CITY OF SAINT PETER, MINNESOTA
AGENDA AND NOTICE OF MEETING

Regular Workshop Session of Monday, June 19, 2017
St. Peter Room – Community Center – 5:30 p.m.
600 South Fifth Street

III. CALL TO ORDER

II. DISCUSSION
A. Cultural Literacy Student Presentation
B. Sunday Liquor Regulations
C. Solace Project Update

III. ADJOURNMENT

***PLEASE NOTE MEETING LOCATION***

Office of the City Administrator
Todd Prafke
TO: Honorable Mayor Zieman  
Members of the City Council

FROM: Todd Prafke  
City Administrator

RE: Cultural Literacy Student Presentation

ACTION/RECOMMENDATION

None needed. For your information and discussion only.

BACKGROUND

As part of Monday evening's workshop session, Hamline University MPA student Andrew Pietsch will present his Capstone project on the Cultural Literacy program being jointly conducted by the City of Saint Peter, Nicollet County and the City of North Mankato.

Presentation of this information is required as part of his Master's program. A copy of his summary for the program is attached for Council information.

My goals for his presentation and for your meeting are:

• Additionally inform the Council on what we are doing in relation to cultural literacy.
• Engage them in thinking about this topic and about any potential ongoing commitment to this effort with appropriate measurement.
• Additional understanding of how this work can impact "efficiency and actions".
• Provide opportunity for Mr. Pietsch to meet the presentation requirement.

Feel free to ask questions of Mr. Pietsch, but there is nothing the City Council needs to do in relation to this agenda item.

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

TP/bal
Cultural Competency Capstone

Andrew Pietsch
MPA student at Hamline University
Blue Earth County Human Services Supervisor: Child Support and Supportive Housing

Thank you for the opportunity to partner with your agency to complete the final project of my Master’s Degree in Public Administration.

Summary:
The intent of my Capstone was to provide me real life experience with applying the knowledge and skills I have gleaned through 2 years of the Hamline MPA program.

My Actions/Involvement:
1. Watched on DVD the first training session
2. Reviewed the post-training survey data related to the first training session
3. Participated in the second training session
4. Conducted an email, phone, and face to face interview with the contracted trainer, Andre K.
5. Conducted face to face interview with Bukata Hayes, Executive Director of the Greater Mankato Diversity Council
6. Ongoing correspondence with Todd Prafce, St. Peter City Administrator, related to this topic
7. Conducted independent discovery and literature review of research, trainings, initiatives, policy development, and planning related to this topic.
8. Developed a draft follow up survey related to the second training session.
9. Drafted recommendations for City of St. Peter
10. Presented my final summary to the City Council

What I learned:
1. Cultural competence is a more expansive topic than I can hope to tackle in a short 8-10 week capstone project.
2. Cultural competence is a Process not a project:
   a. “Cultural competence is a journey, not a destination that one can ever fully attain.” (Guidelines for Culturally Competent Organizations, 2004)
   b. “Cultural competence is a development process, a goal that professionals and organizations strive to achieve.” (Washington State Department of Social & Health Services, 2014)
   c. “Becoming culturally competent is a process an organization actively undertakes, as opposed to an outcome, and is one that involves fundamental changes to its framework.” (Cultivating Culturally Competent Organizations: Making the Transition for Health Equity, 2012)
3. There are volumes of research, assessment tools, policy guidebooks, etc. related to cultural competency, but the bulk of the material is directly related to education, health care industry,
and social work. There is a research gap of cultural competency material related to Public Sector agencies in general.

4. Cultural competence is more than race and ethnicity.
   a. “Many groups, such as the poor, homeless, disabled, LGBTQ, and immigrants/refugees exhibit distinct cultural characteristics which may present special service delivery issues.” (Guidelines for Culturally Competent Organizations, 2004)
   b. “Culturally competent organizations share a common thread of valuing the complexity of cultural diversity. This complexity includes differences in gender, sexual orientation, race, socioeconomic status, religious affiliation, physical and mental ability, and language, among other dimensions.” (Cultivating Culturally Competent Organizations: Making the Transition for Health Equity, 2012)

5. Cultural competence is:
   a. “Beyond Tolerance to Acceptance and Appreciation.” (Washington State Department of Social & Health Services, 2014)
   b. “The goal is for the organization to embrace an inclusive perspective toward all types of cultural difference. In practice, a culturally competent organization has the capacity to integrate into its systems a set of behaviors, attitudes, and policies that serve a cross-cultural setting.” (Cultivating Culturally Competent Organizations: Making the Transition for Health Equity, 2012)
   c. “A way for expanding our capacity to work with one another.” “A way of improving our service delivery.” (Washington State Department of Social & Health Services, 2014)

Next Steps and Recommendations:

Immediate and Intermediate next steps:

1. Finalize and implement the follow up survey.
2. Analyze follow up survey data and feedback.
3. Structure the remaining training sessions based on analysis of survey data and feedback.
4. Define ‘cultural competence’ for your agency.
5. Begin considering how your agency will measure ‘cultural competence’ (Attitudes, Knowledge, Skills, and Behaviors) both within your programs and systems and at the individual level.

