

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

Regular Workshop Session of Monday, August 3, 2015  
Library Meeting Room – 5:30 p.m.  
601 South Washington Avenue

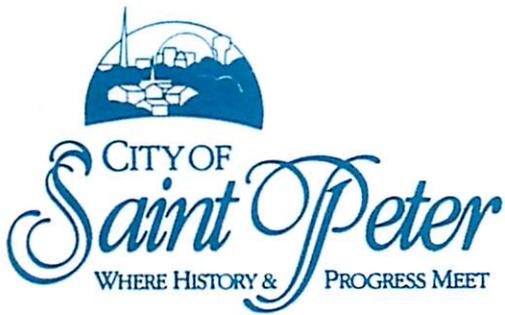
**I. CALL TO ORDER**

**II. DISCUSSION**

- A. REDA Presentation by Jonathan Zierdt, Russ Wille
- B. Parking Lot #5 Update
- C. EDA Revolving Loan Modification Recommendation
- D. City/School Sub Committee Update
- E. Intercity Leadership Visit (ICLV) Discussion
- F. Others

**III. ADJOURNMENT**

Office of the City Administrator  
Todd Prafke



## Memorandum

**TO:** Honorable Mayor Strand  
Members of the City Council

**DATE:** 7/30/2015

**FROM:** Todd Prafke  
City Administrator

**RE:** Community Development Presentation

### ACTION/RECOMMENDATION

For your information and discussion.

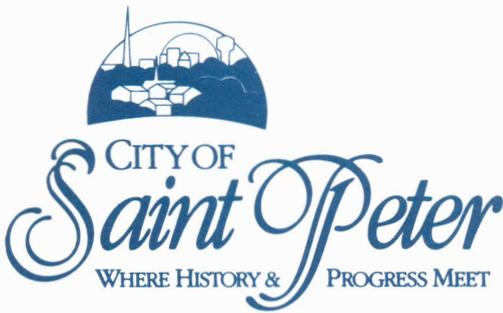
### BACKGROUND

Members may recall that Department Heads come to one of your workshops each year and discuss issues of import them in their operation.

At this workshop your Community Development Director has asked Jonathan Zierdt from Greater Mankato Growth, your partner in REDA, to come and provide information about REDA and their activities.

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

TP/bal



## Memorandum

**TO:** Todd Prafke  
City Administrator

**DATE:** 7/30/15

**FROM:** Russ Wille  
Community Development Director

**RE:** Municipal Parking Lot #5 Development – REQUEST  
FOR PROPOSALS

### **ACTION/RECOMMENDATION**

Review and comment on the draft Request for Proposals seeking development of Municipal Parking Lot #5 in downtown Saint Peter.

### **BACKGROUND**

Earlier this year, the City Council met with Cardon Development Group and Brunton Architects regarding the potential development of Municipal Parking Lot #5 (MPL5) in downtown Saint Peter. Subsequent to that meeting, Cardon Development Group withdrew from the negotiations.

At that time, Brunton Architect contacted an area developer to determine if they would have an interest in proceeding with the project that the firm had designed. When the Council was approached regarding their desire to meet with Brunton's alternative client, the City Council directed the Community Development Director to prepare a Request for Proposals (RFP) to gauge the interest of other development groups.

Attached is a draft of an RFP. The document is largely based upon the RFP issued by the City Council in 2003 when they previously sought the development of MPL5.

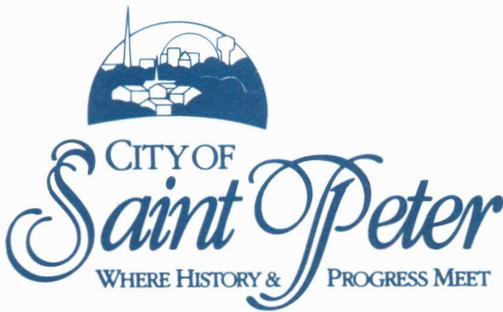
I have discussed the City Council intent to seek responses to an RFP with Brunton's new client as well as Amy McClaughry (former VP at Cardon Development Group). They both suggested that they would decline to respond to an open RFP.

