CITY OF SAINT PETER, MINNESOTA
AGENDA AND NOTICE OF MEETING

City Council Workshop Session of Monday, September 21, 2020
5:30 p.m. –Community Center – Senior Center
600 South Fifth Street, Saint Peter
This meeting will be conducted in-person and electronically - See below for electronic access.

I. CALL TO ORDER

II. DISCUSSION

A. MPCA Hallett's Pond Water Quality Update
B. ADA Grant Program 2021
C. Multi-Family Housing Project Update

III. ADJOURNMENT

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CITY OF Saint Peter
WHERE HISTORY & PROGRESS MEET

Memorandum

TO: Honorable Mayor Zieman
Members of the City Council

DATE: 9/17/2020

FROM: Todd Prafke
City Administrator

RE: MPCA Hallett's Pond Water Quality Update

ACTION/RECOMMENDATION

None needed. For your information and discussion only.

BACKGROUND

At the request of the City Council, representatives from the Minnesota Pollution Control Agency will participate in Monday's workshop session to give a presentation on water quality of Hallett's Pond. Scott MacLean and Bryan Spindler, along with Anna Bosch who is a MPCA Stormwater Program representative will be online to provide more information on the attached information. The report was compiled in March of 2018.

The goal for this meeting is to update and provide information relative to Hallet's water quality and what commitments and future actions are planned.

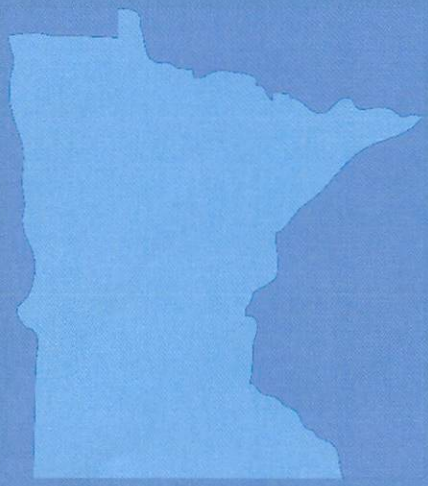
Please feel free to contact me if you have any questions or concerns about this agenda item.

TP/bal

CLMP+ Report on Lake Hallett

(Nicollet County)

Lake ID# 52-0001-00
2016-2017 CLMP+ Data Summary



MINNESOTA POLLUTION CONTROL AGENCY

March 2018

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Contributors/acknowledgements

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For questions regarding this report, please contact:

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Minnesota Pollution Control Agency

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This report is available in alternative formats upon request, and online at www.pca.state.mn.us.

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Introduction

The Minnesota Pollution Control Agency (MPCA) conducts and supports lake monitoring activities to determine if water quality is suitable for recreational uses (swimming, wading, boating, etc.) of lakes. This information is also used to measure and compare regional differences and trends in water quality with lakes from all over the state. MPCA staff, local partners (soil and water conservation districts, watershed districts, tribal entities, etc.), and citizens all play a role in sampling lake water quality.

Figure 1. Aerial photo of Lake Hallett

Lake Hallett is located within the city of Saint Peter in Nicollet County, Minnesota. It is 9.3 acres in size and has a maximum depth of 23 feet (7.0 meters). In 2015, Trudi Olmanson applied to participate in the MPCA's Advanced Citizen Lake Monitoring Program (CLMP+) to assess Lake Hallett's water quality. Through her participation in the program, she measured water transparency, collected temperature and dissolved oxygen (DO) profiles, and collected water chemistry samples from May-September in 2016 and 2017. This report provides a summary of the water quality data collected through CLMP+ and compares it to historical data on the lake when possible. In addition, this report also details the physical and ecological characteristics of Lake Hallett (Figures 1 and 2).

Ecoregion and land use characteristics

When investigating lake water quality, it is important to consider how land within the lake's watershed (the area of land surrounding the lake that drains water directly to it) is used. Certain uses of the land increase pollutant loading to the lake. For instance, phosphorus in animal waste, fertilizers, and leaf litter can run off from lawns and other developed areas to surface waters during

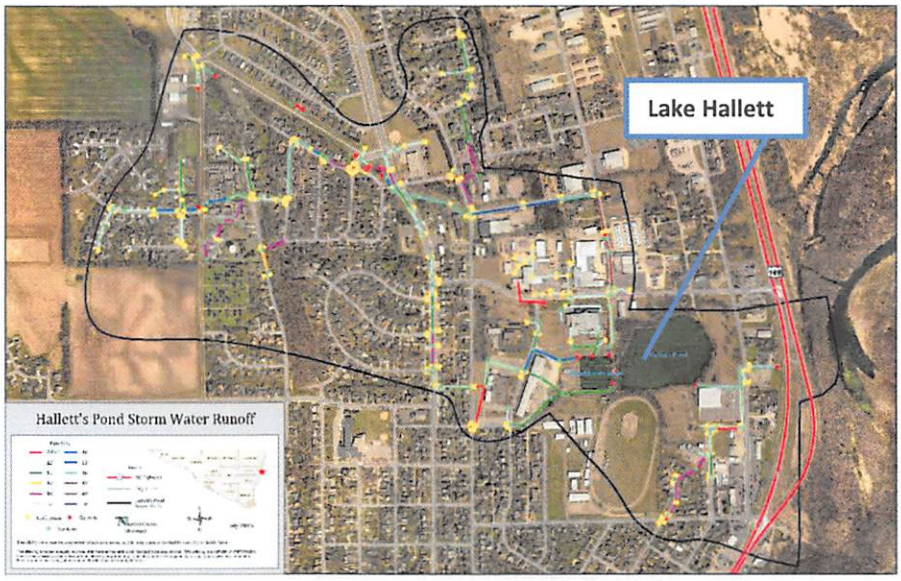

Figure 2. Lake Hallett watershed (image courtesy of Nicollet County)

heavy rain events. Likewise, manure and commercial fertilizers can be washed from cultivated fields over land or through tiling systems to lakes. Conversely, forested areas, undeveloped land, and wetlands are important features that preserve good water quality by serving as a buffer to filter water that flows across the catchment and into the lake.

Minnesota is divided into seven ecoregions, as defined by soils, land surface form, natural vegetation, and current land use. Lake Hallett is located in the North Central Hardwood Forests (NCHF) ecoregion. Throughout this report, Lake Hallett characteristics are compared to the typical range of values from reference lakes within the NCHF ecoregion.

Lake Hallett has a watershed area of 390 acres. This is a small watershed relative to the size of the lake (42:1 watershed: lake area ratio), however, it is important to note that the watershed consists almost entirely of developed residential and commercial land. This watershed composition falls outside of the norm of land use found in the NCHF ecoregion and creates a unique situation where the majority of drainage into Lake Hallett results from stormwater runoff from the surrounding neighborhood, which has the potential to deliver high amounts of nutrients and other pollutants to the lake.

