

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

City Council Goal Session, Monday, June 17, 2013
Senior Center – 3:00 p.m.

- I. **CALL TO ORDER**
- II. **RULES FOR THE DAY**
- III. **DISCUSSION**
 - A. City Hall Space Needs Study
 - B. Bossy Ball
 - C. Food/Retail Truck Licensing
 - D. Transit System
 - E. Moist Soils
 - F. General Fund Budget Overview
 - G. Update on Insurance Fund
 - H. Don't Feed The Animals
 - I. Tornado and Other Funds
 - J. North End Development Priorities
 - K. MSA Projects and Funding
 - L. Downtown Development Priorities
 - M. Parking Lot Number Five
 - N. Elections
 - O. Western Land Use
 - 1. Utilities
 - 2. Council Community Use Priorities
 - P. Public Hearing Rules
 - Q. Hospital Update
 - 1. Financial Reporting
 - 2. CEO Hire Process
 - 3. Financial Assistance
 - R. Pavilion Update
 - S. Handicap Friendly Program Phase 2
 - T. Communications Review
 - U. Partnerships Review
 - V. Sign Regulations
 - W. EDA Loan Fund Update
 - X. Organizational health
 - Y. Priorities Discussion
 - Z. Others
- IV. **ADJOURNMENT**



I. CALL TO ORDER

II. RULES FOR THE DAY

Typically the Council will take a few moments to review the brainstorming rules.

III. DISCUSSION

A. CITY HALL SPACE NEEDS STUDY

Architect Bryan Paulsen will join the Council for a review of the recently completed space needs study for City Hall.

B. BOSSY BALL

A revisit of the game we used to play with a twist.

C. FOOD/RETAIL TRUCK LICENSING

A review of this issue that comes up from time to time. We currently have some guidelines, but maybe we will need more.

D. TRANSIT SYSTEM UPDATE

An update, based on your last direction, related to focus group meetings and potential changes to the Transit System within Saint Peter.

E. MOIST SOILS

An update about the old wastewater ponds and cooperation with the Minnesota Department of Natural Resources (DNR).

F. GENERAL FUND BUDGET OVERVIEW

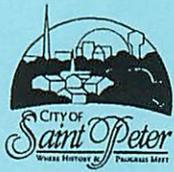
A review of the upcoming budget discussion, process, and timeline with specific information about changes and impact from the recently completed legislative session.

G. UPDATE ON INSURANCE FUND

A review of this fund and when we will be able to take some "saving" from this fund that was put in place a few years ago.

H. DON'T FEED THE ANIMALS

A review of the ordinance related to feeding wild animal in the City limits.



I. TORNADO AND OTHER FUNDS

A review of this fund and its' use. Due to changes in GASB rules, the Council needs to take some action on this in the future.

J. NORTH END DEVELOPMENT PRIORITIES

A review of these priorities or guidelines previously set by Council. Are we doing well? Do they make sense? Do we need to change priorities due to new information and/or understanding?

K. MUNICIPAL STATE AID PROJECTS AND FUNDING

A review of the projects, priorities and funding for a number of road projects you have coming up in the future.

L. DOWNTOWN DEVELOPMENT PRIORITIES

A review of these priorities or guidelines previously set by Council. Are we doing well? Do they make sense? Do we need to change priorities due to new information and/or understanding?

M. PARKING LOT NUMBER FIVE

What does the future hold for this often discussed, long-owned, low-used, highly-coveted parking lot on Highway 169? It seems the Council should decide or at least have discussion about it.

N. ELECTIONS

An update on a few changes and a few pressures that may lead to change in what we do and how we handle elections.

O. WESTERN LAND USE

1. Utilities
2. Council Community Use Priorities

P. PUBLIC HEARING RULES

A review of these rule. It has been suggested that they might be a bit stifling and it may be a bit more flexibility or softer wording may make it all seem so much more user friendly.

Q. HOSPITAL UPDATE

1. Financial Reporting
2. CEO Hire Process



3. Financial Assistance

R. MINNESOTA SQUARE PARK PAVILION UPDATE

An update on what's happened since the Council accepted the Mayor's Task Force recommendation.

S. HANDICAP FRIENDLY PROGRAM – PHASE 2

An update on phase two of this project based on Council's want to see something more happen.

T. COMMUNICATIONS REVIEW

A review of the various things we do to make sure your citizens have opportunity to know what's going on. In addition we should talk about the amount and quality of the information the Council receives. Are we giving you what you need to be prepared and to know what's going on? Or maybe we give you too much information so that you can't get to it or digest it?

U. PARTNERSHIPS REVIEW

A review of the White Paper we have with each of the major partners in our community.

V. SIGN REGULATIONS

This is a discussion about the rules for signage, particularly in the downtown, but they also impact others. We feel a lack of uniformity or maybe better described as complexity that makes it hard for everyone to know why, what to do and if they can support it.

W. EDA LOAN FUND UPDATE

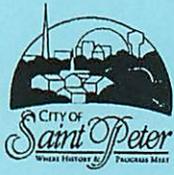
As discussed an update on this fund and the rules of the EDA for making loans.

X. ORGANIZATIONAL HEALTH

How are we all doing? Council, staff, organization. What can we do to buff the rough spots, straighten out the curves, and continue to work as a team?

Y. PRIORITIES DISCUSSION

As requested, a time to set overarching priorities with time frames so the Council can review results in the future.



Z. OTHER

Discussion on any issues of your choosing. After all it is your meeting....

IV. ADJOURN

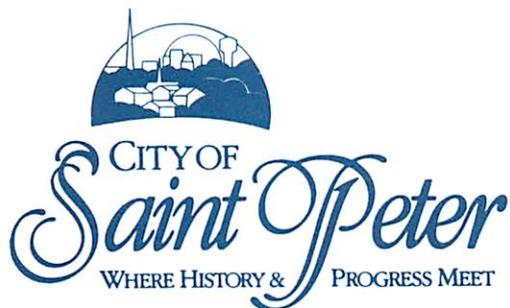
Office of the City Administrator
Todd Prafke

Transient Food Merchants

1. The Transient Food Merchant (TFM) may only operate upon private property and upon the invitation of the property owner. The operations shall include the preparation, presentation and/or sale of goods.
2. The TFM shall not operate while located upon the public streets, public rights-of-way or within any established easement.
3. The TFM may only operate within the CBD, C-3, C-4, C-5, I-1 or I-2 zoning districts. TFM operations within residentially zoned areas are strictly prohibited.
4. One temporary sandwich board may be utilized as an accessory use. The signage must be removed daily and relocated with the TFM operations.
5. The TFM must provide an appropriately sized receptacle for solid waste. Such receptacles shall be relocated daily with the TFM operations. All solid waste must be disposed of according to the applicable municipal regulations.
6. At the conclusion of each day's operations, the TFM shall cause all waste, signage and materials to be removed from the site. No evidence of the use shall remain at the conclusion of each day's business.
7. The TFM must obtain and maintain the appropriate license(s) as required by the City of Saint Peter, Nicollet County or the State of Minnesota.
8. The TFM may not operate or locate within any off-street parking area when such area is necessary to meet the minimum requirements for off-street parking as regulated by the zoning ordinance.
9. The TFM may operate from sunrise to sunset.
10. The TFM may not undertake any function of their operation, including the preparation of product, within a residentially zoned district.
11. The TFM may not operate in a manner which creates undue congestion upon the public sidewalk and handicapped accessibility must be maintained at all times.

IF CODIFIED, ADD THESE TWO REGULATIONS

- A. The TFM must show proof that State and Federal tax identification numbers have been obtained from the appropriate governmental agency.
- B. The owner / operator shall obtain an annual TFM license from the City Clerk. The annual license fee shall be provided at a cost of \$500 and shall be obtained or renewed prior to initiating operations.



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 6/12/13

FROM: Todd Prafke
City Administrator

RE: Transit Update

ACTION/RECOMMENDATION

For your information and discussion.

BACKGROUND

At your last goal session, the Council received information on and discussed the need to look towards modification to our Transit (dial-a-ride) system so that we could continue to provide services to our community members. It has been clearly expressed on numerous occasions that transit is the primary, if not sole source of transportation for many of our riders. Therefore, this work and any changes are taken very seriously. We anticipate moving very methodically with greater than 30-day notice before changes take place.

Challenges include substantial increases in use (we will provide over 70,000 rides of which we estimate about 40,000 will be dial-a-ride), flat revenue stream, and ever changing fuel costs that affect the Transit fund's ability to provide for cash flow and replacement or improved equipment.

Staff has looked at the issues identified and are continuing to work with a focus group of mostly service providers to review ways to keep our system self-sustainable while minimizing impact on riders. Goals that have been articulated are as follows:

- Improve service times, which may mean different system type
- Temper cost increases to system
- Generate more revenue through changes so that replacement and improved equipment can be purchased
- Understand that we are experimenting so ongoing analysis is needed.

After a couple meetings with this focus group, the input has been great and they have been very receptive to potential changes while knowing that this is an experiment and other changes may be brought forward as we continue to learn about the needs of our users and how these changes have impacted them.

While we continue to work out details, the general plan will include continuing to operate the dial-a-ride system with rate increases and overlap a major portion of the day with a route system at current prices. The route is based on work that was done about a year ago in analyzing where the biggest use pick-up and drop-off spots were at three different times throughout the year. You may remember our Intern Jude Keyoore making presentation to you and utilizing GIS data to help analyze the data.

Each route will be a 30 minute half-route. Again, please note that we plan to continue dial-a-ride service, but at an increased fare. We anticipate the fares to be \$1.75 cash route and \$3.50 cash dial-a-ride. We also plan to offer the same percentage of discounts as we have in the past. The current rate structure with discounts from our web site is attached for your review.

We will provide promotional materials, there will be bus stop signs and we are confident that the first couple months of transition will be a big challenge for us and our users. Again, one of the tactics to meet our goals is to appropriately push users to the more efficient and less expensive route system. This change will take some getting used to, but we will have to hang in until people start to get used to the change. Without any changes, our system will fail to be self-sufficient and will need additional funding to meet the demand and we will be faced with choices that include reductions in service, elimination of service or injecting cash into the operations.

We continue to work through some of the details, but I wanted to give you an update. We anticipate making these changes in August. Any rate or system changes will be reviewed by the Council before we move forward. My goals for your meeting is to provide information to you, solicit ideas from you and for the Council to provide generalized direction as we move forward. Rates can only be changed by the Council and I would expect general system issues to be reviewed and approved by the Council. Specifics on which street to travel and other details would be left to your staff.

Lastly, as a part of this project, we have a better understanding of use and users and as importantly, other resources that are available. The City likely cannot solve all transportation issues for all people, but maybe an additional goal will be to be a convener and facilitator along with other groups that work to meet transportation needs as well. A couple of those other providers are Nicollet County (Sylvia Perron) Volunteer Driver program at 934-0459 and The Ecumen Sand Prairie taxi type service at 931-4375.

Please let me know if you have any questions or concerns on this agenda item.

TP/bal



Enter Search Keyword

Transit

Saint Peter Transit Fare Schedule & Ticket Books

Transit Coordinator
 227 South Front Street
 Saint Peter, Minnesota 56082
 (507) 934-0668

Dial-A-Ride (507) 934-6070

Preschool Transportation Services

For information on pick up from home to preschool click [here](#) ([preschool-bus-transportation-service](#)).

Hours of Operation:

Monday-Friday

7 a.m. to 8 p.m.

(Kasota - 10 a.m. to 4:30 p.m.)

Saturday

10 a.m. to 5 p.m.

(Kasota - 12 p.m. to 2:30 p.m.)

Legal Holidays with No Bus Service:

- New Year's Day
- Memorial Day
- July 4th
- Labor Day
- Thanksgiving Day
- Christmas Day



| Fare and Ticket Book Price List | | |
|--|-------------|---------|
| Cash Fare | | |
| One way in the City of Saint Peter | | \$1.75 |
| One way in the City of Kasota | | \$2.25 |
| Senior-Cash Fare | | |
| (55 and over) | | \$1.00 |
| One way in the City of Saint Peter | | \$1.50 |
| One way in the City of Kasota | | |
| Preschool | | |
| (All preschool fares are with a full fare rider) | | \$0.50 |
| One way in the City of Saint Peter | | \$0.50 |
| One way in the City of Kasota | | |
| Ticket Books | Saint Peter | Kasota |
| 32 Ticket Book | \$40.00 | \$48.00 |
| 20 Ticket Book | \$27.00 | \$32.00 |
| 10 Ticket Book | \$14.00 | \$17.00 |
| Senior - Ticket Books | Saint Peter | Kasota |
| 32 Ticket Book | \$28.00 | \$32.00 |
| 20 Ticket Book | \$18.00 | \$20.00 |

Saint Peter Transit Questionnaire

Please take a moment to tell us how we are doing.

Was your call for a ride answered promptly and courteously?:

Yes Somewhat No

Did the bus arrive to pick you up in a timely manner?:

Yes Somewhat No

Would you consider your ride to be a safe and pleasant experience?:

Yes Somewhat No

Did the driver thank you when you departed the bus at your destination?:

Yes No

Comments:

Would you like to be contacted by Transit Management?:

Yes No

Name:

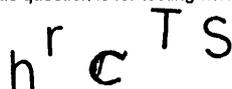
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Phone:

E-mail:

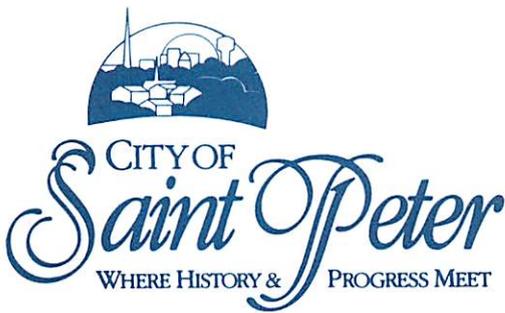
CAPTCHA

This question is for testing whether you are a human visitor and to prevent automated spam submissions.



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Enter the characters shown in the image.



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 6/14/13

FROM: Todd Prafke
City Administrator

RE: Legislative/Financial Update/Misc. Funds Update

ACTION/RECOMMENDATION

For your information and discussion.

BACKGROUND

Members may know that as the State Legislature and Governor ended their business in May, a number of changes were made to laws affecting City financials. The most significant of which was a change to Local Government Aid (LGA), levy limits and sales tax for cities. If members would like, we can discuss the whys and wherefores of that, but I thought I would cut to the chase and let you know how those changes could impact our next General Fund budget cycle.

Based on our understanding of the laws and rules, we anticipate that we will receive an additional \$292,386 in LGA funding. We also anticipate roughly \$68,000 in fewer sales tax expenditures for a net increase in funds of about \$360,000.

My goal as a part of your meeting is to discuss the implications of this change in funding and have a tentative plan so that as we enter the budget cycle we can more fully discuss issues with additional clarity.

Miscellaneous Funds:

Tornado Fund - Members may recall changes in GASB rules related to designation of funds. You might also recall that we continue to have about \$218,000 in funds that are remaining from the Tornado that have yet to be designated. We are not required to designate those funds, but I want you to be aware that they exist and that a discussion should be had about the pros and cons of designation. In case you don't remember, these funds were derived from the administrative allowance that FEMA provides for as a part of what were call DRS's at the time. In another word, we were paid a very small portion of the administrative cost in dealing with the Tornado disaster and the associated paperwork and these are the remaining funds once all bills had been paid and audits were completed.

Insurance Pool - As you know about three years ago we modified our deductible based on a 14-year trend line analysis and created an Insurance Pool Fund. With that increase in deductible, we saved insurance premiums and increased our risk. Rather than taking any savings at that time and over the last four years, budgets were charged as if deductible had not gone up and those dollars were placed in this fund to cover the additional risk (i.e. pay deductible). Our performance had been good in two out of the three years.

The 2012 year is still not closed out due to a larger loss (Digger Derrick Truck) but could be closed out as we know we will reach our max deductible on that loss. With that loss calculated in we will have about \$221,000 in that fund.

Since our insurance has a maximum \$100,000 deductible in any year, we have slightly over two years in our pockets. It is important to note that this fund is used by all our funds and not just the General Fund. From a staff perspective, we would hope to be at slightly over three years in funds based on current deductible amounts before we start to take savings as a part of the General Fund budget.

That means two things. First, that we will need to budget a similar number to what you have seen over the last three years with no real savings anticipated. Second, it means that at some point as we start to take savings, we will need to develop a plan or policy about when or if we go below a certain balance number, (related to deductible) that we then levy back to make sure to have enough reasonable reserves.

Those reserves are used to cover losses. Without the ability to cover losses, major fluctuations to the General Fund levy, Enterprise Funds or reserves could occur (up to \$100,000 in any one year). This is a bit a cyclical discussion. As I wrote above, Finance Director O'Connell and I believe that three years is the magic timeline but, arguably, if you decided it was shorter, say two years, you would need to know that our risk, (with risk being defined as needing to levy back or lose savings), might all need to be levied in one year. That would create spikes and dips that are largely out of your control to levy rates or reserves. While this is not a significant problem today in the General Fund because of our reserve level, it would be a hardship in some of our enterprise funds that are currently under target reserve levels.

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

TP/bal

NORTH END DEVELOPMENT PRIORITIES

- Provide efficient vehicular access to future commercial developments from Highway #169.
- Improve the pedestrian and multi-modal circulation within the North Commercial District.(NCD)
- Enhance the aesthetics of the Highway #169 corridor through design and landscaping.
- Segregate commercial activity including lighting, noise and vehicular traffic from the residentially developed neighborhoods.
- Reduce vehicular conflicts and improve the safety of the public.
- Support the goals and policies within the Highway #169 Inter-Regional Corridor Study as to access and crossings.
- Promote the provision of meeting or large group activities (City Council).
- Diverse and sustainable building design and standards emphasizing enhanced accessibility. (City Council).
- Enhanced enjoyment and utilization of Hallett's Pond site (City Council).



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MEMORANDUM

Date: June 9, 2013

To: Lew Giesking
Director of Public Works

From: Jeffrey A. Domras, P.E.

Subject: Funding Schedule for MSA Bonding Proceeds
Project No.: M14.106104

Over the next couple years, both the City and MnDOT have plans for a number of improvements around the City. Next year, MnDOT will be proceeding with flood mitigation improvements on TH 169 north of Union Street. At the same time, MnDOT is proposing to improve the Union Street intersection by providing a ¾ access and the City will be constructing a roundabout at the intersection of Old Minnesota Avenue and St. Julien Street.

Construction of the Washington Avenue Link is planned to begin this summer and if the City chooses to move ahead with the annexation of Gardner Road, its construction could begin as early as next summer.

Given the number of MSA eligible projects, a number of funding alternatives including advancing MSA funds or bonding and utilizing MSA funds to pay bonding costs have been considered. Bonding will allow the City to receive enough money to construct the improvements while the alternative of requesting an advance of the maximum 5-years of MSA funding will fall short.

Following is a funding scenario for use of bond funds to finance improvements planned for 2013-2014.

| Date | Project | Project Cost | MSA Balance |
|--------------------|--|---------------|---------------|
| Jan 2013 | Beginning MSA Account Balance | | \$868,154 |
| May 2013 | Washington Avenue Link ROW (to date) | \$438,424 | \$429,730 |
| May 2013 | Washington Avenue Link ROW (design eng) | \$289,000 | \$140,730 |
| June-July 2013 | Washington Avenue Link ROW (remaining) | \$761,576 | (\$620,846) |
| Aug 2013-July 2014 | Total Washington Avenue Link Construction | \$4,245,600 | (\$4,866,446) |
| Aug 2013-July 2014 | Washington Avenue Link Federal Aid Credit | (\$1,405,000) | (\$3,461,446) |
| Aug 2013-July 2014 | Washington Ave Link San & Wmn (Paid by City) | (\$380,100) | (\$3,081,346) |
| Oct 2013 | Gardner Road ROW | \$128,000 | (\$3,209,346) |
| Aug 2014 | Old Mn Ave / St. Julien Roundabout | \$750,000 | (\$3,959,346) |
| September 2014 | Gardner Road Construction | \$1,362,500 | (\$5,321,846) |
| Oct 2014 | Union St / TH 169 Intersection Imp | \$300,000 | (\$5,621,846) |

During development of the Washington Avenue Link storm sewer, it was estimated that 60% of its cost would be MSA eligible and the remaining 40% would be the responsibility of the City. The follow-up

H:\STPE\M14106104\1_Corres\Lew MSA Bond Funding Schedule.doc

DESIGNING FOR A BETTER TOMORROW

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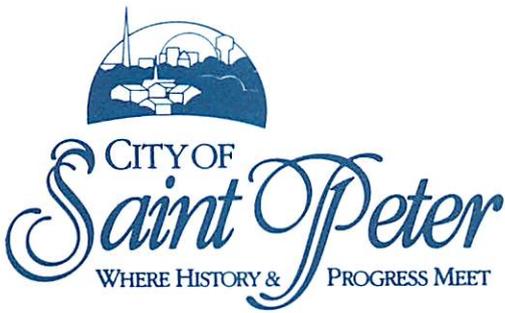


review of the storm sewer by State Aid has determined that 100% of the storm sewer cost would be MSA eligible. For this reason, the MSA eligible portion of the Washington Avenue Link project has increased by approximately \$280,000.

This past April we looked at financing the previously discussed improvements. It was estimated that by bonding \$4,600,000 over 10 years, and after receiving our January 2014 MSA allotment, we would have enough money to construct the improvements. However, with the recent MSA storm sewer determination and bonding before receipt of our 2014 MSA allotment, it is estimated that we may need to bond for 12 years rather than 10. A 12-year bond would generate total proceeds of \$5,622,000. Of course, this is dependent on bonding interest rates which for this calculation were assumed to be 1.5%.

From the funding schedule on the previous page, the remaining Washington Avenue Link ROW costs appear to be the driver of the need for bond funds in the next month or two. If the City can cover ROW costs with reserves, Link construction would be the next driver. As you recall, the City has \$1,405,000 of federal funds for the Link project. These funds will be available at an 80% federal / 20% MSA split. Therefore, if federal aid eligible construction takes place first, bond funds may not be needed until the spring of 2014. Again, this assumes the City would pay the 20% MSA portion with reserves and be reimbursed once bond fund are available.

Recently, construction costs have gone up by 10%-20% from the previous year. We believe this is due to a combination of increased material costs and the cool weather causing a compressed construction window. The City should include a reasonable contingency with any financing plan.



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 6/12/13

FROM: Todd Prafke
City Administrator

RE: Annexation Update and Gardner Road

ACTION/RECOMMENDATION

For your information, update and discussion.

BACKGROUND

Some members may recall discussion from a goal session about three years ago related to prioritization of future MSA projects. At that time the projects were less numerous. Staff was directed to continue the long term planning with a hope of being in a position to upgrade Gardner Road using MSA or other funding sources. I believe the vision for the upgrade of Gardner Road included trail on east side, and curb, gutter and bituminous surface.

So with that direction we set about the work of putting the City in the position to meet the requirements for MSA. That work included providing for an annexation petition from abutting property owners including Gustavus and others. We had a very good meeting with the Township and they pledged their support to work on the annexation in a way that also helps in the upgrade of Gardner Road.

