



**CITY OF SAINT PETER
AGENDA & NOTICE OF REGULAR MEETING
ECONOMIC DEVELOPMENT AUTHORITY
Thursday, October 22, 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. September 24 2020
- IV. **UNFINISHED BUSINESS**
- V. **NEW BUSINESS**
 - A. St. Peter Food Coop – Balloon Extension Request
 - B. COVID-19 Micro Loan Program – Conversion to Grants
- VI. **REPORTS**
 - A. Ed Lee (Chamber of Commerce)
 - B. Nicollet County CARES Assistance 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, September 18, 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 September 18th regular meeting electronically:

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Russ Wille
Director of Community Development

CITY OF SAINT PETER, MINNESOTA
Economic Development Authority
REGULAR MEETING MINUTES – September 24, 2020
Virtual Meeting via GoToMeeting

Call to Order

The virtual meeting of the Saint Peter Economic Development Authority (EDA) was called to order at approximately 12:04 p.m. Roll call was taken with James Dunn, Cory Abels, Brad DeVos, Ed Johnson, Bob Southworth and Julie Frederickson in attendance. Member Mike Favre was absent. City staff present were Community Development Director Russ Wille and Finance Director Sally Vogel and City Administrator Todd Prafke were also present for the meeting.

Oath of Office

Julie Frederickson took the oath of office as the newest appointee to the EDA. Members welcomed Julie to the EDA.

Approval of Agenda

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

Approval of Meeting Minutes

Motion by Southworth, seconded by Johnson to approve the minutes of the August 19, 2020 meeting of the EDA as presented. All voted in favor of the motion and the minutes were approved as presented.

New Fire Station – USDA Rural Development Financing

City Administrator Prafke noted that no action was taken at the legislature regarding the City's request to seek a referendum regarding a 1/2 % sale tax to partially finance the construction of a new fire station. The City would seek approval in the next legislative session. As such, the project has been pushed back at least one year.

The City could choose to proceed with the project prior to legislative approval of the referendum and seek "after the fact" approval. It has been determined that this is not the best option given that there is no certainty that the legislature would act or approve the request. Given that the sales tax is projected to finance up to 70% of the annual bond payments, there is too much risk to move forward on the original timeline.

The City has locked in Rural Development financing at 2.25% rate of interest. That rate is available for a five year period to allow additional project planning. The rate cannot be raised but could be lowered at it is adjusted for market conditions.

Central Business District / Accessibility Enhancement Grant Program

Community Development Director Wille reported that in October, 2019, the City Council adopted the policies necessary to create the Central Business District / Accessibility Enhancement Grant

Program. The program is designed to fund building renovations or improvements which improve access for those with mobility impairments.

The guidelines developed by the EDA and adopted by the City Council provided grants to those property owners wishing to undertake a renovation project that enhances the accessibility of the property to those with mobility impairments. All of the commercial structures within the (CBD) Central Business District, with the exception of those owned by a local unit of government, were eligible to participate.

Individual grants were restricted to a maximum of \$25,000 in grant funds. Projects exceeding the \$25,000 limit could still be considered if the property owner demonstrates access to liquid funds to cover the costs above the \$25,000 limit. It was anticipated that the available funding from the interest income of the locally controlled revolving loan fund(s) would be sufficient to undertake about two renovations per grant cycle.

Participating property owners are obligated to maintain an insurance policy in an amount equal to the debt (mortgages, liens, assessments, etc.) assembled against the property as recorded at the Nicollet County Courthouse.

The proposed guidelines would require that applications for grant funds be submitted prior to the end of February each year. The proposals would be considered by a committee appointed by the Mayor and Council.

During the 2020 grant cycle, three automatic door opening systems were installed and funded by the grant / loan program. Doorways were installed at Kind Vet Clinic, Swedish Kontur and Riley – Tanis and Associates. Each property owner is extremely pleased with the installation and have expressed their appreciation for the financial assistance.

To finance the 2020 grants, \$34,578 was earmarked from the interest income of the Economic Development Authority revolving loan accounts. The three grants that were awarded totaled only \$11,862.48 given the limited participation.

Finance Director Vogel reports that the 2019 interest income from the revolving loan funds totaled \$28,434.37. At the Council's discretion, these funds could once again be set aside to fund CBD/ADA Grants without materially impacting the EDA's ability to make business loans or fund other projects determined beneficial.

The EDA members discussed the merits of the program and the process established to administer the loan program and secure the notes.

Motion by Southworth, seconded by Abels to recommend that the City Council reauthorize and fund the Central Business District / Accessibility Enhancement Grant program for 2021 with no alterations to the terms, administration or security of the loans / grants. With no further discussion, all voted in favor, motion carried.