Lake mixing and stratification

Lake size, depth, and the shape of the basin affect whether a lake stratifies (forms distinct temperature layers) and how it mixes, which have a significant influence on water quality. Deep lakes that stratify during the summer months fully mix, or turn over, twice per year typically in spring and fall. Shallow lakes (maximum depths of six meters or less), in contrast, typically do not stratify and mix continuously. Lakes with moderate depths may stratify intermittently during calm periods, but mix during heavy winds and during spring and fall. Mixing events allow nutrient-rich lake sediments to be re-suspended, which introduces phosphorus into the water where it may encourage the growth of algae, so lakes that continuously mix are at more risk of developing algal blooms than deeper lakes that stratify. Lakes that strongly stratify often have little or no oxygen near the lake bottom. Low oxygen can allow phosphorus to be released from the lake sediments, which is another way nutrients are introduced to the water and can stimulate the growth of algae. To determine if a lake stratifies or not, water temperature and DO are measured throughout the water column (surface to bottom) at selected intervals (e.g. every meter) several times during the open-water season. These measurements, called "profiles", will reveal specific patterns if the lake stratifies and will also show how oxygen changes with depth.

To determine whether Lake Hallett stratified in the summer of 2016 and 2017, we plotted the monthly temperature and dissolved oxygen (DO) profile measurements taken onto isopleth graphs. The isopleth graph uses colored "bands" to depict changes in temperature and DO from the surface to the bottom of the lake (Figures 3-6). When a lake stratifies, isopleth graphs show distinct horizontal bands of color with depth, which suggests the different "layers". Horizontal bands are clearly evident in both temperature profile isopleth graphs, indicating that Lake Hallett did stratify in 2016 and 2017 (Figures 3 and 5). Lake Hallett is a dimictic lake, meaning that it has annual spring and fall mixing periods. Lake stratification occurs between these mixing cycles, although the timing each year is highly dependent upon local weather conditions. In 2016 and 2017, data collection began in mid-May. Both temperature isopleth graphs show two temperature gradients on Lake Hallett during this time, indicating that turn over had already taken place by the time data collection began (Figures 3 and 5). By late May, in both 2016 and 2017, three distinct bands of color become visible and by late June/early July a fourth and final temperature band appears, coinciding with increasing summer air temperatures. Stratification on the lake continued through mid-September in 2017 when data collection ended (Figure 5). In 2016,

however, fall lake turnover was captured, with the final two readings showing uniformity in temperature from surface to lake bottom (Figure 3).

In 2016, the dissolved oxygen (DO) profile isopleth depicts seasonal changes typical of a stratified lake (Figure 4). In May and June, with ice recently off, a greater percentage of Lake Hallett has cool, oxygen rich water as compared with later in the summer as the lake stratifies and DO declines as the water warms (oxygen dissolves more readily in cooler water). Additionally, the bacterial break down of decaying organic matter (i.e. algae, fish droppings and other vegetation) depletes oxygen levels even further at the lake bottom. Higher levels of DO exist near the surface, even though the water is warmer, because of the photosynthetic activity of plants and algae. In 2017, the DO profile isopleth depicts relative consistency in levels from the start of the monitoring season, all the way to the end (Figure 6). Dissolved oxygen near the surface didn't diminish when water temperatures increased. This could indicate a high level of algae productivity in the lake during that time of year. Algae photosynthesizing at the water's surface produce oxygen, while decaying algae at the bottom of the lake deplete oxygen levels.

In order for a lake to support cool and warm water game fish, a DO concentration of five milligrams per liter (mg/L) is necessary. The DO concentrations in Lake Hallett remained regularly above 5 mg/L in the well-mixed waters of the upper surface of the lake and appears to be enough to support a healthy fishery.

