

**CITY OF SAINT PETER  
AGENDA & NOTICE OF REGULAR MEETING  
ECONOMIC DEVELOPMENT AUTHORITY  
Thursday, June 25, 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. May 28, 2020
- IV. **UNFINISHED BUSINESS**
- V. **NEW BUSINESS**
  - A. Chad Guentzel (Anytime Fitness) Revolving Loan Request
  - B. Chamber of Commerce (Marketing Request)
  - C. Spec Home Sales (Financial Analysis)
- VI. **REPORTS**
  - A. COVID-19 Micro Loan Program
- 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, June 25, 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 June 25th regular meeting electronically:

From your computer, tablet or smartphone: <https://global.gotomeeting.com/join/403316349>

From your phone (Toll Free): 1 866 899 4679 - One-touch: tel:+1 866 899 4679 , 403316349

**Access Code: 403-316-349**

New to GoToMeeting? Get the app now and be ready when your first meeting starts:  
<https://global.gotomeeting.com/install/302022645>

Russ Wille  
Director of Community Development

**CITY OF SAINT PETER, MINNESOTA**  
**Economic Development Authority**  
**REGULAR MEETING MINUTES – May 28, 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 Community Development Director Russ Wille at approximately 12:01 pm. Roll call was taken with Brad DeVos, Ed Johnson, Bob Southworth, Mike Favre and Cory Abels (12:05) in attendance. Member James Dunn was absent. Community Development Director Russ Wille, City Administrator Todd Prafke, Director of Finance Sally Vogel and Administrative Secretary Cindy Moulton were also in attendance. Visitors present were James Brandt and Interim Superintendent of St. Peter schools Dr. Jeff Olson.

**Approval of Agenda**

A motion was made by Johnson, seconded by Southworth to approve the agenda with the addition of B. Eligibility Roster under New Business. With all voting in favor, the agenda was approved as amended.

**Approval of Minutes**

A motion was made by Southworth, seconded by Johnson to approve the minutes of the April 23, 2020 regular meeting. All members voting aye, the minutes were approved as presented.

A motion was made by Southworth, seconded by Johnson to approve the minutes of the May 6, 2020 special meeting. All members voting aye, the minutes were approved as presented.

**Mary L. Brandt (219 Nassau) CBD/HPC Loan Application**

Mary Brandt has made application for a Central Business District/Accessibility Enhancement Loan to partially finance roofing repairs and tuck pointing of the façade of her building located at 219 Nassau.

Wille indicated that Brandt has received bids from Ballman Roofing and Schwickerts Roofing to undertake roof repairs. Brandt has accepted the low bid of \$21,500 from Ballman Roofing.

Brandt also received bids to undertake tuck pointing. Bids were obtained from Kassulke Masonry and Johnson Building Restoration. Brandt accepted the low bid in the amount of \$1,381 from Kassulke Masonry.

Wille stated that Brandt has requested a \$20,593 loan to finance 90% of the identified costs from the fund established by the Council. The applicant would intend to finance the balance of the construction project (\$2,288) with funds currently on deposit.

Should the loan in the amount of \$20,593 be approved, it would be amortized over 10 years with monthly payments of \$172.00 until the loan is paid in full. If the loan payments are made as

due, when due and in the amount due per the terms of the promissory note, the balance of the loan will be forgiven once the balance is reduced to \$5,000.

Wille stated that the loan subcommittee comprised of Abels and himself reviewed the financial statements and reports provided by the applicant and found nothing that would prevent Brandt from obtaining the loan.

Given that there are no mortgages filed against the property, the City's loan would be secured via a first mortgage.

He also added that there is no need to secure a personal guarantee from the borrower given that the loan is to be made to Mary L. Brandt.

Prafke indicated that the City will hire an outside attorney to review the Mortgage and Promissory Note which is typically drafted by City Attorney James Brandt.

A motion as made by Johnson, seconded by Abels to introduce Resolution No. 2020-04 entitled, "A Resolution Recommending Approval Of A \$20,593.00 Central Business District Renovation/Accessibility Enhancement Loan To Mary L. Brandt (dba Brandt Law Office) To Partially Finance The Roof Repair And Partial Tuck Pointing Of The Façade At 219 West Nassau Street". All members voting aye, the Resolution was passed and adopted.

### **Eligibility Roster**

Wille stated that the City has received a request from Marcy Lorenz, to expand the roster of eligible businesses that qualify for the COVID-19 Micro Loan, to include "Administrative Offices".

Wille said that even though Lorenz' bookkeeping service has not been shuttered by the Governor's Executive Order, Ms. Lorenz reports that her business has been significantly curtailed as her clients have not required her services given that many of them have been ordered to close or are operating at a fraction of their capacity. As businesses slowly begin to reopen, Ms. Lorenz would expect her business to slowly return.

Members agreed Lorenz's request was acceptable. Abels felt the loan is to benefit businesses and the City should be more liberal in issuing the loans.

Wille recommended that rather than using the Zoning Code definition which would open the loan program to law offices, engineering firms and other such uses, that the eligibility be limited specifically to those firms providing professional bookkeeping services to other businesses and organizations.

Wille did not feel that administrative services should be added to the list of qualifying businesses, as a number of those businesses have not been impacted by COVID-19.

Wille suggested that business to business bookkeeping services be added to the eligibility list.

A motion was made by Johnson, seconded by Abels to expand the COVID-19 Loan to include business to business bookkeeping services to the list of eligible businesses. All members voting aye, the motion carried.

## **Marketing St. Peter**

Wille stated that the City is working with the Chamber to develop some type of method to market and promote the St. Peter business community as businesses start to reopen. Wille indicated that some business owners were approached and asked if they would be interested in the City/Chamber running some type of promotion that included awarding prize packages to customers. Most said they were anxious to reopen safely for their employees and customers, and said they would be overwhelmed with people stopping at the store just to stop to and register for a prize. Businesses encouraged the City/Chamber to undertake some type of marketing. Chamber Director Ed Lee is pricing out ads in the newspaper, radio, television and a social media post.

Wille asked the EDA if they would be willing to set aside \$10,000 that could be used for undertaking a marketing effort. To finance the \$10,000 Wille suggested that the funds be obtained from the interest from the RLF.

Prafke said that the goal is to work with the Chamber with the possibility of them providing a committee to come up with ideas.

Southworth suggested some of the money be put towards a college student going into marketing to figure out how to advertise on free platforms.

Favre mentioned there are several Chamber members that live outside of the City limits. Wille said that it is important that the City be fair to chamber and non-chamber members from making loans to those businesses.