The two expressed significant reservations given the large predevelopment / design expense necessary to respond to a competitive RFP. If multiple firms were to respond, only the successful respondent would be provided the development opportunity and a method of recouping the large up front design costs.

Based upon my discussions with those in the development industry, I would respectfully suggest that the City Council forgo with the issuance of an RFP at this time. Alternatively I would suggest that the Council "interview" a select number of developers to see if their vision is a good match for what the Council would require of the development on this site.

At the direction of the Council I would seek interested, capable developers willing to enter into a dialogue regarding the potential development. It is possible to develop a threshold of qualifications that would help to qualify developers if you wish. If a good match is found and both parties are willing, an exclusive option to develop could be drafted to provide the developer with the security necessary to justify the significant predevelopment costs.

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



## Memorandum

**TO:** Todd Prafke  
City Administrator

**DATE:** 07/30/15

**FROM:** Russ Wille  
Community Development Director

**RE:** Revolving Loan Fund – Policy Guidelines

### ACTION/RECOMMENDATION

The Economic Development Authority (EDA) has reviewed the adopted guidelines regulating the revolving loan fund(s). As a result of the review, the EDA is recommending certain modifications to the polity.

### BACKGROUND

The Saint Peter EDA's administration of the established revolving loan fund(s) is regulated by the Revolving Loan Program Guidelines adopted by the City Council. The current guidelines were adopted when the policies were last revised by the City Council in 2006.

It was determined that a review of the guidelines would be appropriate at this time given that the EDA membership has sought more clarity and consistency in the application of the guidelines. The amended guidelines recommended by the EDA are included for your consideration.

The EDA membership discussed the policies related to determining the eligible loan amounts. The loan amounts are limited by the ability to adequately collateralize the loan. The existing policy would allow loans up to 125% of the Estimated Market Value as established by the Nicollet County Appraiser's office. The EDA has recommended that this part of the policy be omitted.

Conversely, the EDA is recommending language that would allow for the use of a bank prepared "evaluation of value" for projects valued under \$250,000. This would be consistent with the lending policies of local institutions and would make the previous language regarding 125% of the EMV duplicitous.

The EDA had expressed concerns that interest rates charged to borrowers has varied considerably from loan to loan. While 3% interest has been considered to be the "default rate", the EDA has made a limited number of loans at a 0% rate of interest. Alternatively, other loans deemed to be of higher risk have been charged rates as high as 6 1/2 %. The EDA asked that the policy be amended to clarify the determination of the applicable rate of interest.

The amended policy recommended by the EDA would index the interest rate to the U.S. Prime Lending rate as published in the Wall Street Journal. At this time the Prime rate is 3.25%.

However, to retain some level of flexibility, the guidelines would clarify those instances where the interest rate would be set higher or lower than the published Prime rate. Those proposed exceptions to the Prime rate are contained in Section 4.3 of the proposed amendment.

Another change recommended by the EDA to Section 4.4 would clarify the process upon which a balloon payment may be extended. The recommended guidelines would require that the participating private lender provide written correspondence to the Community Development Director explaining the rationale behind the decision to deny additional credit or to otherwise conventionally refinance the debt. The balloon extension procedures were also altered to clarify what submittals would be required from the borrower to process a balloon extension request.

It has been the unwritten policy of the EDA / City Council that a private financial institution must finance at least 60% of the financial need of the borrower. The consistent practice has been that borrower must be able to finance at least 10% of the identified project costs via cash or equity. The EDA has recommended that the contents of Section 9.2(b) be altered to match the existing loan practices.

Other proposed alterations could be considered inconsequential and will be explained in full at the August 3<sup>rd</sup> workshop.

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

# ECONOMIC DEVELOPMENT AUTHORITY REVOLVING LOAN PROGRAM GUIDELINES

## 1. PURPOSE:

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

## 2. POLICY STATEMENT:

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

## 3. PROJECT ELIGIBILITY:

3.1 Economic Development Revolving Loans may be used for the following purposes:

- a. Fixed asset financing (i.e. land acquisition, building construction, machinery and equipment, expansion of existing facilities, renovation and modernization of buildings, or public infrastructure needed for economic development expansions.
- b. Working capital; including inventory, supplies, accounts receivable, wages and advertising.
- c. Remodel and/or construct second story, residential facilities within the Central Business District which promotes the viability and vibrancy of the Central Business District.

