CITY OF SAINT PETER
AGENDA & NOTICE OF REGULAR MEETING
ECONOMIC DEVELOPMENT AUTHORITY
Thursday, May 26, 2022 – Noon
Governors Room – St Peter Community Center

I. CALL TO ORDER

II. OATH OF OFFICE

III. APPROVAL OF AGENDA

IV. APPROVAL OF MINUTES
   A. January 27, 2022

V. UNFINISHED BUSINESS

VI. NEW BUSINESS
   A. ADA Accessibility Enhancement Grant Funds Award
   B. Non-Payment COVID Loan – YV Service (Yakub Aden)

VII. REPORTS
   A. Southern Minnesota Initiative Foundation (SMIF) Donation
   B. Project Updates
   C. Revolving Loan Report

VIII. ADJOURNMENT

Todd Prafke
City Administrator
I, Ayan Omar, do solemnly swear that I will support the Constitution of the United States and that of the State of Minnesota, and that I will faithfully and impartially discharge the duties of an Economic Development Authority member in and for the City of Saint Peter, Minnesota, to which office I have been appointed, to the best of my judgment and ability.

Ayan Omar

WITNESSED BY:

Subscribed and sworn to before me this 26th day of May, 2022.

Cynthia K. Moulton
Notary
Call to Order

The meeting of the Saint Peter Economic Development Authority (EDA) was called to order at approximately 12:00 pm by Community Development Director Russ Wille. Roll call was taken with James Dunn, Brad DeVos, Keri Johnson and Julie Frederickson in attendance. Bob Southward joined the meeting at 12:06 pm. Member Cory Abels was absent. City staff present included Community Development Director Russ Wille, Finance Director Sally Vogel and Administrative Secretary Cindy Moulton.

Oath of Office

Wille administered the Oath of Office to new member Keri Johnson.

Approval of Agenda

Wille amended the agenda adding the Fire Station under Reports. A motion was made by DeVos, seconded by Frederickson to approve the agenda as amended. With all voting in favor the motion was carried and the agenda was approved as amended.

Election of Officers

A motion was made by DeVos, seconded by Johnson to nominate Dunn as President. With the lack of additional nominations, all members voting aye, Dunn was elected President.

A motion was made by Johnson, seconded by DeVos to nominate Frederickson as Vice President. With the lack of additional nominations, all members voting aye, Frederickson was elected Vice President.

Wille stated that the Treasurer and Secretary positions are held by the City’s Finance Director and City Administrator respectively. A motion was made DeVos, seconded by Dunn to appoint Finance Director Vogel as Treasurer. All members voting aye, the motion carried.

A motion was made by Dunn, seconded by Johnson to appoint City Administrator Todd Prafke as Secretary. All members voting aye, the motion carried.

Approval of Meeting Minutes

A motion was made by Johnson, seconded by DeVos to approve the minutes of the September 23, 2021 meeting of the EDA as presented. All in favor of the motion, the minutes were approved.
Accessibility Enhancement Grant Program

Wille provided a background of the City approved Accessibility Enhancement Grant Program which was developed in 2020. He stated that the program was developed in an attempt to incentivize the renovations or alterations to the Central Business District properties that enhance the accessibility for those with mobility impairments.

Wille stated that the funds used to finance the grant program were generated from interest collected from the Revolving Loan Fund (RLF). Because of the declining interest collected by the RLF, the funds available for the proposed grants has decreased.

DeVos suggested setting a baseline of $30,000 for the grants and asking the City Council to make up the difference.

Vogel stated that the RLF has a substantial balance and suggested using some of those funds to fill the gap.

In 2020, three applications were submitted for consideration. The Swedish Kontur, Kind Vet Clinic and Riley-Tanis and Associates were all deemed eligible to participate and automatic door opening systems were installed.

Wille stated that in 2021, nine (9) applications were received and five (5) projects were awarded improvement grants. At the present time, the St. Peter Foot & Ankle Clinic and Arrow Hardware and Paint have had their automatic door systems installed. Given supply shortages, the Red Men Club, Nutters / Cooks & Company and the Nicollet Hotel have been unable to complete their automatic door systems. Once materials are received they will proceed with the installation.

Wille stated that the submitted applications were reviewed by a committee and that one of the major factors in awarding the grants is the traffic generated by the business.

Frederickson said it is hard to grant funds to those businesses that don't generate a lot of traffic. Unfortunately some of the downtown businesses don't get a lot of traffic due to the nature of the business.