Favre said he would be more supportive of allowing businesses to ease into sales.

Southworth asked what process would be followed. He is not in favor of doing promotions all at once because businesses offer different things, at different times.

Johnson said he was unsure he would agree with the request because the public knows businesses are trying to ease back into opening. Johnson requested more details.

DeVos agreed with Johnson. He expressed his concern that promotions may cause a surge in business traffic while stores are trying to keep a safe environment for their staff and shoppers.

Abels indicated that he had mixed feelings and would like to see a business plan in place prior to committing funds. He agreed with promoting businesses and would be open to donating more should there be positive results.

Prafke asked for direction from the members.

Wille indicated that the promotion of St. Peter would happen over an extended period of time. It is his understanding, with the conversation of the members, they are in favor of some type of promotion but would like to know more facts.

Prafke stated that once a plan is developed, staff would come back to the EDA in the future to discuss the plan.

Abels said that promoting St. Peter is an opportunity for the Chamber to encourage people to shop local. He also added that it may help to get more people from the surrounding area and locals to shop St. Peter.

Members agreed to have staff come back once a plan is established.

Wille said he will invite Chamber Director Ed Lee to attend the next meeting.

## **Reports**

### **ISD # 508 Enrollment Projections (Dr. Jeff Olson)**

Interim Superintendent Dr. Jeff Olson explained the rationale behind the geographic study. He indicated that the study was undertaken to see where the projections would point the school in the next 10 years. He said the projections will impact planning, budgeting and stabilization of the financial picture.

Olson stated that enrollment is the most important factor as the number of students in the classroom accounts for ¾ of the funding schools get primarily through the State of Minnesota. He stated that the enrollment projections over the next 10 years is approximately 0 – 2.2% increase.

Olson stated that a rise in enrollment occurs with the in-migration of students from John Ireland, St. Peter Evangelical Lutheran School, families moving to town, and open enrollment.

He said the factors that encourage families to move to St. Peter include a quality school system, a good community to live and work, affordable and available daycare, and appropriate and available housing.

He felt that St. Peter is lacking housing ranging from \$200,000 - \$350,000.

Olson mentioned that with COVID-19 it is hard to predict how it will affect enrollment. He indicated that he has received calls from residents that support virtual learning and those that do not. Some caller have indicated that they will not return to St. Peter schools if virtual learning is not occurring.

He stated that should there be online learning, it would be detrimental to the kindergarten class because the student would not have connection with a teacher or the school system, and would not have comfort with technology the school is using at the present time.

Southworth commented that if online learning is taking place, enrollment at the kindergarten level could be zero. He also agreed with the lack of housing.

Wille noted that the St. Peter Development Corporation is in early discussions as to whether or not to get into the business of building homes in the price ranges as discussed.

Prafke indicated that housing will be discussed at the City Council goal session on June 29, 2020. He hopes to have a "go forward" plan.

### **Fire Station**

Prafke reviewed the options the City is exploring to finance the proposed new fire hall. He indicated that the EDA may be asked to serve as a conduit to access funding as they did with the Community Center and River's Edge Hospital. He also added that USDA dollars have been applied.

In order to provide a revenue stream for the majority of the fire hall, the City Council is seeking legislative approval to allow for a sales tax question to be included on the November, 2020 ballot to allow residents to vote on the issue. The City will need to know if the request is approved by July or August.

Johnson left the meeting at 12:51 pm.

DeVos stated that the previous debts service on the fire hall was \$395,000 per year. He asked what the debt service is estimated at now per year with the decrease in interest rates.

Vogel said it is down to \$360,000 with a 2.375 rate.

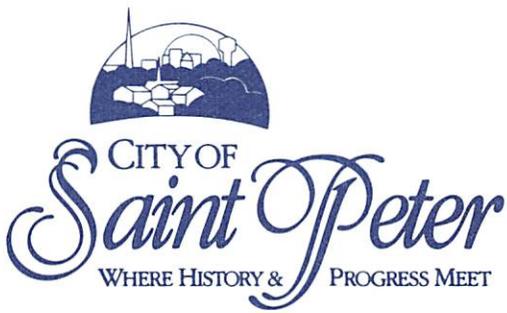
Favre asked what the best case scenario timeline looked like for construction.

Prafke said if the residents vote yes on the sales tax, the construction could start as early as the spring of 2021.

Favre left the meeting at 12:53 pm.

### **Adjourn**

With the lack of a quorum, the meeting adjourned at 12:56 pm.



## Memorandum

To: EDA Members

Date: June 18, 2020

From: Russ Wille, Community Development Director

RE: Guentzel Holdings, LLC (Chad Guentzel / Anytime Fitness) Revolving Loan Request

### ACTION / RECOMMENDATION

Adopt the attached resolution recommending that the City Council approve a \$77,500 revolving loan to Guentzel Holdings, LLC (Chad Guentzel / Anytime Fitness) to partially finance the construction of a new Anytime Fitness franchise at the intersection of Old Minnesota Avenue and Dodd Avenue.

### BACKGROUND

Chad Guentzel purchased the Saint Peter Anytime Fitness franchise from Lynn and Deann Woods in 2008. At the time of purchase, Mr. Guentzel obtain a \$50,000 loan from the Economic Development Authority (EDA) to partially finance his acquisition of the business and its assets. The note was successfully repaid as per the terms of the promissory note without a single exception.

At this time, Mr. Guentzel is being forced to relocate his business due to the pending sale of his leased space. Mr. Guentzel has made plans to construct a new Anytime Fitness facility at the northwest corner of the Old Minnesota Avenue and Dodd Avenue intersection.

The total cost to acquire the site, design the building and construct the new facility is \$775,000. The proposed source and use would be as follows:

	HOMETOWN		SAINT PETER	
	<u>BANK</u>	<u>SBA 504</u>	<u>EDA</u>	<u>TOTAL</u>
<b>Land Purchase</b>	\$ 22,400.00	\$ -	\$ 77,500.00	\$ 99,900.00
<b>Construction</b>	\$ 365,100.00	\$ 267,144.00	\$ -	\$ 632,224.00
<b>Contingency</b>	\$ -	\$ 42,856.00	\$ -	\$ 42,856.00
	\$ 387,500.00	\$ 310,000.00	\$ 77,500.00	\$ 775,000.00

Hometown Bank would serve as the primary project lender and has approved a \$387,500 loan. The secondary lender would be the SBA 504 program. Under the guidelines of the SBA, Hometown Bank would finance the total construction of the proposed building. Once it is completed and a Certificate of Occupancy issued by the Building Official, the SBA will provide their \$310,000 contribution to Hometown Bank.