Please also remember that in the intervening time our MSA planning has changed in relation to use of funding for intersections near Highway 169 on Old Minnesota. The work at those intersections is really driven by two primary issues. First, is timing with the Highway 169 flood mitigation work. To put it concisely, we believe it is very beneficial to do the intersection work in conjunction with that MnDOT work. It saves us all money and reduces the total amount of time the area and, more importantly the businesses in the area, see disruption. It does, however, pose challenges related to funding. To meet that funding challenge we have discussed with you using MSA dollars over the next 7 to 10 year period to fund a bond that would be used to pay for the work on the Old Minnesota intersections and Gardner Road and a trail along Traverse Road from Sunrise to near Edgerton.

There are a few concerns that I have in this process.

The first is timing. We have time to develop the projects and provide for the funding, but the annexation needs to take place in a timeframe that reduces the need for ongoing maintenance

on Gardner Road (spending lots of money on gravel and grading to address complaints on the road seems like a was if done within a few months of the road being upgraded, so we don't want it on our system until the time is right), with all the moving parts once started to the end. An example of a problem would be bonding for the projects and the projects are not done. MnDOT and bond holders would be legitimately unhappy. In addition, we have cash needs for Washington Avenue Link that need to be met. If we use MSA account money for covering our cash needs before bonding, the amount of money that can be used is reduced and we will not have enough resources, based on current rough no-bid estimates, to cover all the project needs.

Again, timing is important here. We do not have full scope of projects and estimates yet and won't for a little bit. We technically don't have an agreement with MnDOT because all the work is not yet completed to take to the Council for approval. That request for approval is likely to be seen by the Council in late June or early July. This plan does mean that we will not do any other MSA funded projects for seven to ten years.

So over the last few paragraphs I have illustrated a number of concerns and, arguably, reasons that this is a very challenging thing to do - reasons that may make the Council re-think its current position on priority for projects and what we have on our plate for the next couple of years. With all that said I think we can make this all work out and see a flurry of important and dramatic improvements that untimely save money (compared to stand alone project costs), improve transportation, assist in economic development and address a couple of long-standing road related concerns.

The plan to make this all work looks something like this:

| | |
|--------------|--|
| June/July | Council takes action to approve agreement with MnDOT about Old Minnesota and Hwy 169 |
| June | Authorize initial engineering work for Gardner Road |
| June/July | Start process for issuance of Bond to be funded by MSA yearly allocation. |
| July | Take action on annexation for a date certain in the fall (date yet to be determined) |
| Aug/Sept | Possible issuance of Bonds for projects |
| Sept/Oct/Nov | Work on design and specifications for all the projects |
| Dec/Jan/Feb | Authorize solicitation of bids |

These timelines are subject to change.

The reason for my memo and your input tonight is to continue to keep you informed as to progress, to illustrate how all these projects are interconnected, explain the challenges, and make sure that the Council is still in a position to tell staff to work in this direction. We can make this work well for the community and meet the goals outlined above.

Let me know if you have any questions or concerns on this agenda item.

TP/bal



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DRAFT

MEMORANDUM

Date: March 5, 2013
To: City of Saint Peter, MN
From: Bryan Nemeth, P.E., PTOE
Ross Tillman, EIT
Subject: Draft - Traffic Analysis and Recommendations
Saint Julien Street at Old Minnesota Avenue and Highway 169
City of Saint Peter, Minnesota
BMI Project No.: M14.103109

I. Introduction

The objective of this technical memorandum is to document and summarize the traffic operations for the intersection of Saint Julien Street at Old Minnesota Avenue. This study also looks into the relation this intersection has with the intersection at Highway 169. The Highway 169 intersection is important to the operations of the entire area as traffic backups on St. Julien that affect Highway 169 are not acceptable. The analysis does include the proposed two-way left turn lane between Old Minnesota Avenue and Highway 169 serving the Holiday station to the north and McDonald's to the south. The proposed changes to Highway 169, including the northbound acceleration lane and restricted crossing U-turn intersection, were modeled in the analyses. See Figure 1 in the Appendix for this layout. TWO GEOMETRIC OPTIONS ARE EVALUATED IN THIS MEMORANDUM for improving traffic operations at this location in the future, including a single lane roundabout and a traffic signal. This information will be used to identify which alternative will operate effectively in terms of traffic safety and operations.

The intersections included in this study were analyzed under existing conditions as well as projected volumes after the proposed development in the area is fully built.

II. Existing Conditions

Data Collection

Data was previously collected in this study area for initial concept development and evaluation for the Highway 169 corridor and Union Street. Peak hour turning movement counts were collected at both Highway 169 at Saint Julien Street and Old Minnesota Avenue at Saint Julien Street to ascertain existing conditions. Traffic counts were obtained for the businesses (McDonalds and Holiday) along St. Julien Street during the peak hours. These numbers were



used in combination with the turning movement counts to create a balanced model of existing 2012 conditions.

Traffic Operation Analysis

Operations analysis of the PM peak hour was conducted at Old Minnesota Avenue and Saint Julien Street to determine how traffic currently operates throughout the study area. AM peak hour operations are anticipated to be acceptable and were not studied. A level of service (LOS) analysis was completed for turning movements at these intersections to determine how well they operate.

The LOS results are based on average delay per vehicle as calculated by the 2010 Highway Capacity Manual (HCM). Control delay is the delay experienced by vehicles slowing down as they are approaching the intersection, the wait time at the intersection, and the time for the vehicle to speed up through the intersection and enter into the traffic stream. The average intersection control delay is a volume weighted average of delay experienced by all motorists entering the intersection on all intersection approaches. Intersections and each intersection approach are evaluated and given a ranking from LOS A through LOS F. LOS A indicates the best traffic operation, with vehicles experiencing minimal delays. LOS A through D is generally perceived to be acceptable to drivers. LOS E indicates that an intersection is operating at, or very near, its capacity and that drivers experience considerable delays. LOS F indicates an intersection where demand exceeds capacity and drivers experience substantial delays.

The LOS and its associated intersection delay for signalized and unsignalized intersections are presented in Table 1. The delay threshold for unsignalized intersections is lower for each LOS compared to signalized intersections, which accounts for the fact that people expect a higher level of service when at a stop-controlled intersection. Unacceptable (i.e. LOS E and F) is indicative of elevated delay times compared to acceptable levels of service (i.e. LOS A, B, C and D).

Table 1: Level of Service Criteria

| | Signalized Intersection | Unsignalized Intersection (Roundabout) |
|-----|-------------------------------------|---|
| LOS | Control Delay per Vehicle (sec.) | Control Delay per Vehicle (sec.) |
| A | ≤ 10 | ≤ 10 |
| B | >10 and ≤ 20 | >10 and ≤ 15 |
| C | >20 and ≤ 35 | >15 and ≤ 25 |
| D | >35 and ≤ 55 | >25 and ≤ 35 |
| E | >55 and ≤ 80 | >35 and ≤ 50 |
| F | >80 | >50 |

Both a roundabout and signal alternative were analyzed as options to provide acceptable operations due to the future increases in traffic volumes from an assumed background growth and proposed future development. Analysis was done using VISSIM, a microscopic traffic simulation tool. Synchro was also used to develop signal timing. The roundabout results were checked against Rodel to ensure the model was sufficiently calibrated.



Table 2 shows LOS for each intersection leg as well as queuing/backups during the PM peak hour. The analysis only was done on the PM peak due to higher volumes compared to the AM peak and the lower volumes expected in commercial areas during the AM peak. With existing traffic and geometric conditions, both alternatives are anticipated to operate effectively. The roundabout delay is forecasted to be slightly less than that of the signal.

Table 2: Existing Traffic Operations

| Leg | Roundabout | | | Signal | | | | |
|-------|------------|-------------|-----------------------|--------|-------------|----------------------------|----------------------------|-----------------------------|
| | LOS | Delay (sec) | 95th Percentile Queue | LOS | Delay (sec) | Left 95th Percentile Queue | Thru 95th Percentile Queue | Right 95th Percentile Queue |
| EB | A | 3 | 27 | A | 8 | 20 | 52 | - |
| WB | A | 7 | 43 | A | 7 | 26 | 67 | - |
| NB | A | 4 | 33 | B | 14 | 21 | 48 | 15 |
| SB | A | 4 | 20 | B | 14 | 24 | 35 | - |
| Total | A | 5 | - | A | 10 | - | - | - |

III. Traffic Forecasting

It is estimated that the background growth through the area will be 1.2% per year. This is based on a 50% reduction of the Nicollet County 20 year traffic growth factor of 1.6, which equates to a growth rate of approximately 2.4% per year. Since additional growth is proposed within the City in this area, the background growth not due to development in this area is estimated to be one half of the overall growth rate. The growth to the envisioned commercial, industrial, and residential development area was then added to the background traffic to determine the full build traffic conditions. This assumes full build out of the development area.

Shopko provided average anticipated daily trips which were reported in the *Highway 169 Access Study*. As the City of Saint Peter continues to grow and develop following the opening of the Shopko store, it is anticipated that the number of trips visiting the store will increase and be higher than the estimate Shopko provided. Therefore, the higher traffic volumes present within the ITE Trip Generation Manual: 8th Edition were used to estimate the number of trips traveling to and from a comparable sized free-standing discount store.

The assumption was also made that the traffic to and from the fast food restaurant and gas station along St. Julien Street could double from existing values during the time it takes for full build out to occur, but the additional trips are trips that are already on the network, just diverted from Highway 169 or Old Minnesota Avenue. Therefore, these additional trips only affect volumes at the different access points to the properties.

Due to uncertain timeframes and developer plans, full build-out may take upwards of 20 years or more and would require extensive redevelopment in the area that may not be realized for some time. For those reasons, a shorter term volume projection was used to analyze the two alternatives. A factor of 0.75 of the full build-out volumes was used to emulate an approximate 15 year projection at 1.5% growth per year. This includes background growth plus development growth.



IV. 75% Full Build Conditions

75% of the estimated future traffic volumes were applied to both the proposed roundabout and signal layouts. Slight variations in each layout were analyzed to determine impacts of keeping certain geometric features, possibly due to construction phasing, including the two-way-left-turn-lane (TWLTL) on Saint Julien Street between Old Minnesota Avenue and Highway 169 and a full driveway access to McDonald’s immediately south of Saint Julien Street along Old Minnesota Avenue.

Operation and Capacity Analysis with Existing McDonald’s Access and Two-Way Left Turn Lane on Saint Julien Street

Table 3 shows LOS and queuing results for both the roundabout and signal alternatives with the full accesses provided on St. Julien and on Old MN. At 75% of full build volumes, the traffic signal operates with less delay and shorter queues. Roundabout delay is lower for eastbound and southbound traffic compared to the traffic signal since vehicles do not have to wait at a red light. Westbound and northbound delay is higher due to a large amount of conflicting vehicles traveling towards Highway 169. Signal phasing prevents these conflicts from occurring, therefore reducing delay. The signal has an overall intersection delay of 13 seconds compared to 20 seconds for the roundabout. Overall, the difference in delay is not expected to be noticeable to drivers.

Queuing is shorter with the signal option as well. However, both the roundabout and signal queues would prevent vehicles from using the two-way left turn lane either partially or completely during some times of the peak hour. Based on the modeling, the westbound left turn bay with a signal would need to extend into the TWLTL along St. Julien Street for proper storage. This will cause issues along St. Julien Street where the westbound left turn queue extends through the TWLTL. The roundabout does have long queues, but the queues fill up the through lane and not the TWLTL.

Additionally, vehicles on Old Minnesota Avenue turning left into the McDonald’s driveway immediately south of Saint Julien Street can queue back into the roundabout or signal and cause gridlock within the intersection area and to the entering roadways.

See Figures 2 and 3 in the appendix for screenshots of the roundabout and traffic signal simulations of this scenario. This scenario was modeled using the original concept layout since the focus of this model was to determine the impacts of the full access to the roadways.

Table 3: 75% Full Build Operations with Existing McDonald’s Access and Two-Way Left Turn Lane on Saint Julien Street

| Leg | Roundabout | | | Signal | | | | |
|--------------|------------|-------------|-----------------------|--------|-------------|----------------------------|----------------------------|-----------------------------|
| | LOS | Delay (sec) | 95th Percentile Queue | LOS | Delay (sec) | Left 95th Percentile Queue | Thru 95th Percentile Queue | Right 95th Percentile Queue |
| EB | A | 8 | 58 | B | 15 | 27 | 27 | - |
| WB | D | 29 | 672 | B | 12 | 145 | 125 | - |
| NB | C | 21 | 247 | A | 10 | 27 | 132 | 46 |
| SB | A | 6 | 37 | B | 18 | 47 | 54 | - |
| Total | C | 20 | - | B | 13 | - | - | - |



Operation and Capacity Analysis with Full Median along Old Minnesota Avenue and Two-Way Left Turn Lane on Saint Julien Street

As determined above, vehicles attempting to turn left into McDonald’s from Old Minnesota Avenue immediately south of Saint Julien Street can cause unacceptable queuing into the intersection and at times causing gridlock that extends to Highway 169. The alternatives were then modified and analyzed with the access converted to a right in/right out driveway.

With the northernmost access to McDonald’s along Old Minnesota Avenue converted to right in/right out only, LOS and queuing is improved, as shown in Table 4 for the traffic signal and proposed roundabout. At 75% full-build volume, both alternatives operate at acceptable service levels on all approaches with the median closure on Old Minnesota Avenue.

Queuing in the westbound direction is the longest; however the 95th percentile queuing only reaches 165 feet for the roundabout and 153 feet for the traffic signal. This queuing does not impact Highway 169 traffic directly. However, any queuing along Saint Julien will make it more difficult for vehicles to take advantage of the TWLTL. Again, the model shows that the westbound left turn storage for a traffic signal would need to be around 150 feet, which extends into the two-way left turn lane. Therefore, an analysis was done in Section V with a continuous median on Saint Julien Street.

See Figures 4 and 5 in the appendix for screenshots of the roundabout and traffic signal simulations of this scenario.

Table 4: 75% Full Build Operations with Full Median along Old Minnesota and Two-Way Left Turn Lane on Saint Julien Street

| Leg | Roundabout | | | Signal | | | | |
|-------|------------|-------------|-----------------------|--------|-------------|----------------------------|----------------------------|-----------------------------|
| | LOS | Delay (sec) | 95th Percentile Queue | LOS | Delay (sec) | Left 95th Percentile Queue | Thru 95th Percentile Queue | Right 95th Percentile Queue |
| EB | A | 5 | 44 | B | 15 | 26 | 75 | - |
| WB | C | 16 | 165 | B | 13 | 153 | 122 | - |
| NB | B | 15 | 161 | B | 11 | 32 | 135 | 46 |
| SB | A | 4 | 40 | B | 17 | 50 | 54 | - |
| Total | B | 12 | - | B | 13 | - | - | - |

V. Full Median on Saint Julien Street

With the increased traffic volumes in the area, keeping the TWLTL open after 75% of full build volumes are reached will decrease operational efficiency and could cause additional safety issues. Vehicles trying to make turns in and out of the Holiday and McDonald’s properties along Saint Julien Street have very few acceptable gaps in which to turn into traffic. Any spillback from the TWLTL can cause significant queuing in the area and within the intersection of Saint Julien Street and Old Minnesota Avenue, ultimately causing gridlock. For these reasons, analysis was completed with the median on Saint Julien Street fully closed.

The eventual closing of the TWLTL is an important consideration when determining the best intersection alternative, especially as both alternatives are essentially equal and acceptable up to 75% of full build. With the roundabout alternative, this is rather simple to accommodate due to the ease of U-turns at roundabouts. Vehicles needing to access Highway 169 coming from



Holiday are able to U-turn at the roundabout. Vehicles previously turning left from McDonald’s along Saint Julien Street are routed to leave McDonald’s along Old Minnesota Avenue.

The traffic signal lacks the ability to safely and efficiently accommodate truck U-turns and even large truck u-turns without significantly impacting other traffic through the intersection. With the median closed, vehicles requiring access back onto Highway 169 from the Holiday station would need to travel approximately 0.6 miles north along Old Minnesota Avenue to TH 22 (Dodd Avenue) or south to Union Street. Since both options provide acceptable operations and queues up to 75% of full build and the roundabout is the only option that facilitates all movements within the area, the roundabout is recommended over the signal.

Operation and Capacity Analysis with 75% Full Build Conditions and Full Median

With a full median built along Saint Julien Street between Old Minnesota Avenue and Highway 169 as well as the northernmost access to McDonald’s along Old Minnesota converted to right in/right out only, the roundabout is anticipated to operate within an acceptable range of delay. Table 5 shows LOS and queuing results for the proposed roundabout in this scenario. The roundabout not only provides LOS D or better for all approaches but also full access to and from Highway 169 for the adjacent properties due to its capability for safe U-turns. Vehicles traveling from the Holiday station to Highway 169 simply make a U-turn within the roundabout.

The simulation shows that closing off the TWLTL actually has a slight negative effect on the intersection as delay and queue lengths increase for most approaches. This can be attributed to slightly higher traffic volumes that now need to traverse through the intersection. Traffic opposing circulating traffic for the northbound and westbound approaches is expected to have more delay with the median closed but delay is anticipated to be acceptable.

See Figure 6 in the appendix for a screenshot of the roundabout simulation under this scenario.

Table 5: 75% Full Build Operations with Full Median along Old Minnesota Avenue and Saint Julien Street

| Leg | Roundabout | | |
|--------------|------------|-------------|-----------------------|
| | LOS | Delay (sec) | 95th Percentile Queue |
| EB | A | 8 | 60 |
| WB | C | 22 | 177 |
| NB | D | 28 | 283 |
| SB | A | 7 | 47 |
| Total | C | 19 | - |

Operation and Capacity Analysis with Full Build Conditions and Median Closed

Under full build conditions, 100% of the projected traffic volumes for full redevelopment of the area were used in the simulation. These values represent an estimate of PM peak volumes assuming all development is completed as anticipated.

Table 6, shown below, displays the anticipated LOS for each of the intersection legs as well as anticipated queuing during the PM peak hour for the roundabout alternative. With the significant volume increase, queuing at this location is expected to be an issue. At over 700 feet for the



westbound approach, the queue can spill back onto Highway 169 during the highest volume periods.

The main issues under this scenario, assuming full build traffic volumes, relate to the vehicles turning from and onto Highway 169. The increase in southbound traffic on Highway 169 makes it difficult for northbound left turns and eastbound right turns to make their movements. In the simulation, a lack of acceptable gaps causes significant queuing. This in turn causes the eastbound movement at Highway 169 to back up to Old MN Ave and cause gridlock through the roundabout.

See Figure 7 in the appendix for an image of the roundabout simulation.

Table 6: Full Build with Full Median Traffic Operations

| Leg | Roundabout | | |
|-------|------------|-------------|-----------------------|
| | LOS | Delay (sec) | 95th Percentile Queue |
| EB | F | 292 | 1415 |
| WB | E | 39 | 713 |
| NB | F | 139 | 802 |
| SB | F | 130 | 299 |
| Total | F | 104 | - |

While the above shows that the roundabout fails at full build, this is due to external factors and not the actual roundabout itself. External factors include the eastbound right at 169 backing up to and through Old MN Ave to the south. This consequently backs up the southbound left into McDonalds, and then backs up traffic through the roundabout and westbound traffic on St. Julien. The single lane roundabout as proposed is not failing by itself.

A dual lane entry for westbound traffic into the roundabout would help prevent any spillback occurring back to Highway 169. In order to fit an effective multi-lane roundabout approach onto St. Julien Street, the Highway 169 southbound right turn and northbound left turns should both have a dedicated receiving lane on Saint Julien Street. Consequently, there are two westbound lanes and one eastbound lane along St. Julien Street. The additional westbound lane on Saint Julien would require little to no extra right of way given existing road width. Having a dual lane westbound entry would then justify a full multi-lane roundabout at this location. Although this is not required for operations when looking just at the intersection using Rodel, it would help flush westbound traffic to prevent backups on westbound Saint Julien Street to Highway 169.

VI. Safety

A safety analysis was completed for the intersection of Old Minnesota Avenue at Saint Julien Street. Crash data from Minnesota’s Crash Mapping Analysis Tool (MnCMAT) indicates that four crashes occurred at the intersection of Old Minnesota Avenue at Saint Julien Street from 2007-2011. Of the four crashes recorded, two were right angle crashes, one was left turn into traffic, and one was a right angle collision. The rear end crashes occurred along both northbound and southbound Old Minnesota Avenue. The right angle collision happened between a vehicle traveling northbound and a vehicle traveling eastbound. Likewise the left turn into traffic crash happened between a vehicle traveling southbound and another traveling westbound. The angle



crashes would in effect be eliminated with the installation of a roundabout due to the nonexistence of right angle conflict points. Overall crash rates may or may not be reduced, but overall severity of crashes will remain low, even as traffic volumes increase. Installing a traffic signal at this location may reduce the angle crashes as well, but signals are notorious for increasing rear end collisions.

As indicated in the introduction, a two-way left turn lane (TWLTL) was modeled to allow vehicles access from both the Holiday and McDonald's sites to Saint Julien Street. Traffic can become gridlocked in the full build scenario due to vehicles blocking the eastbound travel lane waiting to turn left/gain access to the TWLTL. This may cause additional crashes at this location. Closing this median when traffic volumes reach around 75% of full build volumes would increase safety by reducing conflict points in the study area.

VII. Additional Considerations

A northbound acceleration lane was modeled in the scenarios as part of the proposed MnDOT layout. While the analysis showed significant queues, this is due to the westbound backups on St. Julien Street which are effectively caused by eastbound St. Julien Street traffic trying to enter onto Highway 169. This is only of concern at full build. The northbound left turn lane as designed appears to be long enough if westbound St. Julien Street is not backed up to Highway 169.

Due to long queues developing eastbound at Highway 169 as volumes increase in the future, a southbound acceleration lane was also modeled to determine impacts on the Old Minnesota Avenue and Saint Julien Street intersection. With full build volumes, eastbound traffic on St. Julien Street at Highway 169 does not queue with a right turn to a southbound acceleration lane on Highway 169. As this lane is dedicated for eastbound traffic to turn, vehicles are able to clear the intersection without having to wait for gaps in southbound traffic. This also helps vehicles using the restricted crossing U-turn because they no longer need to wait for suitable gaps in both southbound lanes to cross into the far turn lane.

Both of the acceleration lanes induce and/or add to weaving along Highway 169. MnDOT provided results of a weave analysis on both of these sections showing LOS A for the northbound weave section and LOS B for the southbound section. The analyses were done using full build volumes.

As mentioned earlier, a multi-lane roundabout would allow adding a second westbound entry lane, which would help prevent traffic backing up to Highway 169. Having the three lane section (two westbound, one eastbound) on Saint Julien Street between Old Minnesota Avenue and Highway 169 would require little to no additional right of way but should be accounted for in the design.



VIII. Conclusions and Recommendations

Based on the analysis, the following conclusions and recommendations have been developed:

Roundabout

- Effective operations through 75% of full build with no southbound 169 acceleration lane
- Effective operations through full build with a southbound 169 acceleration lane
- Median closure need on Saint Julien Street at 75% of full build
- Safely and efficiently able to accommodate U-turns if necessary
- Less severe crashes compared to current intersection control and traffic signals
- Can be expanded without extensive approach lane expansion

Traffic Signal

- Effective operations through 75% of full build
- Median closure need on Saint Julien Street at 75% of full build
- Not able to accommodate needed u-turns when median needs to be closed along St. Julien
- Smaller immediate intersection footprint
- Would require expansion as traffic increases toward Full Build

It is important to distinguish the cause for the traffic backups simulated within the study area. Generally speaking, the roundabout itself will not prohibit northbound Highway 169 traffic from turning left onto Saint Julien Street. The queuing along this turn bay is usually a factor of high volumes traveling southbound on Highway 169 opposing the northbound left turn. Regardless of traffic control type, vehicles attempting to turn left into McDonald's from Old Minnesota Avenue immediately south of Saint Julien Street can cause queuing into the intersection which in turn prevents most vehicles from entering and exiting from and to Highway 169. It is recommended that the north access to McDonald's along Old Minnesota Avenue be converted to right in/right out by closing the median.