COVID-19 Micro Loan Program

A total of 55 COVID-19 Micro Loans were processed and distributed beginning April 3, 2020. A total of \$487,702 in loans were made.

Nicollet County and the City of Saint Peter have both received a CARES Act appropriation from the federal government to reimburse the governmental organization for expenses related to COVID-19.

Nicollet County has offered up to \$10,000 grants to eligible businesses via their Nicollet County CARES Business Relief fund. They have committed up to \$1,000,000 to fund the grant program. Given that these funds are available to all of Nicollet County, businesses are encouraged to apply as soon as possible given that applications will be funded on a first-come, first-served basis until the funds are spent.

The City received \$900,100 in federal CARES funds. The City's expenses related to the COVID-19 situation total a fraction of the funding. As such, the City Council has had preliminary discussions to convert the City's COVID-19 Micro Loans to a grant that would not need to be repaid.

It is very likely that the EDA will be asked to consider the matter and make a recommendation to the City Council at a later time. The timing of the conversion would need to be coordinated with the Nicollet County funding so that Saint Peter businesses would remain eligible for the County grants.

Chamber of Commerce Marketing

Earlier this year, the EDA and City Council provided a \$10,000 contribution to a marketing campaign administered by the Chamber of Commerce. Chamber President Ed Lee was scheduled to provide a brief report on the marketing but technical difficulties prevented Mr. Lee from joining the meeting.

Mr. Lee will be asked to make his presentation when the EDA convenes again in October.

Reports

Wille noted that he and City Administrator Prafke have met with representatives of Rebound Enterprises of Northfield. Initiative Fund President Tim Penney connected us with Rebound Enterprises believing that Saint Peter may be a logical choice for the establishment of a Saint Peter Community Real Estate Fund (CREF).

CREF's have been successfully established in Grand Rapid and Faribault. The first CREF was established in Northfield where they have recently organized a second CREF to invest in Northfield.

Wille intends to discuss the matter with President Paul Tanis of the Saint Peter Community Development Corp to gauge their interest in serving in a General Partner role.

Wille promised to forward a PowerPoint presentation that was made by Rebound Enterprises explaining the CREF idea in greater detail.

Wille informed the EDA that Brad Baker intends to construct a privately financed field house south of Third Street across from the new Hy-Vee. Mr. Baker has requested an amendment to the text of the (GO) Gateway Overlay district regulations to only require an enhanced building façade on walls presented to a public street or public park.

Wille and City Administrator Prafke have supported the amendment requested by Mr. Baker and will recommend to the Planning Commission and City Council that the intent of the Gateway Overlay can still be met with the reduced standards.

Wille and the Public Works Department are working with Alumacraft as they solidify their plans subsequent the closure of their Arkadelphia plant. It was reported that seventeen (17) semi loads of machinery and equipment were relocated to Saint Peter as a result.

If Alumacraft needs to add structures or additional ground level paving, the regulations of the MS4 stormwater permit imposed on the City by the Minnesota Pollution Control Agency (MPCA) would need to be applied.

If it is determined that on-site stormwater ponding is necessary, the City has pledged to apply to the Minnesota Department of Employment and Economic Development (DEED) for Greater Minnesota Business Development Public Infrastructure Grant (BDPI) to pay 50% of the capital costs to build the pond.

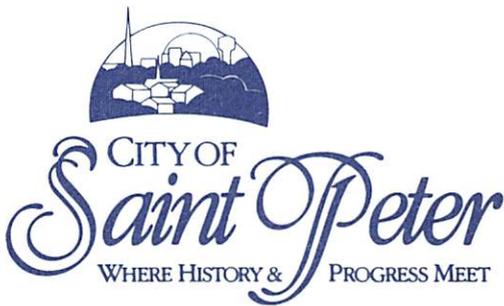
Southworth asked if the MS4 requirements apply statewide.

Wille noted that the MS4 standards were imposed on the City when the population exceeded 10,000 people. Given that that threshold was passed with the U.S. Census of 2010 and we are in the watershed of an impaired body of water (Minnesota River) we must meet the MS4 regulations. If the City fails to meet the standards, fines and penalties would be incurred that could not be passed on to the private developer who does not comply.

Adjournment

With no other business on the agenda DeVos moved to adjourn the September, 2020 meeting of the EDA. The motion was seconded by Abels. With no further discussion the motion was passed unanimously and the meeting was adjourned at approximately 12:46 p.m.