Recommendations and Long-range Goals:

Much of the research recommends addressing cultural competence at the organizational level and at an individual level.

- Organizations serve as the “engine” driving the development and maintenance of individual cultural competence by providing managers, policies and systems to support the realities of culturally competent encounters. (The Lewin Group, Inc., 2002)
- “An individual professional cannot be culturally competent alone. It requires organizational commitment. Management creates the service delivery structure and environment where cultural competence is possible.” (Washington State Department of Social & Health Services, 2014).
1. Conduct an Organizational Assessment. You may consider conducting one organizational self-assessment for the entire agency or one for each Program/Department/Business Unit.

2. I recommend using a uniquely adapted hybrid version of an organizational assessment. Tools for consideration include:
   a. Organizational Cultural Competence Assessment Profile (The Lewin Group, Inc., 2002)
   b. Assessment of Organizational Cultural Competence (Instructions for Assessment of Organizational Cultural Competence, 2004)

3. One key component of the organizational assessment should be defining how the agency will measure ‘cultural competency’ (Attitudes, Knowledge, Skills, and Behaviors).
   a. It may be helpful to ask Managers/Dept. Heads to develop program specific measures for ‘cultural competency’.
   b. Consider if ‘cultural competency’ will be measured at the individual level, possibly as part of the internal Performance Evaluation Process?
   c. May want to consider unique adaptations of the Attitudes, Knowledge, Skills, and Behaviors, material in “Measuring Public Manager Cultural Competence: The Influence of Public Service Values” (Longoria & Rangarajan, 2015)

4. Consider establishing a cultural competence ‘sub-committee’, work group, or advisory committee.
   a. To champion the topic
   b. Provide structure for addressing the topic agency wide
   c. Assist with organizational assessment
   d. Provide feedback and recommended policy/procedure changes
   e. (Optional) Could be trained to administer individual assessments, trainings, etc.

5. Implement Individual Cultural Competency Assessments. Tools for consideration include:
   a. The Intercultural Development Inventory (IDI): This assessment is nationally accepted but does require an investment of time and money. https://idiinventory.com/
   c. Assessment of Organizational Cultural Competence (Instructions for Assessment of Organizational Cultural Competence, 2004)
   d. Cultural Competence Self-assessment Checklist (Central Vancouver Island Multicultural Society)

Conclusion:

1. Cultural Competency is an important concept at the individual level as well as the organizational level.
2. The agency may not change the hearts and minds of all the employees, but should strive to develop an agency framework (policies and environment) that is aware of the complexities of cultural competence and appreciates inclusion.

3. Develop and conduct an Organizational Assessment

4. Develop and conduct Individual Assessments

5. Continue Planning and developing how your agency will address, measure and track progress toward cultural competence.

References


MEMORANDUM

TO: Todd Prafeke

FROM: James W. Brandt

DATE: June 14, 2017

RE: City’s Sunday Liquor Ordinance

On April 5, 2017, I sent you a Memo concerning the Bill signed into law by Governor Dayton on March 17, 2017, an amendment to M.S. §340A.504, Subd. 4, which authorized off-sale of liquor on Sunday between the hours of 11:00 a.m., and 6:00 p.m., frequently referred to as the Sunday Liquor Law.

Subsequent to the passing of the Sunday liquor law, late in the session, the Legislature passed and Governor Dayton signed into law a Bill which modified Section 340A.504, Subd. 6, a copy of which is attached.

In the latest amendment, the Legislature gave the municipalities the ability to limit, not only the hours of sale of on and off-sale of alcoholic beverages but also the days. The one caveat of that law is that if you apply it to on-sale liquor, it must also apply to 3.2 percent malt liquor.

Therefore, under the most recent legislation, the City can restrict the days of sale. For example, the City could restrict the sales for alcohol on Mondays or Tuesdays. However, if the City were to restrict liquor sales, it must also restrict 3.2 beer sales for the same days.