Dunn asked if those projects that were not funded would be given special consideration in the 2022 program.

Wille indicated that those businesses are eligible to reapply.

In the previous two years, the program was restricted to those commercial structures within the Central Business District. Wille recommended that the program be expanded to include all commercial structures within Saint Peter.

DeVos liked the idea of expanding the program outside of the Central Business district but felt the downtown businesses should have priority.

A motion was made by DeVos, seconded by Southworth to introduce Resolution No. 2022-01 entitled, "Resolution Recommending that the City Council Establish A Commercial Accessibility Improvement Grant Program To Finance Building Renovations To Enhance Accessibility For
Those With Mobility Impairments”. All members voting aye, the Resolution was passed and adopted.

**Reports**

**Hotel 221** - There has not been any progress on the renovation of the building.

**Creation Technologies** – The Creation Technology addition is well underway. The City has not closed on their loan.

**COVID 19 Loan Repayment** – Those that have received the second round of COVID 19 loans were mailed an Authorization for Automatic Payment form to complete and return to the City. All but one recipient has returned their information. Payments of $100 per month were supposed to start on January 1, 2022 but due to unforeseen circumstances, repayment will begin on February 1, 2022.

**Adjournment**

With no further business before the EDA, a motion was made by Johnson, seconded by Southworth to adjourn. All members voting aye, the meeting adjourned at approximately 12:23 pm.
TO: EDA Members

FROM: Todd Prafke
City Administrator

RE: Central Business District/Commercial District ADA Accessibility Enhancement Grants Program

DATE: May 16, 2022

ACTION/RECOMMENDATION

Adopt the attached resolution recommending that the City Council approve Central Business District/Commercial District Americans with Disabilities Act (CBD/ADA) Accessibility Enhancement grants to the St. Peter American Legion, St. Peter Eyecare Center, Nicollet County Agricultural Society, Subway.

BACKGROUND

In 2019, the EDA recommended and the City Council adopted guidelines for the CBD/ADA Accessibility Enhancement Grant Program to incent renovations or alterations to Central Business District/Commercial District properties that enhance accessibility for those with mobility impairments.

Under the terms of the loan program, grant funds would be awarded as forgivable loans at zero percent (0%) interest. The loan agreement would obligate the building owner to maintain and repair the improvements to maintain accessibility with the loan “forgiven” at a rate of 1/15th per year if the improvement was maintained. At the end of the 15th year, the loan would be forgiven.

This is the third year of the grant program and a budget of $25,400 was recommended by the EDA and established by the City Council. The budgeted amount represents the interest generated by previously issued revolving loan payments.

Previous years of the program limited application to those properties in the Central Business District, however, this year, the program was opened up to all commercial properties within the community. Eligible property owners were notified of the program via direct mailing and encouraged to participate with a due date for receipt of applications of April 29, 2022.
A total of twelve applications were submitted for consideration, however, one was received after the application deadline and was no longer considered. All of the eligible applications included quotes from at least two vendors for installation of an automatic door system.

As required by the program guidelines, representatives from the EDA, Heritage Preservation Commission and Planning and Zoning Commission met to review the applications. Projects were broken down into three tiers and projects that would be undertaken in compliance with the regulations and standards of the American's with Disabilities Act of 1990 were given priority as opposed to those projects that only improve accessibility. Buildings occupied by uses which generate higher customer traffic were also given program priority.

Tier 1 included five projects that were deemed a high priority. Due to the limited budget for 2022, only four of the five projects, with a total cost of $25,340, can be funded.

However, the committee is recommending that the EDA approve additional funding to allow for the financing of the fifth application. If approved the total funds to be awarded would be $34,195.

Based on the Committee's recommendation, a draft resolution has been provided to increase the 2022 grant program budget to $34,195 and to award funds to the five projects recommended. The funds would be accessed from the interest income generated by the revolving loan funds on deposit as well as a portion of the revolving loan fund balance. Sufficient funding is available to incur the obligation.