3.2 Revolving loans shall be restricted to those commercial / industrial businesses located within the corporate limits of the City of Saint Peter.

3.3 Projects which propose to utilize local contractors (HVAC, plumbing & electrical), suppliers, vendors and professional service providers (accounting, engineering & legal) will be favored when applications are considered by the Economic Development Authority (EDA).

- 3.4 Job Creation: Projects seeking loans from the EDA which demonstrate job creation will be favored. There shall be no job creation requirements for projects undertaken within the Central Business District.
- 3.5 Livable Wage Requirements: Where job creation is determined to be a requirement of the proposed financing, the minimum total wage / benefit package provided by the borrower to its employees shall be no less than 110% of the Federal Poverty Guidelines for a family of four (4) within Nicollet County as established by the U.S. Department of Housing & Urban Development.

4. LOAN AMOUNT:

- 4.1 The maximum loan available is at the discretion of the EDA. However, the loans shall not exceed 75% of the funds on deposit in the established Revolving Loan Fund(s), net of guaranteed funds.
- 4.2 The aggregate of an EDA loan and private financing shall not exceed:
  - a. 100% of the appraised value of the property as established by a certified appraiser, undertaken within the last six (6) months.
  - b. 100% of the estimated appraisal of post-development value as established by a certified appraiser.
  - c. In lieu of an appraisal, at the discretion of the EDA, a bank evaluation of value may be utilized for projects valued under \$250,000.
- 4.3 The standard rate of interest charged shall be established at the U.S. Prime Lending Rate as published in the Wall Street Journal.
  - a. A higher rate of interest may be established for those projects determined to be of higher risk or those loans that are questionably collateralized.
  - b. A lower rate of interest may be established for those projects demonstrating:
    - i. The creation of new jobs.
    - ii. Increased tax capacity resulting from new construction.
    - iii. Substantial municipal utility consumption.
- 4.4 Depending upon the use of loan funds, the repayment schedule shall have the following maximum limitations. The EDA retains the right to vary from the guidelines for those loans considered to be of higher risk.

<u>Loan Purpose</u>	<u>Amortization</u>	<u>Balloon</u>	<u>Extension</u>
Real Estate / Construction	20 years	5 years	5 years
Machinery / Equipment	10 years	5 years	2 years
Working Capital	10 years	2 years	2 years

Borrowers seeking the extension of a scheduled balloon payment shall provide correspondence from the primary project lender indicating that they are unable to extend additional credit or otherwise refinance the debt to honor the balloon. The correspondence shall indicate the rationale of the decision in enough detail to be acceptable to the Community Development Director.

The Borrower seeking the extension shall also provide the EDA with a thorough review of the business financial reports which at a minimum, shall include the following:

- a. Balance sheet.
- b. Income statements.
- c. Profit / Loss statement.
- d. Personal financial report.

\* *The EDA reserves the right to require the provision of additional business financial data at the discretion of the Community Development Director.*

- 4.5 The repayment shall be negotiated between the EDA, participating private lender and the recipient. However, repayment shall normally commence the first day of the month following execution of the loan documents and the first day of subsequent months until the loan is repaid in full or until the scheduled balloon payment.

The loan will be considered to be in default after thirty (30) days have elapsed past the due date. Therefore, unless otherwise directed by the EDA or City Council, the Community Development Director shall take the following action.

- a. After thirty (30) days past due, the EDA will make contact requesting payment by written notice.
- b. After sixty (60) days past due, the EDA will meet with the borrower to discuss the delinquency and repayment options.
- c. After ninety (90) days past due, the EDA will initiate collection efforts.

- 4.6 In rare occasions where a commitment is made for a future loan, no more than 75% of the funds on deposit shall be committed and loan commitments shall expire after six (6) months.
- 4.7 **Maximum Loans:** The maximum loan per business is \$500,000, subject to the limitation of Section 4.2 of this document.
- 4.8 **EDA Guarantee of Bank Financing:** If a subject borrower has no outstanding loans with the EDA, the Authority may consider a guarantee of bank financing which shall not exceed the limits of Sections 4.2, 4.4 and 4.7 of this document.