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Memorandum

To: EDA Members

Date: October 15, 2020

From: Russ Wille, Community Development Director

RE: St. Peter Food Coop (Balloon Payment Extension)

ACTION / RECOMMENDATION

Adopt the attached resolution recommending that the City Council approve the request from the St. Peter Food Coop extending the balloon payment of their revolving loan for an additional 5 years to December 1, 2025.

BACKGROUND

In 2011, the City of Saint Peter provided a loan to the St. Peter Food Coop as they relocated their operations to the repurposed Nielsen Chevrolet building at the corner of Mulberry Street and Minnesota Avenue.

The \$350,000 loan partially financed the \$3,350,000 renovation and furnishing of the new cooperative. The loan was amortized on a twenty (20) year scheduled but due and payable after ten (10) years on December 1, 2020. Interest was charged at three (3) percent.

The original financing of the \$3,350,000 renovation was structured as such:

<u>Source</u>	<u>Amount</u>	<u>Percent</u>
CCFBank:	\$1,600,000	47.8%
NCDF:	300,000	9.0%
City / EDA:	350,000	10.4%
Coop Cash:	350,000	10.4%
<u>Coop Shares:</u>	<u>750,000</u>	<u>22.4%</u>
	\$3,350,000	100.0%

In 2018, the St. Peter Food Coop undertook a substantial interior remodeling of their store to respond to changes in the market and consumer practices. Alterations focused on an expansion and reconfiguration of the deli.

Improvements were also made to the produce department as produce sales had doubled since the Food Coop moved to their Mulberry Street facility. Coolers were moved and aisles widened to improve the display of merchandise and once again enhance the customers shopping experience.

The renovation continued on the exterior of the building as the Coop updated and freshened their storefront design, signage and lighting. The roofing was also repaired or replaced as necessary.

The 2018 renovations were financed by a new \$500,000 loan from CCFBank and \$80,000 in cash that the St. Peter Food Coop had on deposit at the time. No new Saint Peter Economic Development Authority funds were requested to finance the renovation, remodeling or re-roofing of the Coop.

The EDA loan to the Food Coop is secured by a 3rd mortgage which is subordinate to the mortgages held by CCFBank and the Northcountry Development Fund (NCDF).

Correspondence from CCFBank requested that both the NCDF and City of Saint Peter approve the subordination of their mortgages to the new \$500,000 loan. The subordination was necessary to allow the bank to remain within their lending limits as the cumulative CCFBank mortgages could not exceed 80% of the post development appraised value.

An appraisal of the Saint Peter Food Coop property dated July 20, 2018 had been received from Brovold and Company. Their appraisal of the property suggested a post development value of \$2,300,000.

The City and NCDF accepted the requested subordination.

At this time, the repayment of the EDA's loan is scheduled to balloon on December 1, 2020. To maintain consistent cash flow and recognizing the uncertainty of the long-term economic impact of the Covid-19 situation, General Manager Erik Larson has requested that the balloon payment be extended an additional five years to December 1, 2025.

Correspondence has been received from CCFBank indicating that the bank is unable to refinance the project or extend additional credit to allow for repayment of the EDA revolving loan.

EDA members Favre, Southworth and Abels were asked to undertake a review of the pertinent financial reports provided to the St. Peter Food Coop. The members will be asked to comment on their findings and the continued creditworthiness of the Coop.

Each and every revolving loan payment has been made as due, when due and in the amount due without a single exception. At this time the outstanding balance of the \$350,000 loan has been calculated to be \$210,992.76 as of September, 2020.

A resolution recommending that the City Council grant the requested five year balloon payment extension has been prepared for your consideration. The resolution also recommends that the other terms and conditions of the loan shall remain unchanged.

The revolving loan bears interest at a rate of 3.0%. The current U.S. Prime Rate is 3.25%. If the EDA were to recommend an alteration of the interest rate to reflect the U.S. Prime Rate, the prepared resolution would need to be amended.

RJW



228 W. Mulberry Street
St. Peter, Minnesota 56082
ph: 507.934.4880
stpeterfood.coop

To: Russ Willie, St. Peter Community Development
From: Erik Larson, General Manager, St. Peter Food Co-op
Date: October 15, 2020
Re: Balloon Payment Extension Request

I am writing to request a five-year extension to our balloon payment for the loan we have with the City of St. Peter. We are requesting that the interest rate remain the same. In the midst of the Covid-19 pandemic and the competitive grocery environment in St. Peter, we are living in unprecedented and unpredictable times. Granting this request will contribute to stability in our organization, allowing it to remain viable and relevant.