If approved, the City Council would consider the issue at their meeting of May 23, 2022.
RESOLUTION RECOMMENDING CITY COUNCIL APPROVAL OF CENTRAL BUSINESS DISTRICT AND COMMERCIAL DISTRICT ACCESSIBILITY IMPROVEMENT GRANTS

WHEREAS, the Economic Development Authority (EDA) administers the City’s Revolving Loan Funds; and

WHEREAS, the City has established the Central Business District and Commercial District Americans with Disabilities Act Accessibility Improvement Grant Program to make interest free, forgivable loans to improve the accessibility of properties within the Central Business District and Commercial Districts; and

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

WHEREAS, a 2022 budget of $25,400 was established by the City Council; and

WHEREAS, a total of twelve applications were received with one not considered as it arrived after the posted deadline; and

WHEREAS, as required by the program guidelines, representatives from the EDA, Heritage Preservation Commission and Planning and Zoning Commission met to review the applications; and

WHEREAS, each applicant proposed installation of an automatic door opening system which is an eligible use of the grant funds; and

WHEREAS, upon review of the projects, the Committee recommended the program budget be increased to allow funding for five of the eleven eligible projects.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF SAINT PETER, NICOLLET COUNTY, MINNESOTA, THAT: the Economic Development Authority recommends City Council consideration of the following:

1. Increase the 2022 Central Business District And Commercial District Accessibility Improvement Grants program budget to $34,195.

2. Award of grant funds to the following applicants in the amounts stated:

   - St. Peter American Legion $8,485.00
   - St. Peter Eyecare Center $5,670.00
   - Nicollet County Agricultural Society $3,175.00
   - Subway $8,010.00
   - Jakes Pizza $8,855.00

Adopted by the Saint Peter Economic Development Authority this 26th day of May, 2022.

James Dunn
ATTEST:

President

______________________________
Todd Prafke
City Administrator
TO: EDA Members
FROM: Todd Prafke
City Administrator
RE: Nonpayment of COVID 19 Micro Loan Round #2 – YV Services, LLC

ACTION/RECOMMENDATION

Review the status of a COVID-19 Micro Loan Round #2 provided to YV Services, LLC.

BACKGROUND

A COVID-19 Micro Loan Program was established by the City Council on March 30, 2020. Over a five-month period, 56 loans were processed to eligible businesses totaling $477,702.00. Recognizing the need for continued financial assistance, The EDA and City Council authorized a second round of COVID-19 Micro Loans during which 41 micro loans were processed for a total of $306,612.00.

These loans were awarded at 0% interest, deferred payment until January 11, 2022 following which monthly installments of $100 per month would be due until payment in full.

Of the 41 loans awarded in round two, all but one business is current on their repayment. YV Services, LLC borrowed $2,879 and due to a failure of Yakub Aden to submit a portion of the required paperwork, his repayment did not begin until March 1, 2022.

A Promissory Note executed April 20, 2021 required Mr. Aden to make 29 consecutive monthly installments of $100, on the first day of each month 2022 and on the same day each month thereafter until May 1, 2024 when the entire unpaid principal beginning January 1, and accrued and unpaid interest thereon would be due and payable.

Only one payment of $100, made in March 2022 was received. Numerous unsuccessful attempts have been made to contact Mr. Aden and it now appears that YV Services, LLC is no longer operating out of his previously rented space.

As provided in the Promissory Note, failure to make payments as stipulated in the note puts the Mr. Aden in default and the City is then able to declare the entire amount due and payable.

In light of Mr. Aden’s default and his lack of response to the City’s attempts to contact him, the EDA should review its options which in general include:

- declare the note in default and direct staff to proceed with debt collection/formal legal proceedings to recoup the monies due.
• Continue to work to communicate with Mr. Aden and try to work out a plan that can provide for receipt of the funds owed.
• Declare the note uncollectable
• Table any decision until a future date as determined by the Authority.

Staff will wait for your direction and are happy to provide any other information that we have related to the this program and other option you may see with this note.

Should you have any questions on this agenda item, please don't hesitate to contact me.
May 2022

Todd Prafke
City of Saint Peter
227 Front St S
Saint Peter, MN 56082-2513

Dear Mr. Prafke and City Council,

The needs of a community come in every shape and size. Those who live in the wonderfully diverse communities of southern Minnesota know this better than anyone. Southern Minnesota Initiative Foundation’s (SMIF) focus is on economic and early childhood development and community vitality – exactly where our region needs us.

Small businesses need resources and financial support more than ever. Small businesses in Minnesota account for 99.5% of all businesses and employ 46.9% of employees in the state. Job vacancies across the state have increased to 5.2% - nearly double what is considered a healthy number. SMIF's lending and technical assistance has been instrumental in creating dozens of new businesses in our region.

