

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

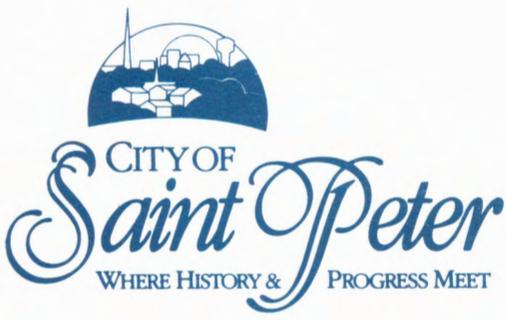
Regular Workshop Session of Monday, August 17, 2015
Library Meeting Room – 5:30 p.m.
601 South Washington Avenue

- I. CALL TO ORDER**

- II. DISCUSSION**
 - A. Southern Minnesota Initiative Foundation Presentation
 - B. Cable Television Franchises
 - C. St. Peter Community Child Care Center Lease
 - D. Solace Project Planning Group Representation
 - E. Intercity Leadership Visit Discussion
 - F. Others

- III. ADJOURNMENT**

Office of the City Administrator
Todd Prafke



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 8/11/15

FROM: Todd Prafke
City Administrator

RE: Southern Minnesota Initiative Fund (SMIF) Presentation

ACTION/RECOMMENDATION

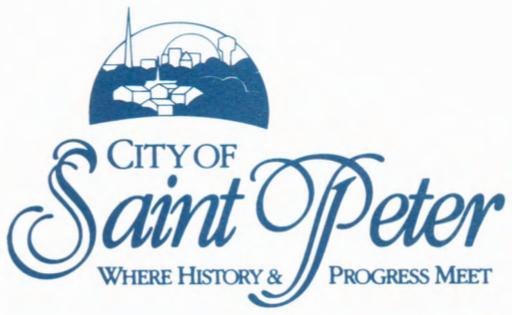
None needed. For your information only.

BACKGROUND

SMIF President and CEO Tim Penny will be at the workshop on Monday evening to make a presentation on the work of SMIF and the services they provide in a 20-county area in southern Minnesota.

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

TP/bal



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 8/12/2015

FROM: Todd Prafke
City Administrator

RE: CATV Franchises

ACTION/RECOMMENDATION

None needed. For your information and discussion.

BACKGROUND

Members may recall a very brief update at your goal session related to your telecommunication franchises. You may recall that both will be open for renegotiation in the next 12 months. In addition, your Conduit lease will be ending in a similar timeframe. The process to renegotiate these important agreements can take more than a year and you have put the appropriate players in place to do this work.

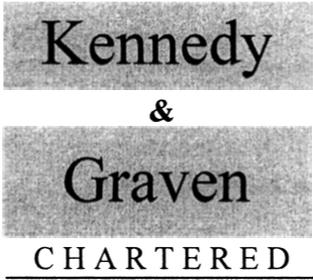
Please find attached a memo from your attorney, Bob Vose, on franchise issues that should be considered.

It is my goal for your workshop is to review Bob's memo and discuss each issue soliciting your direction or need for additional information so that we can start the negotiations.

Mr. Vose worked with you when these agreements were first put into place and has great knowledge of this area of the law and the marketplace. His memo is meant to guide our discussion and I will provide him feedback on the direction that you provide.

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

TP/bal



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**MEMORANDUM
ATTORNEY-CLIENT COMMUNICATION**

Date: July 13, 2015
To: Todd Prafke, City Administrator
From: Bob Vose, Kennedy & Graven, Chartered
Re: Renewal of Cable Franchises

As you know, the City has issued cable franchises to both Mediacom and Enventis (originally Crystal Communications d/b/a Hickory Tech). The Enventis franchise expires on or about November 11, 2015 and the Mediacom franchise expires shortly thereafter on or about March 19, 2016. This briefly outlines the process for renewing the franchises.

Process

The federal Cable Act provides that a cable company must request franchise renewal in writing 36-30 months prior to expiration of the franchise. Although I have not seen copies of the renewal requests, I understand that both companies timely requested renewal of their franchises. Please let me know if that is incorrect.

In response to these renewal requests, the City was to begin reviewing each company's franchise compliance and past performance, and also start identifying the community's future cable-related needs and interests. One of the purposes of this memo is to confirm that the City has initiated these steps. This memo also proposes a list of needs or interests to be addressed in the renewed franchises.

The Cable Act allows parties to simply negotiate and agree upon a suitable franchise renewal. This is called an "informal renewal." The Cable Act also contains a "formal process" which includes various procedural requirements ultimately leading to an administrative hearing similar to a trial. That process can be used to ensure a conclusion should renewal negotiations be unsuccessful.