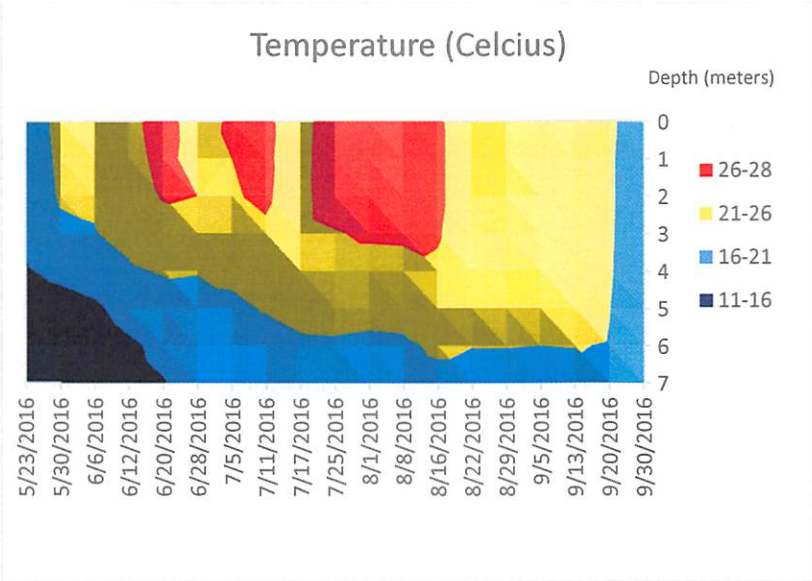

Figure 3. 2016 temperature profile

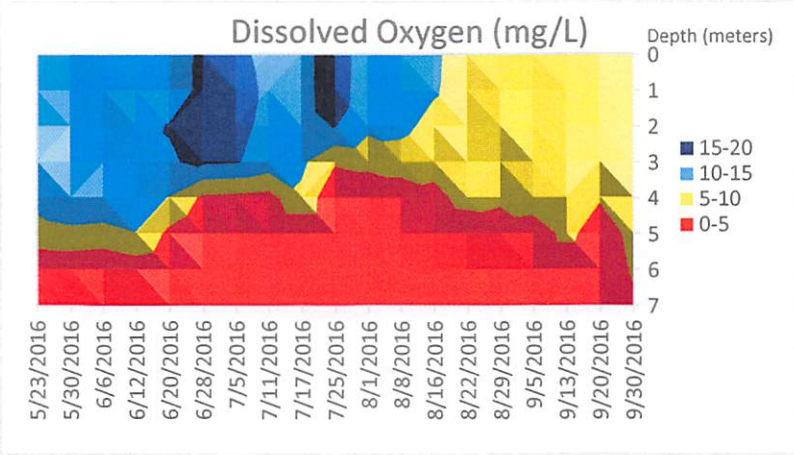

Figure 4. 2016 dissolved oxygen profile

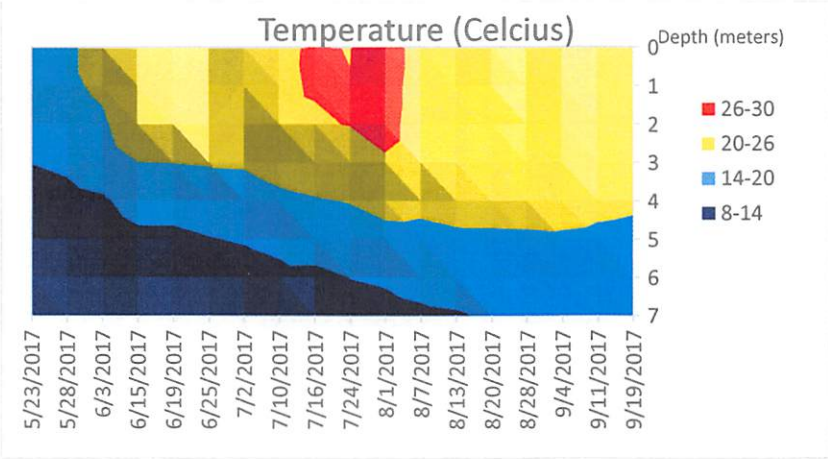

Figure 5. 2017 temperature profile

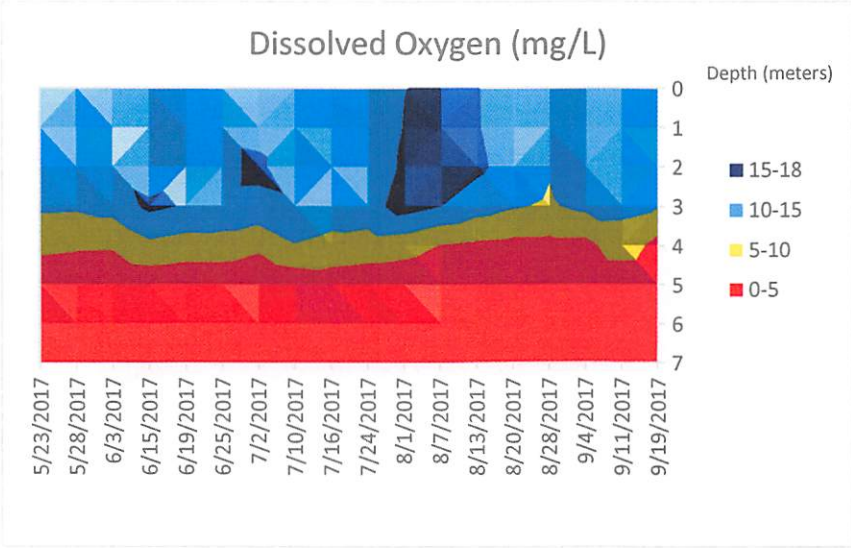

Figure 6. 2017 dissolved oxygen profile

Water quality

Nutrients, typically phosphorus and nitrogen, are the primary drivers of algal productivity in lakes. In general, high nutrient levels increase the likelihood that nuisance algal blooms will grow and that lakes will not support aquatic recreational uses. Additionally, local weather patterns can also play a role in lake health from year to year. For example, wet, cloudy summers often result in better lake clarity, whereas dry, hot summers often result in algae blooms that reduce overall clarity.

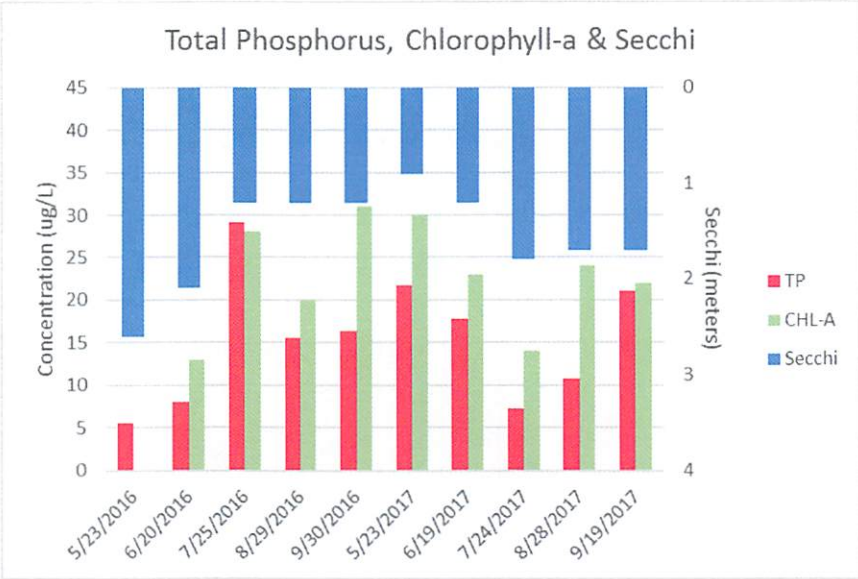

Figure 7. 2016 and 2017 phosphorus, chlorophyll-a, and Secchi

There are sometimes other factors at play that also must be considered when evaluating lake health. For this reason, it is important to collect information on suspended solids, temperature, DO, and a number of other parameters. All June-September water chemistry data for Lake Hallett gathered in 2016 and 2017 were averaged and compared to minimally impacted reference lakes in the NCHF ecoregion (Table 2). References to lakes included in the last column in Table 2 include those selected to be typical of the ecoregion and minimally impacted, and allow for comparison to Lake Hallett. Additionally, when possible, data gathered in 2016 and 2017 were compared to water chemistry data collected on the lake in 2008 (Figure 8).

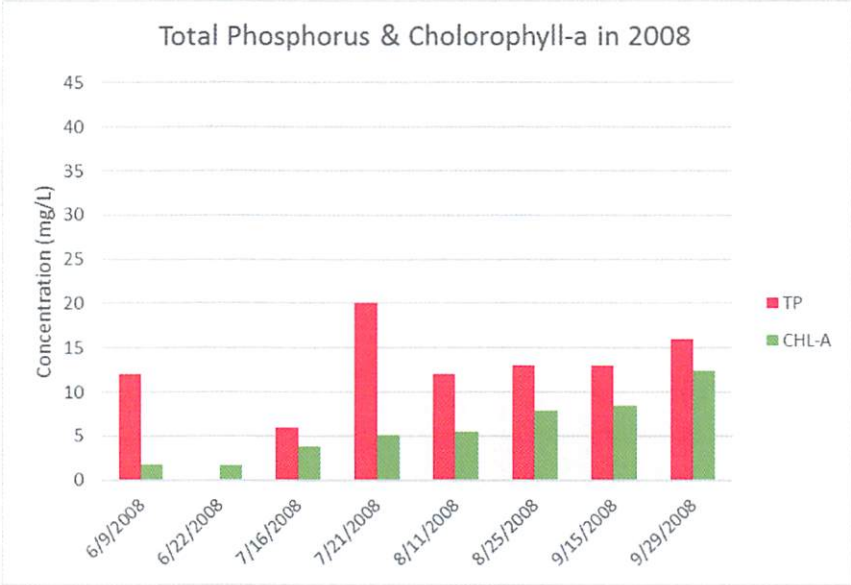

Figure 8. 2008 phosphorus and chlorophyll-a

Total phosphorus (TP) is often considered the nutrient that "limits" algal growth in lakes. This is because it is essential to algal growth and it is typically in the shortest supply. Lake Hallett's two-year summer average TP of 22 ug/L is slightly better than the expected TP range of 23-50 ug/L for lakes in the NCHF ecoregion (Table 2), which means it has lower than expected levels of total phosphorus as compared to other lakes in the ecoregion. Samples collected near the bottom of the lake had higher concentrations of phosphorus than surface readings, with bottom samples falling generally below 60 ug/L. Bottom sample results were not included when calculating summer averages for Lake Hallett, rather they were gathered

to help gauge lake turnover (when the lake mixes, bottom, and surface phosphorus readings are near equal) and determine the amount of phosphorus diffusing out of the sediment during anoxic conditions at the lake bottom during stratification.