The EDA would be asked to contribute \$77,500 or 10% of the total project costs.

Appraisal Services of Mankato has completed a "post development" appraisal based upon the plans submitted by Mr. Guentzel, copies of which are included for your review. They have determined that once constructed, the land, structure and other site improvements would be appraised at \$750,000.

It should be noted that the appraisal that established the post development value of \$750,000 is dated May 12, 2020. Subsequent to that date, the building plans were altered at the direction of the Anytime Fitness corporate entity as they undertook their required review and approval of the building plans.

At the insistence of Anytime Fitness corporate, an additional 4 feet was added to the building plans. The appraisal was of a 56' x 88' structure. The actual construction would now be of a 60' x 88' structure. As a result, it would be expected that the appraisal amount would be moderately increased to take the additional 352 square feet of finished building in to account.

If the EDA loan were to be approved, the adopted guidelines would suggest that the note be amortized on a twenty (20) year schedule with a balloon payment due at the end of the fifth year. The guidelines would suggest an interest rate of 3.25% which is the U.S. Prime Rate as published in this week's Wall Street Journal.

To successfully retire the note at those terms, monthly payments of \$440.00 would be required. If all payments are made as due and when due, the balance of the note at the time of the balloon payment would be calculated to be \$62,530.00.

A subcommittee of the EDA consisting of Mr. Favre and Mr. Abels are scheduled to undertake a review of the pertinent business and personal financial statements provided by Mr. Guentzel. The subcommittee will be asked to comment on their review as we meet on the 25<sup>th</sup>.

If approved, the note would be secured by a mortgage that would be subordinate to the mortgages to be filed by Hometown Bank and the SBA. It must be noted that the \$775,000 in identified project costs exceeds the original May 12<sup>th</sup> post development appraisal by \$25,000. However, it is suggested that the building addition required by Anytime Fitness corporate would increase the post development appraisal to sufficiently collateralize the EDA's note. Hometown Bank has not requested that the appraisal be amended to reflect the additional 352 square feet of finished building.

A resolution recommending that the City Council approve the requested loan has been prepared for your consideration.

If you have any questions or feel that additional information is required, please contact me in advance of next Thursday's meeting.

**SAINT PETER REVOLVING LOAN FUND**  
**APPLICATION**

APPLICANT Chad Guentzel  
ADDRESS 37989 Valleyview Road  
CITY St. Peter STATE MN ZIP 56082

CONTACT PERSON(S)

BUSINESS PHONE (507) 934-4604 HOME PHONE (507) 380-5279

AMOUNT REQUESTED \$ 77,500

TERMS REQUESTED 20 YR TERM (rate can adjust) per SBA guidelines

SOCIAL SECURITY NUMBER ||||| FED ID # \_\_\_\_\_  
STATE ID # \_\_\_\_\_

\*\*\*\*\*

1. Type of Project:

- Construction/new Business     Expansion/Existing Business  
 Equipment/Machinery/Fixtures     Remodel/Commercial Retail/Industrial  
 Other \_\_\_\_\_

2. Described Project:

Building new fitness facility  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



6. Collateral to be assigned (Describe and show lien position):

- A) To State \_\_\_\_\_
- B) To Federal Govt \_\_\_\_\_
- C) To Bank 1st MTA on Project
- D) To Bank \_\_\_\_\_
- E) To Private \_\_\_\_\_
- F) To Other 2nd MTA on Project
- G) To This Loan 3rd MTA on Project

7. Value of Collateral:

	<u>COST</u>	<u>Net BOOK VALUE</u>	<u>Market/Appraised</u>
A) Land	\$ _____	\$ _____	\$ _____
B) Buildings	\$ _____	\$ _____	\$ _____
C) Mach. & Equip.	\$ _____	\$ _____	\$ _____
D) Other _____	\$ _____	\$ _____	\$ _____
E) Other _____	\$ _____	\$ _____	\$ _____

} 750,000

8. Employment:

Present Number of Employees 2                      Total Payroll 77,358  
 After Project # of Employees \_\_\_\_\_              Total Payroll \_\_\_\_\_

\*If Loan is for Job Retention Only, Explain in Business Plan.

9. Attorney, Accountant (Names, addresses, phone):

Jim Brandt - Brandt Law office  
 \_\_\_\_\_  
 \_\_\_\_\_

10. Bank and Other References (Names, addresses, phone):

Bob Southwell - HomeTan Bank  
 \_\_\_\_\_  
 \_\_\_\_\_

11. Attach and include the following:

\_\_\_ A) Written Business Plan:

1. Description of business
2. Ownership
3. Date established
4. Products/Services
5. Management
6. Future Plans

\_\_\_ B) Financial Statements for past Two Years

\_\_\_ C) Financial Projections for <sup>3</sup> ~~Five~~ Years\* *Post relocation*

\_\_\_ D) Resume of Owner/Management

\_\_\_ E) Personal Financial Statements of proprietor, partners, guarantors

*Prepare - do not Submit*

\_\_\_ F) Letter of commitment from applicant pledging to complete during the proposed project duration

\_\_\_ G) Letter of commitment from the other sources of financing, stating terms and conditions of their participation in project.

\_\_\_ H) Other \_\_\_\_\_  
\_\_\_\_\_

\_\_\_ I) Other

I/We certify that all information provided in this application is true and correct to the best of my/our knowledge. I/We authorize the City of Saint Peter and the Saint Peter

Economic Development Authority to check credit references and verify financial and other information. I/We agree to provide any additional information as may be requested by the City of Saint Peter and the Saint Peter Economic Development Authority.