Having worked previously with both companies and their counsel, I am confident that both want to negotiate mutually-agreeable terms via informal renewal. It can be somewhat more difficult to negotiate franchise terms simultaneously with two companies, but the City presumably wants the same or similar terms with each company (as is the case currently). I believe that goal is achievable as it was previously.

Franchise terms

I have reviewed the current franchises. Based on my experience with other cable franchise renewals around Minnesota, the following are the franchise provisions requiring City feedback:

1. System and Services. Mediacom's franchise required the company to upgrade its system to provide total capacity of 750 Mhz. Such a system is capable of offering hundreds of video channels in addition to high speed data, internet and telephone services. Mediacom's franchise, however, does not mandate that the company offer a certain number of cable channels. Enventis' franchise, conversely, requires the company to offer at least 100 video channels but does not impose a total system capacity requirement. Both franchises incorporate FCC technical standards for cable systems, both require that certain periodic system test results be filed with the City upon request, and both allow the City to test or evaluate the systems as desired.

Fifteen years ago, Enventis was hesitant to agree to a specified system capacity or Mhz amount due to concern this would allow the City to regulate beyond cable service. This was not previously a concern to traditional cable companies since they did not offer other services. But today, all cable service providers are resistant to franchise requirements related to system capacity or related issues.

There is little downside to simply seeking to incorporate the 100 channel minimum from the Enventis franchise into both renewals, along with the FCC's technical standards and related provisions. This avoids disagreement over a relatively minor issue. Both companies will make investments in their systems as internal business plans dictate, and there is little St. Peter can do to influence those decisions.

2. Public, Educational, Governmental (PEG) Programming. The current franchises require the companies to each provide two (2) PEG channels for use by the City (or its designee). The franchises also require the companies to pay \$15,000 each annually "as a grant for community telecommunications needs."

Use of two PEG channels is fairly typical for communities like St. Peter. Certainly the City could certainly ask for an additional channel as needed.

Similarly, the PEG support amount is consistent with PEG support amounts paid in other, similar communities. Assuming approximately 2250 cable customers, \$30,000 annually is equivalent to about \$1.10 per subscriber/per month. The per customer amounts I typically see range from \$.50 - \$1.50 per month. Accordingly, I recommend simply seeking to retain the current arrangement with the additional of an appropriate annual inflator.

Since the franchises were negotiated, the FCC has ruled that PEG support payments over and above franchise fees can only be used for “capital” costs for the purchase of equipment or facilities. This support is not supposed to be available for operational costs such as staff salaries or payments to PEG producers. The City should be prepared for one or both companies to seek revised franchise language limiting how the PEG support can be used.

3. Live Origination Sites. The franchises require both companies to provide two-way activated capacity allowing live or recorded programming to be cablecast from City Hall, the High School Studio, Gustavus, and any other sites mutually agreed upon. The City should determine if there are any additional sites where live programming could be originated and add those to the franchises.

4. Free Services. The franchises currently require the provision of free connections and cable services to City Hall, all requesting public schools, and such other institutional sites that are mutually agreed upon. However, service connections to subsequently agreed upon sites beyond 200 feet are at the City’s cost. Thus, if the City is aware of any institutional sites that should receive free cable, this is the best time to raise the issue. We can seek to have the cost of the installation covered by the companies.

5. Franchise Fee. Unlike PEG support payments, use of franchise fees is unrestricted. The City currently collects a franchise fee of 5% of “Subscriber Revenues” (defined as all revenues associated with the sale of cable services) from both companies. This is the most permitted by law. Telephone and internet revenues are exempt. However, both companies “bundle” cable with these other services and offer a package discount. The City will want to add language ensuring that the discount is not over-allocated to cable revenues thus reducing the City’s franchise fee payment. I have standard language addressing this.

The City should also be prepared for one or both companies to seek changes to the defined term “Subscriber Revenues.” I would anticipate, for example, that they may want language indicating that franchise fees collected from customers not be included; i.e. they will not want to pay franchise fees to the City on the franchise fee revenues received from customers.

6. Service Area. Both franchises authorize service throughout the City, and require system extension and service availability in any newly developed or annexed area where there are at least 25 homes per mile of new plant needed to serve the area. This is better (i.e. lower) than the typical service extension standard. In areas that are less densely developed, the companies can still be required to extend service but may seek to recover a portion of the construct cost from the requesting customers. This is commonly referred to as a “cost-in-aid-of-construction” or CIAC.

If there are any specific neighborhoods or developments that are not currently served by cable, the City can seek to require one or both companies to offer service without receiving a CIAC from the benefitting residents. Otherwise, the current standard in both franchises should simply be maintained.

7. Franchise Term. The current franchises were granted for a 15 year terms, which is the longest period allowed by Minnesota law. Cities and cable companies have differing views on the desirability of shorter or longer franchise terms. But ten (10) years has become the industry standard. The City could propose 10 year renewal terms to both but propose specified, identical termination dates to make the next renewal administratively easier. The City can then consider any counter-proposal by either company regarding the length of term.