The two-way left turn lane on Saint Julien Street can be built and will not negatively impact operations in the area for some time. The 75% analysis shows adequate operations with the two-way left turn lane in place. At some point before Full Build, depending on development progress, the TWLTL should be closed by a full median due to potential negative operational and safety impacts.

Simulations were run at varying volume levels to identify approximately when certain queues become too long for the proposed geometry. The three critical queue lengths are northbound and eastbound at Highway 169, and westbound at the proposed roundabout location. Both eastbound traffic at Highway 169 and westbound traffic at the proposed roundabout require storage length longer than the distance between Old Minnesota Avenue and Highway 169 when traffic volumes reach between 75 to 80% of full build projections. With a southbound Highway 169 acceleration lane, storage length for the Highway 169 northbound left onto Saint Julien Street is sufficient under full build conditions. However, with no southbound acceleration lane, queues for



northbound left turns on Highway 169 extend past the proposed turn bay when traffic volumes reach 90 to 95% of the full build volume projections. This long queue is due to the roundabout becoming gridlocked at times due to the extensive eastbound queues backing up from Highway 169.

Final Recommendation

Based on our findings, a single lane roundabout is recommended to be constructed at this location to best serve the future growth in traffic spurred by local development. The roundabout alternative provides better operations and will reduce the number of severe crashes. The roundabout should be designed to be expandable to some form of a dual lane configuration if required in the future. Preserving right of way for this expansion is recommended. If traffic reaches the 100% projections, constructing additional circulating and entrance/exit lanes is certainly worth consideration.

With the multi-lane roundabout, it may also be prudent to design St. Julien Street to be changed to a three lane section with a full median when needed. This includes two westbound lanes and one eastbound lane. This will likely be needed when approaching full build volumes and is anticipated to ensure that backups on St. Julien Street do not cause operational issues on Highway 169. See Figure 1 for an example of what could be designed at this location. The example shows dual entry for northbound and westbound traffic with two circulating lanes on the north side of the roundabout. Saint Julien Street from Old Minnesota Avenue to Highway 169 is shown as a three lane section, which would be required for the dual westbound entry. This design should be able to handle the projected traffic with no other modifications required. The green shaded areas show estimates of ROW to be acquired.

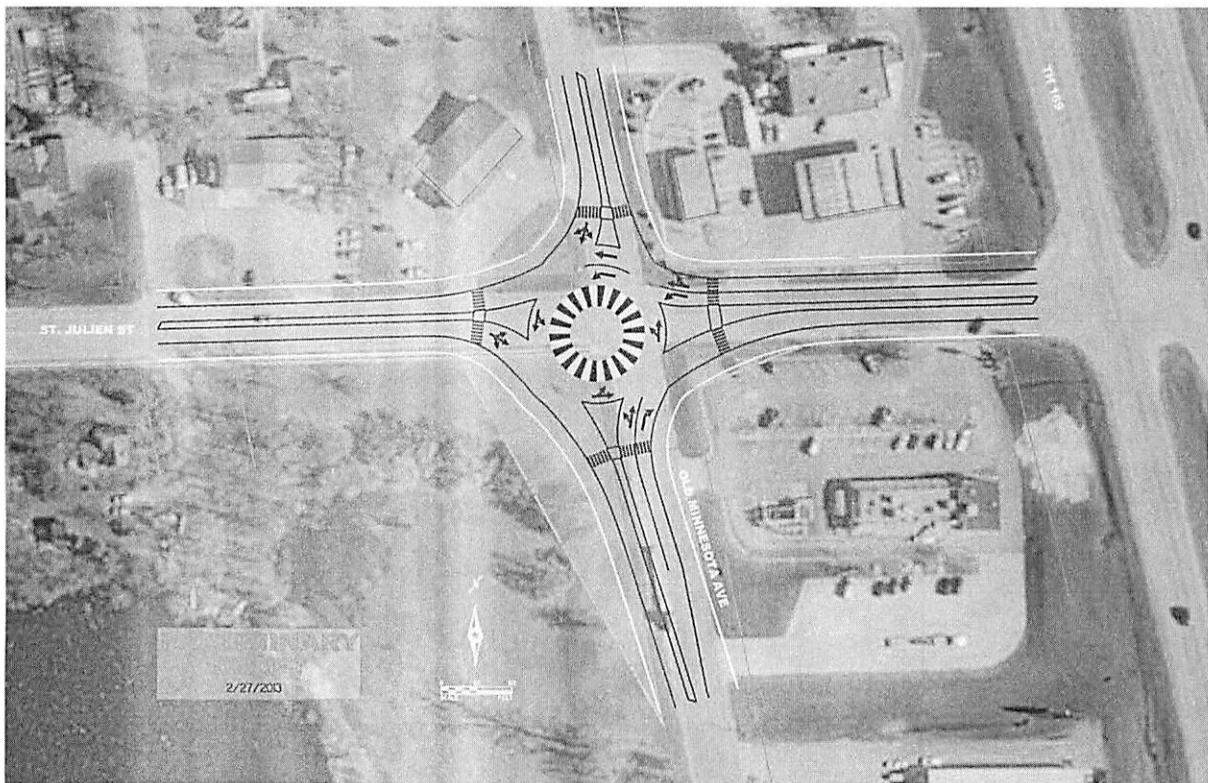


Figure 1: Draft Preliminary Roundabout Design



Recommended Implementation Phasing

Step 1: Build single lane roundabout with two-way left turn lane on Saint Julien Street between Old Minnesota Avenue and Highway 169. Convert McDonald's access on Old Minnesota Avenue immediately south of Saint Julien Street into a right in/right out driveway. The McDonald's access on Saint Julien Street should be located as close to the center of the block as possible. This access should not be located west of the adjacent Holiday access for left turn alignment from the TWLTL.

Step 2: Convert two-way left turn lane on Saint Julien Street into a fully closed concrete median when operational and safety concerns dictate.

Step 3: Expand to a multi-lane roundabout as well as a three lane section on Saint Julien Street between Old Minnesota Avenue and Highway 169 with two westbound lanes and one eastbound lane when delay and safety concerns dictate. Westbound queuing along Saint Julien Street will also dictate when this expansion is necessary.



Appendix

Figure 1: Proposed Highway 169 Layout



MnDOT proposed layout for Highway 169 & Saint Julien Street showing Restricted Crossing U-Turn intersection (RCUT)

| LEGEND | |
|--------|---------------------------------|
| | ROADWAY / DRIVEWAY (BITUMINOUS) |
| | SIDEWALK |
| | SHOULDERS (PAVED) |
| | CONCRETE (MEDIAN / WALK) |

Legend for all figures



Figure 2: Roundabout with 75% of Full Build Volumes and Two-Way Left Turn Lane and Two Full McDonald's Access Points from Old Minnesota



Westbound queuing can reach over 600 feet which completely fills up storage along Saint Julien Street and causes additional queuing along Highway 169. With the McDonald's full access point on Old Minnesota Avenue so close to Saint Julien Street as it is today, the area can become gridlocked due to stopped vehicles turning into McDonald's. It is recommended that the median in this location be closed when the roundabout is built so the access is right-in right-out only.

Figure 3: Signal with 75% of Full Build Volumes and Two-Way Left Turn Lane and Two Full McDonald's Access Points from Old Minnesota



No major delays or queuing typically occur with the traffic signal in this scenario. However, as stated in the caption to Figure 1, it is recommended that the median be closed on Old Minnesota Avenue at the same time as other intersection improvements. This will reduce conflict points and therefore should increase safety as well as reducing the probability of the intersection becoming gridlocked.

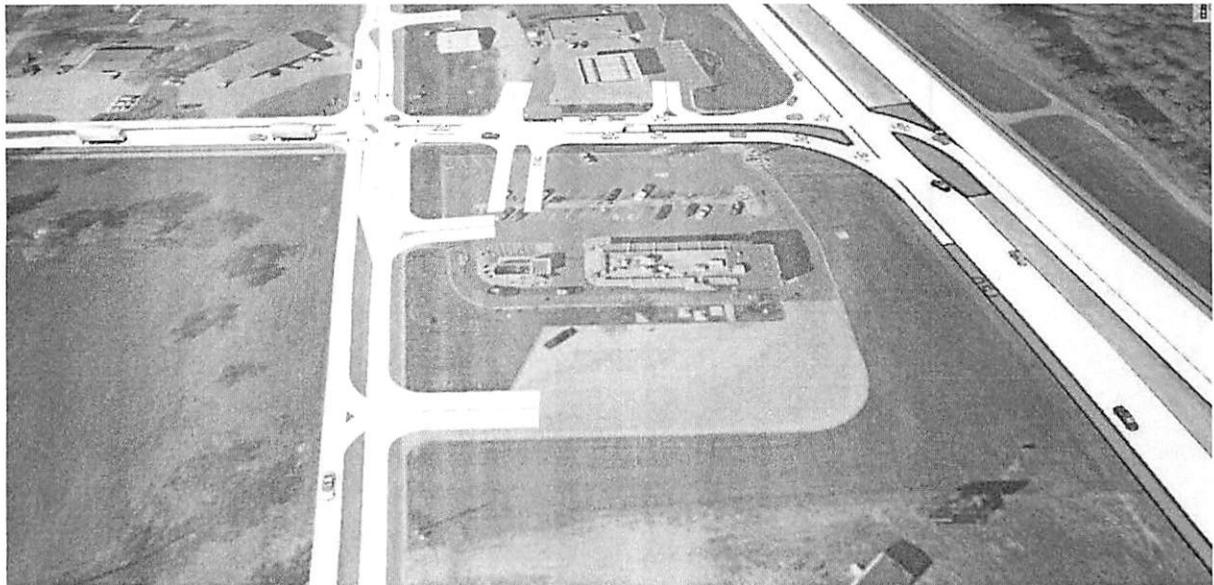


Figure 4: Roundabout with 75% of Full Build Volumes and Two-Way Left Turn Lane



Queuing is not an issue with the median along the northbound leg closed. Delay and LOS are at acceptable levels for each approach of the roundabout. Queuing for northbound left turning traffic on Highway 169 is minimal and is contained within the turn bay.

Figure 5: Signal with 75% of Full Build Volumes and Two-Way Left Turn Lane



Similar to what is shown in Figure 2, no major delays or queuing typically occur with the traffic signal in this scenario. The shortcoming of the traffic signal comes down to the failure to safely accommodate U-turns when the median on Saint Julien Street is closed.

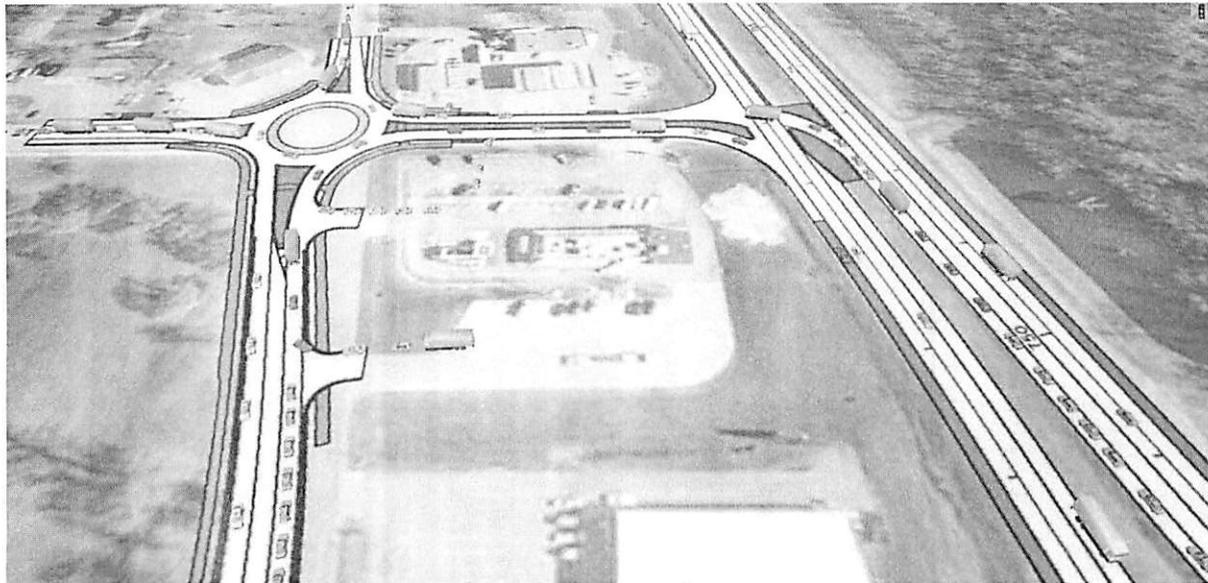


Figure 6: Roundabout with 75% of Full Build Volumes and Full Median



Queuing and delay are slightly higher than the scenario shown in Figure 2 due to more conflicting circulating traffic for vehicles entering the roundabout on both the northbound and westbound legs. However, westbound queuing is still contained along Saint Julien Street. Even though delay slightly increases, an advantage to closing the median on Saint Julien Street would be that reducing conflict points would help increase safety at this location.

Figure 7: Roundabout with Full Build Volumes and Full Median



With 100% of the projected traffic being simulated, the intersection and surround area fails. Queuing for northbound left turn traffic on Highway 169 can reach 1200 feet at times when the roundabout area becomes gridlocked. Gridlock occurs due to a lack of storage for southbound traffic on Old Minnesota Avenue turning left into McDonald's. A dual lane roundabout could potentially alleviate these issues.



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MEMORANDUM

Date: March 29, 2013
To: City of Saint Peter, MN
From: Bryan Nemeth, PE, PTOE
Jacob Bongard, EIT
Subject: Draft - Traffic Analysis and Recommendations
TH 169 Access Study
City of Saint Peter, Minnesota
BMI Project No.: M14.103109

I. Introduction

The objective of this technical memorandum is to document and summarize the traffic operations for the Hwy 169 Access Study area. This technical memorandum consists of analysis of the developmental impact on the traffic operations of key study area intersections. This information will be used to identify problems and needs within the study area and develop preliminary recommendations on traffic control options and needs on Union Street from Old Minnesota Avenue to Highway 169.

The City of Saint Peter's proposed TH 169 Access Study area is located in eastern Nicollet County along Highway 169. The study will analyze intersection operations under existing conditions and projected future (20 year) traffic volumes. Future traffic volumes are composed of existing background growth along with potential development consisting of mixed-use neighborhood, commercial, and industrial. The area currently has sparse development consisting of a variety of land uses adjacent to Highway 169.

II. Existing Conditions

Data Collection

In order to determine how traffic is currently operating in the study area, a traffic operations analysis was completed for existing conditions at seven key intersections and on multiple roadway segments within the study area. Turning movement volumes, Average Daily Traffic volumes (ADT), and Annual Average Daily Traffic volumes (AADT) were collected from field studies and information from the Minnesota Department of Transportation (Mn/DOT) for these key intersections/segments.



Traffic data collection efforts occurred between the dates of April 18, 2012 and April 26, 2012 for AM (6:00- 9:00 a.m.) and PM (3:00 – 6:00 p.m.) peak periods at the following key intersections:

1. Highway 169 at Dodd Avenue (TH 22)
2. Highway 169 at Dranttel Street
3. Highway 169 at Saint Julien Street
4. Highway 169 at Union Street
5. Old Minnesota Avenue at Dodd Avenue
6. Old Minnesota Avenue at Saint Julien Street
7. Old Minnesota Avenue at Union Street

Roadway tube counters were utilized for the collection of ADT values on the following roadway segments:

1. Dodd Avenue (West of US 169)
2. Saint Julien Street (West of US 169)
3. Union Street (West of Old Minnesota Avenue)
4. Old Minnesota Avenue (South of Nichols Street)
5. Old Minnesota Avenue (South of Saint Julien Street)
6. Highway 169 (North of Dodd Avenue)
7. Highway 169 (North of Saint Julien Street)
8. Highway 169 (South of Union Street)

Figure 1 illustrates the peak hour traffic and ADT volumes of these key intersections and segments.

Traffic Operation Analysis

Operations analysis of the AM and PM peak hours was conducted at the above listed key intersections to determine how traffic currently operates throughout the study area. A level of service (LOS) analysis was completed for key intersections to determine how well these intersections operate with study area traffic volumes. The LOS results are based on average delay per vehicle as calculated by the 2010 Highway Capacity Manual (HCM). Control delay is the delay experienced by vehicles slowing down as they are approaching the intersection, the wait time at the intersection, and the time for the vehicle to speed up through the intersection and enter into the traffic stream. The average intersection control delay is a volume weighted average of delay experienced by all motorists entering the intersection on all intersection approaches. Intersections and each intersection approach are given a ranking from LOS A through LOS F. LOS A indicates the best traffic operation, with vehicles experiencing minimal delays. LOS A through D is generally perceived to be acceptable to drivers. LOS E indicates that an intersection is operating at, or very near, its capacity and that drivers experience considerable delays. LOS F indicates an intersection where demand exceeds capacity and drivers experience substantial delays.



The LOS and its associated intersection delay for signalized and unsignalized intersections are presented Table 1. The delay threshold for unsignalized intersections is lower for each LOS compared to signalized intersections, which accounts for the fact that people expect a higher level of service when at a stop-controlled intersection. A lower LOS (i.e. LOS D, E, and F) is indicative of elevated delay times compared to higher levels of service (i.e. LOS A, B, and C).

Table 1: Level of Service Criteria

| | Signalized Intersection | Unsignalized Intersection |
|-----|----------------------------------|----------------------------------|
| LOS | Control Delay per Vehicle (sec.) | Control Delay per Vehicle (sec.) |
| A | ≤ 10 | ≤ 10 |
| B | >10 and ≤ 20 | >10 and ≤ 15 |
| C | >20 and ≤ 35 | >15 and ≤ 25 |
| D | >35 and ≤ 55 | >25 and ≤ 35 |
| E | >55 and ≤ 80 | >35 and ≤ 50 |
| F | >80 | >50 |

Figure 1 illustrates intersection LOS for both AM and PM peak hours. Currently, all intersections operate at a LOS A with zero unacceptable movements. These results can be found in Table 2, below.

Table 2: Existing Traffic Operations

| Intersection | Intersection Control | Peak Hour | Intersection LOS | Unacceptable Movements |
|--------------------------------------|------------------------|-----------|------------------|------------------------|
| US 169 at Dodd Ave | Side-Street Stop Signs | AM | A | None |
| | | PM | A | None |
| US 169 at Dranttel St | Side-Street Stop Signs | AM | A | None |
| | | PM | A | None |
| US 169 at Ritt St | Side-Street Stop Signs | AM | A | None |
| | | PM | A | None |
| US 169 at W St. Julien St | All-Way Stop Signs | AM | A | None |
| | | PM | A | None |
| US 169 at Union St | Side-Street Stop Signs | AM | A | None |
| | | PM | A | None |
| Old Minnesota Ave at Union St | Side-Street Stop Signs | AM | A | None |
| | | PM | A | None |
| Old Minnesota Ave at W St. Julien St | Side-Street Stop Signs | AM | A | None |
| | | PM | A | None |
| Old Minnesota Ave at Ritt St | Side-Street Stop Signs | AM | A | None |
| | | PM | A | None |
| Old Minnesota Ave at Dranttel St | Side-Street Stop Signs | AM | A | None |
| | | PM | A | None |
| Old Minnesota Ave at Dodd Ave | Side-Street Stop Signs | AM | A | None |
| | | PM | A | None |



III. 2030 Build Conditions

Traffic Forecasts/ Site Generated Traffic

The Nicollet County 20 year traffic growth factor of 1.6, which equates to a growth rate of 2.4% per year, was used as a basis for estimating the anticipated growth in traffic volumes. With the additional growth from the development, it is estimated that this background growth through the area will be one half of the rate, at 1.2% per year. Project area future (20 year) traffic volumes were established using an assumed background growth rate of 1.2% per year. This growth in background traffic was added to the development growth to determine the 2012 and future traffic volumes. This growth in background traffic was added to the envisioned commercial, industrial, and residential development growth to determine the future (20 year) build traffic conditions. Figure 2 displays the ultimate land uses provided by the City of Saint Peter.

With the construction of a Shopko store being imminent in the City of Saint Peter, average daily traffic values were developed to estimate the number of trips expected to visit the store daily and during the PM peak hour. As the City of Saint Peter continues to grow and develop following the opening of the Shopko store, it is anticipated that the number of store-based vehicle trips is likely to increase. The traffic volumes present within the ITE Trip Generation Manual: 8th Edition were used to estimate the number of trips traveling to and from a comparable sized free-standing discount store.

Operation and Capacity Analysis

The estimated future traffic volumes were then applied to the existing roadway network to determine the delay anticipated for each of the existing intersections.

Table 3, shown below, displays the anticipated future (20 year) LOS for each of the existing intersections as well as the unacceptable movements during the AM and PM peak hours. Figure 3 displays the future traffic volumes along with the LOS information.



Table 3: Future (20 Year) Traffic Operations

| Intersection | Intersection Control | Peak Hour | Intersection LOS | Unacceptable Movements |
|--------------------------------------|------------------------|-----------|------------------|------------------------|
| US 169 at Dodd Ave | Side-Street Stop Signs | AM | C | EB |
| | | PM | D | EB/ WB |
| US 169 at Dranttel St | Side-Street Stop Signs | AM | A | None |
| | | PM | A | EB |
| US 169 at Ritt St | Side-Street Stop Signs | AM | A | None |
| | | PM | A | EB |
| US 169 at W St. Julien St | All-Way Stop Signs | AM | F | WB / NB |
| | | PM | F | EB/ NBL |
| US 169 at Union St | Side-Street Stop Signs | AM | F | EB / WB |
| | | PM | F | EB / WB / NBL |
| Old Minnesota Ave at Union St | Side-Street Stop Signs | AM | F | SB |
| | | PM | F | SB |
| Old Minnesota Ave at W St. Julien St | Side-Street Stop Signs | AM | F | NB / SB |
| | | PM | F | EB / WB / NB / SB |
| Old Minnesota Ave at Ritt St | Side-Street Stop Signs | AM | A | None |
| | | PM | A | None |
| Old Minnesota Ave at Dranttel St | Side-Street Stop Signs | AM | A | None |
| | | PM | A | None |
| Old Minnesota Ave at Dodd Ave | Side-Street Stop Signs | AM | A | None |
| | | PM | A | NB |

The estimated LOS F at the intersections of Highway 169 at Union Street and W St. Julien Street can be attributed to the increased number of vehicles attempting to access Highway 169 from either Street. The increase in left-turning traffic from Union Street and St. Julien Street onto northbound Highway 169 paired with the increased Highway 169 traffic creates a difficult situation for vehicles attempting to access the northbound lanes of traffic. The McDonalds access located approximately 100 feet west of Highway 169 also limits the ability to implement an adequate right-turn lane to separate the left and right turning traffic from one another.