While it is easy to shut down liquor stores, it is more inconvenient to require that the on-sale 3.2 beer license, such as Family Fresh, Holiday, Kwik Trip, and other stores that sell 3.2 beer to remove their 3.2 beer stock or curtain it to prevent Sunday sales.

At the last Workshop we worked on this, it appeared to be agreed to allow Sunday liquor sales for the hours allowed by statute. Now the Council has the choice whether or not it wants to allow Sunday liquor sales. However, the downside is by eliminating Sunday liquor sales, you must also eliminate Sunday 3.2 beer sales as well.

If you have any questions, please feel free to contact me. Otherwise, I intend to attend the next Council Workshop to assist in this discussion.
CHAPTER 6--H.F.No. 30

An act relating to liquor; permitting the off-sale of intoxicating liquor on Sundays; prohibiting certain deliveries on Sunday; amending Minnesota Statutes 2016, section 340A.504, subdivision 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2016, section 340A.504, subdivision 4, is amended to read:

Subd. 4. Intoxicating liquor; off-sale. (a) No sale of intoxicating liquor may be made by an off-sale licensee:

1) on Sundays, except between the hours of 11:00 a.m. and 6:00 p.m.;

2) before 8:00 a.m. or after 10:00 p.m. on Monday through Saturday;

3) on Thanksgiving Day;

4) on Christmas Day, December 25; or

5) after 8:00 p.m. on Christmas Eve, December 24.

(b) No delivery of alcohol to an off-sale licensee may be made by a wholesaler or accepted by an off-sale licensee on a Sunday. No order solicitation or merchandising may be made by a wholesaler on a Sunday.

EFFECTIVE DATE. This section is effective July 1, 2017.

Presented to the governor March 3, 2017

Signed by the governor March 7, 2017, 2:31 p.m.
Sec. 9.

Minnesota Statutes 2016, section 340A.504, subdivision 6, is amended to read:

Subd. 6.

Municipalities may limit hours.

A municipality may further limit the days or hours of on and off sales of alcoholic beverages, provided that further restricted on-sale hours for intoxicating liquor must apply equally to on-sale hours of 3.2 percent malt liquor. A city may not permit the sale of alcoholic beverages during hours when the sale is prohibited by this section.

EFFECTIVE DATE.

This section is effective the day following final enactment.
TO: Todd Prafke  
City Administrator

FROM: Russ Wille  
Community Development Director

RE: Solace Project - Update

ACTION/RECOMMENDATION

None needed. For Council information and discussion only.

BACKGROUND

The City has cooperated with our partners at the Southwest Minnesota Housing Partnership (SWMHP) who are planning the Solace supportive housing project.

According to correspondence from the Chief Executive of SWMHP, the project would "serve families with minor children who are homeless or at high risk of homelessness who have been chronically disabled by psychological and chemical abusing problems. This is a Housing First project which endorses housing without readiness conditions for peoples with long histories of homelessness and co-occurring health challenges, with the availability of on-site integrated services. It is based on the tenet that basic shelter needs must be met before services are provided."

The use as described by SWMHP would be classified as "Guidance Services" by the Saint Peter Zoning Ordinance. The definition of Guidance Services is, "A use providing counseling, recuperative, vocational, or similar services to persons requiring rehabilitation assistance as a result of mental illness, alcoholism, detention, drug addiction, or similar condition, either on a residential or daytime care basis.

The entire North Industrial Park is zoned as (I-1) General Industrial. Guidance Services are listed as a Principle Permitted Use within the General Industrial zone. As such, no further Planning Commission or City Council action would be necessary to approve the establishment of the use.

However, the proposed Purchase Agreement does require that the site plan, design and building materials of the Solace project must be approved by the City Council as a condition of the purchase. The Purchase Agreement will then obligate SWMHP to develop the property as approved by the Council.
The project is proposed to be constructed at 2009 North Sunrise Drive in the North Industrial Park. At this moment, the subject parcel is comprised of Lots 2 and 3, Block 3 and approximately 174,465 square feet (4 acres) of land.

Given that the Solace project only requires 3 acres for their site, SWMHP is preparing a Registered Land Survey (RLS) which, when accepted, would create a site that meets the particular needs of the Solace project. The RLS would be expected to combine a portion of Lot 3 with the entire Lot 2. The remaining portion of Lot 3 would be combined with the vacated Mason Street right-of-way to create a developable lot that would be owned by the City of Saint Peter.