8. Customer Service. The companies' franchises contain identical customer service requirements. These requirements are consistent with the FCC's standards and would also allow the City to impose new/additional requirements during the term of the franchise to address any problems that arise. However, both franchises also provide:

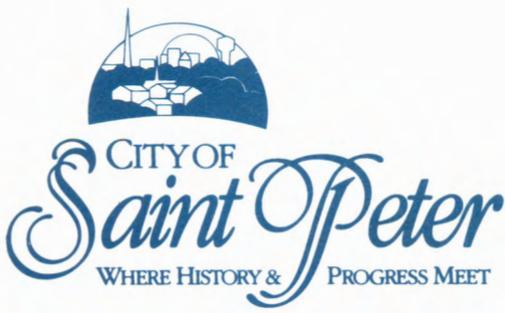
Enforcement of Customer Service Standards. The City intends to stay enforcement of [the customer service requirements] to the extent Effective Competition exists. Notwithstanding, the City may initiate enforcement of this Section despite the existence of Effective Competition based on the City's receipt of at least five (5) complaints with respect to each competitor, concerning similar customer service matters. The City may initiate enforcement of this Section by Resolution of the City Council. The City may begin enforcement three (3) days after mailing a copy of such Resolution to Grantee. The Resolution shall indicate the basis for initiating enforcement.

The City should decide whether cable competition has worked. If the City has received relatively few complaints about the companies, the customer service requirements could continue to be "stayed" until problems arise. Otherwise, the City could seek to start enforcing customer service requirements on both companies via renewed franchises.

9. Rights-of-Way, Undergrounding, Etc.. Use of streets and utility easements should continue to be explicitly subject to the City's right-of-way ordinance and all other local permitting and ordinance requirements.

CONCLUSION

I would suggest that we discuss the above points as needed. Once we have an understanding about these terms, I will prepare proposed franchises based on the prior documents to provide to the companies for consideration.



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 8/13/2015

FROM: Todd Prafke
City Administrator

RE: Saint Peter Community Child Care (SPC3) Lease

ACTION/RECOMMENDATION

None needed. For your information and discussion.

BACKGROUND

SPC3 has requested a modification to their lease. The request is based on an offer that was made to both SPC3 and Kid's Korner a few years back. The offer was designed to provide incentive for ongoing and additional child care "slots" based on discussion of the Council and the Child Care Task Force established by the Council.

The Council has discussed SPC3, their lease and financial performance on a number of occasions as a part of overall Community Center lease discussion and planning. The offer that was made to both PC3 and Kids Korner was to reduce rent contingent on two items:

1. Share financial information with the City.
2. Demonstrate month to month positive cash flow.

Kid's Korner declined the offer.

Additionally the Council has discussed, and I think understands, that direct comparison of leases between the two center based day cares is somewhat problematic because their location and start opportunities were very different.

In the case of Kid's Korner, they were provided and had space specifically designed and outfitted for them when the Community Center was built. At that time they were the only center based childcare in the community. This was done in the aftermath of the 1998 tornado and was part of a specific effort to ensure the tenants of the old Community Center would be provided a home at the new facility. Therefore, they had no build out cost and were leased facilities specifically designed in concert with them, for their use.

SPC3 was provided a different opportunity in that they were required to find resources to build out or modify their spaces as they were not in existence until 2006. They originally occupied the vacant nursing home on West Park Row and later transitioned to the Community Center when

the City chose to demolish the old nursing home and Hospital located at the corner of Washington and Broadway. The City did support a portion of that start up effort through an EDA loan.

SPC3 provides care for children of approximately 45 to 50 families and has been in existence since 2006. The SPC3 service area is generally the Saint Peter School District, but they also serve a small number of families from outside of that area. Families served from outside the School District might work in Saint Peter but live elsewhere.

The genesis of SPC3 came after an assessment of community needs done in cooperation with Southern Minnesota Initiative Foundation. This Foundation, for a number of years, had a mission of providing communities with resources and expertise to review the needs of young children within their service area.

The assessment revealed a substantial want for additional daycare slots within the community. A team was developed to additionally assess that need and a subgroup formed which was the original Board of Directors of SPC3. Need was demonstrated through a number of data sources.