Throughout the years, this program has been mutually beneficial to both the St. Peter Food Co-op and the City of St. Peter. Our business has had several loans with the city, which have all been paid on time. We are proud of our continued contribution, and happy to support this program that is undoubtedly valuable to other St. Peter businesses as well. We recognize and appreciate all of the support the EDA has shown for the St. Peter Food Co-op in the past.

Thank you for your time and consideration.

Erik Larson
General Manager

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

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

**RESOLUTION RECOMMENDING THE MODIFICATION OF THE TERMS OF THE
REVOLVING LOAN PREVIOUSLY PROVIDED TO ST. PETER FOOD COOP EXTENDING
THE BALLOON PAYMENT OF THE LOAN AN ADDITIONAL FIVE YEARS TO DECEMBER 1,
2025**

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, in 2010 the City of Saint Peter provided a \$350,000 revolving loan to the St. Peter Food Coop to partially finance the acquisition, repurposing and renovation of the former Nielsen Chevrolet property in anticipation of their occupancy; and

WHEREAS, the balance of the 2010 loan is \$210,992.76 following receipt of the September, 2020 installment; and

WHEREAS, the St. Peter Food Coop has made every loan payment as due, when due and in the amount due without a single exception; and

WHEREAS, the 2010 note is scheduled to be repaid via balloon payment in December, 2020; and

WHEREAS, the St. Peter Food Coop has requested that the balloon payment date be extended for another five years to December, 2025; and

WHEREAS, the Economic Development Authority considered the balloon extension request and has recommended that the City Council provide for a five year extension of the balloon payment scheduled for December, 2020.

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

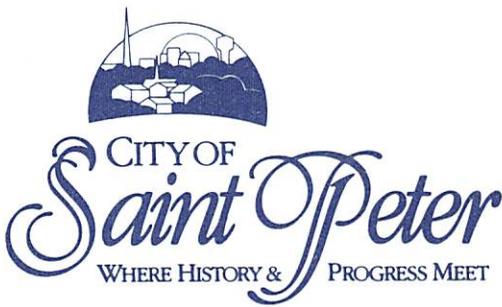
1. It is recommended that the City Council extend the balloon payment date of the EDA revolving loan awarded to the St. Peter Food Coop to December 1, 2025.
2. All other terms, conditions and loan security shall remain unchanged.

Adopted by the Economic Development Authority of the City of Saint Peter, Nicollet County, Minnesota, this the 22nd day of October, 2020.

James Dunn
President

ATTEST:

Rosten Wille
Community Development Director



Memorandum

To: EDA Members

Date: October 15, 2020

From: Russ Wille, Community Development Director

RE: Covid-19 Micro Loan Program – Convert from deferred loans to grants

ACTION / RECOMMENDATION

Adopt the attached resolution recommending that the City Council convert the Covid-19 Micro Loans made to assist Saint Peter businesses with their immediate cash flow difficulties due to the Covid-19 virus to grants with no repayment required of the recipients.

BACKGROUND

Saint Peter businesses continue to experience reduced business revenues due to the spread of the Covid-19 virus. A number of businesses had been ordered to close entirely while those allowed to remain open reported large drops in revenue due to lower customer traffic.

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

In an attempt to be of assistance to local businesses the Covid-19 Micro Loan Program was established by the Council in March, 2020. The program was 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 were eligible for loans of up to \$10,000. The loans were offered at 0% interest. When repayment was to begin, the note would be repaid at a rate of \$100 per month regardless of the loan amount.

The first loans were closed on April, 3, 2020 and the loan program was closed to new applications on August 31, 2020.

A total of 56 loans were made to eligible Saint Peter businesses. The 56 loans totaled \$487,702.

The recipients reported that the assistance was very helpful, timely and allowed them to stay current on their lease and utility payments. The assistance allowed them to keep their doors open to the business that was available.

Earlier in 2020, the City of Saint Peter received \$901,000 from the federal government in the form of a CARES Act grant. The funds can only be used to reimburse the City for Covid-19 related expenses.

As the City undertook an accounting of its Covid-19 expenses such as purchasing Plexiglas barriers, hand sanitizer, masks and other eligible expenses, less than \$100,000 in expenses were identified. If the funds are not utilized by the City, they must be provided to Nicollet County. If the County doesn't expend the funds, they would need to be returned to the federal government.

One possible use of the CARES funding would be to convert the Covid-19 Micro Loans to grants which would require no repayment by the recipients. Such action would encumber \$487,702 of the CARES funding. Even with adding the forgiveness of the Covid-19 Micro Loans, the City would still have funds available to fund a utility payment assistance program for those residents having difficulty keeping up with utility payments.

If the loans are converted to grants, the forgiveness would need to be reported to the IRS as forgiven debt. The borrower would likely incur a small tax obligation associated with the forgiveness.

