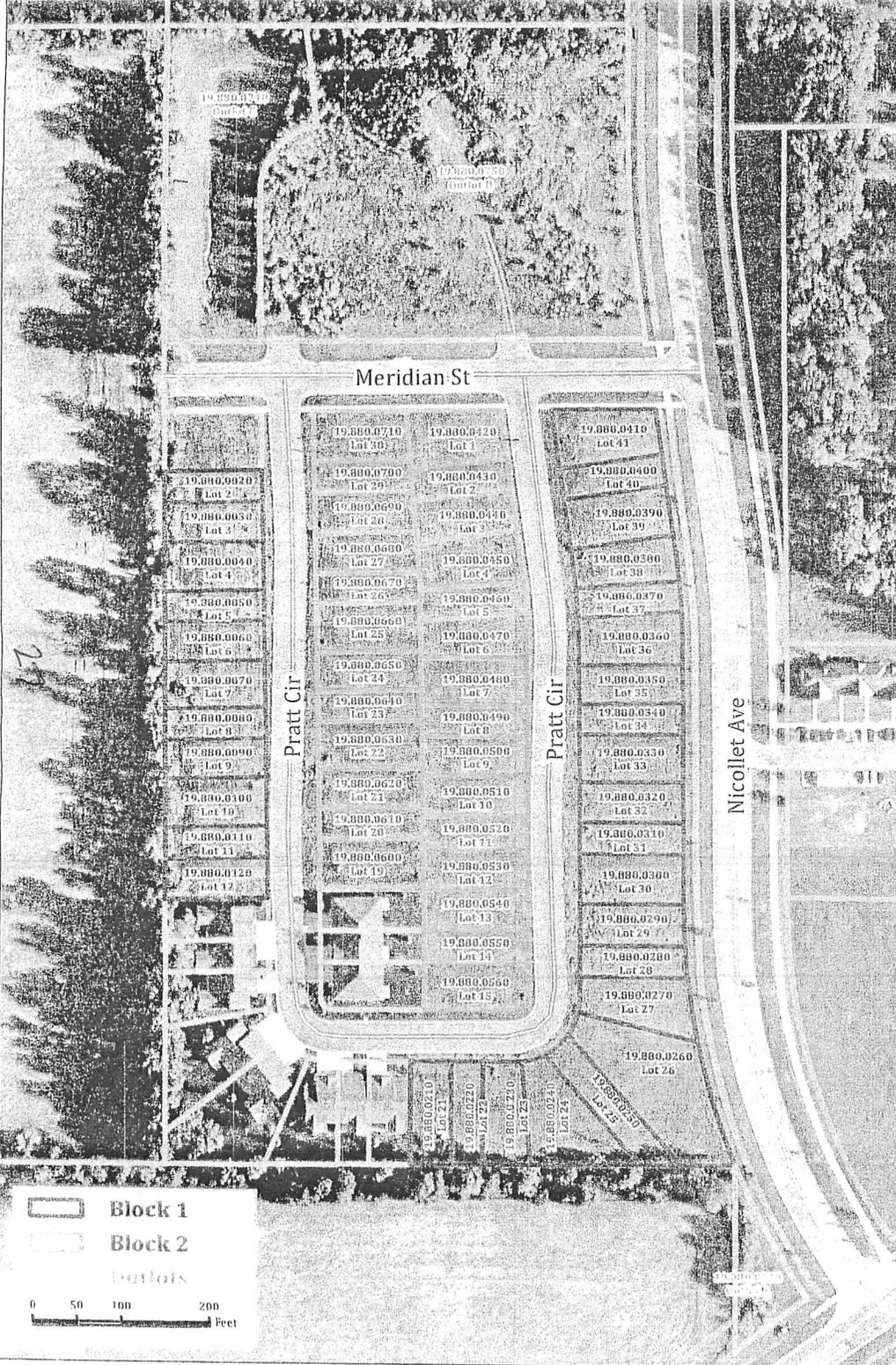


St Peter Overview

Notes

CLA 130
 LRE Utility
 LLC 15,600
 CLD 48,400

Block	Lot	Parcel ID	Address
Block 1	Lot 2	19.880.0020	2079 PRATT CIR
	Lot 3	19.880.0030	2077 PRATT CIR
	Lot 4	19.880.0040	2075 PRATT CIR
	Lot 5	19.880.0050	2073 PRATT CIR
	Lot 6	19.880.0060	2071 PRATT CIR
	Lot 7	19.880.0070	2069 PRATT CIR
	Lot 8	19.880.0080	2067 PRATT CIR
	Lot 9	19.880.0090	2065 PRATT CIR
	Lot 10	19.880.0100	2063 PRATT CIR
	Lot 11	19.880.0110	2061 PRATT CIR
	Lot 12	19.880.0120	2059 PRATT CIR
	Lot 21	19.880.0210	2041 PRATT CIR
	Lot 22	19.880.0220	2039 PRATT CIR
	Lot 23	19.880.0230	2037 PRATT CIR
	Lot 24	19.880.0240	2035 PRATT CIR
	Lot 25	19.880.0250	2033 PRATT CIR
	Lot 26	19.880.0260	2031 PRATT CIR
	Lot 27	19.880.0270	2029 PRATT CIR
	Lot 28	19.880.0280	2027 PRATT CIR
	Lot 29	19.880.0290	2025 PRATT CIR
	Lot 30	19.880.0300	2023 PRATT CIR
	Lot 31	19.880.0310	2021 PRATT CIR
	Lot 32	19.880.0320	2019 PRATT CIR
	Lot 33	19.880.0330	2017 PRATT CIR
	Lot 34	19.880.0340	2015 PRATT CIR
	Lot 35	19.880.0350	2013 PRATT CIR
	Lot 36	19.880.0360	2011 PRATT CIR
	Lot 37	19.880.0370	2009 PRATT CIR
	Lot 38	19.880.0380	2007 PRATT CIR
	Lot 39	19.880.0390	2005 PRATT CIR
	Lot 40	19.880.0400	2003 PRATT CIR
	Lot 41	19.880.0410	2001 PRATT CIR