5. REGULATIONS FOR IMPROVEMENTS:

All construction, renovations and repairs shall be completed in conformance to the codes, standards and practices required by municipal ordinance, state statute or federal rule or law.

6. LOAN SECURITY:

- 6.1 Loans provided to purchase, construct, renovate, expand or improve real property shall be secured by a first or second mortgage recorded against the property.
- 6.2 Where applicable, loans shall be personally guaranteed by all of those that own 25% or more of the recipient business.
- 6.3 Loans provide to finance the purchase of machinery, fixtures, furnishings and equipment shall be secured by a UCC Financing Statement filed with the Minnesota Secretary of State's office.
- 6.4 Loans provide to purchase, construct, renovate or improve real estate shall be insured for its full replacement cost and the EDA shall be designated as a loss payee of the insurance policy.
- 6.5 The EDA may require that the borrower provide an insurance policy on the life of those individuals determined to be key employees or vital to the ongoing success of the recipient business. The benefit of the policy shall be payable to the EDA in an amount equal to the outstanding balance of the revolving loan.

7. TIMING OF PROJECT EXPENSES:

- 7.1 In the absence of lien waivers provided by each contractor, subcontractor and vendor, building construction may not commence until all the required permits are secured.
- 7.2 Projects costs incurred before the final loan approval may be considered to be eligible loan expenditures at the discretion of the EDA.

## 8. LOAN APPLICATION AND APPROVAL:

- 8.1 Revolving loan applicants shall meet with the Community Development Director to obtain information regarding the revolving loan application and to discuss the eligibility and preliminary project details.
- 8.2 A completed application and supplementary materials and exhibits shall be submitted to the Community Development Director for initial review and consideration. Applications received by the 5<sup>th</sup> of the month shall be considered and reviewed by the EDA at their next regular meeting.

## 9. PROJECT REVIEW:

- 9.1 The Community Development Director shall review each application in terms of its proposed activities in relation to its impact on the Saint Peter economic community. The Director shall prepare a loan report and make a recommendation of approval or denial to the EDA.
- 9.2 After receipt of the project cost summary or estimates, applicant's historical financial data, future financial projections and cash flow analysis, the EDA will evaluate and review the application in terms of the following:
  - a. Project Design: Evaluation of project design will include review of proposed activities, timelines and capacity to implement.
  - b. Financial Feasibility: Availability of funds, private involvement, financial packaging and effectiveness.
    - i. Project financing provided by a conventional lender and/or applicant equity shall equal at least 60% of the identified project costs.
    - ii. EDA financing shall not exceed 40% of the identified project costs.
    - iii. The applicant shall demonstrate the ability to contribute at least 10% of the identified project costs in the form of cash or equity.
  - c. At the discretion of the EDA, the applicant may be obligated to seek technical assistance from the Small Business Development Center as a condition of loan approval.
  - d. Commitment letters from all participating lenders must be included in the submitted application. The commitment letter shall identify the terms and conditions of the approved bank financing.
- 9.3 All application failing to meet the minimum threshold standards may be reviewed on a case-by-case basis. The EDA reserves the right to waive certain requirements of this program and may request additional information and documentation as deemed necessary and appropriate.

- 9.4 Following their review and consideration, the EDA shall make a non-binding recommendation to the City Council as to whether the loan shall be approved or denied. The final decision of loan approval or denial is to be made by the City Council.

## 10 ORIGINATION:

- 10.1 The loan closing will be administered by the Community Development Director or their designee.
- 10.2 The loan recipient shall be charged a loan origination fee equal to 1% of the loan amount. The fee shall be paid at closing.

## 11. RELEASE:

- 11.1 Upon receipt of full and final repayment of the Promissory Note, the Community Development Director shall prepare, execute and deliver the appropriate loan satisfaction documents and shall provide for the release of all EDA guarantees, security and collateral.
- 11.2 In the event that a co-borrower wishes to be released from the obligations of the executed Promissory Note, security agreement or personal guarantee, the applicant shall complete the following requirements.
- a. The party wishing to be released shall meet with the Community Development Director to obtain information regarding the partial release from the promissory note, security agreement or guarantee.
  - b. A completed application form, together with a processing fee of \$200 must be submitted to the EDA prior to review and consideration.
  - c. The partial release application will be reviewed by the Community Development Director to determine if it conforms to all EDA policies (ordinances) and to consider the following:
    - i. Whether the loan will retain its priority after release of the requester.
    - ii. Whether the security (collateralization) of the loan will be unreasonably adversely impacted by the release.
    - iii. The remaining parties must qualify under the EDA loan guidelines.