A public hearing regarding the partial vacation of the undeveloped portion of the Mason Street right-of-way was initiated by City Council petition. A public hearing before the City Council has been scheduled for July 10th. Once the right of way is vacated, the RLS will be reviewed by the Planning Commission and City Council in August.

A Purchase Agreement by and between the City of Saint Peter and SWMHP has been prepared by City Attorney Brandt. The agreement establishes a price of $45,738 per acre which reflects a price of $1.05 per square foot. This price had been established by a previous City Council resolution.

Shannon Sweeney of David Drown and Associates is preparing the Tax Increment Financing (TIF) plan for future City Council consideration. A public hearing regarding the TIF plan has been scheduled before the City Council at the July 24th meeting.

The goals for this presentation and meeting is to help ensure that you know what steps are net in the process and ensure that you have any additional information you may need related to the City and the project.

I will attend Monday's workshop to answer questions of the City Council.

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

RJW
Solace Timeline

Vacation of Mason Street

City Council petitions vacation                   June 12th
Email Public Notice to Herald                  June 14th
Mailed Notice to Neighbors                    June 14th
Public Notice Published                       June 22nd
Planning Commission Review:                  July 6th
City Council Public Hearing                   July 10th

Registered Land Survey

SWMHP submits RLS / $200                        July 5th
Email Public Notice to Herald                  July 12th
Public Notice Published                       July 20th
Planning Commission Review                    August 3rd
City Council Public Hearing                   August 14th
May 31, 2017

Todd Prafke  
City Administrator  
City of Saint Peter  
2275 Front Street South  
Saint Peter, MN 56082

RE: Solace Housing TIF Request

Dear Council –

The Southwest Minnesota Housing Project (SWMHP) of Slayton, Minnesota has been awarded funding from the Minnesota Housing Finance Agency and the Greater Minnesota Housing Fund to construct a 30 unit multifamily apartment building at 2005 North Sunrise Drive known as Solace Apartments.

This apartment development will serve families with minor children who are homeless or at high risk of homelessness who have been chronically disabled by psychological and chemical abusing problems. This is a Housing First project which endorses housing without readiness conditions for people with long histories of homelessness and co-occurring health challenges, with the availability of on-site integrated services. It is based on the tenet that basic shelter needs must be met before services are provided.

The project will consist of one residential elevator apartment building with surface parking and integrated service’s space. The building will contain thirty (30) units consisting of 6-one bedroom units, 16-two bedroom units and 8-three unit bedroom units. Community Space within each building will include two community/meeting rooms (multi-purpose space, and youth oriented after-school space), property manager’s office, case management services office and below grade storm shelter and tenant storage space.

All residents of the project will have incomes of 60% area median income or less, with many units being further restricted to 50% and 30% of area median income. Rents will be set to be affordable to 30% and 50% of area median income or less. Rents are currently estimated to be $697, $830 and $854 for one-bedroom, two-bedroom and three-bedroom units respectively. Residents will be assisted with the Group Residential Housing program to pay rents.
The project team members are as follows:

**Project Owner/Developer:** Southwest Minnesota Housing Partnership of Slayton, MN  
**Service Provider:** ASC Psychological of Mankato, MN  
**Property Manager:** Lloyd Management, Mankato, MN

The City of Saint Peter supported this project at the time of application for funding to the Minnesota Housing Finance Agency in the summer of 2016. Their support, though a promise to provide TIF for the project, allowed the Solace application to score enough points to secure Low Income Housing Tax Credit and other funding from the Minnesota Housing Finance Agency. But for this support, the project would not have received the financing it has been able to secure. SWMHHP would like the City to provide a pay-as-you-go TIF where 90% of the tax increment is rebated to the owner for 26 years. This arrangement will allow the project to keep the rents affordable to the low and very-low income residents that they developer has pledged to serve.

Sincerely,

Rick Goodemann, CEO
PURCHASE AGREEMENT

This Agreement is made as of the ______ day of ______, 2017, by and between the City of Saint Peter, a municipal corporation ("CITY") and Solace Apartments Limited Partnership, a Minnesota limited partnership ("SALP").

WHEREAS, CITY is the owner of certain real property situated in the City of Saint Peter, County of Nicollet, State of Minnesota, legally described as follows, to-wit:

All of Lot 2 and the south 154 feet of Lot 3, Block 3, NORTH INDUSTRIAL PARK SUBDIVISION, according to the recorded plat thereof, Nicollet County, Minnesota and as later amended by a Registered Land Survey.

WHEREAS, SALP wishes to purchase the above Property.