Child care shortages continue to be a concern. 46% of parents with kids under 18 who quit a job in 2021 cited child care issues as a reason for leaving. The need for more child care availability is particularly acute in Greater Minnesota where the numbers of child care providers is not keeping pace with the need. SMIF’s child care resources are keeping providers in business and addressing the shortage.

Volunteers to community organizations are experiencing burnout at increasing rates. Approximately 63 million Americans, 25% of the adult population, contribute $193 billion of their time in-kind to our communities. However, the volunteer rate is declining. SMIF’s support for community project and community foundations is turning this trend around.

Because of generous supporters like you, communities in our region have seen improvement and growth in countless ways. With your help, together we are investing in the vitality of our region. See the enclosed fact sheet to see how your contribution is making a difference in your county.

Thank you for your gift of $1,000.00 on 4/20/2022. Your support is changing lives and addressing the needs of our region. I hope you will consider a gift at the same level in 2023.

Sincerely,

Tim Penny
President & CEO
We envision southern Minnesota as a prosperous and growing region with vibrant communities, innovative and successful economies, and engaged and valued citizens. To achieve this vision, Southern Minnesota Initiative Foundation, a regional development and philanthropic organization, fosters economic and community vitality in 20 counties of southern Minnesota through a culture of collaboration and partnership.

For every donation of $1 from Nicollet County, $13 is invested back into Nicollet County communities.*

21 LOANS
$1 million to Nicollet County entrepreneurs

130 GRANTS
$915,000 to support grant-making
$1.2 million to support community initiatives

$5 million invested annually to the 20 counties of south central and southeastern Minnesota

Since 1986, Southern Minnesota Initiative Foundation has leveraged local investments & partnerships to create a stronger Nicollet County:

$240,000 in local donations to SMIF

$3.1 million invested by SMIF in Nicollet County through grants, loans, and programming for stronger kids, businesses and communities
Making a Difference
Supporting a community through collaboration and art

In 2021, StoryArk was awarded a $13,250 Inclusive and Equitable Communities Grant to facilitate a youth creative arts initiative in the Mankato Area Public Schools, Janesville-Waldorf-Pemberton schools and Saint Peter High School. Students from diverse racial and ethnic backgrounds, socioeconomic statuses and geographic settings engaged in skills training and participated in creative arts teams to produce podcasts, short films and creative writing reflective of students’ interests and life experiences. This new grant supported ten organizations as they developed initiatives which increase equity and inclusion within communities or support entrepreneurs in communities of diverse backgrounds.

Early Childhood

- Saint Paul’s Evangelical Lutheran Church was awarded 612 books through an Early Literacy Grant and distributed the books through family fun nights.
- 19 early child care providers/centers received a total of $9,650 in grants to support efforts during the COVID-19 pandemic.
- 21 local Early Childhood professionals participated in free trainings provided by SMIF in 2021, impacting more than 210 children, to gain resources and knowledge to increase quality care for young children.

| Number of children impacted: 566 | Hours of Training Provided: 43 |

Economic Development

- 48 Nicollet businesses received $480,000 in DEED Small Business Relief Grants to assist with pandemic-related challenges.
- River Rock Kitchen & Baking Co. is part of SMIF’s Local Foods Peer Network. This group comes together to share challenges, successes and to gain access to new resources.
- Nola Kitchen from the Nicollet area enrolled in the Prosperity Initiative Program which provides one-on-one technical assistance to minority entrepreneurs.

| Number of entrepreneurs impacted: 142 | Hours of training and events provided: 565 |

Community Vitality

- A region-wide AmeriCorps VISTA member is working with several partners to create a much stronger trajectory for building capacity for farmers’ markets across southern Minnesota.
- The VISTA member is supporting Nicollet County by building relationships with local food producers and farmers (including those who are BIPOC), collecting market data and developing training to support market managers’ and vendors’ business needs.
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<th>BORROWER</th>
<th>ORIGINAL BORROWER</th>
<th>ORIGINATION DATE</th>
<th>CURRENT BALANCE</th>
<th>12/31/2021 BALANCE</th>
<th>MONTH-YEAR BALLOON DUE</th>
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| LOAN FUND BALANCES (extract from Bremo) | $2,087,854.29 | $675,674.20 | $1,260,036.61 | $152,143.48 |
| LOANS OUTSTANDING               | $921,986.49 |                  |                |                |

|                      | $3,009,840.78 |                  |                |                |