The LOS F displayed for the intersection of Old Minnesota Avenue at St. Julien Street reaches failure due to the application of traffic to the existing network from the anticipated development and projected background growth. The four-way stop is overwhelmed due to increasing traffic volumes and no additional capacity or traffic control improvements to accommodate the proposed future traffic volumes

Improvements are anticipated to be needed along Highway 169 and Old Minnesota Avenue as traffic increases to future (20 year) levels. A sensitivity analysis was performed on the intersections identified to reach failure within 20 years to estimate the approximate number of years the existing roadway network could accommodate increasing traffic volumes. These values were estimated by developing a linear trend line between the total entering vehicles at each of the identified intersections spanning the existing and future traffic volumes. Trafficware Synchro and Simtraffic were then used to approximate the maximum number of vehicles an intersection could accommodate before crossing the threshold from LOS D to LOS E. The results of this analysis can be found in Table 4, below.



Table 4: Estimated Years until Intersection Failure

| Intersection | Years Until Failure |
|---------------------------------|---------------------|
| Old MN Ave at St. Julien Street | 6-10 Years |
| US 169 at St. Julien Street | 3-7 Years |
| Old MN Ave at Union Street | 6-10 Years |
| US 169 at Union Street | 4-8 Years |

Union Street Roadway Improvements

Due to future unacceptable operations and an existing need for drainage improvements near Union Street, a design concept was developed for the intersection of Highway 169 at Union Street.

A ¾ access design concept was developed to better manage vehicles entering and exiting TH 169 at Union Street by prohibiting several movements that are currently allowed within the existing intersection geometry. The limitations placed upon the intersection causes a redistribution of traffic up Minnesota Avenue and away from the TH 169 at Union Street intersection. A figure containing the proposed intersection geometry can be found in Figure 4 of this document.

Table 5 displays the LOS at the two intersections following the Union Street roadway improvements. In comparing the affected study intersection LOS before and after construction of the ¾ access and associated improvements, it is apparent that the proposed intersection geometry should improve intersection LOS (reduce delay) as well as lessen the number of unacceptable movements at US 169 and Union Street. Old Minnesota Avenue at Union Street is anticipated to experience a minor decrease in delay, but these reductions are not significant enough to alter the overall intersection LOS displayed within the included tables.

Table 5: Future (20 Year) Traffic Operations

| Intersection | Intersection Control | Peak Hour | Intersection LOS | Unacceptable Movements |
|-------------------------------|------------------------|-----------|------------------|------------------------|
| US 169 at Union St | Side-Street Stop Signs | AM | A | None |
| | | PM | E | EBR, NBL |
| Old Minnesota Ave at Union St | Side-Street Stop Signs | AM | A | None |
| | | PM | F | SB |

The increase in SB Highway 169 traffic in the future limits the number of available gaps to northbound traffic turning left onto Union Street and causes added delay during the PM peak. Additional queuing for the northbound left-turn movement stemming from the limited number of gaps on SB Highway 169 creates a need for an extended left turn lane, which is incorporated within the design concept shown in Figure 4.

IV. Analysis of Event Traffic (Nicollet County Fair)

The intersections of Highway 169 at Union Street and Old Minnesota Avenue at Union Street were evaluated to determine traffic conditions during scheduled events, including the Nicollet County Fair. The following assumptions were made in regards to how event traffic would operate in comparison to regular PM peak hour traffic volumes:



- Double internal Saint Peter turning movements to and from Union Street and Old Minnesota Avenue.
- Triple turning movements originating from and traveling to Highway 169 from west of Old Minnesota Avenue.
- Reduce Highway 169 Thru movement volumes by 35% to account for off peak traffic conditions to align with peak hour fair traffic (reduction based on ADT counts on 169).

The results displayed in Table 6 indicate that elevated traffic conditions created by the Nicollet County Fair have little effect on existing conditions at the intersection of Highway 169 at Union Street.

Table 6: Analysis of Event Traffic (Nicollet County Fair)

| Intersection | Traffic Scenario | Intersection Control | Peak Hour | Intersection LOS | Unacceptable Movements |
|-------------------------------|------------------|-----------------------|---------------|------------------|------------------------|
| Highway 169 at Union St | Existing | Existing | Event Traffic | A | EBL, EBT, WBL |
| | Existing | Proposed (3/4 Access) | | A | None |
| | Future | Existing | | F | EB, WB, |
| | Future | Proposed (3/4 Access) | | E | EB, NBL |
| Old Minnesota Ave at Union St | Existing | Existing | Event Traffic | A | EB, NB, SB |
| | Existing | Proposed | | A | None |
| | Future | Existing | | F | EB, NB, SB |
| | Future | Proposed | | F | SB |

The proposed geometry slightly improves the existing conditions due to the elimination of extensive blockages caused by eastbound left turning traffic onto Highway 169. While it appears that the intersection of Highway 169 at Union Street may be able to accommodate fair traffic for the next 20 years, the intersection of Old Minnesota Avenue fails under both existing and proposed geometries. The traffic volumes assumed for this portion of the study should not be indicative of the final geometry necessary to accommodate motorists under existing and future conditions. The conditions present during Nicollet County Fair occur for five days of the year, less than 2% of the yearly traffic. Therefore it is standard practice to design for the weekday peaks.

It may still be necessary to utilize public safety officials at the intersection of Highway 169 and Union Street to help manage traffic and ensure that safety is not jeopardized with the elevated traffic volumes. This practice may also be necessary at the intersection of Highway 169 at St. Julien Street to ensure eastbound left traffic is able to access Highway 169 with the closure of the movement at Union Street.

V. Safety Analysis

As an accompaniment to the traffic analysis, a safety analysis was performed for the intersections of Highway 169 at Union Avenue and Highway 169 at Saint Julien Street. The proposed improvement for the intersection of US 169 at Union Avenue is anticipated to modify the movement of traffic throughout the study area. Traffic previously taking an eastbound left-turn onto Highway 169 will no longer be able to complete the movement and will be forced to



travel up to Saint Julien Street to access Highway 169. Therefore, analysis is also performed at the intersection of Saint Julien Street at Highway 169 to understand existing safety considerations.

Crash data attained from the Minnesota Crash Mapping Analysis Tool (MNCMAT) indicated that four crashes occurred at the intersection of Union Street at TH 169 and one crash at Union Street at Old Minnesota Avenue from 2007-2011. While these crash numbers are not exceedingly high, any reduction in crashes should be considered a benefit. According to the MnDOT Traffic Safety Fundamentals Handbook, a review of safety research suggests that intersection crash rates are related to the number of conflicts at the intersection. The analysis performed in Figure 4 indicates an approximate 60% reduction in conflict points between existing and proposed conditions.

Crash data from the MNCMAT indicated that 15 crashes occurred at the intersection of TH 169 at Saint Julien Street from 2007-2011. These crashes included seven rear end crashes, three right angle crashes, four sideswipe crashes, and one run off road. 11 of the 15 crashes occurred with at least one vehicle originating from the west leg of the intersection. This indicates that motorists may be accepting gaps in when attempting to enter onto Highway 169. All seven rear end crashes involved eastbound movements on Saint Julien Street with distraction being cited as an influencing factor. Options to increase safety may be needed as traffic increases.

VI. Conclusions and Recommendations

Based on the analysis, the following conclusions and recommendations have been developed for your consideration.

- All key intersections should operate acceptably during the AM and PM peak hours with existing traffic lanes and control.
- Under Future (20 year) Build conditions, with existing lane configurations, four of the ten intersections operate at an unacceptable level due to the increase in traffic volumes attributed to general background growth and proposed development.
- The proposed design concept should reduce delay at the intersection of Union Street at Highway 169 and Union Street at Old Minnesota Avenue under future traffic conditions. Further benefits are possible with the implementation of the Union Street design concept. The 60% reduction in conflict points should positively impact intersection safety.
- Under future conditions, it may be necessary to extend the existing northbound left-turn lane at the intersection of Highway 169 at Union Street to ensure that queues do not protrude into the adjacent thru lanes. It may also be necessary to construct an acceleration lane for SB traffic entering Highway 169 from Union Street to reduce vehicle delay.

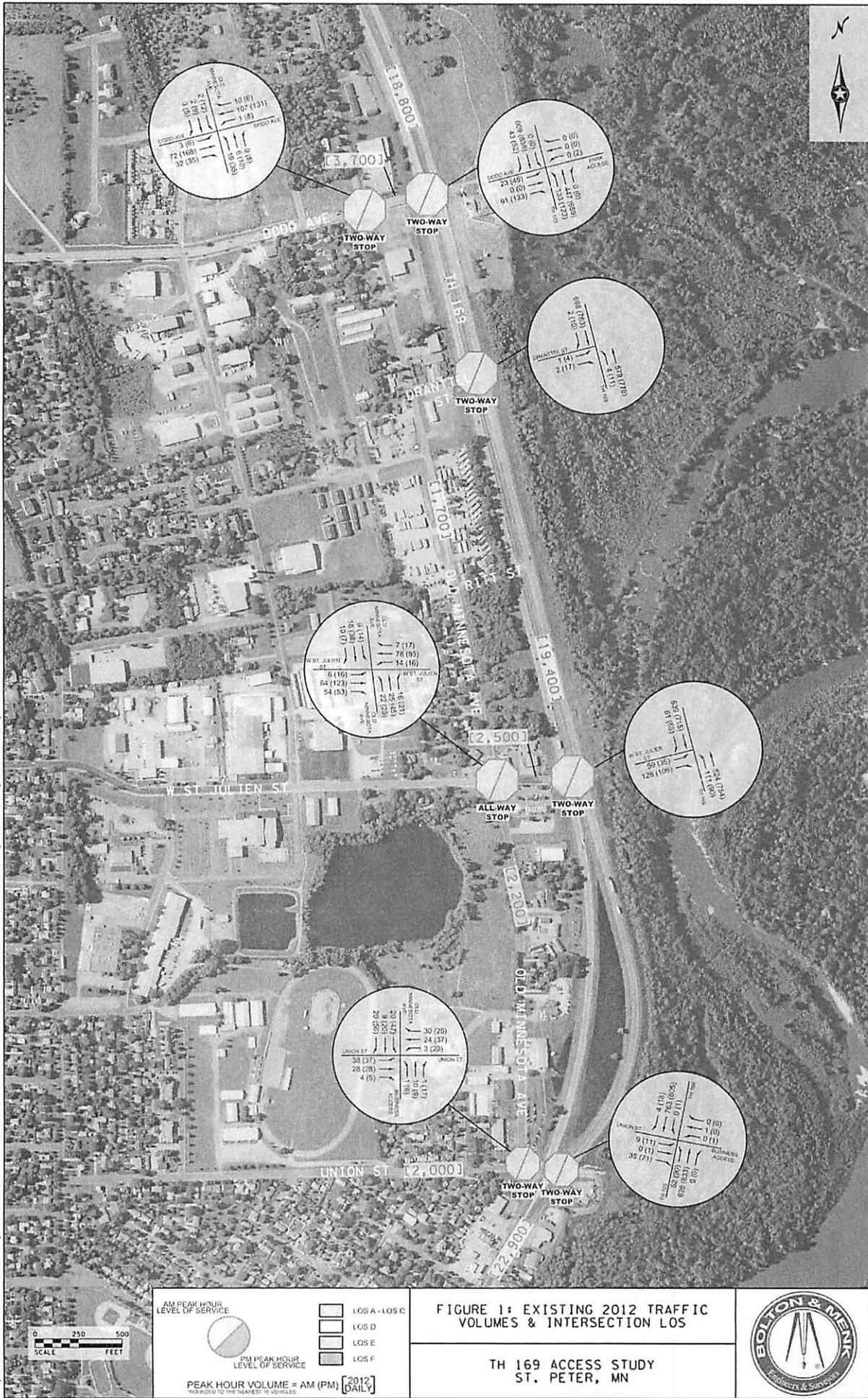
VII. Future Steps

As displayed in Figure 2, the intersections of Saint Julien Street at Old Minnesota Avenue and Saint Julien Street at Highway 169 operate at an unacceptable level under anticipated future conditions. Further analysis should be performed to identify the necessary plan of action to remedy the unacceptable service levels experienced at the mentioned intersections.



Highway 169 turn lane and acceleration lane improvements should be analyzed if the proposed concept is accepted going forward. A review of parking, circulation, and access needs should also be analyzed for the Dairy Queen and other affected businesses by the proposed improvements on Union Street at Old Minnesota Avenue and Highway 169.

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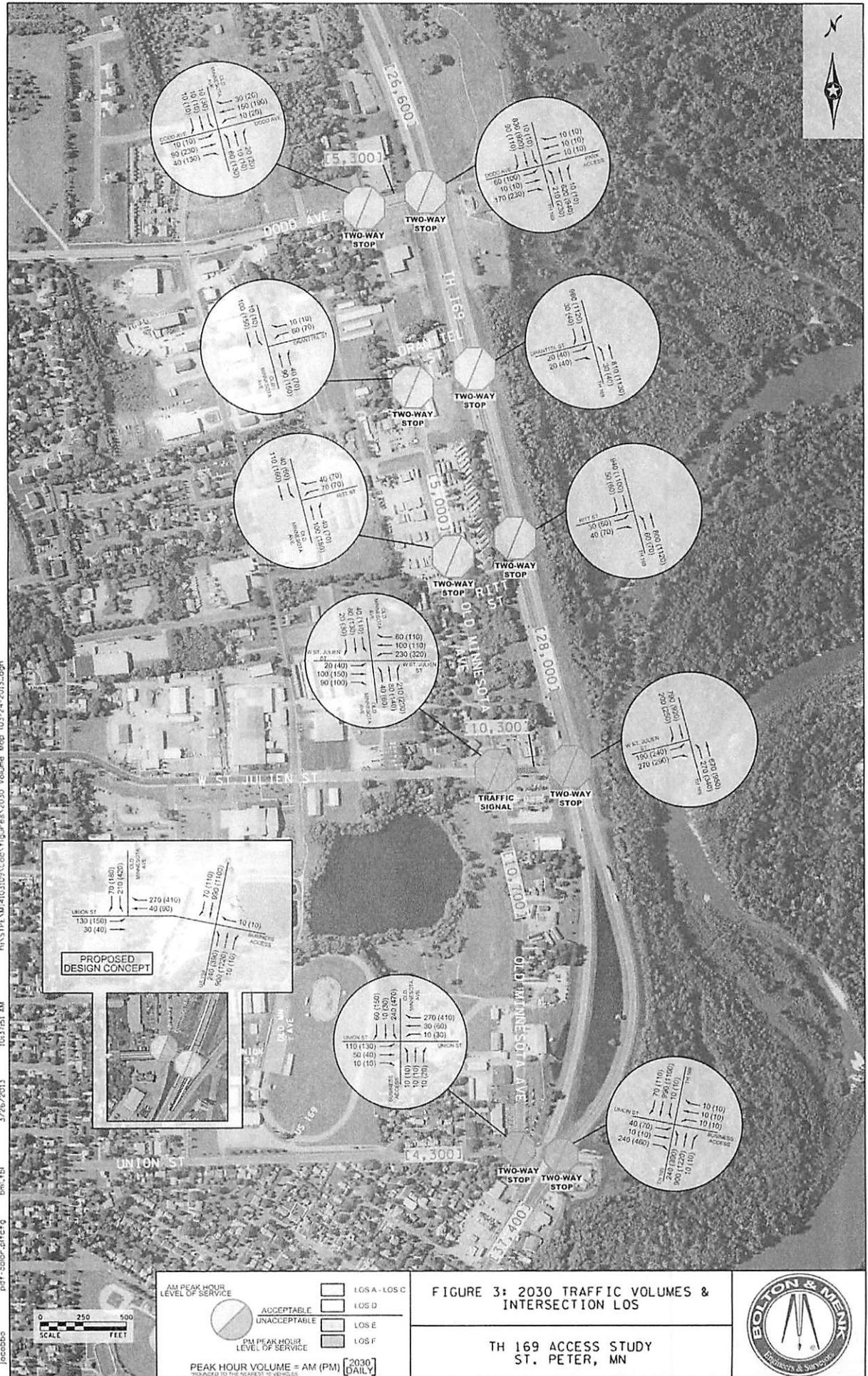
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| | |
|--|-----------------------|
| | POST 2030 DEVELOPMENT |
| | RESIDENTIAL |
| | COMMERCIAL |
| | INDUSTRIAL |

FIGURE 2: FUTURE LAND USE

TH 169 ACCESS STUDY
ST. PETER, MN





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FIGURE 4: ROADWAY DESIGN CONCEPT AND CONFLICT POINT ANALYSIS

TH 169 ACCESS STUDY
ST. PETER, MN

- LEGEND**
- PROPOSED ROADWAY
 - SHOULDER
 - MEDIAN / CURB & GUTTER
 - SIDEWALK
 - STOP CONTROL
 - YIELD CONTROL



60% REDUCTION IN CONFLICT POINTS

EXISTING ROADWAY CONCEPT

PROPOSED ROADWAY CONCEPT

- CONFLICT POINTS**
- CROSSING
 - TURNING
 - MERGE / DIVERGE

- CONFLICT POINTS**
- CROSSING
 - TURNING
 - MERGE / DIVERGE

DOWNTOWN DEVELOPMENT PRIORITIES

- Promote projects that improve or are sympathetic to the historic scale and nature of the downtown.
- Business development that promotes a mix of niche retail, food/beverage and entertainment. Promotion of office uses in upper floors is valuable to retail trade in the downtown.
- Building enhancements that are not only historically sympathetic. This should be done while promoting upper floor housing or living in the downtown. This will enhance use of businesses by creating density. This should be done while striving to maintain retail or service businesses on the lower floors of buildings.
- Promote uses, events, activities that set the downtown as a place of destination.
- Use arts and cultural activities to promote the use of downtown as a destination.
- Continue to provide EDA dollars to build and upgrade buildings in the downtown.

CITY OF SAINT PETER, MINNESOTA

PUBLIC HEARING PROCESS AND PROCEDURES

Public hearings conducted at City Council meetings will include an opportunity for the general public and interested parties to hear and see all information and to ask questions, provide additional information, express support or opposition, and/or suggest modifications to the proposal.

The Mayor will conduct the public hearing. He/she will explain the procedure to be followed before the hearing begins. The public will be allowed to participate and must follow the rules of conduct. Hearings are formal proceedings and will be conducted as such. While everyone will be given an opportunity to participate, comments should be germane to the topic at hand and concise. If many people share the same viewpoint, the City Council encourages the appointment of a spokesperson to avoid repetitive testimony.

The public hearing will be conducted in the following manner:

1. Staff Presentation - City staff, or consultants employed by the City, will identify the issue of the hearing, explain any pertinent laws or regulations associated with the issue; and the steps being taken by the City.
2. Applicant's Presentation - In this portion of the hearing, the applicant (if applicable) has the opportunity to present his or her case. However, no statement either for or against the proposal should be accepted at this point.
3. Public Comment – Once staff and the applicant have completed their background information, the public will be allowed to speak in the following order:
 - a. Citizens supporting the hearing issue.
 - b. Citizens opposed to the hearing issue.
 - c. General citizen comments or questions.

All speakers in the public comment portion of the hearing will be limited to five (5) minutes. All speakers will be encouraged to present factual evidence for public consideration and to refrain from broad statements without any basis of fact. Speakers may provide written materials to the Council. The Council will listen to testimony, but will refrain from engaging in discussion with the speakers.

After all evidence has been received and everyone has been given an opportunity to be heard, the public hearing will be concluded. Action on the hearing issue may or may not be scheduled for later in the meeting. If action is to be taken, the City Council will then discuss the issue in open session. During this portion of the meeting, citizens will no longer be allowed to participate in the discussion.

Saint Peter, Minnesota, Code of Ordinances >> - CITY CODE >> Chapter 2 - ADMINISTRATION >>
ARTICLE V. - BOARDS, COMMISSIONS, AUTHORITIES AND COMMITTEES >> DIVISION 9. - HOSPITAL,
NURSING HOME, MEDICAL CLINIC AND AMBULANCE COMMISSION >>

DIVISION 9. - HOSPITAL, NURSING HOME, MEDICAL CLINIC AND AMBULANCE COMMISSION ⁽¹¹⁾

Sec. 2-624. - Establishment and composition.

Sec. 2-625. - Meetings and officers.

Sec. 2-626. - Powers.

Sec. 2-627. - Purpose and duties.

Secs. 2-628—2-646. - Reserved.

Sec. 2-624. - Establishment and composition.

The Hospital, Nursing Home, Medical Clinic and Ambulance Commission is hereby continued. The short title of the Commission shall be "Hospital Commission". The Commission shall consist of six members who shall be legal voters of the City and who shall serve staggered five-year terms. In addition to the foregoing membership, one member of the Council shall be an ex officio member with full voting privileges and one member shall be the President of the Medical Staff who shall serve as an ex officio member with no voting privileges. The Councilmember shall be appointed for a term of one year and may be reappointed.

(Ord. No. 407(2nd Ser.), § 1(subd. 1), 5-24-2010; Ord. No. 4(3rd Ser.), § 1, 11-28-2011)

Sec. 2-625. - Meetings and officers.

The Commission, at its first regular meeting in January, or at any earlier special meeting in January called for that purpose, shall elect from its members a chairman, vice-chairman and secretary. The chairman shall preside at all meetings of the commission and in case of his/her absence from any meeting the vice-chairman shall preside. In the absence of any Chairman from the city or in case of his disability for any reason to discharge his/her duties, the vice-chairman shall, for the time being, exercise all the powers of the chairman. The chairman, vice-chairman and secretary shall have such other duties as the commission may prescribe and shall hold their offices until January 1 of the year following their election and thereafter until their successors are elected and qualified. A vacancy in the office of the chairman, vice-chairman or secretary shall be filled in the same manner as the original election, but only for the unexpired term. The treasurer of the city shall have access to all financial reporting and accounts of the hospital and the commission will ensure that audits are provided to the city in a timely fashion and in compliance with generally accepted accounting practices.

(Ord. No. 407(2nd Ser.), § 1(subd. 2), 5-24-2010)

Sec. 2-626. - Powers.

The Commission shall have charge of the administration, operation and maintenance of all hospitals, nursing homes, medical clinics, and ambulance services now or hereafter owned by the

City. These general powers herein granted, shall not be considered to be limited by enumeration of specific powers in this section. The Commission shall have power to hire, discipline and terminate the chief administrative officer of the hospital and clinic with concurrence of the City Council. The Commission shall have the power to hire all other necessary employees; to fix and pay their compensation including that of the chief administrative officer of the hospital and clinic; to reimburse officers and employees for expenses necessarily paid or incurred in performance of their duties; to require a bond of any officer or employee and pay the premium thereon; to effect all necessary insurance; to make repairs of the hospital, medical clinics and nursing home buildings and their contents; to purchase all necessary hospital, nursing home, medical clinics and ambulance equipment, apparatus, and supplies; to receive and accept, with the approval of the Council, on mutually agreeable terms all donations for hospital, nursing home, medical clinic and ambulance service purposes; to establish such committees as it may see fit; and to make rules relating to its own procedure and to the administration, operation and maintenance of such hospitals, nursing homes, medical clinics, or ambulance services. Nothing in this section shall be construed to vest any power in the Commission to construct any additional hospitals, medical clinics, or nursing homes or additions to hospitals, medical clinics, or nursing homes, or appurtenant structures; such powers to be in the Council.

(Ord. No. 407(2nd Ser.). § 1(subd. 3). 5-24-2010)

Sec. 2-627. - Purpose and duties.