NOW, THEREFORE, for and in consideration of the sum of one hundred thirty-seven eight hundred sixty-one dollars ($137,861) and other good and valuable consideration hereinafter specified, the sufficiency of which is hereby acknowledged, CITY hereby grants to SALP the exclusive right to purchase the Property for the sum and upon the terms and conditions as follows.

I. PRICE

The purchase price shall be $1.05 per square foot or $137,861 contingent upon verification of project financing and completion of an approved project design including site design and exterior architecture which Buyer shall pay in cash on or before December 31, 2017, the date of closing (the “Closing Date”). The price is based on Boundary Survey, EXHIBIT A attached hereto and incorporated herein.

II. RIGHT OF ENTRY

A. Inspection. So long as this Agreement remains in force, SALP and SALP’S employees, agents and contractors shall have the right to inspect the Property and conduct such soil and geologic tests, environmental assessments, surveys and other tests and inspections as SALP may reasonably require, all at the sole cost and expense of SALP.

B. Mechanics Lien; Indemnity. Under no circumstances shall SALP allow any lien to be filed against the Property for any labor or materials furnished to or for SALP prior to Closing. SALP shall repair any damage and return the Property to substantially its condition existing prior to SALP’S entry.
upon the Property. SALP shall defend, indemnify and hold the CITY harmless from any damages, liens, claims, liability, injuries or costs (including attorney’s fees) as may be incurred by the CITY as a result of, or relating to such tests and inspections of the Property. This obligation to defend, indemnify and hold harmless shall survive expiration or termination of this Agreement.

III. SPECIAL CONDITIONS AND CONTINGENCIES

A. **Title.** CITY warrants and represents that at the time of Closing CITY shall have good and marketable title to the property subject to: (A) Building and zoning laws, ordinances, state and federal regulations; (B) Restrictions relating to use or improvement of the property without effective forfeiture provisions; (C) Reservation of any mineral rights by the State of Minnesota.

B. **Design Approval.** Prior to closing, CITY reserves the right to approve SALP’S building design. If the CITY does not approve SALP’S building design, this Purchase Agreement shall be null and void. The CITY reserves the right to deny any building permit which does not comply with the building design approved by the CITY.

C. **Development Covenants.** Site development and building construction will be in accordance with the Uniform Building Code and zoning ordinance of the City of Saint Peter. These requirements will apply to all new construction as well as reconstruction and remodeling. These requirements are in addition to any applicable law or ordinance and shall govern in case of differences.

D. **Landscaping.**

1. Landscape materials shall be maintained in a neat and satisfactory manner. SALP or assignees are responsible for maintenance of all plant materials in the public right-of-way abutting the Property.

2. SALP or assignees will be responsible for the complete sodding or seeding and maintenance of the Property including all undeveloped area.

3. No exterior fences, cribs, walls or other enclosures will be permitted without the approval of the CITY.

E. **Equipment Screening and Refuse Areas.** Refuse containers will be located within buildings or be fully screened by an enclosed wall not less
than six feet high. The enclosing wall’s exterior cladding shall match that of the building’s exterior.

F. Security.

1. SALP shall provide the plan for outdoor lighting of pedestrian walkways and parking areas, which shall be approved by the CITY prior to closing.

2. Hazardous areas such as steep slopes and sudden grade changes shall be protected by retaining walls or other acceptable treatment.

G. Site Lighting. Consistency in the design and specifications of road, parking and surface mounted building lights is an important element in achieving a coordinated image for the development. Light poles will be among the taller structures installed on site and will play a role in shaping public perception for the project.

1. Private Roadway Lighting: Maximum Height: 20'

2. Parking Lighting: Maximum Height: 40'

IV. EXAMINATION OF TITLE BY SALP

CITY shall furnish SALP with a Registered Property Abstract certified to date, including proper searches covering bankruptcies and State and Federal judgments, liens, and levied and pending special assessments. SALP shall have ten (10) business days after receipt of the Registered Property Abstract either to have SALP’S attorney examine the title and provide CITY with written objections or at SALP’S own expense, to make an application for a Title Insurance Policy and notify CITY of the application. SALP shall have ten (10) business days after receipt of the Commitment for Title Insurance to provide CITY with a copy of the Commitment and written objections. SALP shall be deemed to have waived any title objections not made within the applicable ten (10) day period provided for above, except that this shall not operate as a waiver of CITY’S covenant to deliver a General Warranty Deed.