## DUE DILLIGENCE

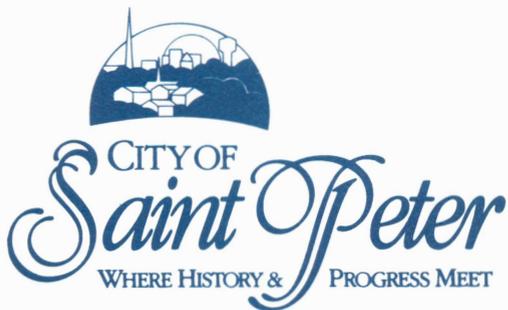
### FINANCIAL RATIOS GUIDE FOR BUSINESS APPLICATIONS:

1. CURRENT RATIO: (total current assets / total current liabilities).
  - a. A rough indication of the firm's ability to service its current obligations.
  - b. The higher the ratio the better.
  - c. Liquidity ratio (ability to meet current obligations).
2. EARNINGS BEFORE INTREST AND TAXES: (EBIT / annual interest expense).
  - a. Measures a firm's ability to meet interest payments.
  - b. The higher the ratio the better.
  - c. Coverage ratio: (ability to service debt).
3. DEBT TO WORTH: (total liabilities / tangible net worth).
  - a. Shows how much protection the owners are providing the creditors.
  - b. A lower number provides more safety to creditors.
  - c. Leverage ratio (protection given to creditors by borrowers).

The Community Development Director should consult with the participating private lender to receive Robert Morris & Association (RMA) ratios for new or existing businesses. The bank can print the appropriate pages from the RMA guides and allow for the Director to undertake the determination and present the findings to the EDA as part of the loan review. The presentation to the EDA should consist of a narrative with ratios showing the strengths and weaknesses of the credit.

Additionally, the following shall accompany any application for EDA financing:

1. Business Plan
  - a. Description of business.
  - b. Ownership
  - c. Date established.
  - d. Products / Services.
  - e. Management
  - f. Future Plans
2. Personal Financial Statement(s) from the borrower(s).
3. Two years business financial history
  - a. Balance Sheets
  - b. Income Statements
  - c. Profit / Loss Statements
4. Financial projections (3 years).
5. Letters of commitment from private lenders.
6. Bids / Quotes
7. Appraisal (when applicable).
8. Resumes of ownership / management.
9. Credit agency reports on applicants.
10. Federal Tax Filings (past two years).



## Memorandum

**TO:** Honorable Mayor Strand  
Members of the City Council

**DATE:** 7/31/2015

**FROM:** Todd Prafke  
City Administrator

**RE:** City/School Subcommittee Update

### ACTION/RECOMMENDATION

For your information and discussion.

### BACKGROUND

My goal for this meeting is to provide you with an update of the work of the City/School Subcommittee. The committee met on Thursday evening.

Subcommittee member John was in attendance and Roger also came to the meeting with the School.

As a number of actions are likely to occur in the next 3 to 8 weeks I thought it important to provide for shorter intervals between reports on this topic. A topic where you have invested significant time and resources.

Discussion focused on the MOU or "Shared Use Agreement" as we are now calling it. Modifications have been made since the previous meeting a couple of weeks ago as Paul and I work on the detail, address issues as the project continues to evolve and members provide input and suggestion related to policy issues that are significant to each respective body.

Some of the significant issues that saw modification or enhancement in the Shared Use Agreement were in the following areas:

- Conflict Resolution in the areas of:
  - Cancellation of events. Whose has authority, over which entity's property other
  - Scheduling and scheduling conflicts and priorities, process and software
  - Inclement weather
- Enhanced liability responsibility language
- Use of Alcohol and carrying of firearms on to the property
- A less structured/more flexible committee system
- Termination time line

Some work still needs to be completed on a couple of issues, most significant of which is maintenance. Our plan is to move a modified draft of this agreement to our respective attorneys in the very near future for their additional review. The Subcommittee will meet to review those change and forward on to a full joint Council and Board meeting. After that, each respective body will do its work in providing for a decision.