SPC3 has struggled in a number of different ways in its relatively short history. They have faced three primary challenges:

1. Location - Their location status, which is additionally described below, has not been of the highest quality and has not provided for efficient operations. They might say they have "shoehorned" in wherever they could. Additionally, this changing of sites has been a financial drain in that each site caused the need for expenditures to make the site meet regulations which meant that they paid for the same facility upgrades three times. This has been a contributor to their financial stresses.
2. Leadership - They have struggled to hold leadership who have been able to make headway on the enrollment and financial issues until about 2 years ago. The recent leadership has made substantial headway on understanding and improving financial realities of their operations. They should really be congratulated for their work and outcomes.
3. Financial - Daycare operations seem to routinely struggle financially. In the past they also have reported enrolment numbers that do not meet their established proforma meaning that there are not enough children enrolled to meet their cash needs. Their overall budget is about \$550,000. Within the last 24 months, under new leadership, they have been able to get a much better handle on their costs, and therefore margins. They have changed policies about payment and have modified rates to reflect their previous operational deficits. They have implemented cost controls that have had a significant impact on their overall financial performance. Over the past year they have made substantial improvements related to debt payment and cash flow.

All that said, SPC3 has clearly met the threshold of positive cash flow and have provided the appropriate financial reporting that was part of the Council offer. So they have made their request for Council consideration of your lease reduction offer.

In addition, they would like an opportunity to lease more space on the second floor of the Community Center as well. My discussion with them has included a review of the building modifications that would be needed to meet their needs and I have articulated that while the City is supportive of their operations and while we understand their want to consolidate operation to one location as compared to the two locations they operate from now, the City is not interested in providing additional cash for building modifications which could be as much as \$75,000+. They have responded to that by asking for an opportunity to raise the resources to make the modifications. If they raise those funds would the City consider a lease?

In answer to the question about leasing additional second floor space, the Council should consider changes in leases and facility use that will occur in 2017 driven by changes to the School District Early Childhood programming use. That change will make some additional space available on the first floor where both daycares and Headstart currently have space. Please also know we have had that second floor space available for lease for a while now and based on the criteria established for tenants and our need for additional programming space, there are no current active leads.

Staff believes that SPC3 met the cash flow requirement as early as January of this year and that any new lease might be based on your original offer plus \$200 for past due amounts that they accrued. Another way to describe this same thought is to change their lease retroactively to January 2015 and establish a new lease as of that date for your offer of 50% of current plus \$200 to be applied to past due amounts. The lease amount would then be \$1,451.70 (one-half the current monthly lease amount) plus \$200 towards past due amounts for a total of \$1,651.70. In addition, the lease could be on a year by year basis which provides for a great check-in point on their financials, which was part of the original Council offer. There are certainly many ways to provide for a modification of this lease if the Council desires to do so.

My goal for the workshop is to provide information for a full discussion about the two primary topics with SPC3 which are, lease amount and additional space.

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

TP/bal

SUBLEASE

This Sublease is made and entered into this 22 day of November, 2010, by and between the City of Saint Peter, a Minnesota municipal corporation (**CITY**), and Saint Peter Community Child Care, a Minnesota non-profit corporation (**TENANT**).

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 Community Education for all ages and is a Minnesota non-profit corporation;

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 #s100, 125 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.

i. The **TENANT** must provide washer, dryer and kitchen utensils.

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; or
- D. Noises or vibrations that may disturb other tenants.
- E. Installation of signage within the facility without the express written approval of CITY.

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 December 15, 2010 until July 31, 2013.
- B. Rental. For a period of time from December 15, 2010 to July 31, 2011 TENANT shall pay, in advance, on the fifteenth day of each and every month, the sum of \$2,640.60.

Rental. For a period of time from August 1, 2011 to July 31, 2012 TENANT shall pay, in advance, on the fifteenth day of each and every month, the sum of \$2,773.80

Rental. For a period of time from August 1, 2012 to July 31, 2013 **TENANT** shall pay, in advance, on the fifteenth day of each and every month, the sum of \$2,903.40.

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 an amount equal to three (3) months rent. The sum of \$7,921.80 shall be paid on December 15, 2010 and remain on account with the City. The funds may be drawn upon by the City in the event the least 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.

6. **Default.**

A. **Events of Default.** If **TENANT** does not pay the full amount of each monthly rental payment 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 **TENANT** is in default, **CITY** may give **TENANT** 30 days' notice of the cancellation and termination.

D. **Remedies on Default.** On expiration of the time fixed in the notice and **TENANT**'s failure to cure the default within the time allowed in the notice, this lease and the right, title and interest of **TENANT** shall terminate.

CITY shall have the right to obtain reimbursement from **TENANT** of all expenses incurred in regaining possession of the premises and the right to recover all additional rental 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**. **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, 2010 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 person 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. **Termination Prior To End Of Lease Term.** In the event the **TENANT** completes or reasonably anticipates completion of construction of its own building, 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.

15. **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.

16. **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
227 South Front Street
Saint Peter, Minnesota 56082

ST. PETER COMMUNITY CHILD CARE
219 South Minnesota Avenue
Saint Peter, MN 56082

17. **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.

18. **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.

19. **Total Agreement.** This Lease contains the entire agreement between the parties 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.

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

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

22. **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.

23. **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.