DATE: 6-9-20

Applicant Name

BY Ched Grentzel

By 

## Sworn Construction Statement

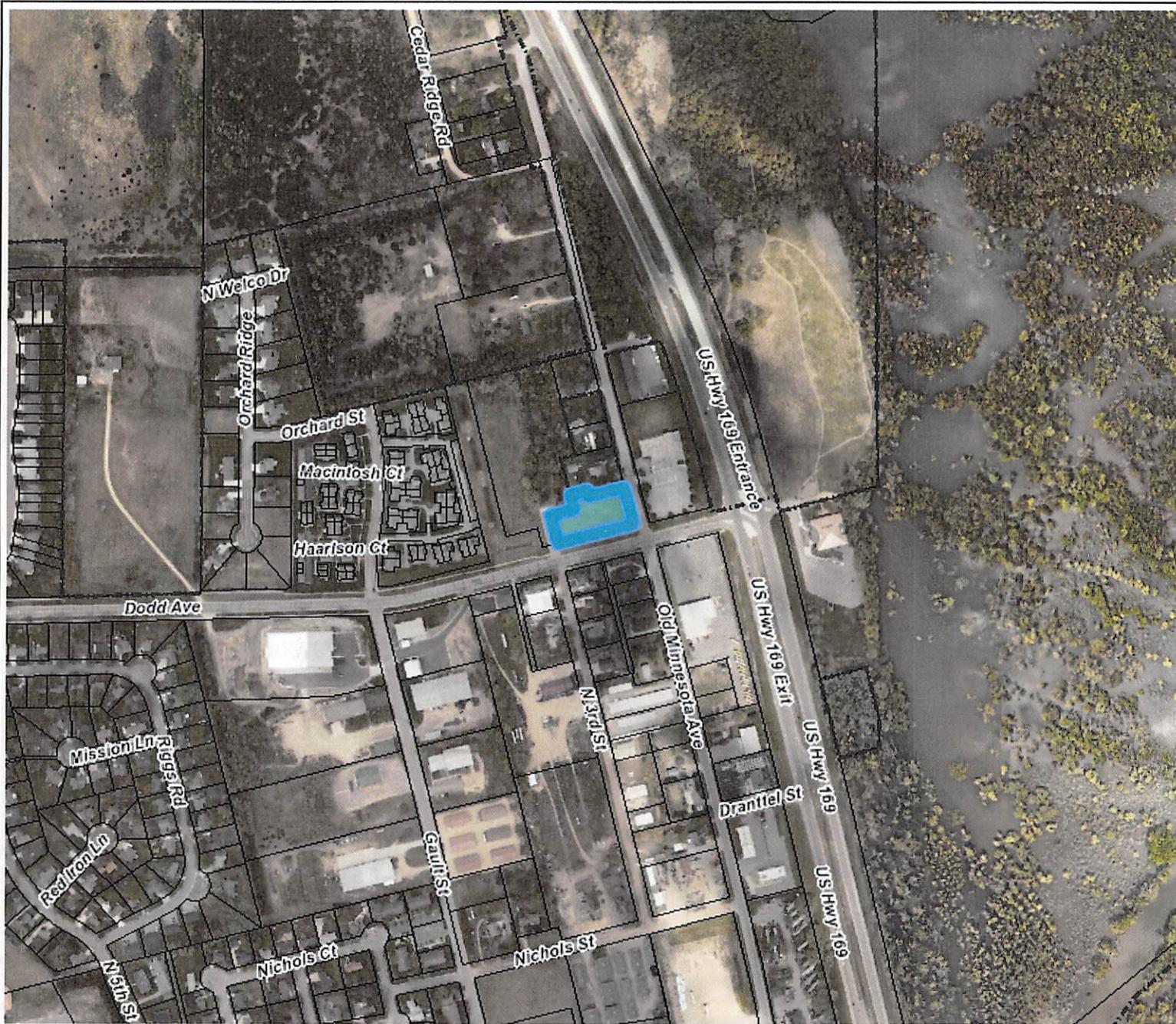
Owner Name \_\_\_\_\_  
 Property Address \_\_\_\_\_

Attached to this Statement is a list of Subcontractors and Suppliers. Any changes to this list or this statement must be giving to the Lender or Title Company.

SUBCONTRACTOR	JOB DISCRPTION	COST	PAYMENTS	TOTAL PAID
Nielsen Blacktopping	Dirt/sewer/water/blacktopping	\$104,750		
Tom Oak Masonry	Concrete foundation/Floor/brick	\$87,675		
St. Peter Lumber	Building Materials	\$80,000		
Homrak Construction	Frame Building	\$44,374		
	Roofing	\$40,000		
Leonard Heating	Heating	\$12,000		
Tims Plumbing	Plumbing	\$20,000 Allowance		
ECS	Electrical	\$36,215		
St. Peter Glass	Windows and doors	\$38,855		
River Valley Drywall	Hang drywall	\$4,631		
Jim Fritz Plastering	Tape and Mud drywall	\$9,900		
	Painting	\$10,000		
Lager Construction Inc	Insulate/Siding/Interior	\$30,000		
	Flooring labor	\$15,000		
Strange Designs	Drawings/Structural	\$10,000		
Bolton Menk/Mark Lawton	Civil Plans	\$11,000		
City of St. Peter	Permit and Hook ups	\$8,671.36		
Lager Construction Inc	General Contracting Fee	<del>\$56,307.13</del>	12,865.51	
Total Cost		<del>\$619,378.49</del>		

632,244

60 x 88



**Legend**

- Street Names - Medium
- County Boundary
- City Limits
- Railroad
- Parcels (1-24-2019)
- STPE.sid
  - Red: Band\_1
  - Green: Band\_2
  - Blue: Band\_3

**Map Name**



**Disclaimer:**

This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. The City of Saint Peter is not responsible for any inaccuracies herein contained.

0 527 Feet

© Bolton & Menk, Inc - Web GIS 6/18/2020 9:16 AM





**strangedesign**  
 330 N. Dearborn St., Minneapolis, MN 55401  
 phone: 612.331.5240  
 email: info@strangedesign.com

PROJECT TITLE:

NEW BUILDING

ANYTIME  
FITNESS

ST PETER  
MINNESOTA

**RDS ARCHITECTS**  
 6850 HWY. 166 SUITE 303  
 NEW HOPE, MN. 55428  
 612-810-0628  
 763-505-9119 fax  
 We are available for project work  
 during regular business hours. For  
 direct communication and to  
 appear on the list of the State of  
 Minnesota.  
 Name: Richard J. Storken  
 Reg. No.: RTJ-58  
 Date:

GENERAL CONTRACTOR

LAGER CONSTRUCTION

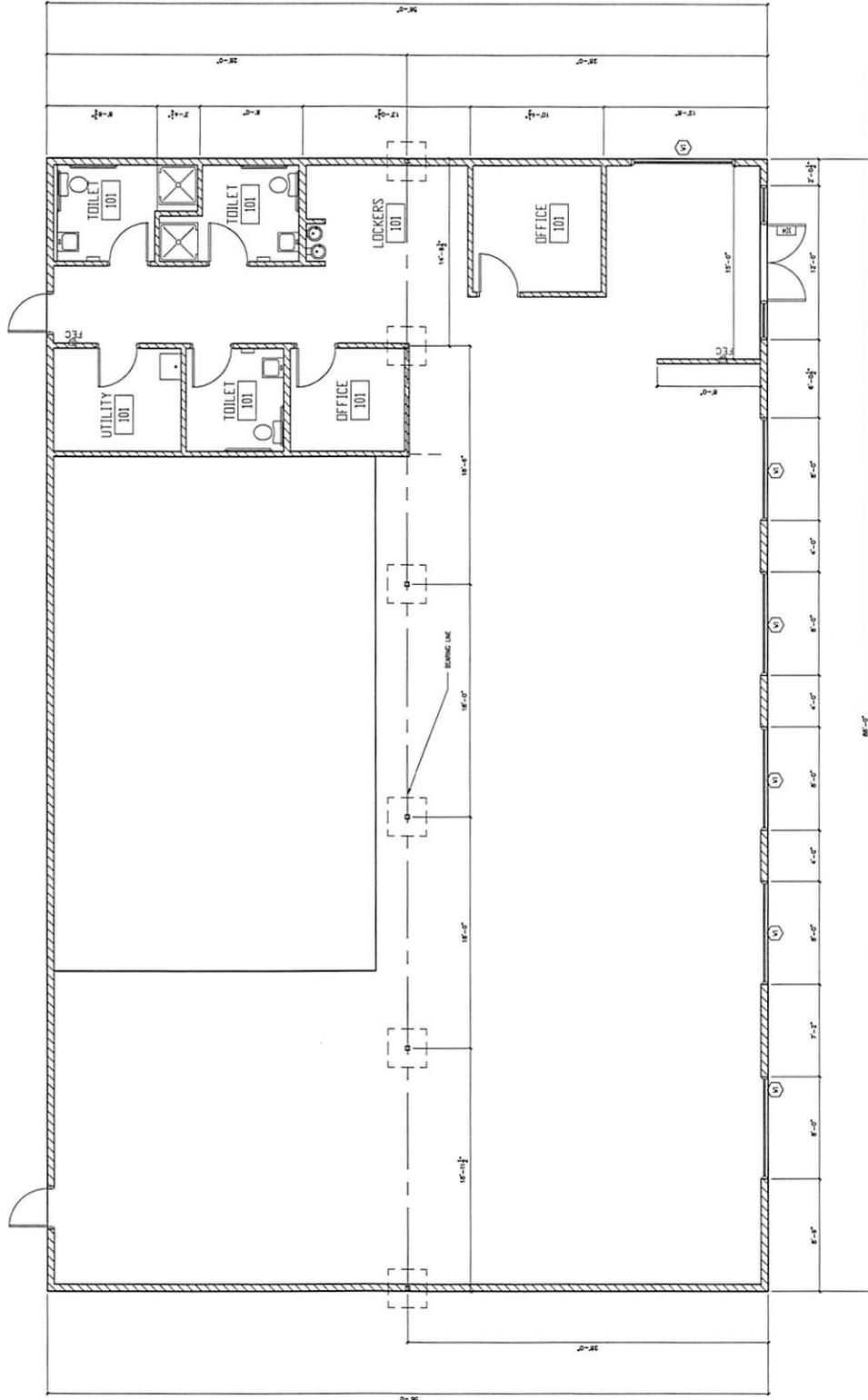
No.	SUBMISSIONS & REVISIONS	Date
1	CONSTRUCTION DOCUMENTS 04-06-2020	

These drawings are prepared for the use of the contractor and are not to be used for any other purpose. The contractor is responsible for verifying all dimensions and conditions of the existing building and site. The contractor is responsible for obtaining all necessary permits and approvals. The contractor is responsible for coordinating all construction activities with the owner and other stakeholders. The contractor is responsible for maintaining accurate records of all construction activities. The contractor is responsible for ensuring that all construction activities are completed in accordance with the contract documents and applicable laws and regulations. The contractor is responsible for ensuring that all construction activities are completed in a timely and efficient manner. The contractor is responsible for ensuring that all construction activities are completed in a safe and sound manner. The contractor is responsible for ensuring that all construction activities are completed in a professional and courteous manner. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of quality and craftsmanship. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of safety and health. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of environmental stewardship. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of social responsibility. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of ethical conduct. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of integrity and honesty. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of transparency and accountability. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of communication and collaboration. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of leadership and innovation. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of excellence and achievement. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of service and customer satisfaction. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of respect and dignity. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of fairness and equity. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of justice and equity. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of peace and harmony. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of love and compassion. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of hope and faith. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of joy and happiness. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of peace and harmony. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of love and compassion. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of hope and faith. The contractor is responsible for ensuring that all construction activities are completed in a manner that is consistent with the highest standards of joy and happiness.

FLOOR PLAN

DRAWN BY: AME  
 CHECKED BY:

AI



1. FLOOR PLAN 4928 SF  
 DATE: 04-06-2020



**strangedesign**  
 130 S Marshall St., Anneton, MN 56001  
 phone 507.251.5340  
 email@strangedesign.com

PROJECT TITLE

**NEW BUILDING**  
**ANYTIME**  
**FITNESS**  
**ST PETER**  
**MINNESOTA**

**RDS ARCHITECTS**  
 4900 HWY 166 SUITE 303  
 NEW HOPE, MN 55428  
 612-810-0528  
 1-800-368-5454 fax  
 I have read and understand the  
 plans, specifications or report was  
 prepared by the architect and I agree  
 to accept the same and to hold the  
 contractor harmless for the same.  
 Name: Richard J. Starlin  
 Reg. No. 2125B  
 Date:

GENERAL CONTRACTOR

**LAGER CONSTRUCTION**

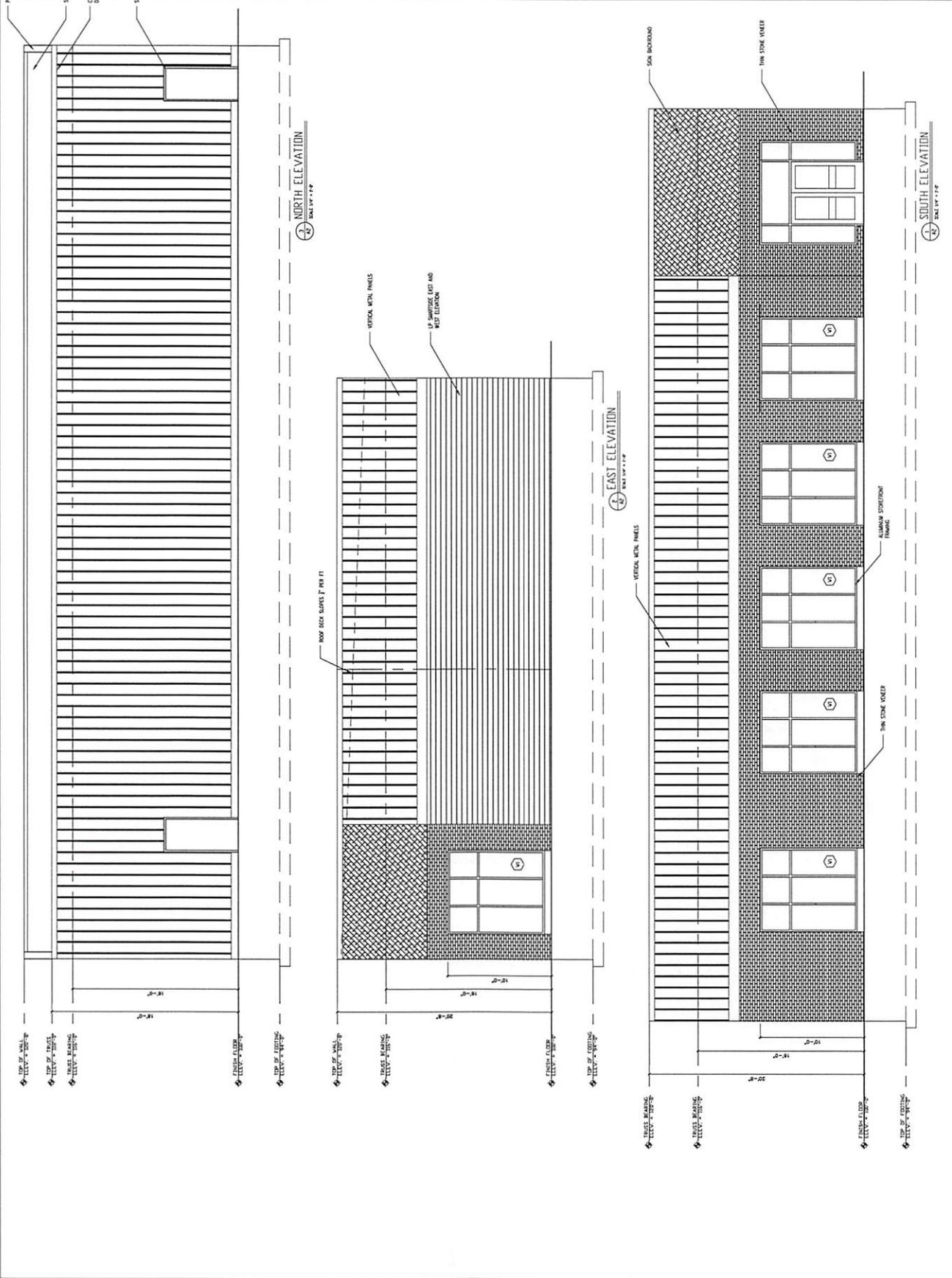
No.	SUBMISSIONS & REVISIONS	Date
1	CONSTRUCTION DOCUMENTS 04-09-2020	

**EXTERIOR ELEVATIONS**

REVISIONS: (checklist with 10 items, mostly crossed out)  
 1. Add window to the south elevation.  
 2. Add window to the east elevation.  
 3. Add window to the north elevation.  
 4. Add window to the west elevation.  
 5. Add window to the south elevation.  
 6. Add window to the east elevation.  
 7. Add window to the north elevation.  
 8. Add window to the west elevation.  
 9. Add window to the south elevation.  
 10. Add window to the east elevation.

PROJECT NO.	04-09-2020
DATE	04-09-2020
DRAWN BY	AMS
CHECKED BY	

**A2**



***Anytime Fitness Property***

***Dodd Road***

***St. Peter, MN 56082***



**APPRAISAL SERVICES OF MANKATO, INC.**

1015 S. Front • Mankato, MN 56001 • (507) 387-1137 FAX (507) 387-2540

May 12, 2020

Ms. Kaitlin Kamm  
HomeTown Bank  
102 S. Third Street, P.O. Box 388  
St. Peter, MN 56082

Re: Anytime Fitness Property  
Dodd Road  
St. Peter, MN 56082

Dear Ms. Kamm:

In accordance with your request, I have prepared an appraisal of the above captioned property, more properly described within the attached appraisal report, for the purpose of forming an estimate of market value as of the effective date of April 29, 2020.

It is my opinion the subject property has a market value, as of the effective date of this appraisal, **and subject to the hypothetical condition that the proposed improvements have been completed**, of:

“As-Proposed” Value **\$750,000**

“As-Is” Value \$101,000

The attached report will set forth the legal description, supporting data, analysis, conclusions and limiting conditions upon which the estimate of value is based. This report conforms to USPAP standards and FIRREA regulations.

Respectfully submitted:

Appraisal Services of Mankato, Inc.

Erin T. Tisdell  
Certified General Real Property  
MN License # 20020346; Expires 8-31-21

**SAINT PETER ECONOMIC DEVELOPMENT AUTHORITY  
RESOLUTION NO.**

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

**A RESOLUTION RECOMMENDING APPROVAL OF A \$77,500 REVOLVING LOAN TO  
GUENTZEL HOLDINGS, LLC TO PARTIALLY FINANCE THE CONSTRUCTION OF A NEW  
ANYTIME FITNESS FRANCHISE**

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, Guentzel Holdings, LLC (Chad Guentzel) has submitted an application to partially finance the construction of a new Anytime Fitness franchise at the northwest corner of the Old Minnesota Avenue and Dodd Avenue intersection; and

WHEREAS, the project is an eligible activity of the revolving loan fund and meets the criteria of the loan program; and

WHEREAS, the Economic Development Authority has reviewed the loan application and a subcommittee of the EDA has reviewed the supplemental financial disclosures of the proposed Anytime Fitness franchise.

The EDA has recommended that the loan application be approved as per the following terms.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF SAINT PETER, NICOLLET COUNTY, MINNESOTA, that:

1. A loan of \$77,500 is approved for Guentzel Holdings, LLC to partially finance the construction of a new Anytime Fitness franchise.
2. The annual interest on the loan shall be fixed for the duration of the loan at 3.25%.
3. The loan shall be amortized on a twenty (20) year schedule though due and payable after five (5) years via balloon payment.
4. The loan shall become immediately due and payable upon the sale, closing or relocation of the planned Anytime Fitness franchise and may not be assigned without the written consent of the City of Saint Peter.
5. The loan shall be secured by a subordinate mortgage against the property upon which the new Anytime Fitness franchise is to be constructed (Lot 1, Block 5, Orchard Ridge Subdivision).