Work continues related to transportation and road interconnection, utilities design but again, a number of positive strides have taken place and will continue through this month.

The group also reviewed the latest version of the site plan. It is final in that none of the facilities are moving around the site but there is still work to be on a number of things including,

- Additional stormwater modeling and value determination
- Calling out of construction responsibilities
- Potentially, some elevation work
- Important issues like parking lot median and finalization of utility connections.

The group discussed time lines for a number of activities with planning for a full Council and Board meeting on September 21st. A "Show and Tell" sometime in late August or early September is in the planning stages and a number of other actions to be taken in the interim.

I left the meeting feeling positive that a number of important actions had been taken as all the issues continue to naturally evolve.

Please find attached the latest version of the Shared Use Agreement (Modification suggested at last night's meeting have not yet been made) and a site map that I hope will provide you with a pretty good understanding of the planned layout.

As an aside...cooperative efforts, like this one, are much more difficult, much more complicated and have the potential to pull apart more readily. You and staff are essentially building a new team with the work that you are doing and it takes time and we must be careful to ensure that we are meeting our needs but also appropriately addressing the needs of our partners. Doing all of this is very challenging work for all those involved. Although it is very challenging it also has such great potential to be more efficient and provide opportunities that are enhanced for you community members that we could not provide for under other circumstances.

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

TP/bal

**SHARED USE AGREEMENT**  
**FOR ATHLETIC FIELDS ON DISTRICT AND CITY PROPERTY**

This agreement made this \_\_\_ day of \_\_\_\_\_, 2015 by and between Independent School District 508, Nicollet County, State of Minnesota (hereinafter referred to as “District”) and the City of Saint Peter, County of Nicollet, State of Minnesota (hereinafter referred to as “City”).

**WHEREAS;** The City is the owner of real estate as set forth in Exhibit A, annexed hereto and made part hereof by reference, and the District is the owner of adjacent real estate as set forth in Exhibit B, annexed hereto and made part hereof by reference; and

**WHEREAS;** The City and the District wish to effectively use their real estate assets to provide quality programs and services to meet the educational and recreational needs of the District and the City; and

**WHEREAS;** By sharing construction costs, maintenance and upkeep of public owned facilities, parks and grounds, the City and District will maximize the use of public resources and minimize the duplication of facilities and fields.

**NOW THEREFORE,** In consideration of the mutual obligations, agreements and responsibilities taken on between the parties, the District and the City herewith enter into this Shared Use Agreement with regard to the use, maintenance and operation of the various athletic facilities described in the attached Exhibit C, annexed hereto and made part hereof by reference. Further recognizing that the City of Saint Peter has waived the right to receive park dedication fees relative to the platting and development of the 508 High School site and has not collected park dedication fees relative to any Independent School District 508 School site in exchange for

the City's use of athletic fields located on the school sites which has evolved in a mutually beneficial practice of shared use between the District and the City over the years.

A. CITY USE OF DISTRICT SITE:

The City is authorized to enter on school district property as identified in Exhibit B to use such District athletic fields for public use and scheduling by the City when not in use by the District, subject to the exceptions, reservations, terms and provisions expressed herein.

1. The City agrees that its use of any of the described recreational areas located in Exhibit B shall not interfere with the operation and use by the District of the school grounds and school buildings upon which they are located. It is recognized that the properties in Exhibit B are primarily used by the District as school properties and that the City's use is secondary thereto.

2. The athletic fields identified in Exhibit B herein shall be used for recreational purposes by the District and City and the use of such premises by the City shall be subject to and shall not interfere with the use thereof by the District for its purposes.

3. The City, for itself, successors, heirs and assigns, assumes all risk of loss, damage or injury to persons or property on or about said premises as caused by the City's use of the facilities located in Exhibit B hereto. The District, for itself, successors, heirs and assigns, assumes all risk of loss, damage or injury to persons or property on or about said premises caused by the District's operation, maintenance and improvement or use of the facilities identified in Exhibit B hereto.