A resolution has been prepared for your consideration which would recommend that the City Council convert the Covid-19 Micro Loan to grants requiring no repayment from the recipients.

FISCAL IMPACT

\$487,702 of the CARES Act funding received from the federal government would be used to convert the loans to grants. The funds would be deposited into the revolving loan account(s) established by the City Council.

RJW

COVID-19 MICRO LOAN RECIPIENTS

<u>APPLICANT</u>	<u>BUSINESS</u>	<u>ADDRESS</u>	<u>AMOUNT</u>	<u>LOAN CLOSED</u>
X Dr. Zachary Dirks	St. Peter Eyecare Center	320 Sunrise Drive	\$ 10,000	4/3/2020
X Brittany Jones	Inspire Bridal Boutique	204 South Minnesota Ave.	\$ 9,482	4/3/2020
X Arlo / Dawn Lehtinen	AmericInn	700 North Minnesota Ave.	\$ 10,000	4/3/2020
X Heather Baron	Relections Salon	222 South Minnesota Ave.	\$ 2,810	4/3/2020
X David Schultz	Fantastic Sams	1116 South Minnesota Ave.	\$ 10,000	4/7/2020
X Karl Struck	Traverse des Sioux Garden	1702 US Highway #169	\$ 10,000	4/3/2020
X Scott Dobie	Nutter Clothing Co.	320 South Minnesota Ave.	\$ 8,000	4/3/2020
X Cheri Brown	Diamond Dust Bakery	320 Sunrise Drive	\$ 10,000	4/7/2020
X Liberty Warren	Cheese & Pie Mongers	317 South Minnesota Ave.	\$ 8,081	4/7/2020
X Mike Hobday	The Flame Bar	225 West Nassau	\$ 10,000	4/7/2020
X Dr. Steve Moore	Cornerstone Wellness	220 West Broadway	\$ 10,000	4/7/2020
X Neslihan Sengul	Nicollet Café	402 South 3rd Street	\$ 10,000	4/9/2020
X Julee Johnson	Julee's Jewelry	120 South Minnesota Ave.	\$ 10,000	4/9/2020
X Rachel More	The Pulse Fitness Studio	101 West Broadway	\$ 10,000	4/9/2020
X Heidi Eckberg	Hey Diddle Diddle Daycare	830 North Sunrise Drive	\$ 7,549	4/10/2020
X Jay Doyscher	4 the Team	108 South Minnesota Ave.	\$ 10,000	4/10/2020
X John Mayer	Patrick's on 3rd	125 South 3rd Street	\$ 10,000	4/10/2020
X Ed Johnson - Manager	Redmen Club	412 South 3rd Street	\$ 9,972	4/10/2020
X Christine Rasmussen	River Rock Bakery & Kitchen	219 Park Row	\$ 10,000	4/10/2020
X Original Blend II, LLC	Dunkin Donuts	1123 South Minnesota Ave.	\$ 10,000	4/13/2020
X Shannon Zachman	Shannon's Daycare	459 West Skaro Street	\$ 3,331	4/10/2020
X Trinh Luong	The Great Wall	108 South Minnesota Ave.	\$ 10,000	4/10/2020
X Cassie Frey - Director	Kids Corner	600 South 5th Street, #106	\$ 10,000	4/10/2020
X Ryan Stroup	Sam & Abes Daycare	622 Sunrise Drive	\$ 10,000	4/10/2020
X Shawn Dolan	Knit & Sew World	119 South Minnesota Ave.	\$ 7,778	4/10/2020
X Lynne Gross	Poshinate, LLC	305 South Minnesota Ave.	\$ 5,552	4/10/2020
X Lisa Eide	Her Happy Place	217 South Minnesota Ave.	\$ 9,560	4/15/2020
X Mikkel Haugen	St. Peter Comm Child Care	500 South 5th Street	\$ 10,000	4/17/2020
X Cheryl Klages	Altelier	424 South Minnesota Ave.	\$ 1,200	4/15/2020
X Anita Hultengren	It's About Time	211 Nassau Street	\$ 5,022	4/15/2020
X Terry Blaschko	Embassy Bar	325 South Minnesota Ave.	\$ 10,000	4/15/2020
X Wallace Boyer	Jake's Pizza - St. Peter	119 Broadway	\$ 10,000	4/15/2020
X Schoper / McGowan	Frey Salon & Spa	429 South Minnesota Ave.	\$ 10,000	4/16/2020
X Jeff Orth	Don's Appliance	969 Old Minnesota Ave.	\$ 10,000	4/17/2020
X Patty Conlin	Stone's Throw Gallery	420 N. Minnesota Avenue	\$ 5,095	4/17/2020
X Natasha O'Hara	3rd Street Tavern	408 South 3rd Street	\$ 10,000	4/17/2020
X Qin Li	Lotus Massage & Spa	211 South Minnesota Ave.	\$ 8,052	4/20/2020
X David Gruenzner	Subway Restaurant	1306 South Minnesota Ave.	\$ 10,000	4/28/2020
X Carol Hayes	Contents	304 South Minnesota Ave.	\$ 10,000	4/24/2020
X Katie Aho	River Rock Coffee	301 South Minnesota Ave.	\$ 10,000	4/30/2020
X Sara Nett - Torgimson	Sweet Alice Floral & Gifts	214 South Minnesota Ave.	\$ 10,000	5/1/2020
X Nicollet Co. Fair Board	Johnson Hall	400 Union Street	\$ 10,000	5/6/2020