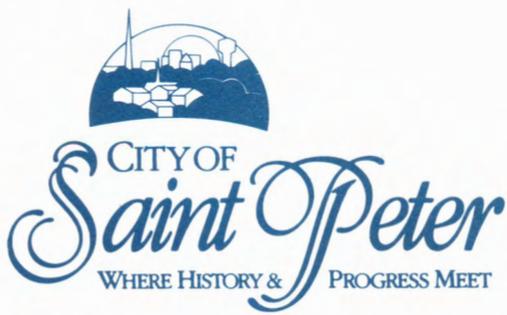
24. **Rights Cumulative.** All rights and remedies of each of the parties under this Agreement will be cumulative, and the exercise of one or more rights or remedies will not preclude the exercise of any other right or remedy available under this Agreement or applicable law.

25. **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.

26. **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.

27. **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.

28. **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



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 8/12/2015

FROM: Todd Prafke
City Administrator

RE: Solace Project Steering Committee request

ACTION/RECOMMENDATION

None needed. For your information and discussion.

BACKGROUND

Members may recall multiple discussions about the Solace Project. Council took action to support an application for funding to the State of Minnesota through the Minnesota Housing Finance Agency. That support was expressed through commitment to sell land for the project north of the Sunrise Drive Water Tower along Sunrise Drive. While that application was not awarded funding in the last cycle, the group looking to develop the project has continued to be hard at work on applying for funds in the new funding cycle.

You had previously appointed Councilmember Brand to the project planning committee, but the committee, with its renewed effort and direction, is hoping to have one additional member from the Council participate. While I am unsure of the exact time commitment, I believe that three to five meetings of about 90 minutes in length each is a reasonable place to start when reviewing the time commitment.

The renewed project is envisioned generally as an apartment style facility intended to assist women who have met the criteria of drug court to be united with children, have consistent housing and receive supportive and job training services. It is no longer envisioned as a general occupancy building as was rejected by the Council.

To help ensure any project that may move forward meets the needs of the community, the organizers are working to assemble a renewed Steering Committee and have asked that one additional Councilmember, myself and the Saint Peter Police Department be represented. Participating in the Steering Committee does not give Council approval of the project but does help the City be a part of helping to make sure any project that comes forward is designed to meet the needs of people from our community.

To be clear, any new application for funds, of the same type as looked for in the 2015 cycle, would need a new approval and commitment from the City Council.

My goal is to determine if you wish to participate at this level and who that additional member may be. Please feel free to contact me if you have any questions or concerns about this agenda item.

TP/bal



Southwest Minnesota Housing Partnership

"Putting Together the Pieces of Community Development"

August 6, 2015

Mr. Todd Prafke, City Administrator

City of St. Peter

227 S. Front Street

St. Peter, MN 56082



RE: Solace Project Planning Group.

Dear Mr. Prafke,

The Southwest Minnesota Housing Partnership (SWMHP) has been working with the Court System to address a housing shortage in your community for women integrating with their families after exiting the criminal justice system and/or who are required to participate in court mandated treatment. Our intent is to develop a project that provides a stable housing environment with integrated services designed to reduce recidivism and improve long-term outcomes in conjunction with the Court System and other partners.

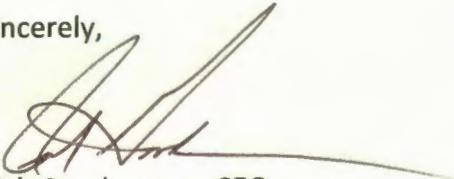
In 2014 an application for financing was submitted to the Minnesota Housing Finance Agency to construct a project creating thirty (30) rental units. The application failed on a competitive level. This year the SWMHP developed a different approach to address concerns around the Olmsted Act and modified the project. The changes to the concept and broader population targeting failed to gain support from the City of St. Peter and SWMHP did not submit a request for funding.

We wish to engage in a broader planning process with members of the community, service providers and regulatory agencies to develop a stronger project concept. The process will involve a series of meetings around resident targeting, referral systems, residential lease

agreement, supportive services and housing design and may include other topics that arise. Our goal will be to work towards the submittal of a financing application to the Minnesota Housing Finance Agency in June 2016. We anticipate that the planning will be completed by early spring 2016.

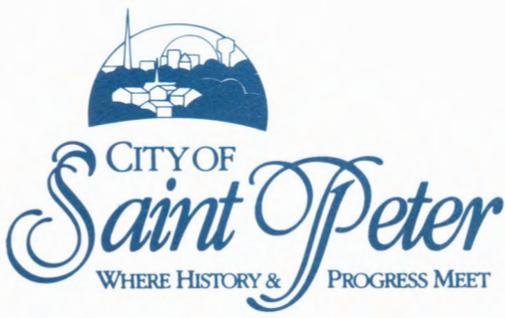
We believe that the City of St. Peter should be represented as part of the Solace planning group and are hopeful that such an appointment can be made. We intend to convene the first meeting in October 2015. If you would have any questions please give me a call at 507.836.1602.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rick Goodemann', with a long horizontal flourish extending to the right.