4. During the times the City is using the District athletic fields the City shall provide and incur those costs associated with the routine field use. The District shall provide and pay for the costs associated with routine maintenance and inspections of all District athletic

fields, equipment, park equipment not maintained by the City or otherwise identified not to be maintained by the City upon any of the properties identified in Exhibit B.

**B. DISTRICT USE OF CITY PARK:**

The District is authorized to enter on City property as identified in Exhibit A to use such City athletic fields for public use and scheduling by the District when not in use by the City, subject to the exceptions, reservations, terms and provisions expressed herein.

1. The District agrees that its use of any of the described recreational areas located in Exhibit A shall not way interfere with the operation and use by the City upon which they are located. It is recognized that the properties set forth in Exhibit A are primarily used by the City as park properties and that the District's use is secondary thereto.

2. The athletic fields identified in Exhibit A herein shall be used for recreational purposes by the District and City and the use of such premises by the District shall be subject to and shall not interfere with the use thereof by the City for its purposes.

3. The District, for itself, successors, heirs and assigns, assumes all risk of loss, damage or injury to persons or property on or about said premises as caused by the District's use of the facilities located in Exhibit A hereto. The District, for itself, successors, heirs and assigns, assumes all risk of loss, damage or injury to persons or property on or about said premises caused by the City's operation, maintenance and improvement or use of the facilities identified in Exhibit A hereto.

4. During the times the District is using the City athletic fields the District shall provide and incur those costs associated with the routine field use. The City shall provide and pay for the costs associated with routine maintenance and inspections of all City athletic

fields, equipment, park equipment not maintained by the District or otherwise identified not to be maintained by the District upon any of the properties identified as annexed in Exhibit A.

C. GENERAL PROVISIONS:

1. The City and the District shall each maintain their individual liability insurance coverage on their respectively owned recreational facilities and parks, playgrounds, athletic fields and other properties. Such insurance shall be maintained at least an equal to the statutory maximum liability of a governmental body within the State of Minnesota set forth in Minnesota state law from time to time. Evidence of such coverage shall be furnished to the District or the City by each other as appropriate and as requested from time to time.

2. The City shall furnish or reimburse to the District the cost for material and the construction including equipment and labor to construct the athletic fields at a standard determined by the District and the City for those athletic fields identified in Exhibit A.

XXXXXXXXXXXXXXXXXX

3. A joint scheduling system to manage reservations for use and online access to facility use information, will be used by the District and City. Each party will assign personnel to participate in the establishment, maintenance, and use of the system. The School District shall provide for and have the ability to change or modify the system at its discretion after consultation of the City. The City will pay for system costs based on a pro rata share of the total number of facilities that are maintained on the system by both entities. Both entities shall have full access to data and use of all parts of the system.

4. Each party reserves the right under any and all circumstances to cancel any event, activity or use of the recreational facilities it respectively owns as identified in Exhibits A and B. The District and the City shall each designate a person with the authority to resolve conflicts in scheduling, use and cancelation and will inform the other party of their respective designee and contact information, including cell phone.

5. The City covenants and agrees it will use and occupy the District premises identified in Exhibit B herein as permitted for within said exhibit for the purposes stated, in a reasonably safe and proper manner and will not permit nor suffer any waste thereon, and it will maintain the premises in a reasonably orderly and sightly condition within the standards to be adopted by the parties as set forth in Exhibit D.

6. The District covenants and agrees it will use and occupy the City premises identified in Exhibit A herein as permitted for within said exhibit for the purposes stated, in a reasonably safe and proper manner and will not permit nor suffer any waste thereon, and it will maintain the premises in a reasonably orderly and sightly condition within the standards to be adopted by the parties as set forth in Exhibit D.

7. Upon the mutual termination of this agreement by the parties the City shall return any property belonging to the District that it has in its possession to the District and the City shall restore the premises of District properties identified in Exhibit B; the District shall return any property belonging to the City that it has in its possession to the City and the District shall restore the premises of City properties identified in Exhibit A.

8. Annual meetings shall be held between the representatives of the District and the City to review any compliance or performance issues arising under the agreement.

9. Both the District and the City agree not to assign or otherwise transfer any of their respective rights and obligations under the terms of this agreement.

