

**CITY OF SAINT PETER  
AGENDA & NOTICE OF REGULAR MEETING  
ECONOMIC DEVELOPMENT AUTHORITY  
Thursday, March 26, 2020 – Noon**

VIRTUAL MEETING UNDER M.S. 13D.021 – SEE BELOW FOR LOGIN INFORMATION

- I. CALL TO ORDER**
- II. APPROVAL OF AGENDA**
- III. APPROVAL OF MINUTES**
  - A. February 27, 2020
  - B. March 10, 2020
- IV. UNFINISHED BUSINESS**
- V. NEW BUSINESS**
  - A. COVID 19 Micro Loan Program
- VI. REPORTS**
  - A. Revolving Loan Report
  - B. COVID 19 Weekly Business Updates
  - C. Minnesota River Bike Trail
- VII. ADJOURNMENT**

As provided for in M.S. 13D.021, Economic Development Authority meetings will be conducted by telephone or other electronic means. The EDA meeting of Thursday, March 26, 2020 is accessible electronically by GoToMeeting software available at no charge (link below) or by calling as indicated below. Here is the information necessary to access the March 26<sup>th</sup> regular meeting electronically:

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Russ Wille  
Director of Community Development

**CITY OF SAINT PETER, MINNESOTA**  
**Economic Development Authority**  
**REGULAR MEETING MINUTES**  
**February 27, 2020**  
**Saint Peter Community Center – Saint Peter Room**

**Call to Order:**

The meeting was called to order at 12:00 pm by President James Dunn.

EDA members Dunn, Brad DeVos, Cory Abels, and Ed Johnson were in attendance. Members Bob Southworth and Mike Favre were absent. Community Development Director Russ Wille and Administrative Secretary Cindy Moulton were in attendance. Visitor present was realtor Judy Conroy (RE/MAX Dynamic Agents).

**Approval of Agenda**

Wille added additional reports. A motion by Abels, second by Johnson to approve the meeting agenda as amended. With all voting in favor the agenda was approved.

**Approval of Minutes**

A motion was by Abels, seconded by DeVos to approve the Regular Meeting Minutes of January 30, 2020. All members voting aye, the minutes were approved as presented.

**Realtor Listing Agreement – Judy Conroy (RE/MAX)**

At the January 30, 2020 EDA meeting a lengthy discussion was held on ways to market the City's two remaining speculative homes in Traverse Green. The Authority authorized Wille to obtain proposals from realtors interested in marketing the homes.

Wille stated that Southwest Minnesota Housing Partnership (SWMHP) prepared the Request for Proposal and that he mailed the information to local realtors. He indicated that Judy Conroy of RE/MAX Dynamic Agents was the only agent that responded to the solicitation.

Ms. Conroy's proposal provides her with a four (4%) commission for the sale of the spec homes. Wille stated that half of the commission would be provided to a real estate agent representing the buyer.

The proposal suggests the listing would expire on December 31, 2020. Wille explained that this is Judy's standard practice as all of her listings expire at the end of the year, at which time the contract could be extended.

Conroy addressed the EDA. She stated that she would like to list the homes at the reduced price but inform the potential buyer(s) that should they exceed the income guidelines, the price would increase by \$9,500.

Wille reviewed the spec homes current financials and stated the EDA is not in a terrible place at this point if the homes were sold at the listed price. However, given the experience of our partner, it is more likely that the specs will need to be sold below the listing prices.

/

Wille stated that he will inquire as to the legality of the EDA holding a closed session, to determine the minimum bid that would be accepted for each spec home. Once City Administrator Todd Prafke and City Attorney Jim Brandt have made a determination, Wille will schedule as Special Meeting at which time they will hold a closed session.

A motion was made by DeVos, seconded by Dunn to meet in a closed session to determine the minimum acceptable bid for each spec home. All members voting aye, the motion carried.

Conroy suggested that the amount determined by the EDA be kept confidential.