Subject to such limitations that may be prescribed by rules, the municipally-owned Community Hospital, nursing home, medical clinic and ambulance services, shall be operated primarily as a general hospital, medical clinic, nursing home and ambulance service, and the Commission shall from time to time establish and provide for setting of rates and suitable charges for the use of the Community Hospital, nursing home, medical clinic, and ambulance service and its facilities, and for payment and collection of same. In fixing such charges and rates and in all other business practices the Commission shall have in mind this purpose; that the Community Hospital, nursing home, medical clinic, and ambulance service shall be self-sustaining insofar as proper business practices can make it so; to accomplish that purpose the Commission, among other business practices, may provide security and for services to be rendered to patients. Said Commission shall at all times keep and cause to be kept true and correct books and accounts wherein shall be entered all receipts and disbursements and all business transactions appertaining to the operation of the hospital, medical clinic, nursing home or ambulance service and property, and said Commission shall make to the Council during the month of May or following the completion of the Hospital's independent audit a full and accurate detailed report of all receipts and disbursements and of all the doings and transactions in the operation of such hospital, medical clinic, nursing home and ambulance service and the management of the Commission. During the first week of January of each year said Commission shall file with the City Clerk-Administrator an inventory of all hospital, medical clinic, nursing home and ambulance properties. All funds and receipts collected in operating and managing said hospital, medical clinic, nursing home and ambulance service shall be deposited with the Hospital Commission approved depositories, and all expenses and disbursements incurred in the operation thereof shall be paid by check on said indebtedness shall be incurred by said Commission except such as is necessary and incident to the carrying on of such hospital, medical clinic, nursing home or ambulance service, unless first authorized by the Council. No alterations, repairs or improvements to the hospital, medical clinic or nursing home shall be made by said Commission in excess of \$15,000.00 without first obtaining the approval of the Council therefor. All claims and demands must be allowed by said Commission

before paid. A copy of the agenda minutes and supplementary materials for each meeting of the Commission shall be provided to the City Clerk-Administrator prior to each meeting.

(Ord. No. 407(2nd Ser.), § 1(subd. 4), 5-24-2010)

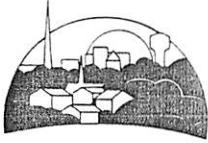
Secs. 2-628—2-646. - Reserved.

FOOTNOTE(S):

⁽¹⁾ **Editor's note**— Ord. No. 407, § 1, amended former Division 9, §§ 2-624—2-629, in its entirety to read as herein set out. Former div. 9 pertained to similar subject matter and derived from § 2.36 of the Code of 1989 and the following: [\(Back\)](#)

| Ord. No. | Section | Date |
|---------------|---------|----------|
| 130(2nd Ser.) | 1 | 3-23-87 |
| 157(2nd Ser.) | 11 | 12-12-88 |
| 165(2nd Ser.) | 1 | 1-9-89 |

| Ord. No. | Section | Date |
|---------------|---------|----------|
| 171(2nd Ser.) | 1 | 4-10-89 |
| 231(2nd Ser.) | 1 | 2-14-94 |
| 395(2nd Ser.) | 1 | 11-26-07 |



October 22, 2012

Saint Peter Hospital Commission
1900 North Sunrise Drive
Saint Peter, Minnesota 56082

Re: Management Business Model

Dear Chairperson Carlson and members of the Commission:

As I think often about our hospital/clinic and the various opportunities and business models we have reviewed, I am driven to see local success, not for us, but for our community and our community members. Our hospital represents the type of community we want to become and provides the type of service we need if we are to meet our goals within an overall community vision.

There are basic evidences that I believe to be true. Those evidences should be the basis for our movement forward.

These things I know:

- We are great. Our assets include a wonderful facility, quality staff and documentable quality care.
- We care for our community and its' members, but our vision for that continues to remain more internal than external.
- The business of "health care" will continue to evolve and change.
- We will not be the biggest on the block.
- We need to increase our community's use/penetration.
- What is "getting it done" now will not "get it done" in the future. In fact we are not getting it done now, but I strongly believe we have the building blocks to get it done in most areas.

If these are true, I have a vision for your decision on a business model that I think I want you to know about.

We need to evolve in these areas, enhance our strengths...

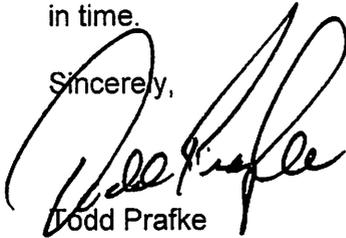
- The nimble size we have needs to be used as an advantage.
- Our ability to develop partnerships must be enhanced so that we work with the people and organizations that are great so we can provide the platform or portal for our citizens and customers so they can get the best care.

- Our ability to think outside the box must be enhanced and acted upon; as exemplified by our work with the folks from Le Sueur and OFC.
- We need to evolve away from a "hospital" and in to a "portal" or "access point" concept.
- We must become a recognized leader in new changes in the provision of care. Experimentation provides a great avenue for vibrancy. Vibrancy draws people in.
- Become a cornerstone institution in our community - not just "the hospital".

These are bullet points of direction. These are not tasks or tactics. Those tactics must be worked out, developed and executed by our hospital administration with Board understanding and approval. Those bullets are our outcomes. The Board is now charged with defining the model that is best suited to provide for those outcomes.

If this is the vision, we need to hire a new CEO to help get us there. The other business models are great and may be in our future, but they do not afford us the same opportunity to meet those evolutions while focusing on what is great for our community/customers. I believe that those other business models would take away from that focus by the very nature of their structure. Again, I do not believe we are strong enough to allow focus to be placed elsewhere at this point in time.

Sincerely,



Todd Prafke
City Administrator

TP/bal

cc: Mayor Strand

HOSPITAL CEO RECRUITMENT SCHEDULE

June 6th ~ Todd and Jackie meeting to review applications/resumes

June 18th ~ Group of 2 council members (Jerry and Susan) and 2 commission members (Sandy and Stu) meeting with Todd and Jackie (Location: Helen White Conference Center @4pm)

June 24th – June 28th Interview week ~ May be only 2 or 3 days, depending on how many candidates are selected to interview. We will notify you as soon as we know the schedule

August 13th 1pm-3pm Hospital Commission workshop meeting

HOSPITAL CEO RECRUITMENT SCHEDULE

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| August 13 | 1pm-3pm Hospital Commission workshop meeting |



ISSUE BRIEF

RURAL HOSPITAL SYSTEM GROWTH AND CONSOLIDATION

Rural community-based hospitals have been undergoing significant ownership changes over the past 10 years, with many that had been independently owned and operated transitioning to being owned, leased or managed by larger multi hospital health care systems. The Rural Health Advisory Committee (RHAC) and the Office of Rural Health and Primary Care at the Minnesota Department of Health sought to investigate and document the status of this trend, and to explore the reasons rural hospital leaders are choosing to become affiliated with regional systems of care, or to remain independent.

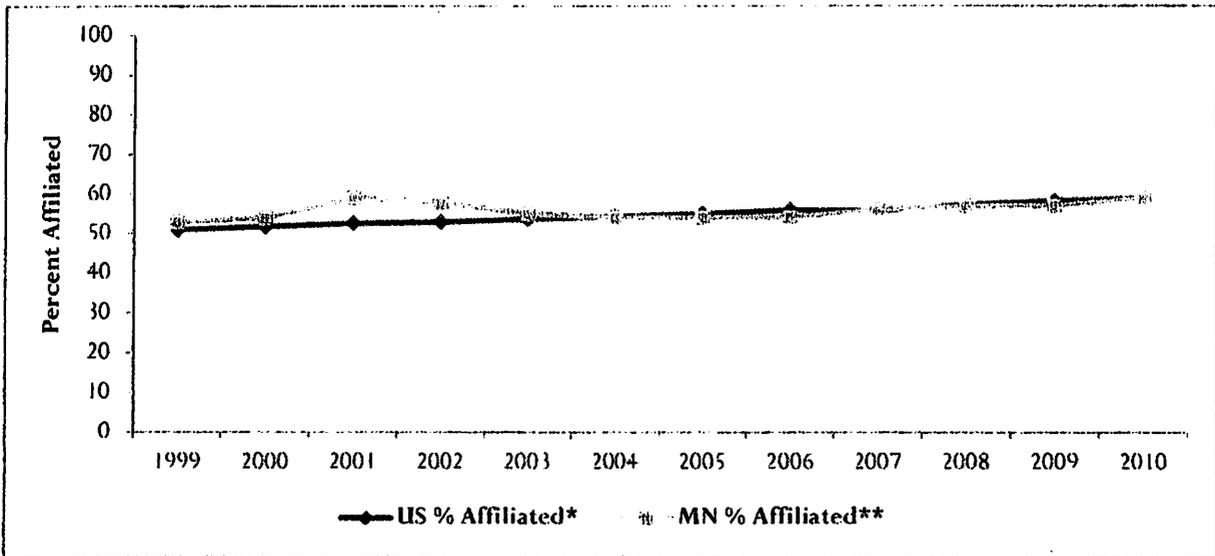
System affiliation appears to be accelerating in Minnesota, and is in a state of flux. Many hospitals have joined large systems in recent years, and more are considering the shift. The latest available official data, from 2010, comes from Minnesota's Health Care Cost Information System (HCCIS). To identify changes that have happened since that time, ORHPC staff utilized HCCIS and a variety of other sources to develop a list of Minnesota hospitals and their affiliations as of December 2012 (See Appendix 1 for 2012 map of Hospital System Affiliations).

This issue brief is intended to present baseline information about rural hospital system affiliation and its effects on hospitals in rural Minnesota. The first section establishes a clear trend in the number of hospitals that are joining hospital systems in Minnesota. The second section presents data gathered from Critical Access Hospital CEOs throughout the state on the status of their hospitals and their opinions on how system affiliation affects access to health care and hospital sustainability in rural Minnesota.

Trends in Hospital System Affiliation in Minnesota

The trend in system affiliation among rural and urban community hospitals is occurring both in Minnesota and nationally. Figure 1 illustrates the trend in the percentage of hospitals affiliated with health systems from 1999 to 2010, both nationally and in Minnesota. From 1999 to 2010, the number of US hospitals affiliated with health systems increased from 51 percent to 59 percent, adding 417 hospitals for a total of 2,941 affiliated in 2010.

Figure 1: Percent of Hospitals Affiliated with Health Systems in the United States vs. Minnesota, 1999 - 2010



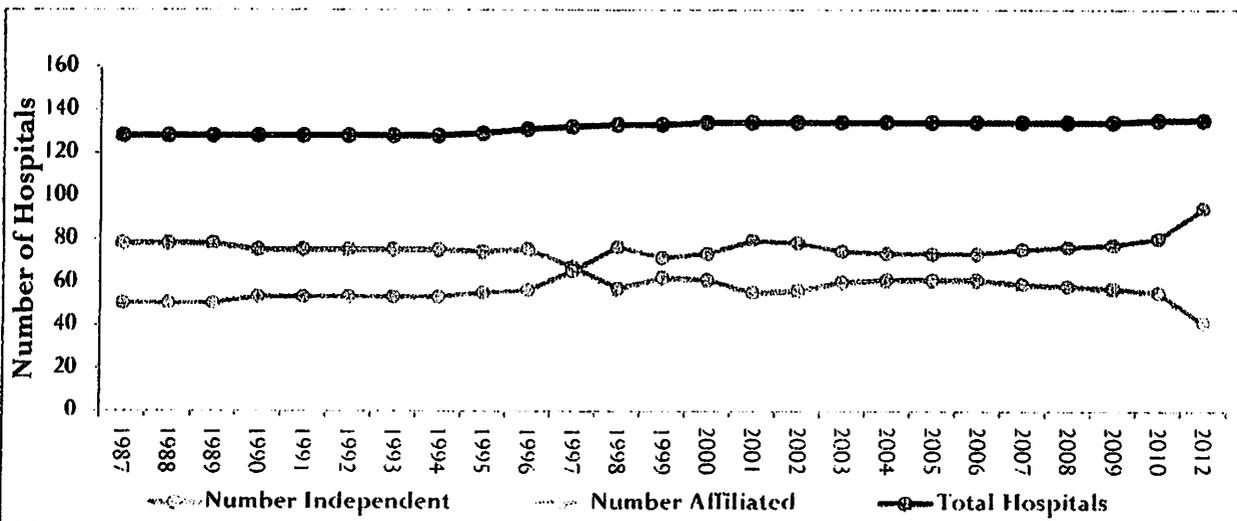
*Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2010, for community hospitals.

<http://www.aha.org/research/reports/tw/chartbook/ch2.shtml>. Hospitals that are part of a corporate body that may own and/or manage health provider facilities or health-related subsidiaries as well as non-health-related facilities including freestanding and/or subsidiary corporations.

** Source: 1987-2010 comes from Minnesota Health Care Cost Information System (HCCIS): <http://www.health.state.mn.us/divs/hpsc/dap/hccis/hospdata.htm>. Includes any hospital that is owned, leased or managed by an organization that oversees multiple hospitals. Excludes VA hospitals, Federal or State government run hospitals, Indian Health Services, the Philips Eye Institute in Minneapolis, and Mayo Psychiatry and Psychology Hospital.

This trend was also seen in Minnesota, where the percentage of affiliated hospitals increased from 53 percent in 1999 to 59 percent in 2010 (Figure 1). A look further back in time shows that the increase in system affiliation in Minnesota has been steadily occurring since 1987, when there were 50 affiliated hospitals, to 2012 when there were 85 affiliated hospitals, representing an increase of 24 percent in 25 years (Figure 2).

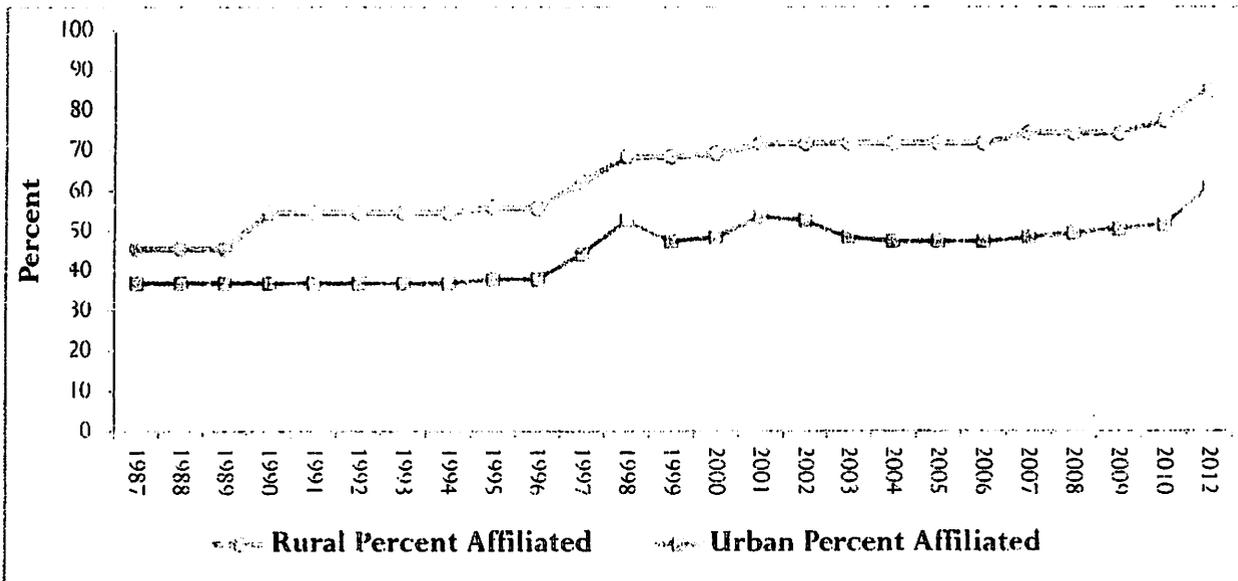
Figure 2: Trend in Hospital Affiliation in Minnesota 1987 - 2012*



*Hospital Affiliation includes any hospital that is owned, leased or managed by an organization that oversees multiple hospitals. Excludes VA hospitals, Federal or State government run hospitals, Indian Health Services, the Philips Eye Institute in Minneapolis, and Mayo Psychiatry and Psychology Hospital. 2012 data were obtained through updates tracked by Minnesota Department of Health, Office of Rural Health and Primary Care staff and include any known changes from the 2010 HCCIS data.



Figure 3: Trend in Hospital Affiliation in Urban vs. Rural Minnesota, 1987 - 2010*



* Hospital Affiliation includes any hospital that is owned, leased or managed by an organization that oversees multiple hospitals. Excludes VA hospitals, Federal or State government run hospitals, Indian Health Services, the Philips Eye Institute in Minneapolis, and Mayo Psychiatry and Psychology Hospital. Rural Hospitals include those located in small or isolated rural areas as defined by Rural Urban Commuting Areas (RUCAs). 2012 data were obtained through updates tracked by Minnesota Department of Health, Office of Rural Health and Primary Care staff and include any known changes from the 2010 HCCIS data.

Despite differences in resources and the number and size of health systems, since 1987 both urban and rural hospitals in Minnesota have experienced similar trends in the percent of hospitals affiliated with health systems (Figure 3). System affiliation is not the same in all rural community-based hospitals, and local communities may decide to become affiliated for a variety of reasons. System affiliation can include a management arrangement, in which the hospital leadership is employed by the larger system but the hospital itself is owned by the local government or a private nonprofit local entity. Typically, these managed hospitals have local members sitting on the hospital board. Health systems can also lease or buy the hospital itself, in which case the local community may no longer have authority over hospital operations. Systems also differ in their level of system oversight and management. Large systems may exercise a great deal of control over their affiliated hospitals, or may defer much of the control to local leadership of each hospital.

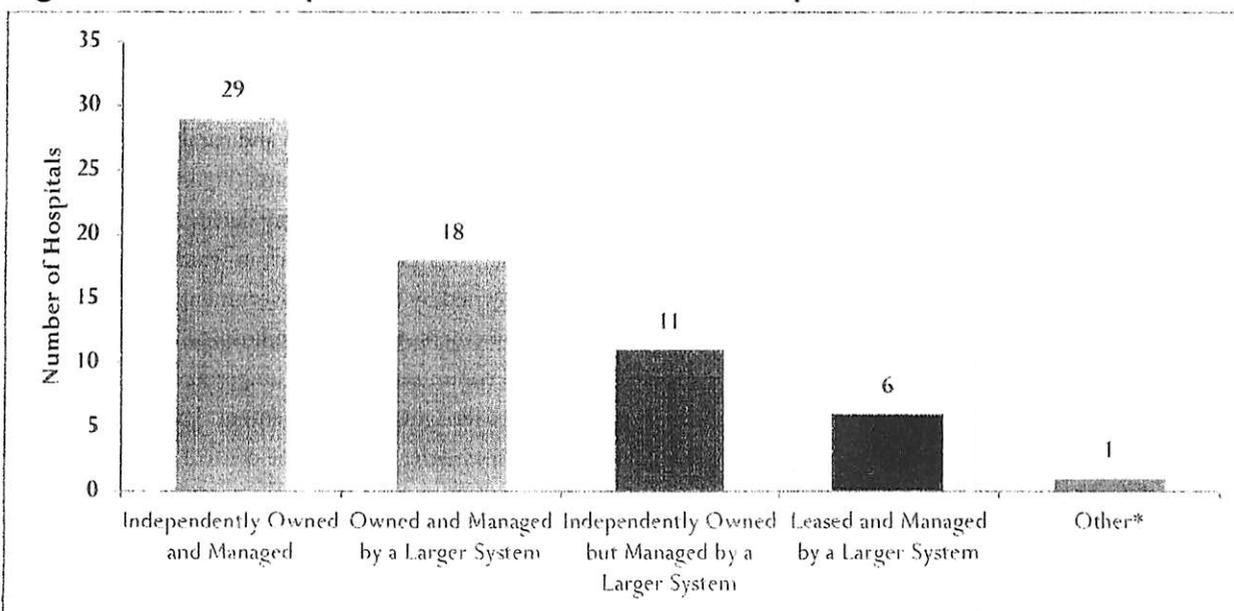
Survey of Critical Access Hospitals (CAHs) in Minnesota

Critical Access Hospitals are licensed, not-for-profit hospitals that have 25 or fewer acute care beds and participate in the Medicare program. They must also be in a rural area and located at least 35 miles from another hospital or certified by the state as being a necessary provider. The Balanced Budget Act of 1997 established the CAH designation to maintain health services in rural area. CAHs have a different reimbursement structure than non-CAHs, in which they receive 101 percent of reasonable costs for most inpatient and outpatient services.

To identify advantages and disadvantages of system affiliation in rural Minnesota hospitals, ORHPC and the Flex Advisory Committee¹ sent a questionnaire to each of Minnesota's 79 Critical Access Hospitals (CAHs).

The primary aim was to learn what CEOs at Critical Access Hospitals thought about key issues in rural health, and to understand how those issues relate to current trends in health system affiliation. Of the 79 CAHs surveyed, 65 (82 percent) responded. Among respondents, 29 were independently owned and managed hospitals and 36 were affiliated with a system either through ownership, lease agreements or management contracts (Figure 4). Of the 14 hospitals that did not respond, seven were independent and seven were affiliated.

Figure 4: Ownership Status of Critical Access Hospitals in Minnesota - N=65



*Cass Lake Hospital is a federally owned hospital owned and operated by the Indian Health Service (IHS).

The survey included 14 questions focusing on the perceptions of the hospital CEO about topics such as recruitment and retention of staff, ability to provide specialty services, electronic health record adoption, and hospital sustainability. It also included general questions about the effect of system affiliation on rural CAHs in Minnesota. Results of each question were compared between independent and affiliated hospitals to determine if there were major differences between the two groups. The sample size of this questionnaire made it difficult to draw strong conclusions about these differences - there were no questions where the groups differed notably in their responses. Instead the responses were remarkably similar, indicating that rural CAHs face some of the same challenges regardless of whether or not they are affiliated with a large system.

The majority of respondents from both affiliated and independent hospitals indicated that physician recruitment and retention was difficult (Figure 5).ⁱⁱ Non-physician professional recruitment appeared to be difficult for some and easy for others (Figures 6).ⁱⁱ In neither case did affiliated or independent hospitals differ markedly in their responses.

Figure 5: How would you rate your ability to meet physician recruitment and retention needs for both primary care and specialty physicians at your hospital?