It is important to note that average total phosphorus in Lake Hallett has increased over the past decade by 9 mg/L between sampling conducted in 2008 and CLMP+ sampling in 2016 & 2017 (Figures 7 and 8).

Nitrogen, while also an essential nutrient for algal growth is typically not the "limiting nutrient" in most Minnesota lakes. Total Kjeldahl nitrogen is a measure of organic nitrogen (i.e., nitrogen found in algae) and ammonia- nitrogen. When combined with inorganic nitrogen, this represents total nitrogen (TN). Since inorganic nitrogen is often at or below detection in lakes, we often use total Kjeldahl alone to represent TN. The ratio of TN to TP is used as a simple basis for discerning which nutrient, TN or TP, is the limiting nutrient. Lakes are often considered "nitrogen-limited" when the TN:TP ratio falls below about 10:1. In the case of Lake Hallett its 33:1 TN:TP ratio falls in line with the typical range for NCHF lakes, and indicates that phosphorus is the nutrient controlling algal growth in this lake. The addition of phosphorus to the lake could increase the production of algae and aquatic plants.

Chlorophyll-*a* (Chl-*a*) (a pigment found in algae) is used to estimate the amount of algal production in a lake and, therefore, the lake's response to nutrients. Lake Hallett's Chl-*a* summer average of 16 ug/L falls within the expected range of 5-22 ug/L for lakes in the NCHF ecoregion, but it is edging toward the higher end of the spectrum. If the lake were to experience higher TP levels in the future, chlorophyll-a levels could be pushed above the reference range. With concentrations from 10-20 ug/L indicating a mild algal bloom and concentrations greater than 30 ug/L indicating severe nuisance conditions, algal blooms on Lake Hallett in 2016 and 2017 definitely would have been possible, but likely mild. In drier years, reports of severe blooms have been recorded on Hallett Lake.

It is important to note that average chlorophyll-a in Lake Hallett increased over the last decade by 10 ug/L between sampling conducted in 2008 and CLMP+ sampling in 2016 & 2017 (Figures 7 and 8).

Table 1. Hallett 2016-2017 as compared to typical range for NCHF ecoregion reference lakes

Parameter	Lake Hallett 2016 Average	Lake Hallett 2017 Average	Lake Hallett 2-year summer Average	Typical range for minimally impacted lakes in NCHF
Number of reference lakes				43
Total phosphorus (µg/L)	23	21	22	23 - 50
Chlorophyll (µg/L)	17	14	16	5 - 22
Transparency (feet) (meters)	5.6 1.7	4.9 1.5	5.2 1.6	4.9 – 10.5 1.5 – 3.2
Total Kjeldahl Nitrogen (mg/L)	0.70	0.75	0.72	<0.60 – 1.2
Chloride (mg/L)	35	44	40	4 - 10
Total Suspended Solids (mg/L)	4.0	5.0	4.5	2 - 6
TN:TP ratio	30:1	36:1	33:1	25:1 – 35:1

Chloride (Cl) for Lake Hallett was significantly higher than the typical range for NCHF lakes (Table 2). The primary source of Cl to Minnesota lakes is winter application of road de-icing (road salt) compounds. As noted in all lakes with development, Cl levels will likely continue to increase in the years to come since it is a conservative pollutant, meaning that it does not break down or leave the lake system over time. Chloride levels found in Lake Hallett are still considered low and impacts to aquatic life are not found unless concentrations are consistently above 200 mg/L.

Secchi transparency measures the depth of water clarity. Lake Hallett's two-year transparency average of 1.6 meters falls just within the typical range for NCHF lakes (Table 2 and Figure 9). High total suspended solids, which may arise from suspended sediments (from runoff or wind mixing), can also limit transparency. Lake Hallett's average total suspended solids level of 4.5 mg/L likely does not play a role in limiting transparency.

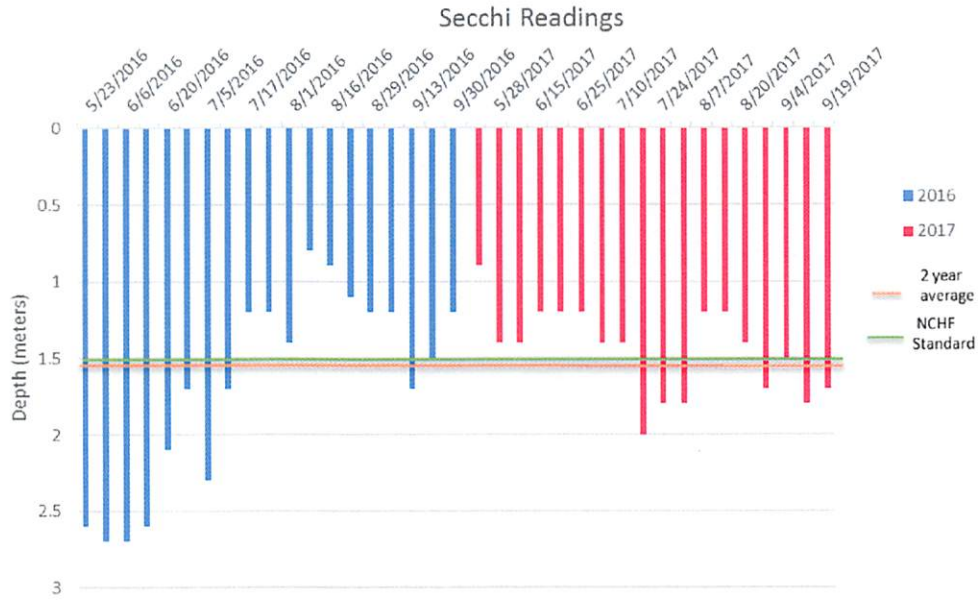

Figure 9. 2016 and 2017 Secchi readings

It is important to note that average clarity in Lake Hallett has been decreasing over the decades. If all Secchi data from the last 10 years is averaged, the long-term lake clarity average jumps to 2.7 meters. Additionally, if all years of Secchi data are averaged, the long-term lake clarity average increases further to 3.1 meters (Figure 10).