### **Reports**

**Unique Solutions** – Unique Solutions is a housing developer out of the Fergus Falls area. They reached out to the Regional Economic Development Alliance members about the need and possibility of multi-family rental construction. Each community had a face-to-face opportunity with Unique Solutions. They are going to undertake some type of housing/market study and will get back to us if they wish to proceed. They expressed a sincere interest in Saint Peter given the low vacancy rate and our previous housing activities.

**Cedar Box Company** – The meeting with the Cedar Box Co. has been put on hold for 4 – 6 months as the company figures out their long term plan.

**ADA/HPC Accessibility Grant Program** – Applications are due tomorrow (February 28, 2020) by 4:30. There has been one application submitted to date.

**Revolving Loan Report** – Chippewa has a remaining balance of \$2,600 on their revolving loan.

**Alumacraft** – City staff met with Tavia Leonard and Scott Wilking of Alumacraft and discussed the need for a storm water treatment pond. Wille stated that there are grants available that could fund up to 50% of the cost of the pond.

**Intersections Hwy 169 & Hwy 22 / Hwy 169 & Hwy 99** – In 2023, MNDOT plans to begin construction to correct the above mentioned intersections, to improve traffic flow. A public meeting has been scheduled for March 15, 2020 to allow the public to view and comment on the 4 concepts that MNDOT is proposing.

**Brookshire Co.** – Greater Mankato Growth (GMG) is trying to arrange a meeting with City staff and Brookshire Co. to discuss Brookshire's interest in entering into an Option Agreement for commercial/industrial properties in St. Peter.

### **Adjournment**

A motion was made by Johnson, seconded by Dunn to adjourn. The meeting adjourned at 12:26 pm.

**CITY OF SAINT PETER, MINNESOTA  
Economic Development Authority  
SPECIAL MEETING MINUTES – March 10, 2020  
Saint Peter Community Center – Governors Room**

**Call to Order**

The meeting of the Saint Peter Economic Development Authority (EDA) was called to order by President James Dunn at approximately 12:07 p.m. Roll call was taken with Dunn, Brad DeVos, Ed Johnson and Bob Southworth in attendance. Members Mike Favre and Cory Abels were unable to attend the special meeting. Community Development Director Russ Wille was also in attendance.

**Approval of Agenda**

Motion by Johnson to approve the agenda as presented. DeVos seconded the motion. With all voting in favor the motion was carried and the agenda approved.

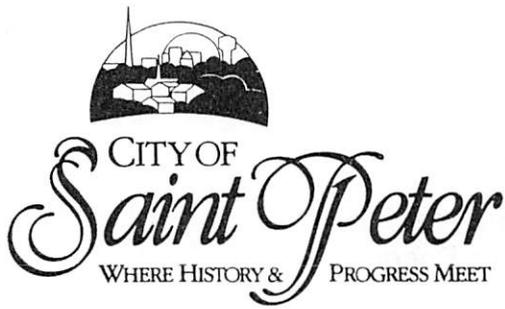
**Closed Session**

At 12:10 a motion was made by Southworth to approve Resolution 2020-\_\_ calling for a closed session of the EDA to establish the appropriate pricing of the two speculative homes in Traverse Green as allowed by the provisions of Minnesota Statutes 13D (Subd 3) (c) (3). Motion seconded by Dunn. With all voting in favor of the motion, the EDA moved into a closed session.

The EDA concluded the closed session at approximately 12:25 p.m. and reassembled in an open session.

**Adjourn**

With no further business before the EDA, motion by Southworth to adjourn at approximately 12:27 p.m. The motion was seconded by Johnson. With all voting in favor the motion was approved and the meeting was adjourned.



## Memorandum

To: EDA Members

Date: March 23, 2020

From: Russ Wille, Community Development Director

RE: Covid-19 Micro Loan Program

### ACTION / RECOMMENDATION

Adopt the attached resolution recommending that the City Council adopt the Covid-19 Micro Loan Program to assist Saint Peter businesses with their immediate cash flow difficulties due to the Covid-19 virus.

### BACKGROUND

Saint Peter businesses are experiencing significant loss of business revenue due to the spread of the Covid-19 virus. A number of businesses have been ordered to close while those remaining open report large drops in revenue due to lower customer traffic.