CITY shall have 30 days from receipt of SALP’S written title objections to make title marketable. Upon receipt of SALP’S title objections, CITY shall, within ten (10) business days, notify SALP of CITY’S intention to make title marketable within the 30 day period. Liens or encumbrances for liquidated amounts which can be released by payment or escrow from proceeds of closing shall not delay the closing. Cure of the defects by CITY shall be reasonable, diligent and prompt. Pending correction of title, all payments required herein and the closing shall be postponed.
A. If notice is given and CITY makes title marketable, then upon presentation to SALP and proposed lender of documentation establishing that title has been made marketable, and if not objected to in the same time and manner as the original title objections, the closing shall take place within ten (10) business days or on the scheduled closing date, whichever is later.

B. If notice is given and CITY proceeds in good faith to make title marketable but the 30 day period expires without title being made marketable, SALP may declare this Agreement null and void by notice to CITY and neither party shall be liable for damages hereunder to the other.

C. If title is marketable, or is made marketable as provided herein, and SALP defaults in any of the agreements herein, CITY may elect either of the following options as permitted by law:

1. Cancel this Agreement as provided by statute. The parties acknowledge their intention that any note given pursuant to this Agreement is a down payment note and may be presented for payment notwithstanding cancellation.

2. Seek specific performance within six months after such right of action arises, including costs and reasonable attorney’s fees, as permitted by law.

V. CLOSING

SALP agrees to close prior to December 31, 2017.

VI. RISK OF LOSS

CITY shall keep the Property in its current condition until closing and assume all risk of destruction, loss of damage to the Property due to fire, storm, or other casualty up to the date of closing. In the event of any adverse change in the condition of the Property, SALP, in SALP’s sole discretion, at its option and by notice to CITY, may either (i) terminate this Agreement, or (ii) close on the Property.

VII. TAXES AND ASSESSMENTS

Real property taxes shall be prorated as of Closing. Taxes for all prior years shall be paid by CITY. Assessments, either general or special, for improvements completed prior to the date of Closing, whether matured or unmatured, shall be paid in full by CITY.
VIII. REPRESENTATIONS AND WARRANTIES BY CITY

CITY warrants and represents to SALP that the following statements are true and accurate as of the date of this Agreement and the Closing Date:

A. **Title.** CITY is the record owner of good and marketable title to the Property. So long as this Agreement remains in force, the CITY shall not make or suffer any mortgage, lease, conveyance or other transfer, lien or encumbrance of all or any portion of the Property in a manner which not be released at or prior to Closing.

B. **Capacity.** CITY has the full capacity, right, power and authority to execute, deliver and perform this Agreement and all documents to be executed by CITY pursuant hereto.

C. **Hazardous Substances.** Other than those which have been disclosed by the CITY to SALP, CITY has no knowledge of, nor has CITY used, generated, stored, treated, released, dumped or disposed of any Hazardous Substances (as defined below), toxic substances or waste in or about the Property, or into the sewage or other waste disposal or draining system serving the Property. CITY understands and agrees that, as between the CITY and SALP, CITY is solely responsible for liability under any Environmental Laws, including any requisite clean up of any Hazardous Substance, which arise as a result of use of the Property during the period of CITY’S ownership. To CITY’S knowledge, CITY has not received any written notice from any governmental authority concerning the presence of any Hazardous Substance located on, in or under the Property.

1. "**Environmental Law**" means the Comprehensive Environmental Response Comparison and Liability Act ("CERCLA"), 42 U.S.C. 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. 9601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. 1201 et seq., the Clean Water Act, 33 U.S.C. 1321 et seq., the Clean Air Act, 42 U.S.C. 7401 et seq., the Toxic Substances Control Act, 33 U.S.C. 1251 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing and hereafter enacted; and

2. "**Hazardous Substance**" means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate or fraction, radioactive material, chemical known to cause
cancer of reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

D. **Violations.** Neither the entering into this Agreement nor the consummation of the transaction contemplated hereby will constitute or result in a violation or breach by the CITY of any judgment, order, writ, injunction or decree issued against or imposed upon it, or, to CITY’S knowledge, will result in a violation of any applicable law, order, rule or regulation of any governmental authority.

E. **Proceedings.** To CITY’S knowledge there is no threatened or pending action, litigation or proceeding by any organization, person, individual or governmental agency (including governmental actions under condemnation authority or proceedings similar thereto or Environmental Laws) against the Property or against CITY with respect to CITY’S interest in the Property.