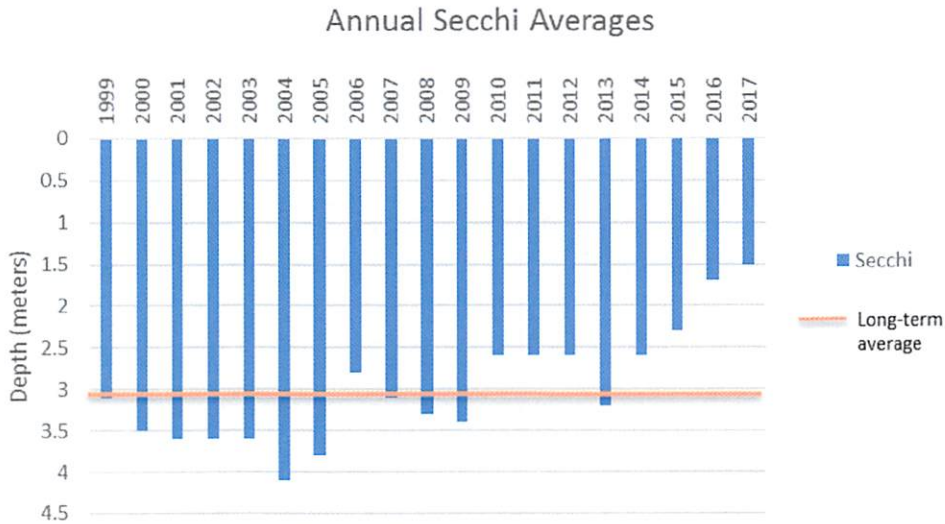

Figure 10 Long-term Secchi averages

Trends

As part of the CLMP, citizens have monitored Lake Hallett for 20 years. The primary purpose of CLMP monitoring is to gather water clarity information for as many lakes as possible over a long period of time to determine if the water clarity trend for the lake is increasing, declining or remaining stable. At least

eight years are required for a basic trend analysis, and more data are often needed to see an actual increasing or declining trend.

Sufficient Secchi readings were collected on Lake Hallett between 1999 and 2017 to run a Seasonal Mann Kendall statistical analysis. The results showed a significant downward trend in water clarity, around a tenth of a meter per year (Figure 11). It is important to note that in 2017, the CLMP revised its water clarity trend analysis process to focus on comparing data by month (May to May and June to June, etc. for all data years) as opposed to comparing data seasonally, which had been done in the past. This new analytical method results in greater sensitivity for detecting long-term trends and differs with trend results from previous years, which were more conservative in nature.

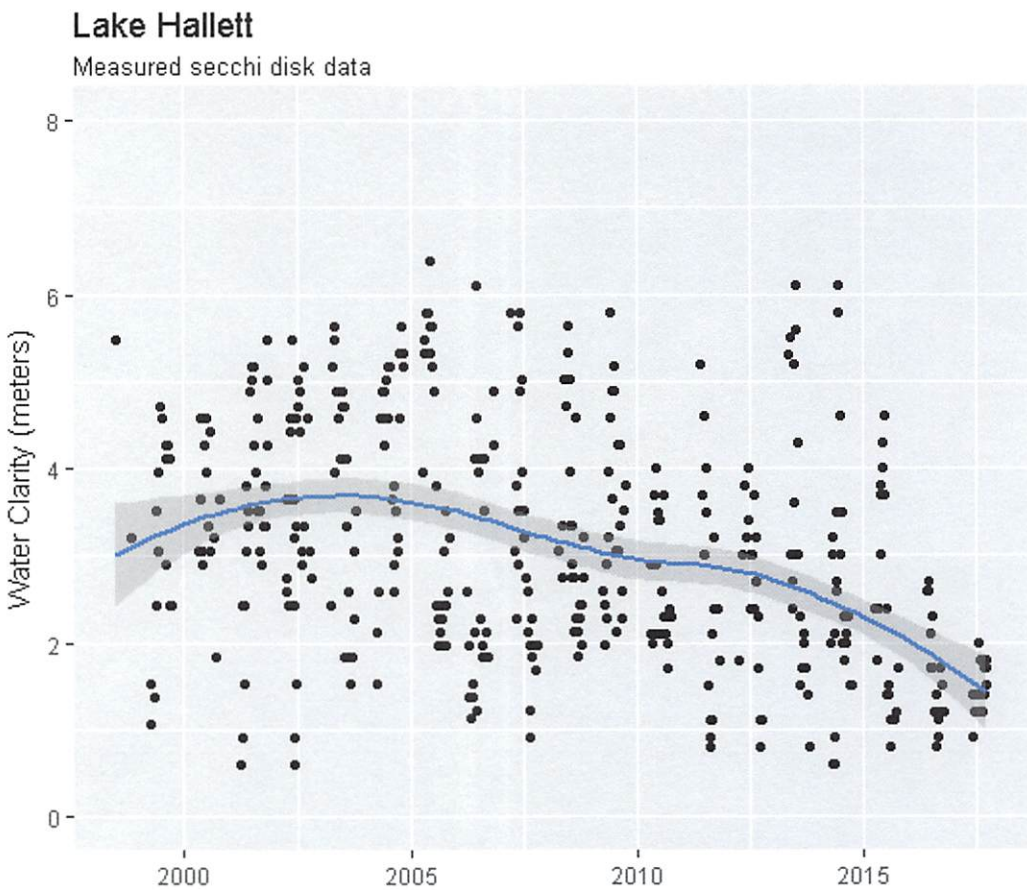

Figure 11. Secchi trend analysis

Summary

All water quality data collected **over the past 10 years**, including the MPCA's monitoring activities, those of its citizen volunteers and of other state and local partners, are gathered together and used to assess the condition of Minnesota lakes by determining if thresholds set to protect a lake's recreational uses (swimming, wading, boating, etc.) are being met.

Based on water quality data collected as part of CLMP+ in 2016-2017 and data collected in 2008 through the MN Waters Expanding Citizen Monitoring Project, Lake Hallett is considered to be meeting the

thresholds set to protect lakes in the NCHF ecoregion for aquatic recreation (Table 3). A waterbody is considered to be meeting state water quality standards when its ten-year total phosphorus average falls below 40 ug/L for lakes in the NCHF ecoregion. When averaging the three years of lake water chemistry data collected on the lake over the past 10 years, Lake Hallett meets this water quality standard, with a ten-year total phosphorus average of 18 ug/L. Lake Hallett also meets the standard set out for water clarity in the region, with a 10-year average of 2.7 meters. Although, as noted above, water clarity is on a steady downward trend and increases in phosphorus and chlorophyll-a concentrations have occurred in the past decade. Lake Hallett's ten-year chlorophyll-a average of 11 ug/L meets state water quality standards, but the two-year chlorophyll-a average of 16 ug/L exceeds the state standard. This will be important to keep in mind when designing water protection strategies for the lake, because increases in total phosphorus levels will result in increased chlorophyll-a levels and decreased clarity.