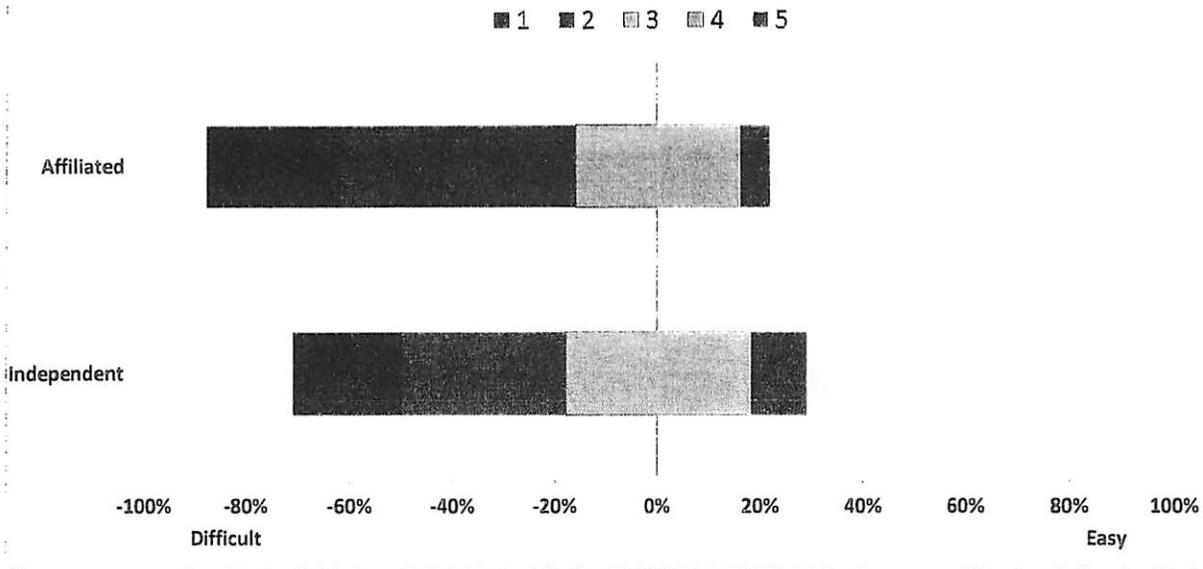
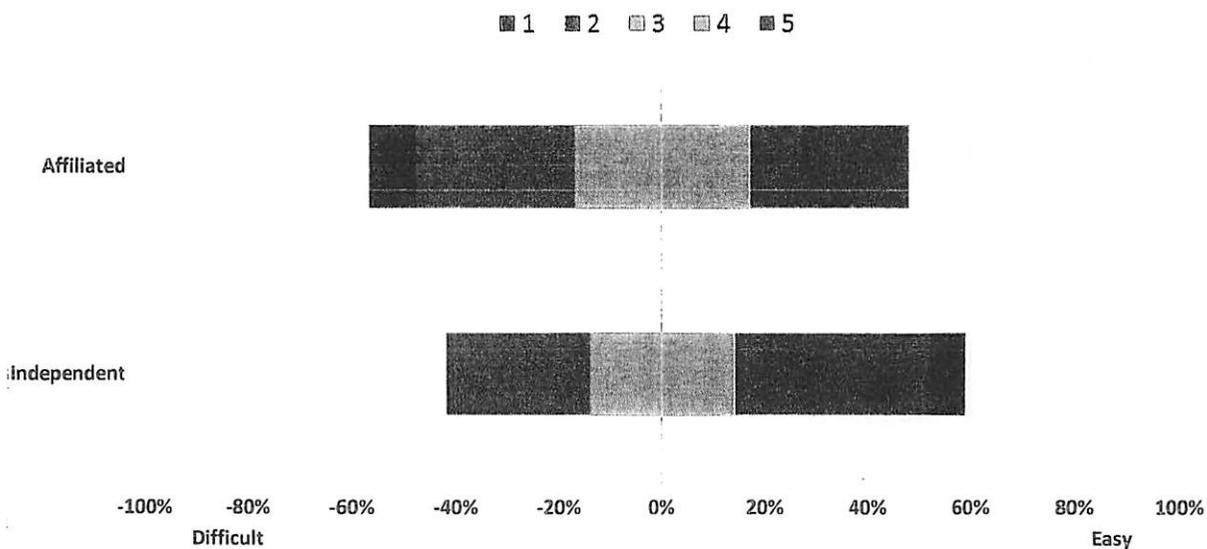
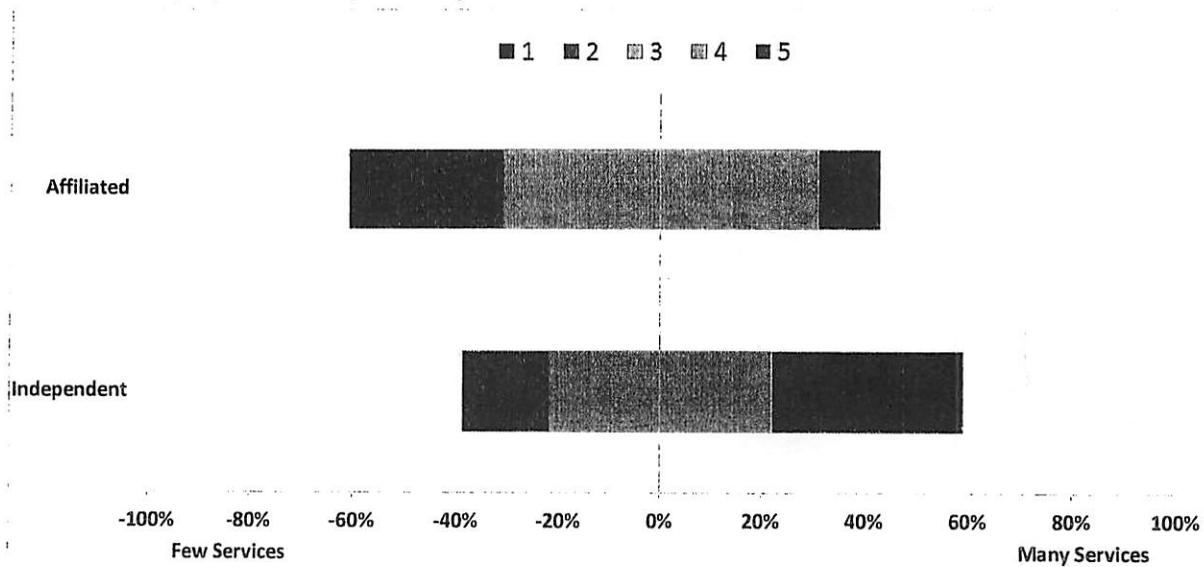


Figure 6: How would you rate your ability to meet recruitment and retention needs for non-physician healthcare professionals (eg. Nurses, Advanced Practice Nurses, PAs etc.) at your hospital?



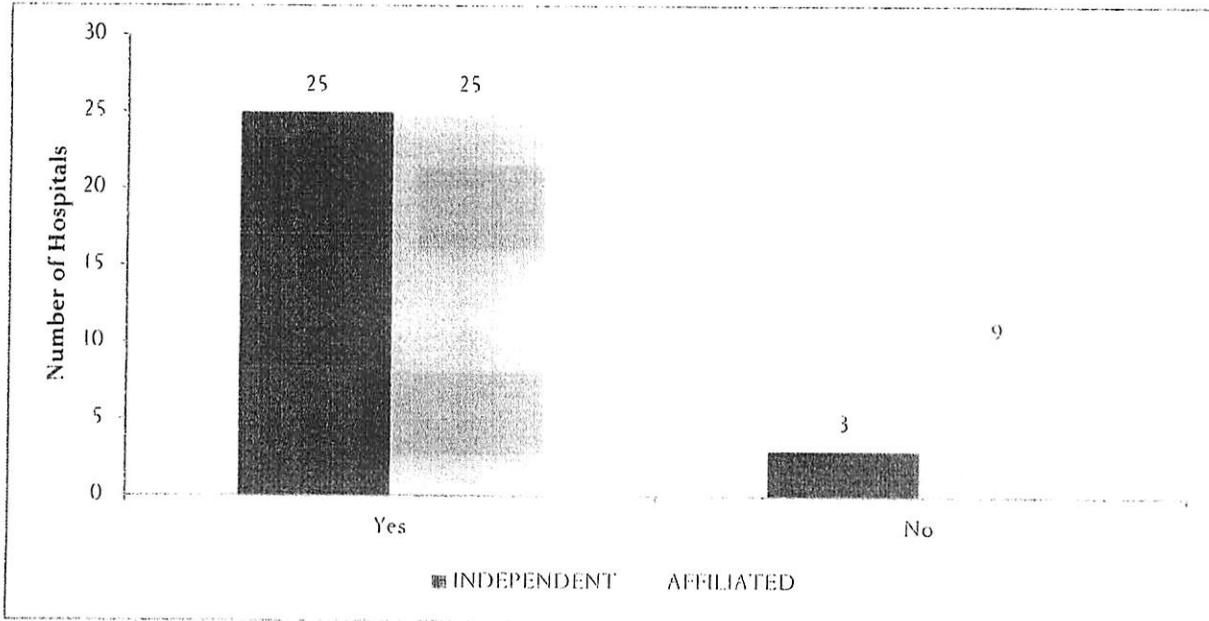
A larger percentage of respondents from independent hospitals indicated they were able to provide access to many physician specialty services, while most affiliated hospitals had a neutral response to that question (Figure 7).ⁱⁱ

Figure 7: Please indicate the degree to which your hospital is able to provide access to physician specialty services.



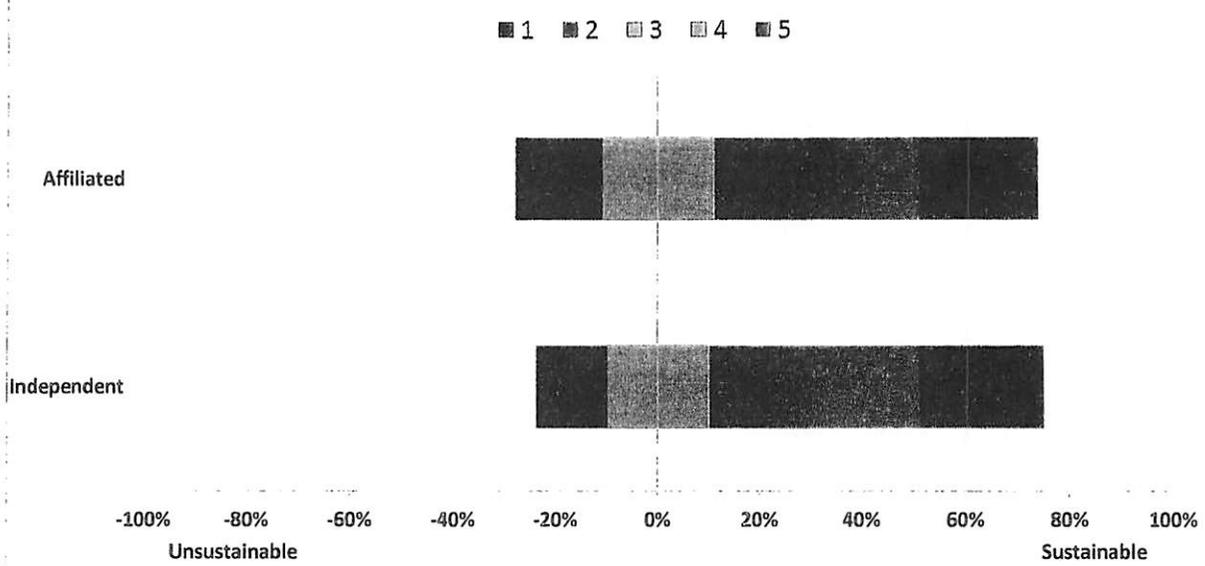
Most of the hospitals surveyed (50 of 65) had added services in the past 5 years (Figure 8). The types of services added were: Endocrinology, Diabetes Management, Pain Clinic, Memory Care, Depression Care, Orthopedics, Family Practice, Bariatric Services, Sleep Studies, Pediatrics, Mental Health, Telectroke, Bone Density Studies, 24/7 Ultrasound, Allergy, Podiatry, Neurology Outreach and Pulmonology Outreach.

Figure 8: Number of Hospitals that Added Services in the Past 5 Years



Most respondents from both affiliated and independent hospitals indicated they had made significant progress on implementing electronic health records and achieving meaningful use. The results were largely the same for both types of hospitals (Figure 9)ⁱⁱ.

Figure 9: Please rate your progress on implementing the adoption of electronic health records and achieving meaningful use.



A slightly higher percentage of independent hospitals indicated that their current patient volume and net revenues were sufficient to provide ongoing sustainability. However, as in all the questions for this survey, the sample was too small to test for a significant difference (Figures 10 and 11).ⁱⁱ

Figure 10: Please rate the ability of your current net revenue to provide the ongoing sustainability of your hospital.

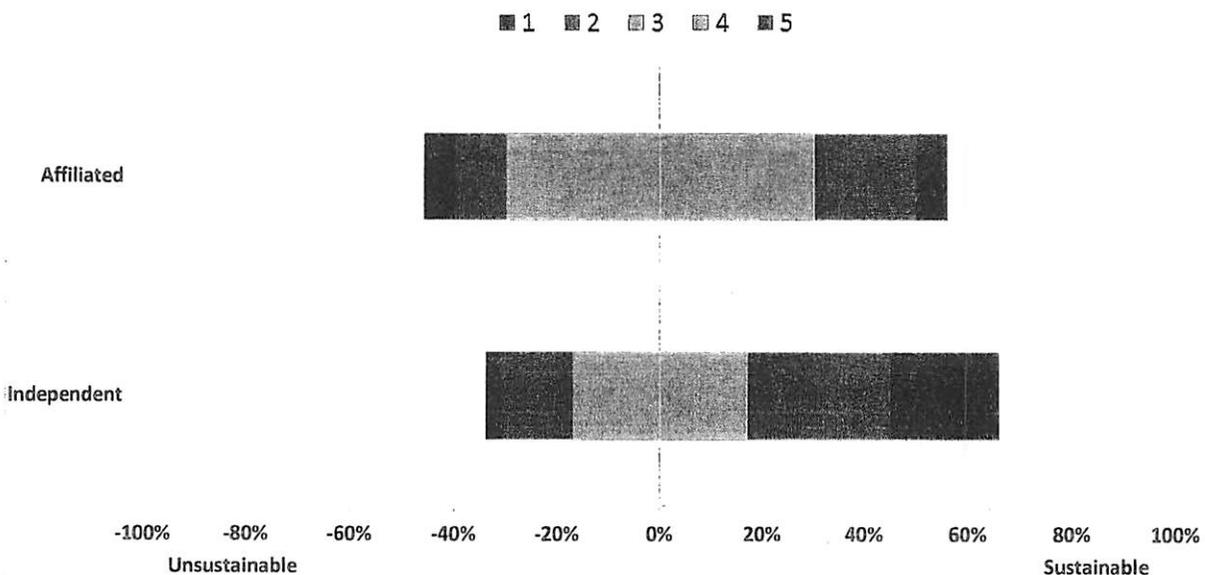
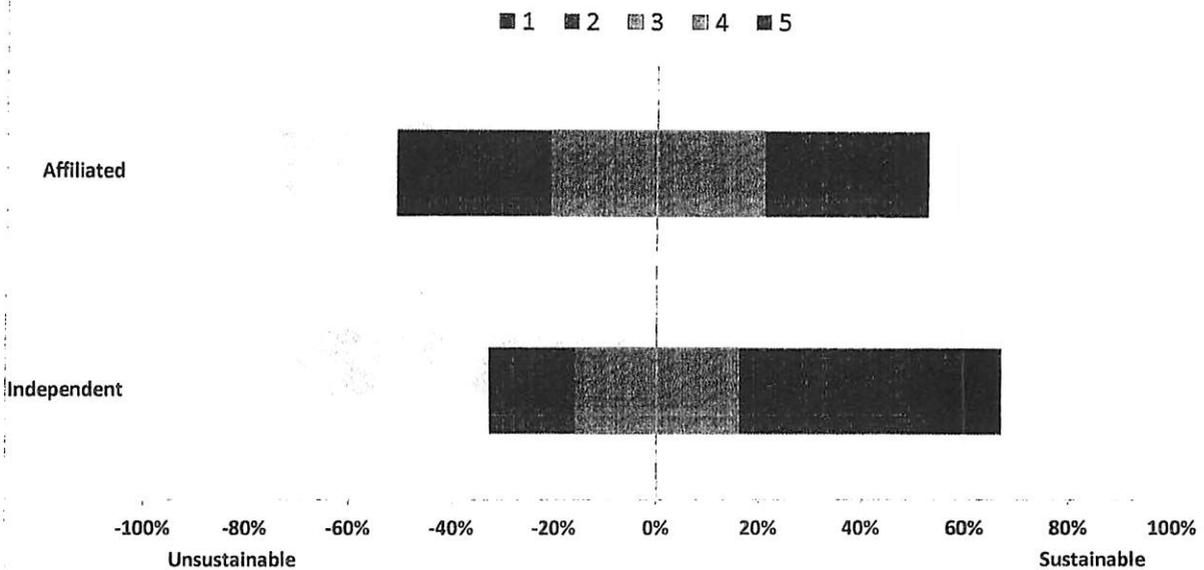


Figure 11: Please rate the ability of your current patient volume to provide the ongoing sustainability of your hospital.



When asked whether the recent trend in system affiliation will increase or decrease access to local health services in rural Minnesota, the majority of respondents from both types of hospitals indicated that affiliation would increase access to services (Figure 12).ⁱⁱ Additionally, the majority of respondents from both independent and affiliated hospitals indicated that system affiliation would increase their access to capital, as well as increase their hospital's cost for providing services (Figures 13 and 14).ⁱⁱ

Figure 12: In your opinion, would affiliation with a large hospital system increase or decrease your cost for providing services?

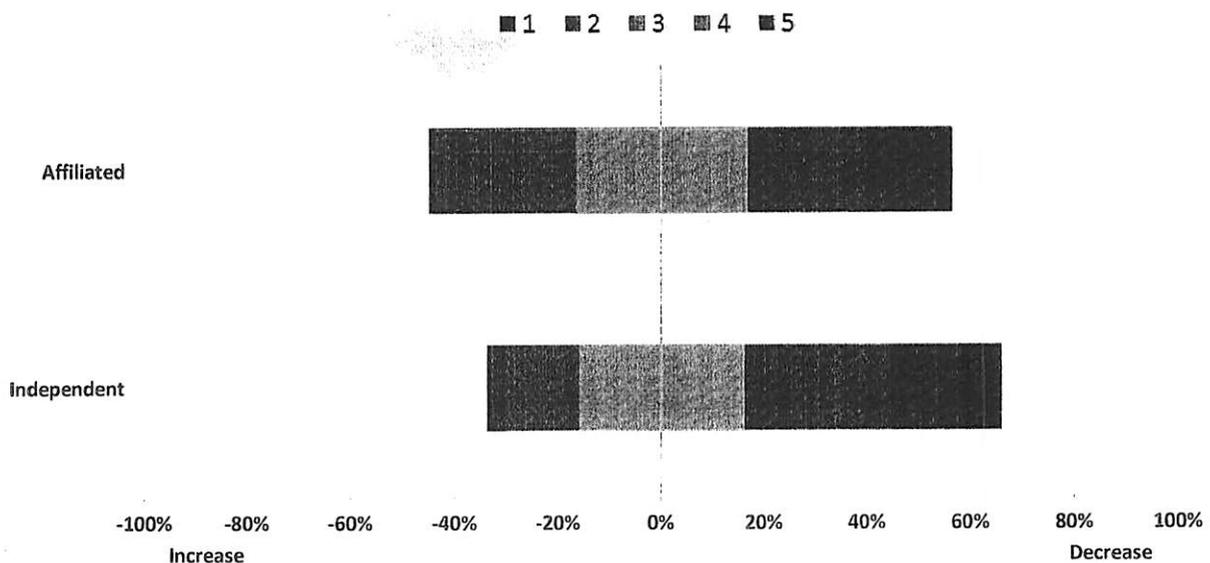


Figure 13: In your opinion, would affiliation with a large hospital system increase or decrease your access to capital?

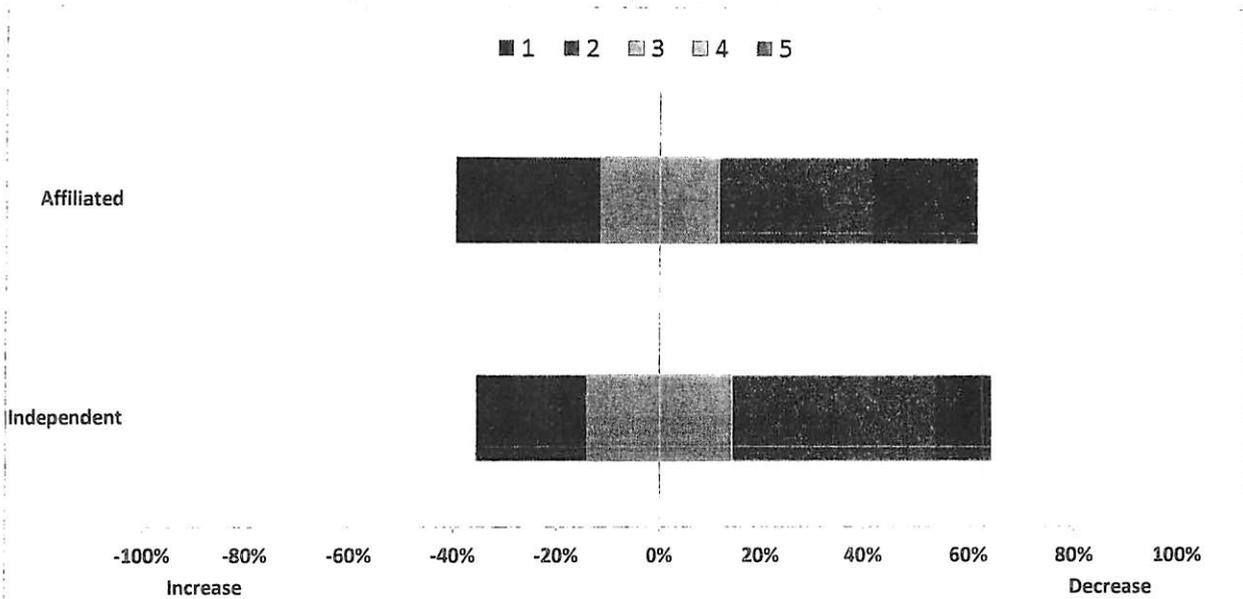
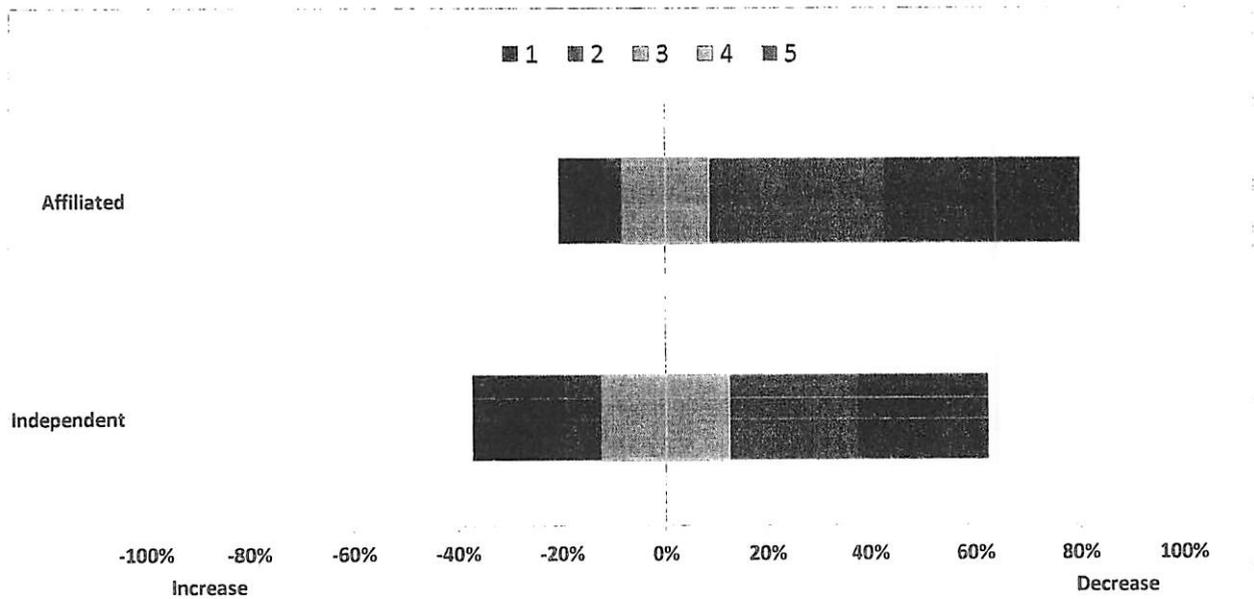
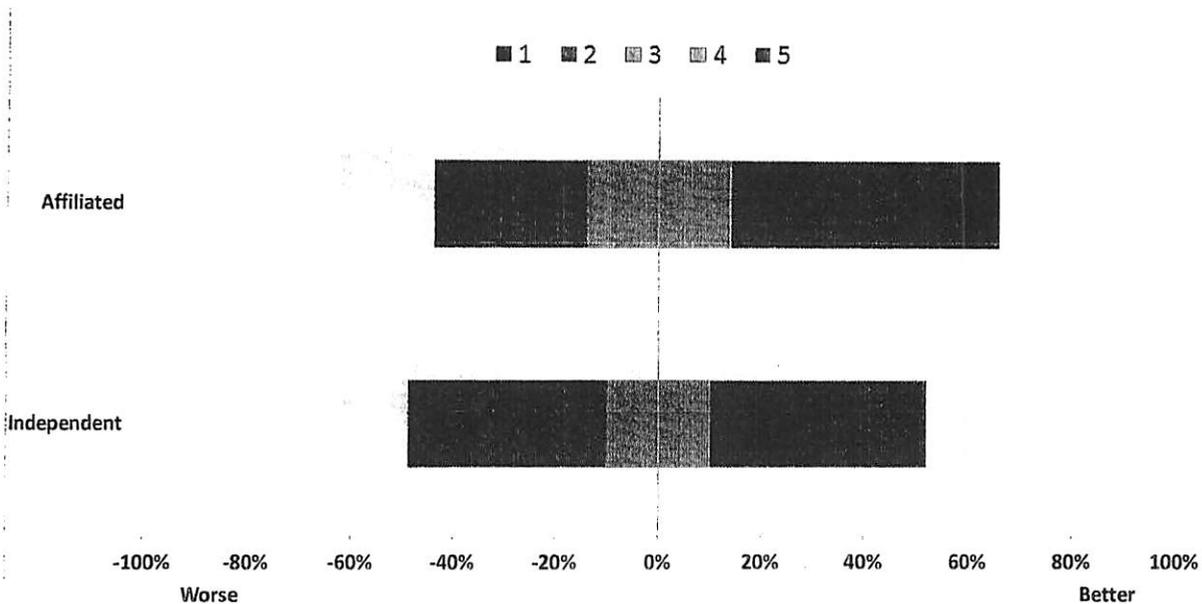


Figure 14: Do you feel that recent trends in system affiliation will increase or decrease access to local health services in rural Minnesota?



