

**CITY OF SAINT PETER
AGENDA & NOTICE OF REGULAR MEETING
ECONOMIC DEVELOPMENT AUTHORITY**

Thursday, May 28, 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. April 23, 2020
 - B. May 6, 2020
- IV. **UNFINISHED BUSINESS**
- V. **NEW BUSINESS**
 - A. Mary L. Brandt (219 Nassau) CBD/HPC Loan Application
- VI. **REPORTS**
 - A. ISD #508 Enrollment Projections (Dr. Jeff Olson)
 - B. Saint Peter Fire Station (City Administrator Prafke)
 - C. 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, April 23, 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 April 23rd regular meeting electronically:

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Russ Wille
Director of Community Development

CITY OF SAINT PETER, MINNESOTA
Economic Development Authority
REGULAR MEETING MINUTES – April 23, 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 12:14 pm. Roll call was taken with Dunn, Brad DeVos, Ed Johnson, and Bob Southworth in attendance. Mike Favre and Cory Abels were unable to attend. Community Development Director Russ Wille and Administrative Secretary were also in attendance.

Approval of Agenda

A motion was made by Dunn, seconded by Johnson to approve the agenda as presented. With all voting in favor, the motion was carried and the agenda approved.

Approval of Minutes

A motion was made by Johnson, seconded by DeVos to approve the March 26, 2020 minutes as presented. All members voting aye, the minutes were approved.

CBD/ADA Accessibility Enhancement Grants

Wille stated that the City has received three applications from CBD building owners applying for the Central Business District/Accessibility Enhancement (CBD/ADA) loan.

All three businesses submitted quotes from at least two vendors and each propose the installation an automatic door opening system.

Wille reviewed the terms of the loan program. He stated that the City will finance improvements in the form of a forgivable loan available at 0% rate of interest. The building owner will be responsible to maintain and repair the improvements to maintain accessibility. The loan proceeds will be "forgiven" at a rate of 1/15th per year.

Dunn asked if the Heritage Preservation Commission (HPC) has approved the projects.

Wille stated that the HPC only approves exterior improvements and these proposed projects are hardware related.

A motion was made by Dunn, seconded by Johnson to introduce Resolution 2020-002 entitled, "A Resolution Recommending That The City Council Approve Central Business District/Accessibility Improvement Grants To Kind Vet Clinic, Swedish Kontur And Riley-Tanis & Associates". All members voting aye, the Resolution was passed and adopted.

Reports

COVID-19 Micro Loan Program – Thirty-nine loans have been distributed in the amount \$351,000. There are 4 additional loans pending submittal.

COVID-19 Business Updates - Wille stated that there has been a request to add birthing centers to the eligible roster. He said he has also received requests from dentists and other medical service providers.

Johnson said he was in favor of approving additional businesses to the eligible roster.

Dunn agreed that the purpose of the EDA is to help support businesses as well as bring businesses to town.

Southworth also expressed his support.

DeVos agreed and said that COVID-19 has had an impact on medical services. A motion was made by DeVos, seconded by Johnson to recommend that the City Council approval for the addition of birthing centers to the roster of eligible businesses. All members voting aye, the motion carried.

Loan Deferral Requests - Wille stated the he has contacted businesses that currently have a revolving loan with the City. He gave them the option of deferring there loan payment until August 1, 2020. Five businesses have opted to defer their loan payment until August 1, 2020.

Adjourn

With no further business before the EDA, a motion was made by Southworth, seconded by Johnson, to adjourn. With all members voting in favor, the motion was approved and the meeting was adjourned at 12:37 pm.

**CITY OF SAINT PETER, MINNESOTA
Economic Development Authority
SPECIAL MEETING MINUTES – May 6, 2020
Saint Peter Community Center – Governors Room**

Call to Order

The meeting of the Saint Peter Economic Development Authority (EDA) was called to order by President James Dunn at approximately 12:03 pm. Roll call was taken with Dunn, Brad DeVos, Ed Johnson, Cory Ables, Bob Southworth and Mike Favre were in attendance. Community Development Director Russ Wille and Administrative Secretary were also in attendance.