F. **Governmental Notices.** To CITY’S knowledge, CITY has received no notices from municipal or regulatory bodies that the Property is in violation of the provisions of any federal, state, local or other government building, zoning, environmental, health, fire, safety, plating subdivision or other law, ordinance or regulation.

G. **Wells; Private Sewage.** CITY certifies and warrants that to CITY’S knowledge there are no “wells” on the Property within the meaning of Minn. Stat. 1031. The representation is intended to satisfy the requirements of that statute. CITY certifies that (i) sewage which will be generated at the Property does go to a facility permitted by the Minnesota Pollution Control Agency, and (ii) to CITY’S knowledge there are no existing or abandoned individual sewage treatment system on the Property.

H. **Storage Tanks.** To CITY’S knowledge no above ground or underground tanks are located in or about the Property, in use or abandoned, and no such tanks have been removed during CITY’S ownership of the Property except in compliance with applicable Federal, state and local statutes, regulations, ordinances and other regulatory and requirements regarding such removal.

I. **Mechanics Liens.** CITY has paid for, or will pay for on or before Closing, all work, supplies and materials, performed upon and supplied to the Property by or on behalf of CITY.

J. **Foreign Person.** CITY is not a “foreign person” as contemplated by Section 1445 of the Internal Revenue Code.
K. Methamphetamine Disclosure. To CITY'S knowledge, no methamphetamine production has occurred on the Property.

Breach of CITY'S Representations or Warranties. If any representation or warranty of CITY is determined not to be true in any material respect as of the Closing Date, SALP may, in SALP'S sole discretion, at its option and by notice to CITY, either (i) terminate this Agreement, or (ii) close on the Property. SALP’S election to close with knowledge of a breach of representation, or warranty by CITY will constitute a waiver or release SALP of any claims due to such breach.

Survival of CITY’S Representation and Warranties. Each of CITY’S representations and warranties herein contained shall survive the Closing and delivery and recordation of the Deed.

CITY’S Knowledge. For all purposes of this Agreement, any representation or warranty which is made on the basis of “the CITY'S knowledge” is limited to the actual knowledge of the persons who executed this Agreement on behalf of CITY, without conducting any inquiry, analysis, evaluation or other due and diligence investigation.

IX. CLOSING DOCUMENTS

At the Closing, CITY shall execute and deliver the following:

A. Deed. The Warranty Deed subject to any Permitted Exceptions and Certificate of Real Estate Value;

B. Seller’s Affidavit. A standard Seller’s Affidavit with respect to judgments, bankruptcies, tax liens, mechanics liens, parties in possession, unrecorded interests, encroachment or boundary line questions and related matters;

C. Nonforeign Affidavit. An Affidavit of CITY which states that CITY is not a “foreign person” within the meaning of Section 1445 of the Internal Revenue Code; and

D. Miscellaneous. Such other instruments and documents as are reasonably required by the Title Insurer.

X. CLOSING COSTS

The following costs shall be paid by CITY:
A. Costs of Registered Property Abstract abstracting;

B. Preparation of Warranty Deed;

C. State Deed Tax;

The following costs shall be paid by SALP:

A. Preparation of Mortgage or Deed of Trust;

B. Recording fees;

C. Title Insurance Premium; and

D. Closing agent's fees.

XI. NOTICES

Any notice hereunder shall be given in writing to the party for whom it is intended, in person or by certified mail, at the following address as may be designated in writing:

CITY: City of Saint Peter
227 S. Front Street
St. Peter, MN 56082
XII. ASSIGNMENT AND SUCCESSION

This Agreement may be assigned by SALP, a limited partnership which has SALP as the general partner or may otherwise be assigned, upon the written consent of CITY and this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their heirs or respective successors and assigns.

XIII. SURVIVAL OF COVENANTS

All of the terms, conditions, covenants and agreements contained in this Agreement shall survive the Closing.

XIV. ENTIRE AGREEMENT

This Agreement embodies the entire agreement between CITY and SALP regarding the transaction contemplated hereby. This Agreement supersedes in all respects all prior written oral agreements, if any, between the parties relating to the Agreement and the sale of the Property and there are no covenants, agreements, representations, warranties or undertakings of any sort or kind with respect thereto between CITY and SALP other than those specifically set forth in this Agreement. This Agreement may be amended only by a written instrument signed by both CITY and SALP.

XV. INTERPRETATION OF AGREEMENT

The parties acknowledge that this Agreement was prepared by CITY solely as a convenience and that all parties and their counsel, hereto have read and fully negotiated all the language used in this Agreement. The parties acknowledge that because all parties and their counsel, if so desired, participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement which construes ambiguous or unclear language in favor of or against any party by reason of that party’s role in drafting this Agreement.
XVI. GOVERNING LAW

The validity, construction and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

XVII. HEADINGS

The headings in the sections of this Agreement are inserted for convenience only and shall not constitute a part hereof.