X Jill Hass / Craig Tolzman	Olita Gifts	400 South 3rd Street	\$ 5,330	5/1/2020
X Erika & Joe Urban	River Valley Birth Center	526 W. Park Row	\$ 10,000	5/8/2020
X Dr. Lund / Dr. Whittier	Riverside Dental Clinic	217 W. Nassau Street	\$ 10,000	5/11/2020
X Mary A. Snyder	Mary A. Snyder, DDS	202 W. Walnut Street	\$ 8,508	5/11/2020
X Ty Saiki	Ty's Automotive Service	946 North 4th Street	\$ 10,000	5/15/2020
X Andrew Seitzer	Impulse Tattoo Parlor	302 South Minnesota Ave.	\$ 6,229	5/22/2020
X Dr. Steve Moore	Chiropractic Holistic Health	220 West Broadway	\$ 10,000	6/1/2020
X Marcy Lorentz	Lorentz Business Services	314 South 3rd Street	\$ 10,000	6/12/2020
X Eber Noe Juarez	El Agave	814 North Minnesota Ave.	\$ 10,000	7/10/2020
X Diane Reinhart	Diane's Daycare	1202 Church Street	\$ 1,536	7/17/2020
X Carol Hayes	Cooks & Company	316 South Minnesota Ave.	\$ 7,502	7/17/2020
X Darlene Kopischke	Darlene's Daycare	816 North Fifth Street	\$ 4,340	7/17/2020
X Stacy Paul	Little Angels Daycare	1456 Loren Street	\$ 2,773	7/24/2020
X Ali Barre	Ready to go Oil Change	825 North Minnesota Ave.	\$ 10,000	8/14/2020
X Daniel Dinsmore	The Capitol Room	419 South Minnesota Ave.	<u>\$10,000</u>	8/28/2020
			\$ 487,702	

**CITY OF SAINT PETER, MINNESOTA
ECONOMIC DEVELOPMENT AUTHORITY**

RESOLUTION NO. 2020 -

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

**RESOLUTION RECOMMENDING THAT THE CITY COUNCIL CONVERT THE COVID-19
MICRO LOANS THAT WERE AWARDED TO PARTICIPATING SAINT PETER BUSINESSES
TO GRANTS REQUIRING NO REPAYMENT BY THE LOAN RECIPIENTS**

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 programs; and

WHEREAS, many local Saint Peter businesses had been negatively impacted by the Covid-19 virus outbreak 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 was 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; and

WHEREAS, on March 30, 2020 the Covid-19 Micro Loan program was initiated by the City Council to provide the assistance recommended by the EDA; and

WHEREAS, to date, 56 loans totaling \$477,702 have been processed and distributed to eligible businesses; and

WHEREAS, given that loan activity had significantly declined, the EDA closed access to the Covid-19 Micro Loan to new applications on August 31, 2020; and

WHEREAS, the City of Saint Peter received \$901,000 in Coronavirus Aid, Relief & Economic Security (CARES) Act funding from the federal government to finance unexpected, unbudgeted expenses related to the Covid-19 situation; and

WHEREAS, it has been determined that the Covid-19 Micro Loans made to businesses would be an eligible expense within the CARES Act guidelines and could be forgiven and the City reimbursed from the federal CARES Act; and

WHEREAS, the Economic Development Authority has been asked to consider the conversion of the loans to grants and to make a recommendation to the City Council.

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

1. The Economic Development Authority recommends to the City Council that the Covid-19 Micro Loan Program be converted from a deferred loan to a grant with no obligation to be repaid by the loan recipients.

Adopted by the Economic Development Authority of the City of Saint Peter, Nicollet County, Minnesota, this 22nd day of October, 2020.