Approval of Agenda

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

COVID – 19 Micro Loan Program – Auto Repair Service

Wille stated that the City has received a request from Ty Saiki, owner of Ty's Automotive, to expand the roster of eligible businesses that qualify for the COVID-19 Micro Loan, to include "Automotive Repair Services".

Wille stated that automotive repair services have suffered a significant loss of business revenue due to the lack of motor vehicle travel. Because of the lack of travel, there is less wear and tear on the vehicle, less oil changes and regularly reoccurring and scheduled services.

DeVos asked if the auto body business would also be included.

Wille said that it would not differentiate between body work, tire sales and repair or any other type of auto services.

A motion was made by Southworth, seconded by Abels to introduce Resolution No. 2020-03 entitled, "Resolution Recommending A Modification To The Loan Guidelines Adopted For The COVID-19 Micro Loan Program To Add Automotive Repair Services To The Roster Of Business Sectors Eligible To Participate In The Program Previously Adopted By The City Council". All members voting aye, the Resolution was passed and adopted.

Reports

Wille stated that he distributed the School Enrollment Study for the EDA review.

COVID-19 gotomeetings - The meetings have been successful. Wille said participation has ranged from 25 to 55. The meetings will continue until they are not needed.

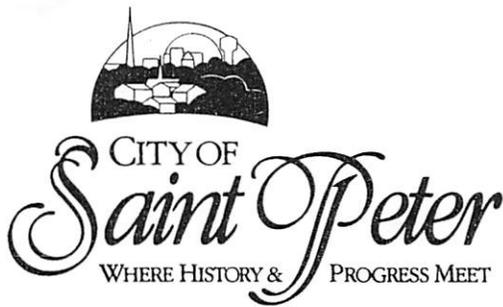
Spec Home Sale – Wille announced that the spec home located at 2101 Lunden Street has been sold and the closing will be held the end of May. He said the house was listed at \$218,500 and was sold for \$207,500. He indicated that it was in the range the EDA had approved.

DeVos requested a breakdown of the financials associated with the house, at a future meeting.

Wille will provide a breakdown of the financials at the next meeting.

Adjourn

With no further business before the EDA, a motion was made by Johnson, seconded by Dunn, to adjourn. With all members voting in favor, the motion was approved and the meeting was adjourned at 12:16 pm.



Memorandum

To: EDA Members

Date: May 21, 2020

From: Russ Wille, Community Development Director

RE: Mary L. Brandt (dba Brand Law Office) – Central Business District Renovation / Accessibility Enhancement Loan Application

ACTION / RECOMMENDTION

Adopt the attached resolution recommending that the City Council approve a \$20,593 revolving loan to Mary L. Brandt (dba Brandt Law Office) to partially finance a repair to the roof and partial tuck pointing of the brick facade at 219 West Nassau Street.

BACKGROUND

Mary L. Brandt owns the property located at 219 West Nassau Street. Mary and her husband Jim operate the Brandt Law practice at this location.

At this time, the structure is in need of roofing repairs and a partial tuck pointing of the brick facade.

To address the identified maintenance issues, the applicant has received bids from both Ballman Roofing and Schwickerts Roofing to undertake the roof repairs. Ballman Roofing has submitted the low bid of \$21,500. Ms. Brandt would like to engage Ballman Roofing to complete the repair

To undertake the tuck pointing, the applicant received bids from both Johnson Building Restoration and Kassulke Masonry. Kassulke Masonry provided the lower bid of \$1,381. Ms. Brandt would like to engage Kassulke Masonry to do the tuck pointing.

To partially finance the project, Ms. Brandt has made an application for a Central Business District Renovation / Accessibility Enhancement Loan from the Saint Peter Economic Development Authority (EDA). The property is located within the Central Business District which makes it eligible to participate in the loan program.

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

The adopted policy would amortize a loan in an amount of \$20,593 over ten (10) years. Monthly payments of \$171.61 would be required to pay the loan in full over the amortization period. However, 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.

A loan review subcommittee comprised of Cory Abels and myself have had the opportunity to review the appropriate financial statements and reports provided by the applicant. We will intend to provide a report to the full EDA at the meeting on the 28th of May.