As a result of the unprecedented situation, many businesses expect significant reductions in cash flow to threaten their ability to meet their immediate needs.

In an attempt to be of assistance to local businesses, City Administrator Prafke has asked that I prepare an outline of an emergency loan program to assist businesses through the immediate crisis. Attached is a draft of guidelines for what is being called the Covid-19 Micro Loan Program.

The program has been designed very similar to the Construction Mitigation Micro Loan Program that was implemented in 2009 while Highway 169 was closed for reconstruction.

Under the developed guidelines, eligible Saint Peter businesses would be eligible for loans of up to \$10,000 which would be offered at 0% interest. Like in 2009, the repayment of the loan would be deferred until June of 2021. When repayment begins, the note would be repaid at a rate of \$100 per month regardless of the loan amount.

In 2009, businesses reported that the assistance was very helpful and allowed them to stay current on the lease and utility payments. That then allowed them to keep their doors open to the business that was available.

With the exception of the loan made to P.J.'s Pizza, all funds were ultimately repaid as per the terms of the executed promissory note.

A resolution has been prepared for your consideration which would recommend that the City Council adopt the Covid-19 Micro Loan Program guidelines. The Council would likely choose to meet in special session to get the loan program implemented at the earliest opportunity.

**FISCAL IMPACT**

A rough count suggests that there would be around 80 businesses that would be eligible to participate. If each business were to access the full \$10,000 loan, a total of \$800,000 would be encumbered. However, it is unlikely that every business would chose to participate.

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# ECONOMIC DEVELOPMENT AUTHORITY COVID-19 MICRO LOAN PROGRAM GUIDELINES

## 1. PURPOSE:

The purpose of this document is to establish guidelines for application and administration of the City of Saint Peter Covid-19 Micro Loan Program. These guidelines are intended to ensure fairness and to avoid discrimination in the application of loan procedures.

## 2. POLICY STATEMENT:

Recognition of Need: The City of Saint Peter recognizes the need to assist existing Saint Peter businesses with their immediate cash flow needs resulting from the loss of business revenues due to the Covid-19 outbreak.

## 3. PROJECT ELIGIBILITY:

3.1 Existing Saint Peter businesses within the following use classifications shall be eligible to participate in the Covid-19 Micro Loan program.

- A. Cocktail Lounge
- B. Fitness / Health Club
- C. Restaurants
- D. Hotel / Motel
- E. Club / Lodge
- F. Studio / Gallery
- G. Retail Sales
- H. Daycare Centers
- I. Cultural Services

3.2 Revolving loans shall be utilized to make rent, lease or mortgage payments as well as the payment of utility billings.

## 4. LOAN TERMS:

4.1 The maximum loan available to an individual business shall not exceed \$10,000.

4.2 Loans shall be offered at a 0% rate of interest.

4.3 Repayment of the note shall be deferred to begin June 1, 2021.

4.4 Repayment shall be established at a rate of \$100 per month.

5. LOAN SECURITY:

5.1 The loans shall be secured by a promissory note executed by the borrower.

5.2 When applicable, the note shall be further secured via a personal guarantee.

6. LOAN APPLICATION AND APPROVAL:

Revolving loan applicants which meet the established loan criteria may be administratively approved and the City Administrator shall be authorized to execute the applicable loan documents on behalf of the City of Saint Peter.

# **Covid19 Micro Loan Program**

**Purpose:** To assist existing Saint Peter business with their immediate cash flow needs resulting from the loss of business revenues due to the Covid19 outbreak.

## **Eligible Businesses:**

- Cocktail Lounge
- Restaurants
- Club / Lodge
- Retail Sales
- Daycare Centers
- Fitness / Health Studio
- Hotel / Motel
- Public Assembly
- Studio / Gallery
- Cultural Services

## **Loan Package:**

- \$10,000 maximum per business.
- 0% interest.
- Repayment deferred until June 1, 2021.
- Repayment at \$100 / month beginning June 1, 2021.

## **Loan Review:**

- Last month's utility billings.
- Lease / Mortgage documents.