Rick Goodemann, CEO

Cc: Honorable Allison Krehbiel
Mr. Richard Molitor
Dr. George Komaridis
Ms. Joan Tesdahl
Ms. Sue Serbus



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 8/12/2015

FROM: Todd Prafke
City Administrator

RE: Intercity Leadership Visit (ICLV)

ACTION/RECOMMENDATION

None needed. For your discussion and input.

BACKGROUND

As you know, the Council has been invited to participate in the InterCity leadership Visit to Columbia, Missouri on November 8-11, 2015. This is being planned by Greater Mankato Growth. This is an activity and process that we have been involved in twice in the past. I think participants found it very valuable from both an educational and networking perspective.

Councilmembers Parras and Brand had originally indicated their desire to participate in the visit. They have since determined that they are unable to do so and it is my hope that other members of the Council may be interested in participating in their place.

PURPOSE - The purpose of an InterCity Leadership Visit (ICLV) is to bring together community leaders to advance the collective good of our community. Every few years, Greater Mankato Growth gathers a cross section of top leaders in government, business and non-profit sectors of our region to address relevant topics and issues currently impacting the Greater Mankato region. This delegation then travels to another U.S. community to be introduced to successful innovative ideas and programs that are in alignment with our community visioning goals and priorities and that will offer us some good examples of opportunities and best practices that may be adapted and implemented in Greater Mankato.

GOALS OF THE TRIP - Past delegates and E2020 stakeholders were surveyed to identify the most pertinent goals to study on this trip. While all areas of E2020 are important, the highest topics of interest were:

1. Business and Economic Development
2. Workforce Development and Education
3. Affordable Housing
4. Downtown Revitalization and Development
5. Sports Facilities

WHY COLUMBIA? - The destination was carefully selected based on the identified goals, issues and opportunities to be studied. Our local community needs are taken into account along with similar community characteristics such as:

- a highly educated workforce with phenomenal Town and Gown relationships
- diversity of key industry sectors such as agriculture, education, health care and many entrepreneurial start-ups
- a vibrant and bustling downtown core bordered by universities (University of Missouri, Columbia College and Stephens College)
- multiple sports facilities - recognized by "Sporting News" as one of the Top 100 Best Sports Cities in the U.S.
- an outstanding statewide trail system featuring wineries bordering the river
- a strong emphasis on parks and recreation
- numerous and varied energetic and colorful arts festivals

Mayor Strand and Councilmember Kvamme and I have participated in the past. Tim and John may be able to provide some additional insight at your meeting.

I would anticipate the cost to be about \$1,500 per participant. In addition to myself, two additional participants could represent the City, but the Council could choose not to participate at all.

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

TP/bal

DRAFT

Sunday, November 8th

- 9:00 – 9:30 am Load buses at GMG parking lot
 - 9:30 am Delegation departs Mankato to MSP airport with breakfast sponsored by: _____
 - 1:00 – 2:30 pm Delta flight #2111 to Kansas City, MO
 - 3:00 – 5:00 pm Bus travel to Columbia, MO
 - 5:00 – 5:30 pm Hotel check in
 - 6:15 – 6:30 pm Load bus for dinner at The Broadway
 - 6:30 – 8:00 pm Welcome to Columbia reception and dinner at Rooftop Broadway
- Speakers = Mayor Bob McDavid, Matt McCormick- President of the Chamber, Chamber Board Chair – Kit Stolen

Monday, November 9th

- 7:30 am Breakfast at Hampton Inn
- 8:15 – 9:00 **City Manager – Mike Matthes speak on “State of the Community”?**
- 9:00 – 9:30 Load buses and travel to Columbia College
- 9:30 – 11:30 **Economic Development, Entrepreneurism, and start up support (Partners for Economic Success) Columbia College – Dulaney Hall - Panel discussion with open Q & A**
 - Stacey Button, President of REDI (Regional Economic Development Inc.) Bernie Andrews -EVP
 - Joel McNutt, Director, Missouri CORE (Connecting our Regional Economy)
 - Steve Wyatt, Vice Provost for Economic Development, University of Missouri and Jim Gann, Director of Business Engagement
 - Bill Turpin, President and CEO of MIC (Missouri Innovation Center),
 - Raja Bhattacharya, Director of the Steve and Barbara Fishman Center for Entrepreneurship at Columbia College
- 11:30 – 12:30 **Lunch at Columbia Columbia College - Dulaney Hall**
- 12:30 – 1:00 **Load Bus and travel to Missouri Theater**
- 1:00 – 4:00 **Downtown Revitalization Development & the Arts / Private and Public Partnerships**
 - Katie Essing, Executive Director for the Downtown Community Improvement District (CID)
 - JJ Musgrove, Director, and Sarah Dresser, Cultural Affairs Specialist with the Office of Cultural Affairs for the City of Columbia
 - Walking tours of downtown
 - End the tours and final wrap up at the Blue Note

DRAFT

4:30 Bus to hotel and refresh

6:00 Dinner at the Bleu

6:30 Dinner speaker- on “Revolutionizing Regional Healthcare” ??

