

City of Northfield, Minnesota	Policy Number: 6.02
FINANCE	Adopted: 12/20/93: R2009-064
Addendum to Master Development Fund Policy	Revised: 11/07/94, 06/19/95, 05/04/09, 07/06/09



2009-064

**CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION #2009-064**

**A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF
NORTHFIELD APPROVING AN ADDENDUM TO THE MASTER
DEVELOPMENT FUND POLICY**

WHEREAS, the City of Northfield adopted a Master Development Fund Policy on December 20, 1993, which was amended on November 7, 1994, and again on June 19, 1995 (the Policy); and

WHEREAS, the Policy provides in section D, Funding Categories, that the City may allocate funds toward an assistance program that would serve a particular economic development purpose within the Master Development District, as identified as an addendum to the Policy and subject to its own application procedures and/or approval criteria; and

WHEREAS, the City has identified a need to provide financing up to \$100,000.00 for commercial construction projects in the Master Development District which serve an identified public purpose as well as private purposes.

NOW, THEREFORE, the following Addendum to the Policy is hereby approved:

1. **Project Categories**

In addition to the other project categories approved under the Policy, the City may approve expenditures from the Fund of up to \$100,000.00 to assist commercial construction projects in the Master Development District which serve an identified public purpose as well as private purposes (a public/private partnership loan). The terms and conditions of the Policy shall apply to such loans except as modified hereby.

2. **Funding Criteria**

An applicant for a public/private partnership loan must demonstrate that the project will meet an identified public purpose as well as private purposes.

3. **Low Interest Loans**

Loan interest rates shall be at a fixed rate above the prime rate according to the *Wall Street Journal* at the time of approval of the loan. Loans may be secured by a mortgage, or by a UCC financing statement (Form UCC1) against inventory and equipment in lieu of or in addition to a mortgage, as determined by the City. Loans may be forgiven based on meeting certain conditions established in the loan agreement.

4. Fund Disbursement

The City shall disburse loan funds based upon compliance with the terms of the loan agreement.

PASSED by the City Council of the City of Northfield on this 6 day of July, 2009.

ATTEST

Deb A. Kettle

City Clerk

Mary Prossy

Mayor

VOTE:

Y BUCKHEIT Y DENISON Y POKORNEY
Y POWNELL Y ROSSING Y VOHS Y ZWEIFEL

ITEM: Approve addendum to Master Development Fund

SUMMARY AND ACTION REQUESTED:

Addendum to Master Development Fund Policy

Resolution 2009-064

In 1993, the City developed a set of policies intended to guide its decisions as to appropriate expenditures from the Master Development Fund. In Section D, Funding Categories, it specifies that the City may allocate funds toward an assistance program that would serve a particular economic development purpose within the Master Development District as identified in the addendum to the Policy.

The Economic Development Director is requesting that the Northfield City Council approve an addendum to the Master Development Plan policy. The addendum is designed to provide flexibility for use of funds for projects deemed to have specific economic development significance.

Master Development Fund Loan for Archer House

Resolution 2009-065

Mayor Rossing, the City Administrator, and EDA Director received a formal request from Mr. Brett Reese, one of the owners of the Archer House, about assisting his company (Manawa LLC) with the \$1.2 million renovation of the Archer House. Mr. Reese is proposing a public-private partnership which will provide public access to the Archer House restrooms throughout the day and during community events. The scarcity of public restrooms in the Downtown Business District has been an issue various groups and committees over the years have identified as requiring a solution.

The City Administrator requested that the EDA review the proposal from Mr. Reese and provide a recommendation to the Northfield City Council. On June 25, 2009, the EDA Board unanimously approved recommending the project for funding to the Northfield City Council with stipulations that were incorporated into the development agreement.

The EDA Board determined this project is important from a number of perspectives:

- Public-private partnership: leveraging local funds to encourage larger investment
- Fostering renovation of historic downtown hotel
- Improving the sustainability of an anchor to the Downtown Business District
- Addressing the issue of the scarcity of public restroom
- Improved aesthetics of conference facility used by local groups

The Economic Development Director is requesting that the Northfield City Council approve the Manawa LLC Master Development Loan for the renovation of the Archer House.

Yes	No	Checklist
Yes		Does this project fit within the identified Council goals, objectives, and priorities?
		Does the project fit within the estimated budget & resource parameters?
Yes		Is the public process identified consistent with the scope and implications of the project?
Yes		Have the pertinent boards and commissions been identified for providing review, recommendations, or input?
Yes		Is this decision consistent with current city plans (Comp Plan, Transportation Plan, Park Plan, etc)?
		Have the future costs to city operations been calculated and identified?
Yes		Are there measurable criteria to aid with the decision-making and have they been identified?
Yes		Have the suitable timelines and schedules been identified?

RECOMMENDATION: Staff recommends that the City Council approve addendum to Master Development Policy and Master Development Loan to Manawa LLC.

ATTACHMENT: Resolution 2009-064, Resolution 2009-065, EDA Resolution 2009-010, Letter of Request, Development Agreement

SUBMITTED BY: Jody T. Gunderson, Director of Economic Development