## **Eligible Loan Expenses:**

- Lease / mortgage payments.
- Utility bill payments.
- General cash flow.

## **Loan Collateralization:**

- Promissory note.
- Personal guarantee when applicable.

# **Covid19 Micro Loan Program**

## **Loan Application**

Applicant : \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone # \_\_\_\_\_ E-Mail: \_\_\_\_\_

Ownership: \_\_\_\_\_

Owners Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **Business Information**

Business Name: \_\_\_\_\_

Address: \_\_\_\_\_  
Saint Peter, MN 56082

Phone #: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Tax I.D. #: \_\_\_\_\_

Loan Request: \$ \_\_\_\_\_  
((\$10,000 Maximum))

## **Utility Information**

### **Utility Service**

### **Provider**

Electric

City of Saint Peter

Water / Sewer

City of Saint Peter

Natural Gas:

CenterPoint Energy

Cable / Internet:

\_\_\_\_\_

Phone:

\_\_\_\_\_

Garbage Service:

\_\_\_\_\_

## **Monthly Expenses**

Rent / Mortgage:

\$ \_\_\_\_\_

City Utilities:

\$ \_\_\_\_\_

Natural Gas:

\$ \_\_\_\_\_

Cable / Internet:

\$ \_\_\_\_\_

Phone:

\$ \_\_\_\_\_

Garbage Service:

\$ \_\_\_\_\_

TOTAL:

Applicant Signature:

\_\_\_\_\_

Date:

\_\_\_\_\_

**CITY OF SAINT PETER  
ECONOMIC DEVELOPMENT AUTHORITY  
RESOLUTION NO. 2020 -**

STATE OF MINNESOTA)  
COUNTY OF NICOLLET)  
CITY OF SAINT PETER)

**A RESOLUTION RECOMMENDING THE ESTABLISHMENT OF THE "COVID-19 MICRO  
LOAN PROGRAM" TO ASSIST ELIGIBLE SAINT PETER BUSINESSES WITH THEIR  
IMMEDIATE CASH FLOW NEEDS RESULTING FROM THE LOSS OF BUSINESS  
ATTRIBUTED TO THE COVID-19 VIRUS OUTBREAK**

**WHEREAS**, the Saint Peter Economic Development Authority administers the City of Saint Peter Revolving Loan Fund; and

**WHEREAS**, the Economic Development Authority (the "EDA") was granted power to administer the loan program and to make recommendations to the City Council for disbursement of new loans; and

**WHEREAS**, guidelines have been established which govern and determine the criteria of the revolving loan program; and

**WHEREAS**, many local Saint Peter businesses have been negatively impacted by the Covid-19 virus outbreak and resulting loss of business revenues; and

**WHEREAS**, the ordered closing and other loss of customer traffic has created unforeseen and immediate financial difficulties for many of the businesses; and

**WHEREAS**, the Economic Development Authority has determined that it is both necessary and appropriate to develop a micro loan program to assist existing businesses with their immediate cash flow needs resulting from the loss of traffic and revenues due to the virus outbreak.

**NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF SAINT PETER, NICOLLET COUNTY, MINNESOTA**, that a recommendation is made to the City Council that:

1. A Covid-19 Micro Loan Program is hereby established and the Director of Community Development is ordered to immediately notify eligible business of the availability of financial assistance.
2. Existing businesses in the following use classifications would be eligible to apply for the micro loan assistance.
  - A. Cocktail Lounge
  - B. Fitness / Health Clubs
  - C. Restaurants
  - D. Hotel / Motel
  - E. Club / Lodge
  - F. Public Assembly
  - G. Retail Sales
  - H. Studio / Gallery

- I. Daycare Centers
- J. Cultural Services

3. The maximum loan provided to an individual business shall not exceed \$10,000.
4. The loans shall be established with a 0% rate of interest.
5. Repayment of the loans shall be deferred until June 1, 2021 and shall be repaid at a rate of \$100 per month until the note is satisfied.
6. The loan funds shall be utilized to pay rental, lease or mortgage expenses as well as utility billings of the commercial venture and shall be distributed at \$1,500 / month.
7. The loans shall be secured by a promissory note without additional collateralization or security.