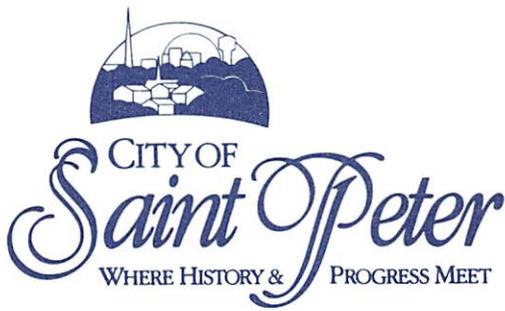
6. The loan shall be secured by a personal guarantee executed by Chad Guentzel and his spouse.

Adopted by the Economic Development Authority of the City of Saint Peter, Nicollet County, Minnesota this the 25<sup>th</sup> day of June, 2020.

ATTEST:

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

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



## Memorandum

To: EDA Members

Date: June 18, 2020

From: Russ Wille, Community Development Director

RE: Chamber of Commerce (Funding Request)

### ACTION / RECOMMENDATION

Ed Lee, the Executive Director of the St. Peter Area Chamber of Commerce will attend the meeting and request that the EDA commit up to \$10,000 to fund an advertising campaign to promote Saint Peter as businesses have reopened following the closures required by Governor Walz's Executive Orders.

### BACKGROUND

At the last EDA meeting, the members discussed the merits of establishing an advertising / marketing campaign to promote the Saint Peter business community as operations have reopened.

Many members of the EDA expressed concerns or questioned whether promotional efforts would overwhelm businesses which are trying to determine how to reopen in a manner that protect both their employees and customers.

At a minimum, the EDA members asked that a more defined marketing plan be developed and presented to the members at a future meeting.

To that end, Mr. Lee has submitted an outline indicating which media outlets or publications would be utilized to spread the message that Saint Peter businesses are open and practicing the appropriate safety and sanitation practices.

In his correspondence, Mr. Lee notes that the Minnesota Chamber of Commerce will be rolling out an ad campaign to be known as "Minnesota Ready". They have encouraged local Chambers to launch their own marketing program utilizing a similar theme.

Our friends at Greater Mankato Growth, through their Visit Mankato business sector have developed their own marketing campaign known as Kato Comeback. They have committed \$40,000 to place ads from June 14<sup>th</sup> through August. Given that this is a program of the Visit Mankato, LLC sector of GMG, we do not have the ability to participate in this particular programming through our Regional Economic Development Alliance (REDA) partnership.

Mr. Lee will walk the EDA through the outline and answer any questions that may be posed by the membership.

## **COVID-19 Community Business Stimulus Funding Request**

**From:** Saint Peter Area Chamber of Commerce

**To:** City of Saint Peter Economic Development Authority

**Date:** Monday, June 8, 2020; **Contact:** Ed Lee, Saint Peter Chamber director, 507-934-3400

**Funding Amount Requested:** \$10,000 as soon as possible, to advertise and promote business scene

**Purpose:** Help rescue our local businesses during the COVID-19 outbreak

**Campaign Name:** Saint Peter Ready

**Saint Peter Ready: Saint Peter shops and restaurants have plans in place to protect customers and employees and discourage the spread of coronavirus while bringing the local economy back to life**

*Premise: Visiting with local business leaders, it's very clear they want to keep their employees and customers safe from COVID-19 while offering creative ways to sell their products and services through curbside and delivery opportunities, along with reopening indoor opportunities, while adhering to rules set by the state. Businesses are already doing this, so our Campaign supports them, rewards them and promotes them to customers and new potential customers. The Minnesota Chamber is on the verge of launching "Minnesota Ready" and encouraging localities to adapt it to "Saint Peter Ready" while offering branding and promotion of their own.*

**The Campaign:** Using traditional and social media to promote Saint Peter in a way that won't overwhelm local customer-facing businesses. The public is cautious, so shoppers in huge numbers are not anticipated. Store owners and restaurants say they are ready to serve more shoppers and diners.

**The Budget:** \$10,000 for advertising in St. Peter Herald, Free Press of Mankato, Alpha Media Radio, Radio Mankato, KEYC TV, KNUJ and Facebook. Chamber is requesting NO dollars within the up to \$10,000 to manage this program.

**Timeline:** Campaign would launch as soon as possible and continue through August 31.

**The Message:** We've heard you loud and clear. You and the governor seem to agree on this: You don't want yourself, your coworkers, your family members, your customers or your clients to get the coronavirus. The focus is building consumer confidence and encouraging personal responsibility with customers taking steps to keep themselves and others safe. So this is the basis of the Saint Peter Area Chamber of Commerce campaign named, "Saint Peter Ready". When you visit the websites of Saint Peter shops, restaurants and stores, you will see that most are offering creative opportunities for you to buy online or by phone. You can find links to all customer-facing businesses in the 56082 zip code by visiting [stpeterchamber.com](http://stpeterchamber.com) and clicking on the COVID-19 Business Updates page. Thank you for supporting Saint Peter businesses and the economy.

**First Wave of Promotion, to launch ASAP, amounts to \$5,000. Second wave of promotion amounts to \$5,000 and would be adapted to capitalize on what worked best with the first wave.**

**Chelsea at KEYC -- \$500 (pitch was \$500):** Minimum of 70 runs on our 3 stations, as well as 50,000 impressions on KEYC.COM over a 2 week period.

**Darcy at Radio Mankato -- \$500:** If we buy an advertising package on one station, they will contribute ads on six other stations. Each month, we would run the ad for the duration of one week, likely early in the month. It would be about 42 commercials per month during the 12-week campaign.

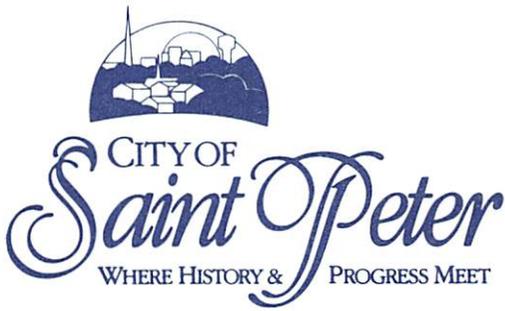
**Cheryl at Alpha Media -- \$500 --** Three ads for the price of one, so 90 ads between 6 a.m. and 12 a.m. Monday through Sunday based on availability over the 12-week period. River 105.5 is recommended, but we could select a different station. The three-for-one offer expires May 29 – contracted by then. I (Ed) could sign the contract and fax/e-mail it to Cheryl.