James Dunn
President

ATTEST:

Rosten Wille
Community Development Director

Russ Wille

Subject: FW: Updated: Accounting for \$10,000 EDA funds to Chamber

Shop Safely in Saint Peter Spending Tracker

July 20 – APG/Herald – 4.5 by 2 ad for road trip package – July 27 run -- \$175

August 24 -- APG/Herald – 4.5 by 2 ad for road trip package – August 24 run -- \$148

July 21 – Alpha Media – 50 commercials, 6 a.m. to midnight; 50 streams, 6 a.m. to 7 p.m.; River 105.5; Banner ad on River 105.5; Banner ad on Southern Minnesota News estimated 25,000 impressions -- \$550

July 28 -- Free Press -- (4) 2 col (3.319") x 5" Full color ads; Issue Dates August 9.16.23.30; 20,000 Digital impressions served at mankatofreepress.com These will serve in the month of August and will start as soon as they are built and approved. Total \$793.75

August 4 – Radio Mankato: KTOE 1420 & 102.7, KATO Minnesota 93, KDOG Hot 96.7, KXAC 100.5 Classic Hits, KXLP 94.1 Classic Rock, KRRW North Star Country 105.9; :30 second commercials scheduled 6 am to Midnight; Total of 266 commercials / 38 on each of 7 radio stations. Starts Friday, August 7 -- Total investment for Plan A: \$494.00

August 4 – APG/Herald and Shopper: Front page Shopper ad in August and 76,000 web impressions on sites tied to St. Peter Herald, Le Sueur County News, Owatonna People's Press, Faribault Daily News, Waseca County News and Northfield News all August. \$1,291

August 7 – Facebook boost – targeted audience: Location United States: Belle Plaine (+50 mi), Cleveland (+50 mi), Faribault (+50 mi), Hopkins (+50 mi), Jordan (+50 mi), Le Center (+50 mi), Le Sueur (+50 mi), Mankato (+50 mi), Minneapolis (+50 mi), New Ulm (+50 mi), Nicollet (+50 mi), North Mankato (+50 mi), Northfield (+50 mi), Owatonna (+50 mi), Prior Lake (+50 mi), Rochester (+50 mi), Saint Cloud (+50 mi), Saint Paul (+50 mi), Saint Peter (+50 mi), Shakopee (+50 mi), Waseca (+50 mi) Minnesota; runs from noon on August 7 to August 31; estimated reach is 390 to 1100 people per day. Message is the branded flowers/downtown picture with "Come see us in Saint Peter! We've taken steps to create safer environments for customers and employees. \$100

August 13 – KNUJ -- 28 ads on KNUJ 860 AM & 28 ads on SAM 107.3 FM. \$285.00

August 13 – KEYC – Pending. Here is what we can do for \$500 in 2 weeks: CBS: 30, :30 second commercials; FOX: 30, :30 second commercials; NBC: 30, :30 second commercials; KEYC.COM: 25,000 impressions (this is smaller due to the short period of time)

Total dollars committed through August 15 is \$4,336.75 of the overall \$10,000 (but KEYC remained in a pending state, so total dollars committed was \$3,836.75)

Second Round

September 11 – Facebook boost – targeted audience: Location United States: Belle Plaine (+50 mi), Cleveland (+50 mi), Faribault (+50 mi), Hopkins (+50 mi), Jordan (+50 mi), Le Center (+50 mi), Le Sueur (+50 mi), Mankato (+50 mi), Minneapolis (+50 mi), New Ulm (+50 mi), Nicollet (+50 mi), North Mankato (+50 mi), Northfield (+50 mi), Owatonna (+50 mi), Prior Lake (+50 mi), Rochester (+50 mi), Saint Cloud (+50 mi), Saint Paul (+50 mi), Saint Peter (+50 mi), Shakopee (+50 mi), Waseca (+50 mi) Minnesota; runs from noon on August 7 to August 31; estimated reach is 390 to 1100 people per day. Message is the branded flowers/downtown picture with "Come see us in Saint Peter! We've taken steps to create safer environments for customers and employees. \$100 again

So, the total spent of the \$10,000 goes up to \$3,936.75

September 11 – Emailed Alpha Media Cheryl if we can do a second \$550. This \$550 would up our total to \$4486.75.

September 11 – Emailed Radio Mankato Darcy asking if we can do a second \$494. Actually, we can bump the budget up to \$600. Starts on September 16 and runs through October 9. Done Deal on September 14. This would up our total to \$5,086.75.

September 11 – Emailed Kathleen to ask if we can get a full-page Shopper ad in early October. \$819 is the cost. This appears to be a done deal as of September 15 confirmed with approved proof. Full front page to be delivered in mailboxes on September 19. This would up our total to \$5,905.75.