Table 2. A comparison of water quality data from Lake Hallett to the lake eutrophication standards for NCHF ecoregion.

	TP (µg/L)	Chl-a (µg/L)	Secchi (m)
Thresholds set to protect lakes in the NCHF ecoregion for aquatic recreation use	<40	<14	>1.4
Lake Hallett 10 year summer average	18	11	2.7

Engagement at the local level will be required to maintain Lake Hallett's water quality.

Recommendations

- Continue to participate in the CLMP and regularly collect transparency data to provide the continuous water quality records needed for trend assessment.
- Best management practices should be used when maintaining lawns in the watershed; using zero phosphorus fertilizer, sweeping up grass clippings, and raking leaves all help to minimize the inputs of phosphorus to lakes.
- Best management practices should be used when applying road deicers to reduce chloride reaching the lake. Specifically, minimize the salting of roads near the lakes, and stockpile snow in upland areas away from the lakeshore.
- Maintain and encourage additional growth of emergent shoreline aquatic vegetation – potentially important habitat for invertebrates and juvenile fish in addition to being a natural trap for washed in sediments and nutrients. Educate shoreland property owners on the benefits of this habitat. The Minnesota Shoreland Management Guide (http://shorelandmanagement.org) provides useful information on this and other issues relevant to conserving the lake's beneficial uses.
- Strategies for restoring and protecting lakes in the Minnesota River - Mankato Major Watershed like Lake Hallett, will be summarized in the Watershed Restoration and Protection Strategy report. Stay up to date on activities in the watershed and development of the strategies at: https://www.pca.state.mn.us/water/watersheds/minnesota-river-mankato#overview.

Memorandum

CITY OF Saint Peter
WHERE HISTORY & PROGRESS MEET

TO: Todd Prafke
City Administrator

DATE: 9/16/2020

FROM: Russ Wille, Community Development Director

RE: Central Business District/Accessibility Enhancement Grant Program (CBD/ADA Grants) 2021

ACTION/RECOMMENDATION

For your information and discussion.

BACKGROUND

The Americans with Disabilities Act of 1990 (ADA) establishes the standards required to ensure that handicapped persons have access to public accommodations. While progress has been made over the last 30 years, a few downtown structures are still inaccessible due to physical barriers.

In October, 2019, the City Council adopted the policies necessary to create the Central Business District /Accessibility Improvement Grant Program. The program is designed to fund building renovations or improvements which improve access for those with mobility impairments.

The program 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. 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 the available funding from the interest income of the locally controlled revolving loan fund(s) would be sufficient to undertake 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 guidelines require 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. Openers 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.

My goal for the meeting is the determine if the Council wishes to authorize the program for the 2021 year and if so ask if there are any substantial changes that Council would like to see reviewed by the Economic Development Authority.

Please feel free to contact me should you have any questions or concerns about this agenda item.

RJW

Memorandum

CITY OF Saint Peter
WHERE HISTORY & PROGRESS MEET

TO: Todd Prafke
City Administrator

DATE: 9/17/2020

FROM: Russ Wille
Community Development Director

RE: North Traverse Green – Community Asset Development Group (CADG)

ACTION/RECOMMENDATION

Discuss the platting of the development property as well as the proposed terms of a Development Agreement and Tax Increment Financing Agreement by and between the City and CADG.

BACKGROUND

On July 13, 2020, the City Council entered in to a Purchase Agreement with CAGD for the sale of Outlot D, Traverse Green Subdivision. The agreement provides term for the sale of 12.8 acres of the outlot. The City will retain ownership of what will ultimately become the Cullen Street right-of-way and the lands lying to the west.

The tentative project schedule places consideration of the Preliminary and Final Plats will be on the agenda for the Council meeting scheduled for September 28th (next week). A Development Agreement and Tax Increment Financing Agreement are scheduled for your consideration and approval at the October 12th Council meeting..

PRELIMINARY / FINAL PLATS

In consultation with your Public Works staff and Bolton & Menk, the engineers engaged by CADG have prepared a Preliminary Plat and Final Plat for review and approval. The matter was scheduled to be considered by the Planning Commission at a special meeting held on September 17, 2020. The Commission is asked to hold the public hearing and make a recommendation to the City Council as to approval of the plat..

The preliminary plat depicts a mixture of multi-family and twin home townhouse lots. The centerpiece would be the multi-family site. It is anticipated that a 66 unit apartment complex would be constructed as phase one of the project. A second 66 units complex would be planned for construction at some point in the future.

The preliminary plat shows the future location of Cullen Street as it would be extended out of the first phases of the original Traverse Green Subdivision. The lands to the west, are shown as individual lots on the preliminary plat. As those lots would be shown as outlots of the final plat. The lot lines and other markers are considered to be transitional and would likely change at such time as they are platted for future development.

The final plat shows the site for the first 66 unit apartment complex and lots for the construction of three twin home townhouse units. All of the remaining property would be a series of outlots. The outlots would not be individually developable until such time as they were subject to the same platting process as the current phase.

DEVELOPMENT AGREEMENT

As with the Development Agreement developed for the Anytime Fitness project, the agreement for the North Traverse Green Subdivision project would address the installation of public improvements and the costs assessed to, or otherwise paid by CADG.

CADG has paid all of the costs to design and engineer both the plat and utilities necessary to serve the property (Exhibit B Improvements). The developer will also be obligated to pay all of the costs associated with the installation or construction of the Exhibit B Improvements within their development property.

The developer will reimburse the City for its actual costs to inspect the installation of the public and utility improvements. CADG will also reimburse the City for $2,000 in costs incurred for the City Attorney's review of the project documents.

Clark Street is planned to be constructed within the existing right-of-way that was platted with the first phase of Traverse Green Subdivision. Like the Windsor Pond development, the roadway will only be constructed to the limits of the first phase of North Traverse Green Subdivision. As future phases of the development are undertaken and constructed, Clark Street will be extended westerly to the limits of the next stage of development. CADG will be assessed for one-half of the costs to construct the roadway, curb & gutter, sidewalk and utilities.

Clark Street was previously platted on lands owned by the City and not lands dedicated by the developer so CADG will pay the City $9,041 in land costs. That would provide compensation for one-half of the land dedicated for the Clark Street right-of-way as if it had been dedicated by CAGD.

Cullen Street on the western edge of the CADG property will not be constructed until needed when future phases of the development are commenced. Once again, given that the Cullen Street right-of-way is depicted upon lands owned by the City, CADG will reimburse the City $5,160 in lieu of the dedication of lands. The development property will also be assessed one-half of the construction costs of Cullen Street when built.

Stormwater drainage would be captured on-site through a series of catch basins and intakes. The ultimate destination for the stormwater run-off would be the Clark Street Basin which is on the east side of Nicollet Avenue (C.S.A.H. #20). Given that the development property is within the Clark Street Basin watershed, it would have an assessment for construction of the dry basin. The assessment would total $11,718.16. As with the Windsor Pond development, when future phases of the North Traverse Green Subdivision project are undertaken, the developer will incur additional stormwater assessments at a rate of $2,386.59 per acre.

