

CITY OF SAINT PETER, MINNESOTA
Economic Development Authority
REGULAR MEETING MINUTES – October 22, 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 12:05 pm. Roll call was taken with James Dunn, Cory Abels, Brad DeVos, Ed Johnson (12:18), 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. Visitor present was Erik Larson, General Manager of the St. Peter Food Coop.

Approval of Agenda

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

Approval of Meeting Minutes

Motion by DeVos, second by Abels to approve the minutes of the September 24, 2020 meeting of the EDA as presented. All voted in favor of the motion and the minutes were approved.

St. Peter Food Coop – Balloon Extension Request

The St. Peter Food Coop received a \$350,000 revolving loan from the City in 2011 to partially finance the renovation and furnishing of the St. Peter Food Coop's new location. The loan was amortized on a twenty (20) year schedule with an interest rate of 3%. A balloon payment is due and payable on December 1, 2020.

Erik Larson, Manager of the St. Peter Food Coop, has submitted a request asking for an extension of the balloon payment and that the interest rate remain at 3%.

Wille has received correspondence from CCF Bank indicating that they are not in the position to extend additional credit at this time.

Prior to the EDA meeting, committee members Favre, Southworth and Abels reviewed pertinent financial reports provided by the Coop. The committee reported to Wille that there were no concerns regarding the Coop's finances.

Wille stated that the Coop's outstanding loan balance as of October 1, 2020 is \$210,992.76. He indicated that every loan payment has been made as due, when due and in the amount due without a single exception.

A motion was made by Abels, seconded by Dunn to introduce Resolution No. 2020-09 entitled, "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". All members voting aye, the Resolution was passed and adopted.

COVID-19 Micro Loan Program – Conversion to Grants

Wille stated that the City received \$901,000 from the federal government in the form of CARES account money. The funds can only be used to reimburse the City for COVID-19 related expenses.

Since the City has expended minimal funds from the CARES money, the City Council has requested that the EDA consider converting the \$487,000 in micro loans that were awarded to qualified businesses, to grants. Wille stated that the grant funds would replenish the Revolving Loan Fund with the CARES relief money.

Wille indicated that should the EDA take action, those businesses that have received loans will receive an IRS form for unforgiven debt or taxable grant.

DeVos was in favor of the conversion. He asked if there was any flexibility to reopen the microloan program for those that did not participate.

Wille stated that since the loan program closed in August he has only had two inquiries from businesses that did not participate. Those businesses were encouraged to apply for the loan at that time but declined.

With discussion with City Administrator Todd Prafke, it was suggested that the program not be reopened.

DeVos asked if the micro loans that were awarded to businesses that no longer exist would have their loans converted to grants.

Wille said that 4 The Team would be reimbursed for the payments that they have been made and the remainder of the loan would be forgiven. He also added that Ready To Go (oil change and car wash) will also have their loan forgiven.

Wille stated that because minimal CARES money has been spent, the City Council has allotted a small fund with Minnesota Valley Action Council to help assist low income households with utility payments.

Southworth questioned whether a decision is being made too early not knowing what the future holds.

Vogel stated that the deadline to spend the CARES money is November 15, 2020. She indicated that if the funds are not spent, the money will be given to the County to disburse. The County will have until December 15, 2020 and any unused funds will be returned to the Federal Government.

Although Abels was in favor of the program, he did not feel the businesses that are no longer in operation should have their loan revert to a grant.

A motion was made by Frederickson, seconded by DeVos to introduce Resolution No. 2020-10 entitled, "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". Members DeVos, Abels, Southworth and Frederickson voting aye, Members Johnson and Dunn abstaining, the Resolution was passed and adopted.

Reports

Ed Lee (Chamber of Commerce) – Lee felt the \$10,000 that was given to the Chamber to promote Saint Peter businesses was a success. Several promotional outlets were used to reach the public such as the newspaper, radio, Connect Magazine, River Valley Woman, facebook and television. Lee indicated that the Chamber is in the midst of filming and producing a commercial that will appear on KEYC television station.

Nicollet County CARES Assistance Program –Nicollet County has received \$4.3M in CARES funds. Of those funds \$1M was set aside as grant money to disburse amongst those businesses that qualify and are located in Nicollet County. Of those funds, \$660,000 has been allocated.

The County has set up new criteria and is offering a second round of grants to those businesses that did not qualify the first round.

Wille added that in home daycares and self-proprietors are eligible for up to \$5,000.

Rebound Enterprises – Wille has invited the Development Corp to meet with Rebound Enterprises staff to review the Commercial Real Estate Fund. A zoom meeting has been scheduled for Friday, October 30, 2020.

Additional Retail Stores – Two new retail operations will be opening in the downtown. The Free Bird gift shop will be occupying the former Fair Emporium and Reckless, a boutique focusing on younger clientele, will be located in the former Refinery.

Baker Field House – Baker Field House has been granted a Conditional Use permit. The City Council will be considering the request to lessen the Gateway Overlay districts restrictions.

Central Business District Enhancement Fund – The CBD enhancement program has \$28,000 available for handicap accessible improvements. Letters have been mailed to building owners and their tenants inviting them to a GOTOMEETING webinar on November 3, 2020.

MNO Real Estate – John Mayer and Tim Bartelt are converting the former MacKenzie Agency into a boutique/hotel. They are in the process of submitting a revolving loan application.

Adjournment

With no further business, a motion was made by DeVos seconded by Abels to adjourn. All members voting unanimously the meeting was adjourned at approximately 12:46 pm.