If approved, the adopted policy indicates that the loan would need to be secured by a mortgage recorded against the 219 West Nassau Street property. For taxes payable in 2020, the Nicollet County Assessor's office has determined an Estimated Market Value of \$173,700.

Given that there are no mortgages currently recorded against the property, the City's \$20,593 loan would be secured via a first mortgage.

Given that the loan is to be made to Mary L. Brandt, there is no need to secure a personal guarantee from the borrower.

FISCAL IMPACT:

If approved by the EDA and City Council, a \$20,593 loan will be made from the Central Business District Renovation loan fund to partially finance the repair to the roof and partial tuck pointing of the structure located at 219 West Nassau Street.

Monthly payments of \$171.61 would be established. If all payments are made according to the terms of the promissory note, the balance of the note will be forgiven when the outstanding principle is reduced to \$5,000.

SAINT PETER REVOLVING LOAN FUND
APPLICATION

APPLICANT Mary L. Brandt
ADDRESS PO Box 57
CITY Saint Peter STATE MN ZIP 56082

CONTACT PERSON(s)

BUSINESS PHONE 507-931-6940 HOME PHONE 507-934-6940

AMOUNT REQUESTED ~~22,056.00~~ 22,881

TERMS REQUESTED \$400.00 per month

SOCIAL SECURITY NUMBER FED ID # None
STATE ID # None

1. Type of Project:

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

2. Described Project:

Re-roof and tuckpointing

3. Purpose of Loan:

Re-roof and tuckpointing

4. Cost of Project:

A) Land	\$	_____
B) Buildings (attach plans & costs)	\$	_____
C) Equip./Mach./Fixtures (attach list & cost)	\$	_____
D) Remodeling (attach plans & costs)	\$	_____
E) Other (attach description) – see attached bids	\$	<u>23,056.00</u>
F) Other (attach description)	\$	_____
TOTAL COSTS	\$	_____

5. Proposed Financing:

<u>SOURCE</u>	<u>NAME</u>	<u>TERMS</u>	<u>AMOUNT</u>	
A) State Grant/Loan	_____	_____	\$	_____
B) Fed Grant/Loan	_____	_____	\$	_____
C) Bank Loan	_____	_____	\$	_____
D) Bank Loan	_____	_____	\$	_____
E) Other Private	_____	_____	\$	_____
F) Other	_____	_____	\$	_____
G) This Loan	_____	_____	\$	<u>20,750.00</u> 20,593
H) Applicant Contrib	_____	_____	\$	<u>2,300.00</u> 2,288
TOTAL FINANCING			\$	20,056.00 22,881

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

A) To State _____

B) To Federal Govt _____

C) To Bank _____

D) To Bank _____

E) To Private _____

F) To Other _____

G) To This Loan _____ First Mortgage on building at 219 West Nassau _____

7. Value of Collateral:

	<u>COST</u>	<u>Net BOOK VALUE</u>	<u>Market/Appraised</u>
A) Land	\$ _____	\$ _____	\$ 26,500.00
B) Buildings	\$ _____	\$ _____	\$ 147,200.00
C) Mach. & Equip.	\$ _____	\$ _____	\$ _____
D) Other _____	\$ _____	\$ _____	\$ _____
E) Other _____	\$ _____	\$ _____	\$ _____

8. Employment:

Present Number of Employees _____ Total Payroll _____
 After Project # of Employees _____ Total Payroll _____

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

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

_____ James W. Brandt _____

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

_____ First National Bank, MN and Pioneer Bank, Saint Peter, MN _____

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: May 20, 2020

Applicant Name

BY Mary Brandt

By _____

BALLMAN

ROOFING & COATING

April 10, 2020

Brandt Law Office
Attn: James Brandt
219 W. Nassau Street
St. Peter, MN 56082

RE: Brandt Law Re-roof
Approx: 2,500 SF

Specifications and Clarifications

We hereby submit our bid to furnish labor, materials and equipment to install the roofing system according to the plans manufacturer specifications.