XVIII. SEVERABILITY

If any clause or provision of this Agreement is illegal, invalid or unenforceable under any present or future law, the remainder of this Agreement will not be affected thereby. It is the intention that if any such provision is held to be illegal, invalid or unenforceable, there will be added in lieu thereof a provision as similar in terms to such provision as is possible and legal, valid and enforceable.

XIX. TIME OF ESSENCE: ACCEPTANCE

Time is expressly declared to be of the essence of this Agreement. CITY shall have ten (10) days from date of receipt of this Agreement to accept and agree to the terms and conditions herein, provided that SALP may, in writing, extend the time for acceptance.

XX. AMENDMENTS

No modification of this Agreement shall be valid or binding unless such modification in writing, duly dated and signed by both parties. Neither party shall be bound by any terms, conditions, statements or representations, oral or written, not herein contained. It is mutually understood and specifically agreed that this Agreement is binding upon their respective heirs, successors, administrators, executors and assigns of the parties hereto.

XXI. CONDITION OF PROPERTY

A. CITY shall remove all debris and all personal property not included in this sale from the Property before possession date. CITY has not received any notice from any governmental authority as to the existence of any Dutch Elm Disease, oak wilt or other disease of any trees on the Property.

B. CITY knows of no wetlands, flood plain or shoreland on or affecting the Property.
C. CITY’S warranties and representations contained in this paragraph 21, shall survive the deliver of the Deed, provided that any notice of a defect or claim of breach of warranty must be in writing. Any such notice with respect to matters referred to in A., above must be given by SALP to CITY within one year of the Date of Closing or be deemed waived.

XXII. DISCLAIMER

CITY does not warrant that the soil is suitable for SALP’S purposes. SALP may at SALP’S expense, complete soil testing. In the event the soil tests indicate that the property may only be improved with incurring extraordinary building methods or expense, at SALP’S option, this Agreement shall become null and void.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first written above.

CITY OF SAINT PETER

_________________________  ______________________
Chuck Zieman               Date
Mayor

_________________________  ______________________
Todd Prafke                Date
City Administrator

SOLACE APARTMENTS LIMITED PARTNERSHIP

By: SWMHP SOLACE APARTMENTS LLC,  
General Partner

By:  ______________________  6/17/2017
Rick Goodemann             Date
Chief Manager/President
June 5, 2017

City of Saint Peter
Attn: Todd Prafke, City Administrator
227 South Front Street
Saint Peter, MN 56082

Honorable Mayor, Council Members, and Mr. Prafke:

The City of Saint Peter previously supported an application to the tax credit program prepared by the Southwest Minnesota Housing Partnership for the Solace Apartment Project. The Southwest Minnesota Housing Partnership has indicated that a critical component in making the project feasible is the provision of tax increment financing assistance by the City.

Tax Increment Financing or TIF is a tool that captures new property taxes that are generated as a result of new development that occurs within the boundaries of a designated TIF District. For housing projects this capture period can extend for up to 26-years. The Southwest Minnesota Housing Partnership is requesting that 90% of the tax increments generated by the Solace Apartments be reimbursed for the entire 26-year term. During that term, the housing partnership will be required by Minnesota Statute to certify annually to the City that at least:

a) 20% of the units are occupied by families below 50% of area median income; OR
b) 40% of the units are occupied by families below 60% of area median income.

The Southwest Minnesota Housing Partnership has indicated that it is their intent for 100% of the units to be occupied by families below 60% of area median income.

The Solace Apartment Project will consist of 30-units. The project is described in greater detail in the attached request for tax increment assistance. Based on the assessor’s estimate of market value the annual tax increment reimbursement to the Southwest Minnesota Housing Partnership would total approximately $26,901.

In order for tax increment financing to be available for the project the City must undertake the process to create a tax increment district. A public hearing is required as part of this process. Enclosed for Council consideration is a resolution calling for a public hearing to be held on July 24, 2017 to receive public comment regarding the creation of the proposed tax increment district. Copies of the tax increment plan will also be distributed to the County and School District in advance of the public hearing.
Please feel free to contact me if I can be of any assistance in answering questions regarding the information provided. Thank you for your time and consideration.

Sincerely,

Shannon Sweeney, Associate
David Drown Associates, Inc.