September 11 – Emailed Chelsea at KEYC to ask if we could invest in producing a commercial and getting air time. Chelsea said she's working with team for production and air time plan. On September 18, we struck a deal for \$2,000 to produce commercial with actors, drone footage and ground footage that will appear on Channel 12 and social media. This would up our total to \$7,905.75.

September 11 – Emailed Danny Creel at Free Press to ask if we could get a second round. He responded that he is putting together a different idea as he recommends mixing it up a little. We said yes. We struck a deal for front page ads on September 22 and 29 for total of \$600. This would up our total to \$8,505.75.

September 11 – Emailed Natasha Weis at River Valley Woman and provided her with logo, photo and wording for eighth-page ad in RIVER VALLEY WOMAN (next available edition), to cost \$475. Done deal on September 14. In fact, Natasha upgraded our ad size to ¼ page for the same price. This would up our total to \$8,980.75

September 11 – Emailed Lisa Cownie at Connect Business Magazine logo, photo and wording to pitch an eighth-page ad for \$500. Lisa said September 14 she will make it a quarter-page ad for same price. This would up our total to \$9,480.75.

September 21 – Talked to Kathleen at APG/Herald about a quarter page in Le Sueur County News, along with impressions online. Completed the deal for \$190 for the ad to run week of September 24. This would bring the total to \$9,670.75.

October 5 – Scheduled a Facebook boost for \$330 to run through October 31. This would bring the total to \$10,000.75.

REVOLVING LOAN REPORT	10/1/2020					
	ORIGINAL	ORIGINATION	CURRENT	12/31/2019	MONTH-YEAR	
BORROWER	BORROWER	DATE	BALANCE	BALANCE	BALLOON DUE	
Azure Skye/Bertram	\$ 16,003.00	1/1/2019	\$ 13,069.08	\$ 14,402.68	Dec-28	
David Bushaw	\$ 20,000.00	12/1/2016	\$ 12,833.19	\$ 13,833.21	Nov-26	
Building Good Communities LLC	\$ 39,834.00	10/1/2017	\$ 36,025.91	\$ 36,731.61	Aug-22	
Flame Bar/Mike Hobday	\$ 25,000.00	11/1/2019	\$ 22,500.04	\$ 24,583.34	Oct-27	
Kaduce Properties	\$ 16,831.00	9/1/2017	\$ 11,501.12	\$ 14,586.84	Aug-27	230 Fund
Mayer - Chabeans	\$ 25,000.00	7/1/2016	\$ 14,791.83	\$ 19,375.09	Jun-26	
River Rock Bakery & Kitchen	\$ 40,000.00	4/1/2016	\$ 24,523.80	\$ 30,254.89	Feb-21	
River Rock Bakery & Kitchen	\$ 21,500.00	9/1/2020	\$ 21,453.46		Sep-45	
Doyscher, Jay/The Visual Identity Vault	\$ 10,000.00	4/1/2020	\$ 9,700.00		Nov-28	
JAEL Properties	\$ 65,008.00	8/1/2014	\$ 48,696.02	\$ 51,051.44	Jul-24	
K&C/ Stelter	\$ 25,000.00	1/1/2020	\$ 22,916.70	\$ -	Dec-29	
Kottke/Spring Touch Real Estate Holdings	\$ 500,000.00	9/1/2015	\$ 398,892.64	\$ 415,538.84	Aug-25	
Rachel More/The Pulse	\$ 20,356.75	2/1/2013	\$ 1,891.36	\$ 3,282.66	Mar-21	240 Fund
St. Peter Food Coop	\$ 350,000.00	4/1/2011	\$ 209,579.15	\$ 223,557.66	Dec-20	
Tanis Brothers	\$ 59,012.00	9/1/2014	\$ 44,420.63	\$ 46,553.46	Aug-24	
Traverse des Sioux Enterprises/Check due Feb & Aug 1st	\$ 416,673.18	8/1/2009	\$ 97,223.65	\$ 152,780.09	Jan-24	230 Fund
PJ's Pizza	\$ 5,629.47	2/1/2010	\$ 5,629.47	\$ 5,629.47	JUDGEMENT	
	\$ 1,655,847.40		\$ 995,648.05	\$ 1,052,161.28		
		Loan 230	Loan 240	Loan 250		
LOAN FUND BALANCES (report from Brenda)	\$ 2,072,029.72	\$ 628,274.85	\$ 1,292,335.03	\$ 151,419.84		
LOANS OUTSTANDING	\$ 995,648.05					
	\$3,067,677.77					

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