Results were mixed regarding the potential effect of the trend in rural hospital affiliation on the viability of CAHs in Minnesota. Some responded that it will make things worse and some that it will make things better (Figure 15).ⁱⁱ

Figure 15: In your opinion, what effect will the trend in rural hospital affiliation with large healthcare networks/systems have on the viability of Critical Access Hospitals in Minnesota?

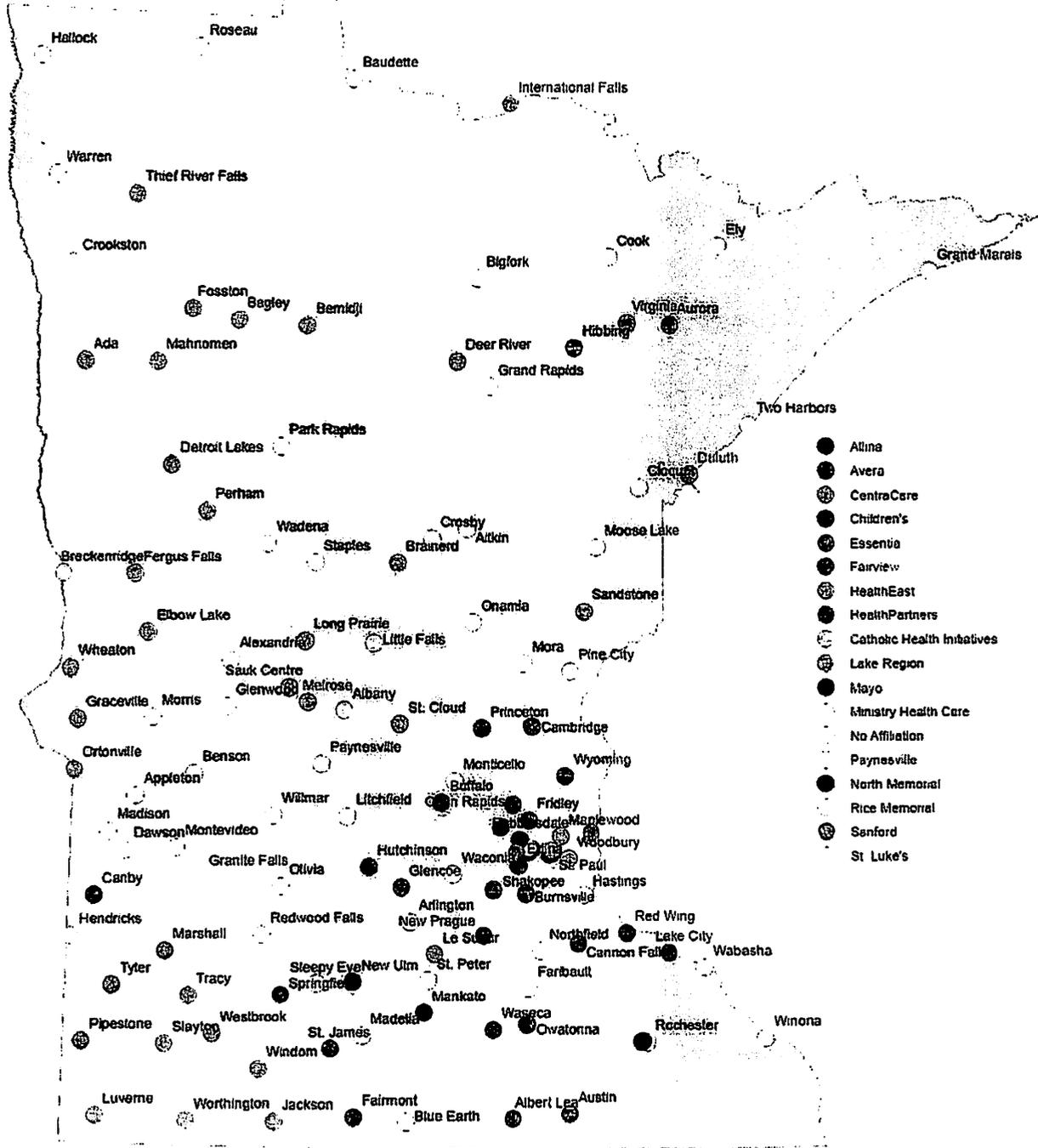


Conclusion

This baseline study suggests that while there is a clear trend in Minnesota hospitals joining larger systems, among Critical Access Hospitals (CAHs) there did not appear to be substantial differences in how independent and affiliated hospital CEOs feel their hospitals are faring in terms of recruitment, access to services, electronic health record adoption and sustainability. Many but not all CEOs from both independent and affiliated CAHs indicated that system affiliation was likely to increase local access to health services, and increase access to capital. At the same time, a majority of CEOs in both independent and affiliated hospitals said that system affiliation would likely increase their hospitals' cost for providing services.

This initial survey data is qualitative and presents respondents' impressions, so few definitive conclusions can be drawn. The questionnaire provided information from 65 of the 79 CAHs in the state, but left out the other 56 hospitals not designated as CAHs. These hospitals face different economic circumstances, which could dramatically affect their responses to questions like those posed in this survey. To gain a more complete understanding of how the growth and consolidation of systems affects rural health care and rural hospitals, more information is needed on objective differences in patient care, patient satisfaction and hospital viability from both Critical Access Hospitals and non-Critical Access hospitals in rural Minnesota.

Minnesota Hospital Affiliations 2012



*Affiliated hospitals are owned, leased, or managed by a healthcare system.

Notes

¹ The Rural Health Flex Committee advises ORHPC 's work with Critical Access Hospitals, emergency medical services and rural health networks. Much of this work is funded through the federal Rural Hospital Flexibility Program.

² Respondents could choose answers on a scale of 1-5. The percentage of respondents choosing each answer is indicated by the size of the shaded section, with negative responses on the negative side of the y axis and positive responses on the positive side of the y axis. The neutral "3" response on the scale is evenly split between the negative and positive sides of the y axis. The resulting bars are further to the right of the graph if most of the responses were positive, and further to the left if most of the responses were negative.



For more information, contact:

Office of Rural Health and Primary Care

651-201-3838

TTY: 651-201-5797

www.health.state.mn.us/divs/orhpc

If you require this document in another format, such as large print, Braille or audio recording, call 651-201-3838.

Printed on recycled paper.

Communications

- Communication tools review
- Speaking to “the many not the one”
- TOOLS
 - Website
 - Hot Sheet
 - Facebook
 - Council meetings on TV
 - Nixle
 - Notices
 - Twitter
 - Newspaper
 - Others

16

PAVILION TASK FORCE UPDATE - It has now been several months since the Mayor's Pavilion Task Force ended their work and made recommendation to the City Council about the future of the Minnesota Square Park pavilion.

Although you may not have heard a lot about it since that time, work is ongoing in the search for money to help make this project become a reality. Research is being done by staff and interns to find alternative funding sources such as grants and possible State assistance.

If you want more information or have ideas for funding sources for this project, please call the City Administrator's office at 934-0663 or send an email to barbaral@saintpetermn.gov.

MEETING ON DOWNTOWN HANDICAP ACCESSIBILITY – MAY 22, 2013

Welcome

Goals for project

Project breakdown

Funding

Targets

Construction

Promotion

Intern

Assembly of project

Next steps

Are we doing the right thing? In the best way? Is now the time to do it?

Other issues

Adjourn

Third Door

Handles/Rails

Signage

Other Issues

Buzzers

Inside Only

Brochure needed

Letter to property owners with Chamber/City logos

Connect with Chamber Leadership

Intern

Maybe do Apt.

COOPERATIVE EFFORTS (White Sheet)

SCHOOL DISTRICT

- Activity connection Senior Citizens, recreation, transit
- Facilities long term planning
 - Athletic Other Facilities, Drama, performance, arts
 - City/School offices - this is connected to school facility program
- Budgets
 - Levy
 - Pay
 - Others
- Association concept goals
- Early Childhood 95 % coverage might be a goal
- The Third Floor (Keep City involved)
- city School strategy with GAC
- Child Care
- Long Range Community Planning
- Studies (Housing Demo Others)
- Official Maps

NICOLLET COUNTY

- Compost funds
- Library
- 1/4 - 1/4 good zone
- Office space (Campus Concept) Building
- Criminal Justice Committee
- Law enforcement share dispatch
- Official Mapping
- Emergency Planning
- Green Valley
- Gardner Road

GUSTAVUS ADOLPHUS COLLEGE

- Parking
- Housing - on campus \$\$ students and alumni
- Performance space
- Recreational facilities
- Off-campus behavior
- Party clear out policy on party houses
- Hispanic inclusion
- Child Care
- Transit use
- Employees live in City

REGIONAL TREATMENT CENTER

- Water distribution
- Trail system
- Gluek Park
- Future program/land/facilities
 - Parks
- Arts Association
- Tourism Opportunity

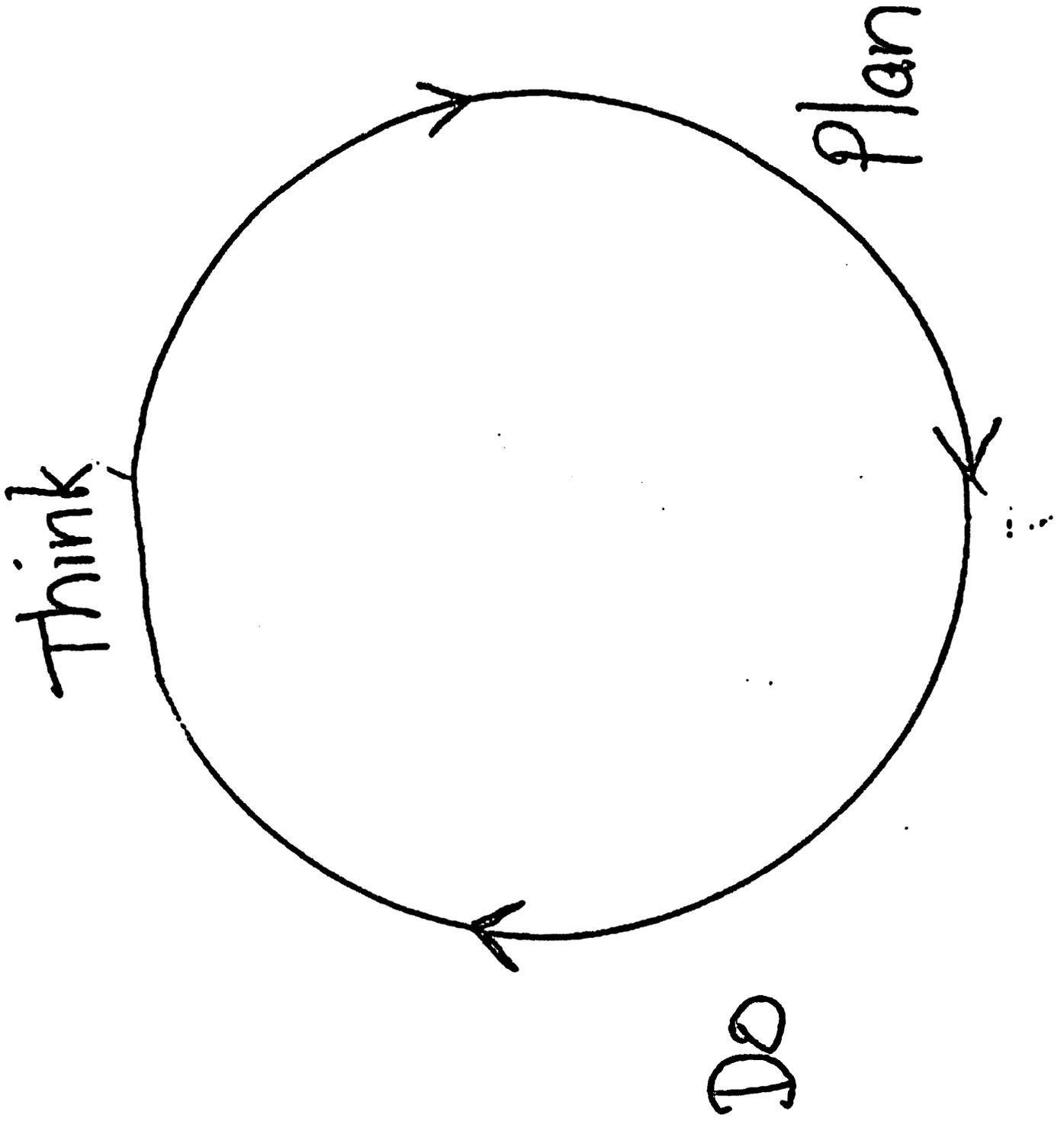
BANKS

Establish regular lunch meetings with them

REALTORS

BFF

Promotion of opportunities for young families



70

70

|

Items of Vital Importance

- Exceptional Schools
- Vibrant Business Community
- Available Early Childhood Care and Educational Opportunities
- Affordable Housing
- Plan for Changing Demographics

ECONOMIC DEVELOPMENT REVOLVING LOAN PROGRAM

1. PURPOSE

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

2. POLICY STATEMENT

2.1 **Recognition of Needs:**

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

3. PROJECT ELIGIBILITY

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

3.2 **Eligible Geographic Area:**

Any project meeting the definition in Section 3.1 and located within the boundaries of School District 508 is eligible to receive an Economic Development Revolving Loan.

3.3 **Local Contractors, Suppliers, Professionals, and Financial Institutions Favored:**

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

3.4 **Job Creation Requirements:**

Projects seeking loans from the EDA which demonstrate job creation will be favored. There shall be no job creation requirements for projects in the Central Business District.

3.5 **Livable Wage Requirement:**

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

4. **LOAN AMOUNT**

- 4.1 Small loans of \$5,000 or less, may be granted or guaranteed by the EDA upon the recommendation of the EDA President and Economic Development Officer for the City of Saint Peter. Application for small loans shall be supported with a bank loan application and letter describing the project.
- 4.2 The maximum loan available is in the discretion of the EDA Board with loans not to exceed 75% of the funds on deposit in the Revolving Loan Fund, net of guaranteed funds.
- 4.3 The aggregate of an EDA loan and private financing may not exceed 125% of the County Assessor's estimated market value, or 100% of a certified appraiser's value of the property, as valued at the completion of the project.
- 4.4 Interest rates on a loan may be fixed at any non-usurious interest rate for the duration of the loan. An interest rate shall be negotiated based upon relevant loan factors.
- 4.5 Depending on the purpose of the loan funds, the repayment schedule shall have the following general maximum limitations:

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

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

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

The maximum loan per business is \$500,000 subject to the provisions of Paragraph 4.2 above.
- 4.9 **EDA Guarantee of Bank Financing:**

If a subject borrower has no other loans with the EDA, the EDA may consider a guarantee of bank financing, up to the lending limits described in Paragraphs 4.8 above.

5. **REGULATIONS FOR IMPROVEMENTS**

5.1 All building construction or renovation is to be in conformance with the applicable building code and other City codes and policies. Repairs may include but are not limited to the following systems and portions of real property.

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

6. **LOAN SECURITY AND GUARANTEES**

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

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

7. **TIMING OF PROJECT EXPENSES**

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

7.2 Costs incurred before the loan application has been approved may be considered as eligible expenditures subject to financing by an EDA loan, in the discretion of the EDA.

8. **PROCEDURAL GUIDELINES FOR APPLICATION AND APPROVAL**

8.1 **Application and Review**

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

8.2 Project Review:

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

9. ORIGINATION

- 9.1 The loan closing will be handled by city staff and/or their designee at the closing the following documents will be executed.
 - a. Promissory Note
 - b. Loan Security Agreement
 - c. First or Second Mortgage on property and/or other means deemed necessary
 - d. A document authorizing automatic debit of borrower's accounts to pay loan obligations.

10. **RELEASE** 10.1 Upon full and final payment of the Promissory Note, City Staff shall prepare, have executed and delivered to the Applicant all necessary documents to satisfy the Promissory Note, Loan Security Agreement, or Mortgage.
- 10.2 In the event less than all the Applicants wish to be released from their financial obligations under the Promissory Note, the Applicants shall complete the following requirements:
- 10.2.1 The Loan Applicant wishing to be released shall meet with the St. Peter City Staff to obtain information about the St. Peter Economic Development Partial Release and obtain an application form. 10.2.2 A completed application form (a copy of which is attached hereto) together with a processing fee equal to \$200.00, must be submitted to the City of Saint Peter Economic Development Authority prior to review and consideration. The fee is used to cover city expenses for processing said application and is non-refundable. Application's, complete with all exhibits and application fee that are received by the fifth (5th) of the month will be reviewed and acted upon by the EDA at their next regularly scheduled meeting. Applications deemed incomplete by EDA staff or committee will be held over until the next month.
- 10.2.3 The application is reviewed by City Staff to determine if it conforms to all City policies and ordinances and to consider the following:
- a. The availability and affordability of private mortgage credit;
 - b. The availability and affordability of other government programs;
 - c. Whether the loan will retain its priority after release of the requester;
 - d. Whether the security of the loan will be unreasonably adversely impacted by release of less than all the applicants;
 - e. The remaining parties must qualify under all EDA loan policy guidelines.

EXHIBIT "A"

Financial Ratios Guide for Business applications:

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

The Economic Development Director should consult with local bankers for RMA ratios for the new or existing business. The banker

**CITY OF ST. PETER REVOLVING LOAN FUND REPORT
FOR PERIOD ENDED MAY 2013 CURRENT BALANCE: \$73,235.75**

| PAYOR | LOAN AMOUNT | 1st Pymt | TERM/RATE | COLLATERAL | PYMT AMT | LOAN BAL | CUR | LAST PAY/PAY DUE | |
|---------------------------|-----------------------|------------|------------|--------------------|---------------------|---------------------|------------|---------------------|----------|
| Beaudry, Liz | \$ 50,000.00 | 03/01/2007 | 10/5% | Jt/Pers Guar/UCC | \$ 530.00 | \$ 21,719.77 | yes | | auto |
| Bores, Kevin | \$ 60,000.00 | 11/01/1999 | 10/6% | Mortgage | \$ 506.31 | \$ 11,785.09 | yes | | |
| Exceed Packaging | \$ 100,000.00 | 02/14/2004 | 10 /6% | Pers Guar/Furn/Fix | \$ 1,110.21 | \$ 22,738.61 | NO | 3/26/13 2/14/13 | off auto |
| Grey, Brian | \$ 60,000.00 | 12/01/1999 | 2/1% | Mortgage | \$ 506.31 | \$ 29,987.46 | NO | 4/27/12 5/1/12 | off auto |
| Grey, Brian | \$ 50,000.00 | 12/01/1999 | 2/1% | Mortgage | \$ 345.29 | combined | NO | combined w/above | off auto |
| Guentzel Chad | \$ 70,000.00 | 09/01/2011 | 10/3% | Pers Guar/equip | \$ 675.93 | \$ 59,213.37 | yes | | auto |
| Hunter Hardwood | \$ 40,000.00 | 01/09/2004 | 7 /3.5% | Mortg/Per Guar | \$ 231.98 | \$ 26,168.61 | NO | 7/1/12 8/1/12 | auto |
| Larson Julie | \$ 37,800.00 | 10/01/2012 | 10/3% | UCC | \$ 365.00 | \$ 35,616.97 | yes | | auto |
| Lunderberg, Jerry | \$ 25,000.00 | 12/18/2002 | 10 /3.5% | Mortgage | \$ 150.00 | \$ 3,388.33 | NO | 09/28/2011 10/10/11 | |
| REST, LLC | \$ 125,000.00 | 03/01/2012 | 20/5/3% | per guar/mortgage | \$ 693.25 | \$ 133,490.29 | yes | | |
| Seitzer, Greg & Jan | \$ 60,000.00 | 09/01/2006 | 15 /3% | per guar/prom | \$ 414.35 | \$ 36,298.40 | yes | | auto |
| St. Peter Childcare | \$ 35,000.00 | 02/01/2008 | | | \$ 200.00 | \$ 24,600.00 | yes | | auto |
| Struck, Fred | \$ 60,000.00 | 11/01/1999 | 10 /6% | Mortgage | \$ 506.31 | \$ 1,042.06 | yes | | |
| Traverse des Sioux Ent | \$ 416,673.18 | 08/01/2009 | 15/0% | Mortgage/Prom | \$ 13,889.11 | \$ 305,560.30 | yes | | |
| * denotes promissory note | | | | | | | | | |
| TOTALS: | \$1,139,473.18 | | N/A | N/A | \$ 20,124.05 | \$711,609.26 | N/A | | |

SL

**CITY OF SAINT PETER 2013 LOAN REPORT
BALANCE AS OF MAY 2013 - \$51,121.32**

| | Loan Amount | 1st Pay | Term/Rate | Collateral | Pymt Amt | Balance | Current | Last Pay/Due |
|-----------------|--------------------|----------------|------------------|-------------------|-----------------|----------------|----------------|---------------------|
| Hunter Hardwood | \$ 29,748.00 | 02/01/2010 | 15/3% | Per Guar/Sub Lein | \$ 205.43 | \$ 25,670.16 | no | 7/1/12 8/1/12 |
| Autotronics | \$ 50,073.00 | 06/01/2010 | 20/3% | Per Guar/1st Sec | \$ 288.39 | \$ 46,496.52 | yes | |
| Blaido, LLC | \$ 20,000.00 | 05/01/2011 | 5/3% | Per Guar/UCC | \$ 359.37 | \$ 12,029.12 | yes | |
| | | | | | | | | |
| | | | | | | | | |
| ACCT. 250 | | | | | | | | |