Roofing:

- Tear off the existing membrane & wood fiber board on the low roof. The high roof insulation is to remain in place.
- Coping cap is to be salvaged and not torn off the roof
- Dispose of debris in a state approved landfill.
- Provide and install wood blocking where necessary to meet new insulation height.
- Provide and install (2) layer of 2.6" ISO on the low roof and (1) layer of 1" ISO on the high roof. This will bring both roofs to the state code of R-30.
- Provide and install metal counter flashings under the parapet caps.
- Remove existing rotten decorative wood working. Re-build and replace.
- Provide the owner with a (20) year manufacturer warranty.
- Provide owner with a 2-year contractor warranty.

We shall perform the aforementioned (tax included) for the sum of:

Twenty One Thousand Five Hundred and 00/100----- (\$21,500.00)

Reason of volatile material prices, any increase will be passed onto the owner.
This proposal may be withdrawn by us if not accepted within thirty (30) days. This proposal is based on work starting within (60) sixty days from the date of this proposal.

NOTES & EXCLUSIONS

1. The above quantity of roof repairs was estimated as accurately as possible. Should there be any additional roof repairs needed, other than what is called out above, additional costs will be incurred.
2. All demo and tamping, other than what is detailed above is EXCLUDED
6. Proposal is based on performing work during normal business hours.
7. Proposal is based on current material pricing and is good for 30 days
8. Snow or ice removal will be performed on a time and material basis, if required, at \$65/hr
9. Proposal does not include permits or bonds and are therefore EXCLUDED
10. This job has been quoted with Ballman Roofing's Standard Insurance—any additional requirements may result in a change to the contract
11. These repairs listed above come with a 2-year Ballman Roofing Warranty

Payment to be as followed: Owner agrees that all payments required under this contract shall be due and payable within ten (10) days of date of invoice whether billing is for job preparation, materials stored, work completed each or final payment request. Owner agrees to a 30% down payment upon signing of contract. Owner agrees that the Contractor may charge interest at an annual rate of eighteen percent (18%), unless a lesser percentage is required by law. If payments are not made when due, interest, costs incidental to collection and attorneys fees (if attorney is retained for collection) shall be added to the unpaid balance. Contractor reserves the right, without penalty from Owner, to stop work on the project if Owner does not make payments to the Contractor when due. Owner hereby release Contractor of notice requirements for lien rights in the event payments are not made when due as outlined in this paragraph. This proposal may be withdrawn by us if not accepted within thirty (30) days. This proposal is based on work starting within (60) sixty days from the date of this proposal.

KASSULKE MASONRY

1919 West Traverse Road
Saint Peter, MN 56082
(507) 931-6548
Cell: (507) 340-3559

SUBMITTED TO Jim Brandt

DATE 5-17-20

Estimate to tuck point brick on north side of building on Nassau. Set Seefold on top of 1st story. Remove rotten or loose mortar and tuck point. Fill various holes and bad spots.

Total \$1,381.⁰⁰

Kent Kassulke

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

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

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

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

WHEREAS, the City of Saint Peter has established the Central Business District Renovation / Accessibility Enhancement Loan Program to make interest free loans to partially fund repairs and improvements to properties within the Central Business District; and

WHEREAS, the Economic Development Authority (the "EDA") was granted power to administer all of the loan programs, 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, Mary L. Brandt (dba Brandt Law Office) has submitted an application requesting EDA loan funds to partially finance the repairs to the roofing and partial tuck pointing of the building façade at 219 West Nassau Street; and

WHEREAS, the project is an eligible activity of the revolving loan program previously adopted by the EDA and City Council; and

WHEREAS, as a roofing repair and tuck pointing, the improvements are not subject to Heritage Preservation Commission review and can be approved by the Community Development Director as a building repair; and

WHEREAS, the EDA has reviewed the loan request submitted by Ms. Brandt; and has recommended that the City Council approve the loan based upon the terms contained in this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF SAINT PETER, NICOLLET COUNTY, MINNESOTA, that the EDA recommends approval of a \$20,593 Central Business District Renovation / Accessibility revolving loan to Mary L. Brandt (d.b.a. Brandt Law Office) to partially finance the repairs to the roofing and partial tuck pointing of the facade at 219 West Nassau Street.

