

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.