10. It is understood and agreed by and between the City and the District hereto that subject to the provisions contained herein the premises identified in Exhibit A shall be used in accordance with the City of Saint Peter Park use policies.

11. It shall be the general practice of the District and the City of provide their respective recreational facilities identified in this agreement in exhibits A and B to each other at no charge when the use is for the benefit of residents of the City or the District. Neither party shall contract with a third party to allow use of the other parties' recreational facilities without written permission.

12. A. Alcohol and Tobacco Policy. The District owned property shall be treated as "school grounds" as contemplated by the alcohol control provisions of Minn. Stat. Sec. 624.701; that ISD 508 alcohol and tobacco policies and regulations, consistent with Minn. Stat. Sec. 624.701, and any additions or amendments thereto, shall apply to the School Grounds; that the area shall be appropriately posted; and that the City shall withhold access from groups for alcohol or tobacco violations.

B. Behavior Polices. The City acknowledges and supports ISD 508 behavior policies (including guns and weapons policy) and will use said policies during all use of the District Property.

13. This agreement may be terminated with 240 days written notice from one party to the other at the address provided below.

**INDEPENDENT SCHOOL DISTRICT NO. 508**

By: \_\_\_\_\_  
Mark Karlsrud  
Its Chair

By: \_\_\_\_\_  
Paul Peterson  
Its Superintendent

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CITY OF SAINT PETER**

By: \_\_\_\_\_  
Timothy Strand  
Its Mayor

By: \_\_\_\_\_  
Todd Prafke  
Its City Administrator

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ATTACHMENTS**

**EXHIBIT A**

CITY LEGAL DESCRIPTION

**EXHIBIT B**

DISTRICT LEGAL DESCRIPTION

**EXHIBIT C**

ALLOCATION OF COMMON OUTDOOR FIELD EXPENSES  
AND DESCRIPTION OF COMMON FIELDS

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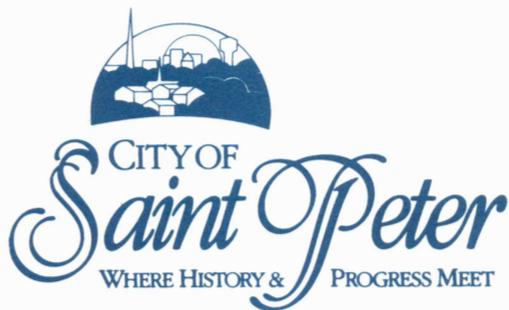
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<u>Activity</u>	<u>ISD 508 Responsibility</u>	<u>City Responsibility</u>
Multi-Use Field #1	100%	0%
Multi-Use Field #2	100%	0%
Multi-Use Field #3	100%	0%
Multi-Use Field #4	0%	100%
Multi-Use Field #5	0%	100%
Multi-Use Field #6	0%	100%
8 Tennis Courts	100%	0%
Softball Field #1	100%	0%
Softball Field #2	0%	100%
Baseball Field #1	100%	0%
Baseball Field #2	0%	100%
Irrigation	Pro Rata share based on area owned by each party	
Landscaping	paid by respective property owner	
Signage	Paid by respective property owner	
Park Amenities	paid by respective property owner	
Field Improvements	paid by respective property owner	
Turf Establishment	Pro Rata share based on area owned by each party	
Trails	paid by respective property owner	
Design	Pro Rata share based on facilities responsible for by each party	
CM Fee	Pro Rata share based on facilities responsible for by each party	
Utilities	Paid by each respective party based on current City policy	

**EXHIBIT**

STANDARDS OF CARE AND MAINTAINENCE





## Memorandum

**TO:** Honorable Mayor Strand  
Members of the City Council

**DATE:** 7/30/2015

**FROM:** Todd Prafke  
City Administrator

**RE:** Intercity Leadership Visit (ICLV)

### **ACTION/RECOMMENDATION**

For your discussion and input.

### **BACKGROUND**

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.

We have two slots that are set aside for us by the Planning Committee. My goal for your meeting is to measure member's interest in participating and determine who may go on the visit.

### **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 & 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 & 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 addition insight at your meeting.

I would anticipate the cost to be about \$1500 per participant. Two participants is our maximum 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