62

**FAÇADE RENOVATION/HISTORICAL ENHANCEMENT
FOR PERIOD ENDED - MAY 2013 BALANCE \$63,669.48**

| | Loan Amount | 1st Pay | Term/Rate | Collateral | Pymt Amt | Balance | Current | Last Pay/Due |
|-----------------------|--------------------|----------------|------------------|-------------------|-----------------|----------------|----------------|---------------------|
| Danby Bld LLC - Tanis | \$8,473.00 | 02/01/12 | 5/0% | | \$141 | \$6,213.53 | yes | |
| | | | | | | | | |
| | | | | | | | | |

08

**DISASTER REVOLVING LOAN FUND REPORT
BALANCE AS OF MAY 2013 - \$294,838.08**

| | | | | | | | | |
|------------------------|---------------|------------|-------|-----------------|--------------|---------------|-----|--------------------------|
| Chippewa Packaging | \$ 100,000.00 | 07/01/2007 | 10 | Pers Guar/Prom | \$ 965.61 | \$ 87,184.34 | NO | 02/01/2013 |
| Chippewa Packaging | \$ 100,000.00 | | 10 | Pers Guar/Prom | \$ 1,060.66 | \$ 59,101.33 | NO | 03/26/2013 |
| Cinema 2 | \$ 40,000.00 | 05/01/2006 | 15 | UCC | \$ - | \$ - | | |
| Hayes, Carol | \$ 99,000.00 | 09/01/2007 | 20 | Mortgage/PG | \$ 549.05 | \$ 76,321.38 | yes | |
| Hulsebus, Laura PA | \$ 45,000.00 | 07/01/2008 | 20\5 | Pers Guar/Prom | \$ 249.57 | \$ 36,297.77 | yes | |
| Mary's Flowers | \$ 37,000.00 | 05/01/2010 | 5 | | \$ 205.20 | \$ 32,636.82 | yes | |
| MSLH Real Est. Mgmt | \$ 62,000.00 | 07/01/2008 | 30\5 | Pers Guar/ | \$ 261.39 | \$ 55,368.20 | yes | |
| Midwest Theatres Corp | \$ 85,597.68 | 04/18/2008 | | | \$ 591.10 | \$ 75,583.54 | NO | |
| More, Rachel | \$ 20,356.75 | 02/01/2013 | 8\5 | Pers Guar/Lien | \$ 238.78 | \$ 19,791.69 | yes | |
| N & D of SP, LLC (MGM) | \$ 111,500.00 | 09/01/2008 | 30\5 | Mortgage/PG | \$ 470.09 | \$ 3,664.14 | yes | |
| St. Peter Food Coop | \$ 350,000.00 | 04/01/2011 | 20\10 | Mortgage | \$1,941.09 | \$ 322,532.60 | yes | |
| MS/GS | \$ 250,000.00 | 1/19/05 | 20 | PG/2nd/life ins | \$ 2,013.98 | \$ 175,595.42 | yes | need to collect late fee |
| IHN III, LLC | \$ 365,211.20 | 4/1/05 | 15 | 2nd Mortgage | \$ 12,173.71 | \$ 158,258.20 | yes | 10/05/2013 |
| Sweat Equity, LLC | \$ 92,122.22 | 12/01/2010 | 15\2% | Pers Guar | \$ 592.81 | \$ 80,917.95 | yes | |
| ARROW ACE | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,200.00 | yes | |
| CHIROPRACTIC HOLISTIC | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,200.00 | yes | |
| COMFORT SYSTEMS | \$ 5,351.76 | 02/01/2010 | 0% | | \$100 | \$ 2,551.76 | yes | |
| CONTENTS | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,200.00 | yes | |
| COOKS & COMPANY | \$ 4,285.00 | 02/01/2010 | 0% | | \$100 | \$ 1,485.00 | yes | |
| CORNERSTONE WELLES | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,200.00 | yes | |
| GENOLLY (WILLYS) | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,200.00 | yes | |
| GREAT WALL REST | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,200.00 | yes | |
| IMPULSE TATTOO | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,200.00 | yes | |
| JULEES JEWELRY | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,200.00 | yes | |
| KNIT & SEW WORLD | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,200.00 | yes | |
| LOCUST STREET HOTEL | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,200.00 | yes | |
| MARY'S FLOWERS | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,200.00 | yes | |
| MIDWEST THEATRES | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 6,000.00 | NO | |
| PHOTO SHOP | \$ 3,583.00 | 02/01/2010 | 0% | | \$100 | \$ 783.00 | yes | |
| PJS PIZZA | \$ 5,629.48 | 02/01/2010 | 0% | | \$100 | \$ 5,629.48 | NO | |
| PLAYING POSSUM | \$ 4,024.97 | 02/01/2010 | 0% | | \$100 | \$ 1,224.97 | yes | |
| RIVER ROCK COFFEE | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,200.00 | yes | |
| SHOT GUNS PLUS | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,300.00 | NO | |
| ST PETER GREENHOUSE | \$ 3,000.00 | 02/01/2010 | 0% | | \$100 | \$ 1,700.00 | NO | |
| TOTAL ENTERTAINMENT | \$ 6,000.00 | 02/01/2010 | 0% | | \$100 | \$ 3,400.00 | NO | 03/14/2013 |
| WEBER FAMILY REST | \$ 3,000.00 | 02/01/2010 | 0% | | \$100 | \$ 35.00 | NO | |

| | | | | | | | | |
|--|-----------------|-----|-----|-----|--------------|-----------------|-----|--|
| | \$ 1,665,665.63 | N/A | N/A | N/A | \$ 20,720.23 | \$ 1,102,335.43 | N/A | |
|--|-----------------|-----|-----|-----|--------------|-----------------|-----|--|

Exploring Perspectives on Civility: A Community-Based Research Project

Brin Bailey, Dawn Comstock, Kyle Hilding, Margaret Lane, Michelle Myers, David Newell, Michaela Rice

Gustavus Adolphus College, St. Peter, MN

Recommendations

Through interviews and conversations with St. Peter residents, areas of opportunity were identified within the community. Based on the findings and prevailing research around civility, we generated the following recommendations. These recommendations intend to provide a framework for thought, discussion and possible future direction. These recommendations were divided into short term objectives and long term objectives.

Short Term Objectives

1. Integration of diverse languages into the community

- A. Continuing/expanding/improving ESL program in schools and the community
- B. Church mass in Spanish

Outcomes:

Based on the interviews, we found that residents feel a language gap is present. The above suggestions would help to eliminate language barriers within the community and school settings.

2. Continued research in the community

- A. Include community members in continuing research and solution implementation
- B. Establish and promote St. Peter core values

Outcomes:

By Involving the community in future research and recommendation implementation, community members become more committed to the solutions themselves. In addition to a greater commitment, continuing research by the community could result in more recommendations that address the root of problems within the community. In addition, identifying specific values allows the community to see common connections across community divisions.

3. Improved communication about events in town and at Gustavus

A. Advertising of events using non-technological means and in multiple languages

Outcomes:

Make events in town and on campus known and accessible to all demographics especially those without access to technology.

4. Diverse St. Peter community task force

Outcomes:

This would be a representative group able to speak for the identified demographic factions within the community. By having individuals from various groups of the city all in one task force, this would create a committee that addresses the wellbeing of the entire community addressed in a collaborative manner.

In the long term, this group could be designed to ensure that St. Peter continues to value civility and work towards a goal of interconnectedness. This task force could be help address current issues and head future research projects for the community.

5. Festivals

Outcomes:

Festivals create a fun environment that fosters curiosity and education about different cultures. Results could lead to a community that is more culturally aware and able to connect with one another. This could help bring to light the constancy of values across demographics.

Long Term Objectives

1. Community conversations including all demographics

Outcomes:

The purpose would be to create a culturally educated community that understands what the overall community shares in values. It could result in a greater sense of community and all people feeling equally invested in affairs of the community.

2. Shared community spaces

- A. Green Space
- B. Community Gardens
- C. Space for Kids/Teens
- D. Outdoor Grilling Spaces

Outcomes:

This would help create a space available to all people in the community. Ultimately this would foster an environment to meet new people and develop connections across demographics.

3. Community Leadership program

A. Generate a program within the community that is geared toward developing community leaders across demographics

Outcomes: The program would contribute to the growth and development of residents interested in becoming community leaders for the purpose of furthering civility in St. Peter.

4. As a community, engage in conversations around Peter Block's questions

What commitment am I willing to make?

What am I willing to pay?

What is my contribution to the problem I am concerned with?

What do we want to create together?

(Block, 2003)

Outcomes:

Conversations centering around these question could lead to a greater, community awareness, understanding, connectedness, and an overall cohesive community.

Study Highlights - Demographic Research

- ▶ **Rapid growth in the last decade** - The City's population increased by approximately 15% in the 2000s, and the household level increased by more than 17%. However, more than 80% of this growth had probably occurred by the year 2006.
- ▶ **Average household size remained relatively stable** - St. Peter's average household size dropped from 2.46 persons in 2000 to 2.44 in 2010. Despite an aging population, an above-average influx of younger households in the 25 to 34 year old age range probably helped to limit the reduction in household size.
- ▶ **Aging population** - At the time of the 2000 Census, approximately 35% of all households in the City had a head of household age 55 or older. By 2010, this had increased to nearly 40% of all households. By the year 2015, this percentage will be even larger. The fastest growing age segment will be between 65 and 74 years old. Continued reductions are expected in the number of residents age 54 and younger.
- ▶ **Household composition changes** - The City had growth in both family and non-family households, especially married couples without children and people living alone. There was no growth (but no loss) in married couples with children.
- ▶ **Movement towards rental** - Despite the strong environment for home ownership and single family construction, the City's ownership tenure rate dropped from 68.9% in 2000 to 65.3% in 2010, as net growth in renter households was greater than the net growth in owners.
- ▶ **Renters still tend to have lower income levels** - The median income for all renter households was \$27,904 in 2010. The estimated median household income for owners in 2010 was \$60,625. Nearly 50% of renters reported paying 30% or more of their income for housing.
- ▶ **Ownership cost burden also exists** - More than 31% of all home owners also reported that 30% or more of income was used for housing. This percentage was relatively consistent between senior and non-senior home owners.

Study Highlights - Housing Construction Activity

- ▶ **Ongoing housing construction** - The City added nearly 800 total housing units in the last 12 years.
- ▶ **Net gain in housing was lower** - Between 2000 and 2009, there were building permits issued for 655 new housing units in St. Peter. Based on a comparison of Census records from 2010 and 2000, the City added 568 total housing units, or 87 fewer units than were indicated by building permit issuance. Some of the unit difference would be attributable to housing units that were lost during the last decade.

Study Highlights - Home Ownership Research

- ▶ **Confusing information on single family housing growth versus increase in home ownership** - According to the 2010 Census, St. Peter had a net increase of 225 owner-occupied households over the decade, although nearly 450 single family housing units were constructed during this same time period. This would imply that some level of tenure conversion was also taking place, with either newly constructed units or older single family houses converting to rental use, or being unoccupied when the Census was completed.
- ▶ **Foreclosures have not been a major issue through 2011**- For comparative purposes, Nicollet County had the 45th lowest rate of foreclosure among Minnesota's 87 Counties in 2011. The County's rate, at 0.59%, was well below many neighboring Counties, including a rate of 1.21% in Le Sueur County, 0.94% in Blue Earth County, and 0.68% in Brown County.
- ▶ **Home values have dropped, based on sales activity** - The median detached single family home sale price peaked in 2007, at \$159,000. The lowest median sale price was in 2011, at \$142,000.
- ▶ **Sales volume also dropped** - The highest volume of detached home good sales occurred in 2005, at 142 transactions. The lowest volume of sales occurred in 2010, when only 56 good sales were recorded.
- ▶ **Attached home sales volume also dropped** - The number of "good" sales for attached units went from 29 in 2006 to 9 in 2011. In 2010, only 3 good sales were recorded.
- ▶ **"Bad" sales would account for more volume** - No County data exist on the number of "distressed" sales or foreclosures, but they probably account some of the decrease in good sales.

Study Highlights - Rental Housing Research

- ▶ **Recent multifamily construction is primarily serving specialized markets** - The only larger-scale rental projects that can be identified since 2006 are senior-oriented housing, generally offering some level of services. Some small student-oriented rental housing has also been built.
- ▶ **General rental housing may have been added through conversion** - As identified earlier, for Census data on household growth to reconcile, there may be 80 or more existing units that converted from owner to renter-occupancy over the last decade. In some projects, such as Apple Tree Village, as many as 25 units have been used as rentals in recent years.
- ▶ **Multifamily rental occupancy rates are generally high** - The rental survey of multifamily properties found low vacancy rates in most forms of housing. The 2012 vacancy rate was below 1% in market rate, tax credit and general occupancy subsidized units.
- ▶ **Specialized senior options had unused capacity** - The two newest projects had limited lease-up occurring at the time they were contacted. To achieve full occupancy, very high capture rates will be required among local older seniors.

Study Highlights - Rental Market Opportunities

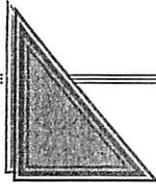
- ▶ **Additional market rate development is needed** - A unit expansion of 50 to 60 market rate units would be recommended to address anticipated growth and the low vacancy rate that currently exists. Various models have been successful in the past, including multi-story apartment buildings (Central Square, Rock Ridge) and in town house-style units (Alpine Meadows, Apple Tree Village). While the achieved rent structure is reasonable, by the standards of most communities in Greater MN, very few units achieve a gross rent of \$1.00 per square foot. Developing attractive new units within the prevailing rent structure continues to be a challenge. Housing that is attractive to households in the 55 to 74 year old age groups would be important.
- ▶ **Additional tax credit/moderate rent housing can be supported** - An application was submitted in June for a tax credit rental project with 40 proposed units. This project was justified based on the success of previous projects, such as Central Square, and the low vacancy rate that currently exists in affordable housing.
- ▶ **Additional subsidized general occupancy units are needed but extremely difficult to develop** - Pent-up demand, waiting lists and rent-burden statistics show a need for additional subsidized housing for families. Nearly 50% of all renter households are reporting a rent burden (30% or more of income for housing). Nearly all of these households have an annual income below \$35,000. While adding units should be a goal, securing financial resources for subsidized housing will be very difficult, and preservation of existing housing is more realistic.
- ▶ **Monitor senior housing with services** - Large-scale expansion of specialized senior housing occurred in 2011 with Benedictine Senior Living Center and Ecumen Prairie Hills. "Flexible" units in these projects can adjust to the changing needs of residents. Initial occupancy was underway, with unused capacity in all subsets of the senior market. High capture rates will be required to fill all units, or a significant number of seniors will need to be attracted from outside of the immediate area.
- ▶ **Monitor student housing issues** - Gustavus remains as a "residential" campus with most students in some form of college housing. Chapel View Townhomes, while privately owned, is now part of the campus housing mix. With stable to slightly lower enrollment in the near-term, no significant impact is expected from student demand on the City's general supply of housing.

Study Highlights - Ownership Market Opportunities

- ▶ **Potential demand is estimated at 18 to 22 units per year** - The City has not been able to achieve this level of new home construction in the last few years. National economic conditions and concerns about national housing market conditions have suppressed recent demand. As conditions improve, home building activity should start to rebound.
- ▶ **Most demand will come from trade-up home buyers** - Demographic patterns still show growth in the older adult age ranges (55+), and a decline in the number of younger adult (54 and younger) households. Age-appropriate housing options will be important for this group.
- ▶ **Home ownership assistance is more limited but can still be used to help entry-level buyers including existing houses** - St. Peter was one of the most successful communities in the State with affordable home ownership development assistance, but the change in market conditions and State funding priorities has largely eliminated some of the deep subsidy sources of the past. With an apparent drop in prices for existing homes, entry-level buyers have improved choices in the existing housing market, where prices tend to be lower than for new construction. The mid-point sale price dropped by \$17,000 from 2007 to 2011.
- ▶ **Monitor inventory of residential lots** - St. Peter is not experiencing the distress that exists in some other markets with a large inventory of improved lots. Still, the available supply is adequate for overall near-term demand, and developers have experienced slow sales of their current inventory. One attached housing subdivision may have lots entering tax forfeiture status in 2012. This does not assure that lots are available for all types of housing and in all price ranges, but new developers may be hesitant to invest in subdivisions and existing lot developers may be willing to negotiate to improve sales.
- ▶ **Attached housing construction should begin to rebound as market conditions improve** - As housing construction activity slowed after the collapse of a national housing bubble, less traditional products, such as attached single family, were negatively impacted. The experiences of Welco West and Apple Tree Village will also serve to discourage developers of attached housing. As concerns ease about home values and resale, the demographic makeup of the St. Peter area should result in increased interest in attached units.

Study Highlights - Other Housing Issues

- ▶ **Monitor tenure conversion activity** - Census data point to more growth in single family construction than in home owners. This indicates that some homes that were intended for or once used as owner housing have converted to rental. The City's ownership tenure rate dropped between 2000 and 2010.
- ▶ **Monitor home foreclosure activity** - While foreclosure has not been a major issue for St. Peter and Nicollet County, there is a time delay for the process. According to RealtyTrac, 2011 was the City's biggest year for foreclosure activity, with 22 foreclosures in the zip code area.
- ▶ **Older housing stock will benefit from rehab** - Although St. Peter has generally had sound housing and neighborhoods, a portion of the stock is older housing and can benefit from ongoing rehab. A Gustavus Adolphus student project has helped to map the housing condition by parcel.
- ▶ **Continued effort on mobile home issues** - The City has been very active on mobile home issues. Approximately 8% of all housing is in mobile homes and nearly 50% of units are pre-1980 houses.
- ▶ **Monitor diversity and the impact on housing** - While only 8% of households are racial/ethnic minorities, these are growing segments of the community. The home ownership rate for Hispanic/Latino households is nearly equal to White households, but most racial minority groups have a lower ownership rate.



ROBINSON APPRAISAL & ASSOCIATES

June 7, 2013

COPY

City of St. Peter
Mr. Todd Prafke
227 South Front Street
St. Peter, MN 56082

RE: Our File Number 130509/LD-O
Market Value Estimate of Parking Lot #5
Located at the Corner of Minnesota Avenue and Grace Street, St. Peter, Minnesota

Dear Mr. Prafke:

At your request, I have developed the following value estimate of the above-captioned property. The effective date of the valuation estimate is May 29, 2013, the date of inspection, and for a reasonable period of time after that date. This appraisal report was completed on June 7, 2013. I have not appraised the subject property in the last three years.

In my opinion, the following value estimate applies to the subject property as of the date of valuation:

ONE HUNDRED FIFTY-FIVE THOUSAND DOLLARS.....\$155,000.

This value estimate is considered to include the supporting land and the existing asphalt surface present at the site at the time of inspection.

The appraiser assumes there are no negative environmental issues with the subject property that would hinder development. If any such issues are found, the appraiser reserves the right to amend this appraisal.

Under current market conditions, the subject property should be marketable at the appraised market value within a period of six to twelve months. The estimated exposure time is also six to twelve months.

This is a market value appraisal reported in restricted use format. Per the client's request, specific details relating to the estimation of value are not included in this report. These details are retained in the appraiser's file and are available upon the request of the client.

The developed value estimate is based upon a physical inspection of the subject property, a highest and best use analysis, a consideration of market activity and an analysis of other pertinent data which applied to this report as of the date of valuation.

This appraisal has been prepared for the sole and exclusive use of my client, the City of St. Peter, St. Peter, Minnesota. No other parties are to rely upon this report without the express written consent of the appraiser. In the event of such written consent, the report is to be used only in its entirety.

With my signature below, I certify that this appraisal is completed in accordance with, and conforms to, the Code of Ethics and Standards of Professional Practice of the Appraisal Institute. It also conforms to the Uniform Standards of Professional Practice (USPAP) as promulgated by the Appraisal Foundation.

I am licensed as a Certified General Real Property Appraiser by the State of Minnesota under I.D. Number 20345221.

I trust, Mr. Prafke, this appraisal is sufficient for your needs at this time. Should you require additional assistance in this matter, do not hesitate to call.

Sincerely,



Keith H. Siefkes
MN License #20345221 (Expires 8/31/2014)

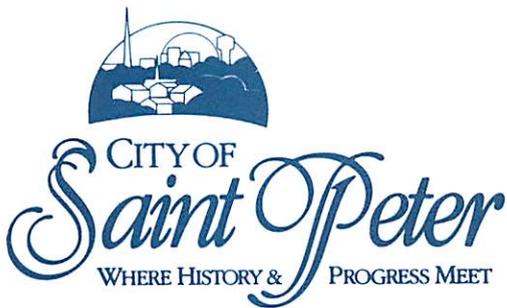
KHS/jdc
Attachments

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COMMUNITY CENTER RENT PAYMENTS

| | | | | |
|---|---|---|--|--|
| COMMUNITY & FAMILY EDUCATION (ECFE) SUITE 207 current lease expires 7/31/16 | HEADSTART & MN VALLEY ACTION COUNCIL (MVAC) SUITE 121 & 213 current lease expires 7/31/16 | KID'S CORNER DAY CARE CENTER SUITE 106A current lease expires 7/31/16 | CENTER FOR RURAL POLICY DEVEL. SUITE 211 current lease expires 5/31/13 | ST. PETER COMMUNITY CHILD CARE begins Dec. 15 2010 current lease expires 7/31/13 |
|---|---|---|--|--|

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Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 6/7/2013

FROM: Todd Prafke
City Administrator

RE: Core Things

This is the list that you developed at the end of your last Goal Session about priorities for the next or upcoming timeframe. My hope is to use this list to track some of these and inform you about activities. You may recall this was originally presented as a slide that you added to. The original two columns were "Should Do" and "Should Not Do".

We will go through this list at your Goal Session and I hope to develop a new list for the next cycle.

| <u>SHOULD DO</u> | <u>PROGRESS</u> |
|---------------------------------------|---|
| Gardner yes MSA (Borrow MSA) | Plan more developed - you will see at this meeting |
| Change presentations | Have taken action to enhance with addition of "why good for community" and explanations |
| Careful on use of social media but go | Have made changes to website, expanded what is placed on Facebook, video blogging but no twitter use yet. |
| SWMHP Park Row 1 WT 2 | This project continues to move forward |
| Nash downtown move | Issue has been solved |
| North end alternatives possible | Work ongoing - will discuss today including discussion of the previously development Priorities list that has been in the past 4 to 6 Goal Session packets. |
| Welco West get, promote | Letter sent to County - meeting on June 25th |
| Dave at SMMPA about use | No work done here |
| Transit move carefully forward | Continue to finalize plans - addition of route likely in August - on agenda for Goal Session |
| Hospital CEO must be good | Scoring done. Meetings set, 84 applications reviewed, 60+ meet minimums |

| <u>SHOULD NOT DO</u> | |
|----------------------|-------------------------------------|
| No name calling | Progress here is up to the Council. |

This is intended to address comments about Goal Sessions and lack of tracking of specific priorities that were set by the Council. I hope it is a helpful tool.

Please let me know if you have any questions.

TP/bal