**Brenda at KNUJ -- \$300:** Option 2: 28 ads on KNUJ 860 AM & 28 ads on SAM 107.3 FM for \$285.00. 15 second ads run between 6 a.m. and 7 p.m.

**Kathleen at St. Peter Herald -- \$1700 (pitched \$1,300):** If we spend \$1,300, they will contribute \$1,000 worth of advertising. We would get the front-page banner in the Herald for each of 12 consecutive weeks, beginning as early in June as possible. We would also get digital advertising on the Herald website amounting to 60,000 impressions

**Free Press of Mankato (Pitched \$1,000) --** Friday editions featuring 2x2 ads in A-section or B-section local and state. Friday editions make sense because they promote the Saturday morning experience in Saint Peter.

**Facebook -- \$500:** I would propose boosting our message to an audience saturated within a dot-to-dot area of New Ulm, Lake Crystal, Waseca, Owatonna, Faribault, Northfield, Jordan and New Prague. The area would include, for course, Mankato and North Mankato, Saint Peter, Le Sueur, Le Center, Cleveland, Nicollet and several other communities.



## Memorandum

To: EDA Members

Date: June 18, 2020

From: Russ Wille, Community Development Director

RE: Speculative Home Sales – Final Financial Analysis

City Administrator Prafke signed a purchase agreement for the last of the three (3) speculative homes constructed by the EDA in Traverse Green. The closing is scheduled to occur on or before July 10, 2020.

Enclosed are the final financials reports related to the sale of the three homes. The last two homes were sold under the parameters established by the EDA when they assembled in closed session to discuss the minimum sales prices of the homes. A loss was incurred upon the sale of each of the homes.

At their goal session to be held on Monday, June 29<sup>th</sup>, the City Council will be having a discussion regarding the housing market in Saint Peter.

~~1/31/2019~~

2100 Nelson Street  
Lot 11 / Block 2

Sale Price:	\$	185,000.00
Construction:	\$	148,959.00
Lot Costs:	\$	24,700.00
Const. Contingency:	\$	500.00
Contingency Pool:	\$	450.00
Closing Costs:	\$	856.50
Const. Management:	\$	7,500.00
TOTAL:	\$	182,965.50

Adjusted Costs: \$185,000

Center Point:	\$	340.05
City Utilities:	\$	407.51
Janitorial:	\$	100.00
Snow / Mow:	\$	105.00
TOTAL:	\$	952.56

NET ON SALE: \$1,081.94

FINAL FINANCIAL:

Construction Cost:	\$	182,965.50
Sales Price:	\$	185,000.00
Closing Costs:		
True Commission:	\$	1,500.00
Deed Tax	\$	610.50
Holding Costs	\$	952.56
Punch List		<u>\$0.00</u>
TOTAL		\$3,063.06

NET SALE: \$181,936.94

LOSS ON SALE: (\$1,028.56)

2101 Lunden Street  
Lot 10 / Block 2

Sale Price: \$207,500.00

**Holding Costs:**

Construction: \$ 150,488.00  
Lot Costs: \$ 24,700.00  
Const. Contingency: \$ 500.00  
Contingency Pool: \$ 450.00  
Closing Costs: \$ 861.45  
Const. Management: \$ 7,500.00

TOTAL: \$ 184,499.45

Finish Basement \$ 31,531.00

Adjusted Costs: \$ 216,030.45

**HOLDIING COSTS:**

Center Point: \$ 1,056.73  
City Utilities: \$ 1,447.63  
Janitorial: \$ 100.00  
Snow / Mow: \$ 1,093.43

TOTAL: \$ 3,697.79

**Punch List Pending Sale:**

Painting Touch Up \$600.00 Woelfel Const.  
Remove water line \$103.60 Ryan Plumbing  
Janitorial / Clean Up \$100.00 Danielle Lindquist  
Cart Rental \$7.00 St. Peter Lumber  
Screen repair \$19.77 Arrow Ace  
Smoke Detector Batteries \$8.47 Arrow Ace

**Punch List Completion \$838.84**

**FINAL FINANCIAL:**

Construction Costs \$216,030.45

Sale Price \$207,500.00

**Closing Costs:**

REMAX Commission \$4,100.00  
Coldwel Commission \$4,100.00  
Deed Tax \$684.75  
Holding Costs \$3,697.79  
Punch List \$838.84

TOTAL: \$13,421.38

NET SALE: \$194,078.62

LOSS ON SALE (\$21,951.83)

~~1/31/2019~~

2000 Essler Drive  
Lot 14 / Block 3

**FINAL FINANCIAL:**

<b>Sale Price:</b>	\$	<b>227,000.00</b>
Construction:	\$	158,330.00
Lot Costs:	\$	24,700.00
Const. Contingency:	\$	500.00
Contingency Pool:	\$	450.00
Closing Costs:	\$	886.20
Const. Management:	\$	<u>7,500.00</u>
<b>TOTAL:</b>	<b>\$</b>	<b>192,366.20</b>

**Finish Basement** \$ **32,511.00**

**Adjusted Costs:** \$ **224,877.20**

**HOLDIING COSTS (01/15/19)**

Center Point:	\$	1,451.84
City Utilities:	\$	1,436.22
Janitorial:	\$	100.00
Snow / Mow:	\$	<u>1,168.59</u>
<b>TOTAL:</b>	<b>\$</b>	<b>4,156.65</b>

**Punch List Pending Sale**

Refrigerator Allowance \$850.00

**Construction Costs:** \$ **224,884.20**

**Sale Price:** \$ **210,000.00**

**Closing Costs:**

RE/MAX Commission	\$	4,200.00
Buyers Rep Commission	\$	4,200.00
Recording Fees	\$	100.00
Abstacting Fees	\$	200.00
Deed Tax	\$	693.00
Buyers Costs	\$	8,500.00
Deed Prep	\$	100.00
Punch List	\$	850.00
Closing Fee:	\$	100.00
<b>TOTAL:</b>	<b>\$</b>	<b>18,943.00</b>

**NET SALE:** \$ **191,057.00**

**LOSS ON SALE:** **(\$33,872.20)**