Tuesday, November 10th:

7:30 Breakfast at Hampton Inn

8:15- Load Bus and travel to ????

8:30 – 9:30 Agriculture

- University of Missouri, College of Agriculture, Food and Natural Resources (CAFNR) – Thomas Payne, Vice Chancellor and Dean for CAFNR
- University of Missouri, Kristen Smarr, Director, CAFNR Office of Marketing and Communications
 - Bond Life Sciences Center (public/private relationships)
 - Farm and Agriculture Policy Research Institute <http://www.fapri.missouri.edu/>
 - University of Missouri undergraduate degree in Sustainable Agriculture (one of the few in the country with this degree program) <http://cafnr.missouri.edu/academics/sustainable-ag.php>
 - Columbia Center for Urban Agriculture?

9:30 – 11:00 Talent Development, Attraction and Retention - Where??

- Randy Gooch- Director and Brandon Russell Asst Director- Columbia Area Career Center. Facilitate programs for high school age students to get into technical fields, and they also do Adult Education and customized training for businesses.
- Dr. Jeff Lashley, the President of Moberly Area Community College. They began a Mechatronics program, which trains people technicians to work in manufacturing and technical environments. He can talk about how they try and be responsive to the training needs of Columbia, for ex. working with 3M, Kraft and Quaker Oats to design the curriculum.
- Panel Discussions – Businesses share success stories regarding their culture and what has enabled them to thrive and what has kept them in Columbia.
 - Veterans United Home Loans, which began 10 years ago and has experienced tremendous growth. They also hire a lot of young workers - 1200 employees. <http://www.veteransunited.com/about/history/> Contact is Erik Morse
 - MFA Inc – Ernie Verslues (or is he better for AG discussion?)
 - Shelter Insurance?
 - AdKarma or True Media (both hire many young graduates successfully)

11:00 – 11:30 Load Bus and travel to Missouri Innovation Center

11:30 – 12:15 Tour of Missouri Innovation Center

12:15- 12:45 Load bus and travel to Activity Recreation Center

Sports Facilities -

DRAFT

- 12:45 – 1:15 Lunch – catered in to Activity Recreation Center**
- 1:15 – 2:15 Tour of Activity Recreation Center (4 groups) Mike Griggs, Director of Columbia Parks & Recreation Department**

Cosmo park is Columbia’s largest park and is a multi-athletic facility. The ARC (Activity Recreation Center) is an indoor aquatic and recreation facility (73,000 sq. ft.) .

- 2:15 – 3:15 Sports Facilities presentation**
 - CVB and City Parks and Rec relationship
- 3:15 – 3:30 Break**
- 3:30 – 4:30 Debrief on all sessions – key takeaways**
- 4:30 – 4:45 Bus back to hotel**
- 5:30 Dinner at ????**

Wednesday, November 11th

Breakfast at Hampton or on bus????

- 8:30 am Load Bus to Kansas City airport**
- 12:20 – 1:45 pm Delta Flight #1099 Home to MSP**
- 2:15- 3:45 Bus Travel back to Mankato**



DRAFT

Leadership Visit Key Topics Columbia, MO

Arts

The Office of Cultural Affairs creates an environment where artists and cultural organizations thrive by advancing and supporting the arts for the benefit of the citizens of Columbia. Columbia is one of few communities in the state to have a cultural plan. First drafted in 1993, after the Office of Cultural Affairs was established, the plan is updated every five years in consultation with the Commission on Cultural Affairs, local arts agencies and the community at large. One of the more popular programs is the Traffic Box Art. Local artists are commissioned to address traffic signal boxes thus minimizing the possibilities that those utilities will be vandalized. The goal of the Traffic Box Art program is to decrease instances of graffiti while at the same time contributing to the uniqueness of the downtown streetscape.

Athletics

Columbia is the very proud home of the University of Missouri Tigers. We have over 520 student-athletes, 20 sport programs and 200 people who work for the athletic department. The University of Missouri has been a vital part of the economy to its home base in Columbia, Mo. since it was founded in 1839. A subset of the University, the Department of Intercollegiate Athletics, provides a very significant impact to the local economy, to the tune of \$247 million in fiscal year 2013 when including induced and indirect costs, and a total direct economic impact of \$142 million.