Block 2	Lot 1	19.880.0420	2000 PRATT CIR
	Lot 2	19.880.0430	2002 PRATT CIR
	Lot 3	19.880.0440	2004 PRATT CIR
	Lot 4	19.880.0450	2006 PRATT CIR
	Lot 5	19.880.0460	2008 PRATT CIR
	Lot 6	19.880.0470	2010 PRATT CIR
	Lot 7	19.880.0480	2012 PRATT CIR
	Lot 8	19.880.0490	2014 PRATT CIR
	Lot 9	19.880.0500	2016 PRATT CIR
	Lot 10	19.880.0510	2018 PRATT CIR
	Lot 11	19.880.0520	2020 PRATT CIR
	Lot 12	19.880.0530	2022 PRATT CIR
	Lot 13	19.880.0540	2024 PRATT CIR
	Lot 14	19.880.0550	2026 PRATT CIR
	Lot 15	19.880.0560	2028 PRATT CIR
	Lot 19	19.880.0600	2060 PRATT CIR
	Lot 20	19.880.0610	2062 PRATT CIR
	Lot 21	19.880.0620	2064 PRATT CIR
	Lot 22	19.880.0630	2066 PRATT CIR
	Lot 23	19.880.0640	2068 PRATT CIR
	Lot 24	19.880.0650	2070 PRATT CIR
	Lot 25	19.880.0660	2072 PRATT CIR
	Lot 26	19.880.0670	2074 PRATT CIR
	Lot 27	19.880.0680	2076 PRATT CIR
	Lot 28	19.880.0690	2078 PRATT CIR
	Lot 29	19.880.0700	2080 PRATT CIR
	Lot 30	19.880.0710	2082 PRATT CIR



This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of information from various sources and is to be used for reference purposes only. Nicollet County is not responsible for any inaccuracies herein contained. If discrepancies are found, please contact the Nicollet County Office of Technologies.