Parkland dedication fees are required by the Subdivision Ordinance whenever lands are originally platted. Residential developments must dedicate 12% of the property for parkland purposes. If no publicly owned parks are planned upon the development property, the City can choose to obligate the developer to pay cash. That cash is deposited in to a dedicated parkland account. Funds from the account can only be used to pay for park acquisition or capital improvements within parks.

Since that the first phase contains 4.9 acres of land, the developer would need to provide 0.5892 acres of land as parkland dedication. Since there is no public park planned within the subdivision the developer will make a cash payment of $5,892.00 given the sales price of $10,000 per acres. As future phases of the project are platted, additional parkland dedication fees will be charged to CADG.

TAX INCREMENT FINANCING:

A pay-as-you-go Tax Increment Financing Agreement is being prepared by Mary Ippel who is your bond and development attorney. Ms. Ippel intends to have the draft completed and delivered early the week of September 28th.

The agreement would provide reimbursement to CADG for expenses deemed eligible for a Housing Tax Increment District by statute. CADG has identified $8,466,778 in expenses eligible to be reimbursed. Those expenses are as follows:

Following the County Assessor's office review and consideration of the site plan, floor plans and other construction documents submitted by CADG, the Assessor's office suggests a post construction market value of $7,395,400 for phase one of the project.

If the property is valued at that amount following construction, the annual gross tax increment would be calculated to be $125,008 beginning with taxes paid in 2023. Statute allows the City to retain 10% of the gross tax increment to reimburse itself for administrative costs. As such, the annual net tax increment revenues would be $112,057.

After consultation with Shannon Sweeney of David Drown & Associates and City Administrator Prafke, an offer has been made to reimburse CADG $2,100,000, a portion (24.8%) of the eligible tax increment expenses, or a maximum of 15 years (taxes payable 2037).

If tax rates or tax classifications are changed by the legislature, it is possible that the net tax increments will not reach the predicted $112,057. That is why we utilized a pay-as-you-go agreement and cap the number of years. It also means that the developer only receives benefit if they pay their property taxes. The developers agree to these requirements recognizing that if they receive a lower annual tax increment payment, they have paid less than the amount of real estate taxes projected.

The agreement obligates CADG to ensure that at least 20% (13) of the apartment units are occupied by families with annual incomes at 50% of the area median income adjusted for household size. For example, a single person household would need to have an annual income below $29,650 while a family of four would need an income below $42,350. The provision of TIF ensures that our moderate income families can occupy an apartment that otherwise would be priced above of their ability to pay. The remainder of the units will be at "market rate" pricing which

is estimated at $990 to $1250 for one and two bedroom units. The development also includes garages.

My goal for the workshop is to review and discuss the plats, development agreement and TIF agreement in anticipation of your future action.

Please feel free to contact me should you have any questions or concerns on this agenda item.

RJW

Deed: St Peter (city of) Market Rate Apts 2nd estimate
Contract:
CID#:
DBA: Market Rate Appartments
MLS:

Map Area: St Pet Cty 13+ Units
Route: 000-000-000
Tax Dist: 1901SPetC508
Plat Page:
Subdiv: [NONE]

Checks/Tags:
Lister/Date:
Review/Date:
Entry Status:

Urban / Residential
Legal: None

Land

Land Basis	Front	Rear	Side 1	Side 2	R. Lot	SF	Acres	Depth/Unit	EFF/Type	Qual./Land	Unit Price	Total	Topo	Econ	Other	$Adj	Land Total (Rnd nearest $100)
FF Main	460.00	460.00	520.00	520.00	0.00			1.37	630.20	R-550	$550.00						
Sub Total						239,200.00	5.491					$346,610	0%	0%	0%	$0	$346,600
Grand Total						239,200.00	5.491					$346,610					$346,600

	Street	Utilities	Zoning	Land Use
FF Main	None	None	Not Applicable	Not Applicable

Sales

Date	$ Amount	NUTC	Recording

Building Permits

Date	Number	Tag	$ Amount	Reason

Values

Type	Appraised	B of R	St. Equalized
Land	$346,600	$0	$0
Dwlg	$6,862,600	$0	$0
Impr	$186,200	$0	$0
Total	$7,395,400	$0	$0

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City of Saint Peter, Minnesota
TIF District No. 1-20

Tax Increment Projections

Valuations & Projected Increases

	Market	Tax Capacity
Original Values	169,700	2,121
Increased Value: (New Development)	7,395,400	92,443

Tax Rate Assumptions:

	2017 Tax Rate
City of St. Peter	49.093%
Nicollet County	52.590%
School District 508	38.247%
Other	0.474%
	140.404%

Projected Tax Increment

Payable Year	Original Tax Capacity	Projected Tax Capacity	Net Captured Tax Capacity	Less Fiscal Disparities	Retained Net Captured Tax Capacity	Projected Tax Rate*	Gross Tax Increment	Adjustments: 10.00% Admin. Retainage	Adjustments: 0.36% State Auditor's Deduction	TOTAL NET REVENUES
2021	2,121	2,121	-	-	-	138.40%				
2022	2,121	2,121	-	-	-	138.40%	-	-	-	-
2023	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2024	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2025	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2026	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2027	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2028	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2029	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2030	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2031	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2032	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2033	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2034	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2035	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2036	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2037	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2038	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2039	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2040	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2041	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2042	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
2043	2,121	92,443	90,321	-	90,321	138.40%	125,008	12,501	450	112,057
							2,625,173	262,517	9,451	2,353,205