The District

The District is our downtown area, a live/work/play neighborhood that sparks the creative, the eclectic, and the local. We're a constantly adapting community of people, with tradition blending harmoniously with high tech and the latest trends in fashion, food and the arts. The District is bounded by three colleges and encompasses 50 square blocks, more than 300 individual properties, over 300 residences, and over 600 businesses, non-profits and government entities. A 15-member board of directors governs the CID, representing property owners, business owners and residents throughout The District. The CID is funded through assessments on properties in The District and through a half cent sales tax.

Economic Development, Entrepreneurism, and Start up Support

REDI (Regional Economic Development, Inc.) is our economic development organization in Columbia/Boone County. Organized in 1988 to promote positive economic expansion in Columbia and Boone County, REDI is a nonprofit, public/private partnership that works to provide increased economic opportunities for the area while maintaining a high quality of life. In addition to the routine economic development resources, REDI has placed a strong emphasis on entrepreneurship. Programs such as an entrepreneurship conference called Ignition and the Ignition Pitch Competition, 1 Million Cups and Start-Up Weekend make Columbia a hotbed for entrepreneurs. REDI's headquarters is located next door to the Downtown Incubator, which provides a 24-hour office space for local entrepreneurs, resources, and opportunities for collaboration. Another Columbia resource is the Missouri Innovation Center which was started in 1984 as part of the State of Missouri's initiative to create economic

development support systems through the State's University systems. It is a non-profit organization that supports high growth business ventures that improve human life and sustainability. Services include mentoring, securing financial support, and resources for conducting successful and focused research and development. Missouri Innovation Center was selected in 2009 to operate the MU Life Science Incubator at Monsanto Place. With this relationship, Missouri Innovation Center selects businesses well suited for the program, leases space for technology and bio-tech start-up companies, and provides mentorship throughout the processes of commercialization. MIC also maintains an affiliation with Centennial Investors, a Mid-Missouri based angel investor network, by pre-screening potential start-up companies and investment requests.

Healthcare

Columbia's sizable medical network provides mid-Missouri, and the entire state, with the highest quality healthcare. The city's medical population brings positive economic influence, attracts medically related industries and provides residents with progressive medical services comparable to those offered in cities many times its size. Some of the world's leading health care experts are part of University of Missouri Health Care. To meet growing patient needs, University of Missouri Health Care began construction on June 3, 2015, on a \$40 million, four-story expansion of the Missouri Orthopedic Institute. Opened in 2010, the Missouri Orthopedic Institute at 1100 Virginia Ave. is the largest and most comprehensive freestanding orthopedic care center in central Missouri. Columbia is also a major participant in the Animal Health Corridor. The University of Missouri's "Mizzou Advantage" includes an initiative for One Health, One Medicine, which focuses on the convergence of animal and human health. The initiative also connects with research and instruction in health care delivery, policy, business models, medical ethics and the culture of healthy living. Columbia's economic development organization REDI is a membership investor in the Animal Health Corridor.

Higher Education

Columbia has been referred to as "Collegietown U.S.A." as higher education plays a major economic and social role. Columbia is the home to the University of Missouri and two private colleges as well as many satellite campuses for surrounding community colleges. Columbia is especially proud of our outstanding town and gown relations and enjoys a very cooperative effort between the community and the educational institutions.

Sports Facilities, Parks and Recreation

The Columbia Parks and Recreation Department oversees over 3,100 acres of park land and maintains 83 parks, green space locations, and recreation facilities. A wide array of sports, recreation activities, lessons and special events are available for citizens of all ages. Open space, parks, and trails provide opportunities to enjoy the natural beauty of Columbia. The largest of the parks is the 533-acre Columbia Cosmopolitan Recreation Area. Columbia has seven destination trails - the MKT Nature/Fitness Trail, Bear Creek Trail, Hinkson Creek Trail, County House Trail, Hominy Creek Trail, Scott's Branch Trail, and South Providence Trail, along with many regional, community, and neighborhood park trails. The 8.9-mile MKT Nature/Fitness Trail connects downtown Columbia with the Katy Trail State Park and provides active recreation while preserving large areas of natural beauty. The MKT Trail is a finalist for the "Best Urban Trail" in USA Today's 10 Best Readers' Choice Awards.

Agriculture

The College of Agriculture is the University of Missouri's largest college. University of Missouri, College of Agriculture, Food and Natural Resources (CAFNR) – Thomas Payne, Vice Chancellor and Dean for CAFNR

- Bond Life Sciences Center <https://bondlsc.missouri.edu/>
- Farm and Agriculture Policy Research Institute <http://www.fapri.missouri.edu/>
- Bradford Research and Extension Center <http://bradford.cafnr.org/>
- University of Missouri undergraduate degree in Sustainable Agriculture (one of the few in the country with this degree program) <http://cafnr.missouri.edu/academics/sustainable-ag.php>