Adopted by the Economic Development Authority of the City of Saint Peter, Nicollet County, Minnesota this the 26<sup>th</sup> day of March, 2020.

ATTEST:

\_\_\_\_\_  
James Dunn  
President

\_\_\_\_\_  
Rosten Wille  
Community Development Director



REVOLVING LOAN REPORT		3/2/2020					
BORROWER		ORIGINAL BORROWER	ORIGINATION DATE	CURRENT BALANCE	12/31/2019 BALANCE	MONTH-YEAR BALLOON DUE	
Chippewa B	Last pmt 1/10/2020	\$ 100,000.00	7/1/2007	\$ 2,675.29	\$ 40,676.41	Dec-20	240 Fund
Chippewa A	Last pmt 1/10/2020	\$ 100,000.00	12/1/2006	\$ -	\$ 2,579.55	Dec-20	
Azure Skye/Bertram		\$ 16,003.00	1/1/2019	\$ 14,002.62	\$ 14,402.68	Dec-28	
David Bushaw		\$ 20,000.00	12/1/2016	\$ 13,333.20	\$ 13,833.21	Nov-26	
Building Good Communities LLC		\$ 39,834.00	10/1/2017	\$ 36,380.63	\$ 36,731.61	Aug-22	
Flame Bar/Mike Hobday		\$ 25,000.00	11/1/2019	\$ 23,958.35	\$ 24,583.34	Oct-27	
Hey Diddle Diddle		\$ 42,400.00	5/1/2016	\$ 9,788.09	\$ 12,004.26	Apr-21	
Kaduce Properties		\$ 16,831.00	9/1/2017	\$ 12,482.94	\$ 14,586.84	Aug-27	230 Fund
Mayer - Chabeans		\$ 25,000.00	7/1/2016	\$ 16,250.14	\$ 19,375.09	Jun-26	
River Rock Bakery & Kitchen		\$ 40,000.00	4/1/2016	\$ 25,498.59	\$ 30,254.89	Feb-21	
JAEL Properties		\$ 65,008.00	8/1/2014	\$ 50,350.98	\$ 51,051.44	Jul-24	
K&C/ Stelter		\$ 25,000.00	1/1/2020	\$ 24,375.01	\$ -	Dec-29	
Kottke/Spring Touch Real Estate Holdings		\$ 500,000.00	9/1/2015	\$ 410,323.40	\$ 415,538.84	Aug-20	
Rachel More/The Pulse		\$ 20,356.75	2/1/2013	\$ 2,589.51	\$ 3,282.66	Feb-20	240 Fund
St. Peter Food Coop		\$ 350,000.00	4/1/2011	\$ 219,400.69	\$ 223,557.66	Dec-20	
Tanis Brothers		\$ 59,012.00	9/1/2014	\$ 45,919.19	\$ 46,553.46	Aug-24	
IHN III/E.I. Micro Circuit /Check due Apr & Oct 1st		\$ 365,211.20	4/1/2005	\$ -	\$ 24,347.44	paid	240 Fund
Total Entertainment/Tramp		\$ 6,000.00	2/1/2010	\$ -	\$ 900.00	OPEN	240 fund
Traverse des Sioux Enterprises/Check due Feb & Aug 1st		\$ 416,673.18	8/1/2009	\$ 111,112.76	\$ 152,780.09	Jan-24	230 Fund
PJ's Pizza		\$ 5,629.47	2/1/2010	\$ 5,629.47	\$ 5,629.47	JUDGEMENT	
		\$ 2,237,958.60		\$ 1,024,070.86	\$ 1,132,668.94		
			Loan 230	Loan 240	Loan 250		
<b>LOAN FUND BALANCES</b> (report from Brenda)		\$ 2,025,542.16	\$ 605,315.24	\$ 1,269,365.49	\$ 150,861.43		
<b>LOANS OUTSTANDING</b>		\$ 1,024,070.86					
		\$3,049,613.02					