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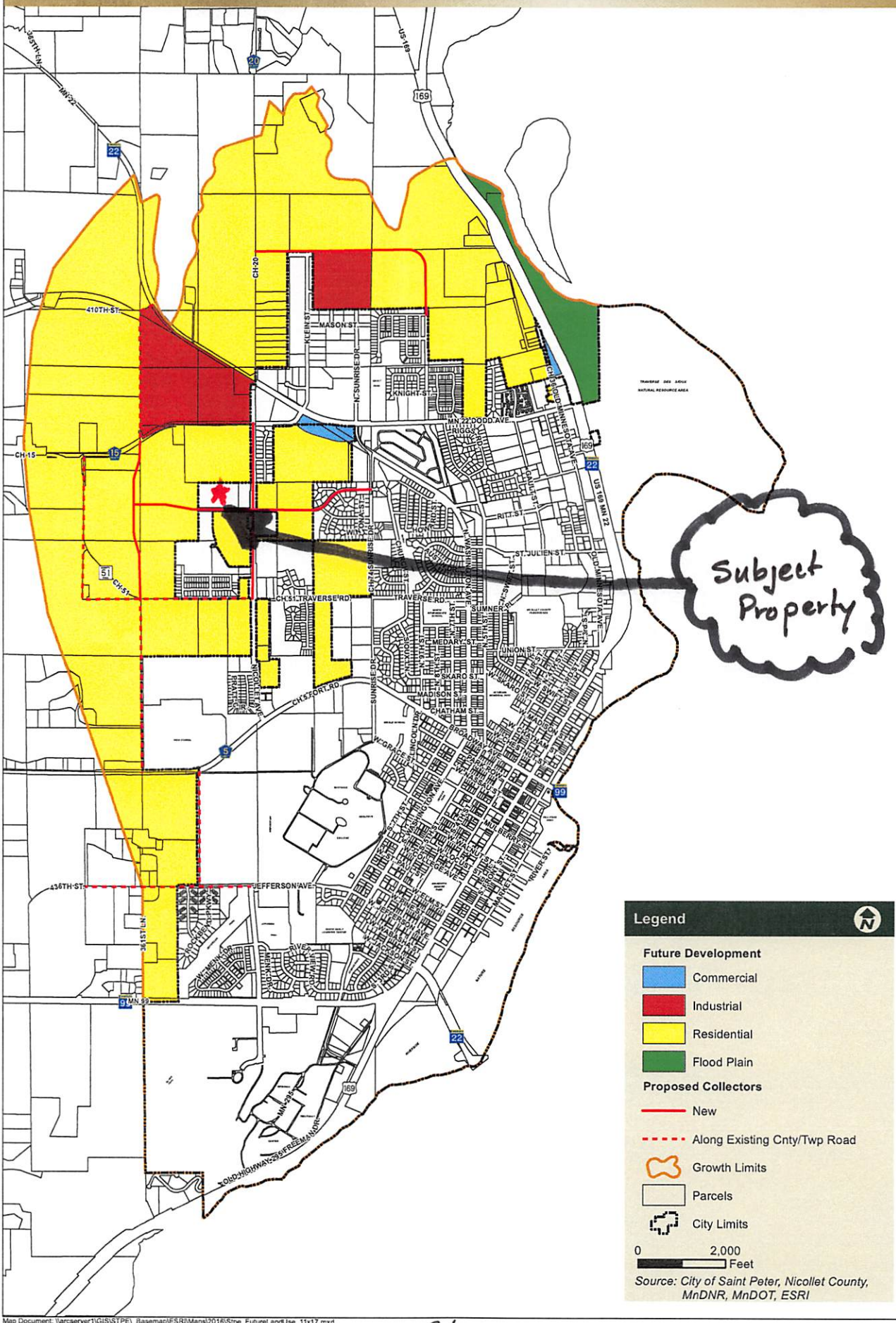
Future Land Use Map

City of Saint Peter

June, 2016

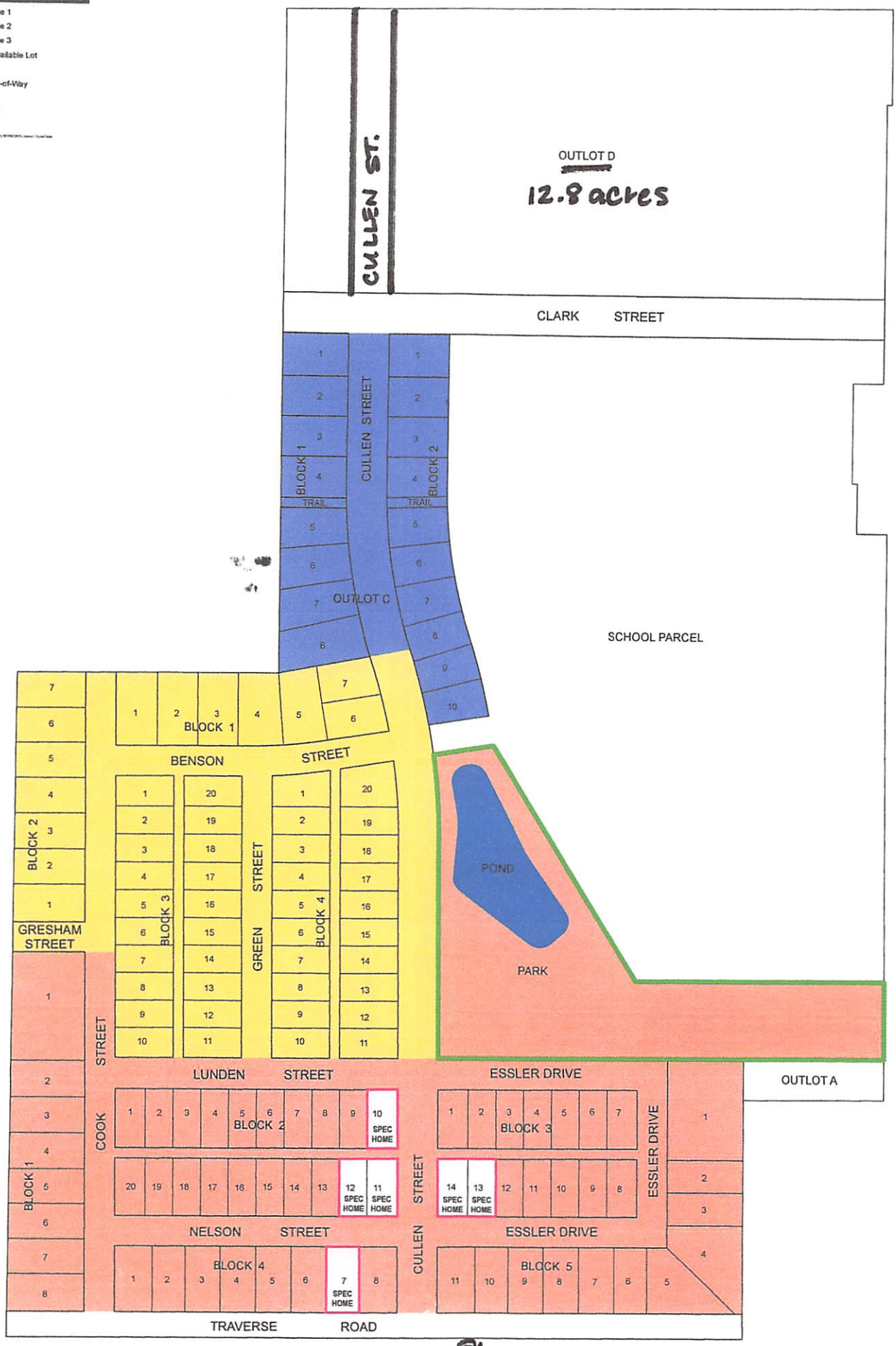


Map Document: \\arcserver1\GIS\STPE_Basemap\ESRI\Maps\2016\Stpe_FutureLandUse_11x17.mxd

City of Saint Peter

Traverse Green Subdivision Phases

Legend
- Phase 1
- Phase 2
- Phase 3
- Unavailable Lot
- Lot
- Right-of-Way
- Park
- Pond



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