1. The loan shall be amortized on a straight ten (10) year schedule.

2. The interest rate of the loan shall be fixed at 0%.
3. The loan shall be secured by a mortgage to be recorded against the property owned by Mary L. Brandt and currently occupied by the Brandt Law Office at 219 West Nassau Street.

Adopted by the Saint Peter Economic Development Authority this the 28th day of May, 2020.

ATTEST:

James Dunn
President

Rosten Wille
Community Development Director

REVOLVING LOAN REPORT	5/7/2020					
	ORIGIANAL	ORIGINATION	CURRENT	12/31/2019	MONTH-YEAR	
BORROWER	BORROWER	DATE	BALANCE	BALANCE	BALLOON DUE	
Chippewa B	\$ 100,000.00	7/1/2007	\$ -	\$ 40,676.41	Dec-20	240 Fund
Chippewa A	\$ 100,000.00	12/1/2006	\$ -	\$ 2,579.55	Dec-20	
Azure Skye/Bertram	\$ 16,003.00	1/1/2019	\$ 13,735.88	\$ 14,402.68	Dec-28	
David Bushaw	\$ 20,000.00	12/1/2016	\$ 13,333.20	\$ 13,833.21	Nov-26	
Building Good Communities LLC	\$ 39,834.00	10/1/2017	\$ 36,380.63	\$ 36,731.61	Aug-22	
Flame Bar/Mike Hobday	\$ 25,000.00	11/1/2019	\$ 23,541.69	\$ 24,583.34	Oct-27	
Hey Diddle Diddle	\$ 42,400.00	5/1/2016	\$ 9,788.09	\$ 12,004.26	Apr-21	
Kaduce Properties	\$ 16,831.00	9/1/2017	\$ 12,202.42	\$ 14,586.84	Aug-27	230 Fund
Mayer - Chabeans	\$ 25,000.00	7/1/2016	\$ 15,833.48	\$ 19,375.09	Jun-26	
River Rock Bakery & Kitchen	\$ 40,000.00	4/1/2016	\$ 25,498.59	\$ 30,254.89	Feb-21	
JAEL Properties	\$ 65,008.00	8/1/2014	\$ 49,881.08	\$ 51,051.44	Jul-24	
K&C/ Stelter	\$ 25,000.00	1/1/2020	\$ 23,958.35	\$ -	Dec-29	
Kottke/Spring Touch Real Estate Holdings	\$ 500,000.00	9/1/2015	\$ 406,824.67	\$ 415,538.84	Aug-20	
Rachel More/The Pulse	\$ 20,356.75	2/1/2013	\$ 2,589.51	\$ 3,282.66	Feb-20	240 Fund
St. Peter Food Coop	\$ 350,000.00	4/1/2011	\$ 216,612.03	\$ 223,557.66	Dec-20	
Tanis Brothers	\$ 59,012.00	9/1/2014	\$ 45,493.70	\$ 46,553.46	Aug-24	
IHN III/E.I. Micro Circuit / Check due Apr & Oct 1st	\$ 365,211.20	4/1/2005	\$ -	\$ 24,347.44	paid	240 Fund
Total Entertainment/Tramp	\$ 6,000.00	2/1/2010	\$ -	\$ 900.00	OPEN	240 fund
Traverse des Sioux Enterprises/Check due Feb & Aug 1st	\$ 416,673.18	8/1/2009	\$ 111,112.76	\$ 152,780.09	Jan-24	230 Fund
PJ's Pizza	\$ 5,629.47	2/1/2010	\$ 5,629.47	\$ 5,629.47	JUDGEMENT	
	\$ 2,237,958.60		\$ 1,012,415.55	\$ 1,132,668.94		
		Loan 230	Loan 240	Loan 250		
LOAN FUND BALANCES (report from Brenda)	\$ 1,667,342.04	\$ 609,068.59	\$ 907,166.45	\$ 151,107.00		
LOANS OUTSTANDING	\$ 1,012,415.55					
	\$2,679,757.59					