



## **ECONOMIC DEVELOPMENT AUTHORITY**

**MUNICIPAL COUNCIL CHAMBERS**

**830 WHITEWATER AVE, ST. CHARLES, MN 55972**

**REGULAR MEETING**

**FRIDAY, FEBRUARY 7<sup>TH</sup>, 2025**

**7:00AM**

- 1. Call to Order**
- 2. Approval of Agenda**
- 3. Approval of November 1st, 2024 Meeting Minutes**
- 4. Financial Review (available day of meeting)**
- 5. New Business**
  - a. Election of Officers**
  - b. Approval of meeting day and time**
  - c. Grants Update**
    - i. Economic Development Cost Share Program**
  - d. Request to Recommend Hotel Feasibility Study Provider (see attached)**
  - e. Request to approve 2025 CEDA Community Work Plan (see attached)**
  - f. Request to update EDA Commercial Rehabilitation Fund**
- 6. Adjourn**

## MINUTES OF THE ST. CHARLES ECONOMIC DEVELOPMENT AUTHORITY

REGULAR MEETING  
FRIDAY, NOVEMBER 1ST, 2024  
7:00 AM

**BOARD MEMBERS PRESENT:** Bill Spitzer, Eric Omdahl, John Schaber, Wayne Getz

**BOARD MEMBERS ABSENT:** Tim Hoff, Ryan Grobe, Tim Gossman

**OTHERS PRESENT:** Andrew Langholz (city administrator), Ron Zeigler and Lorena Reichert (CEDA), Robert Routh (school superintendent), Jayden Glaze (Jubilee Gathering and Gifts)

**7. Call to Order-** meeting was called to order by Bill Spitzer at 7:15 am.

**8. Approval of September 6<sup>th</sup>, 2024 Meeting Minutes-** motion to approve made by John Schaber. Seconded by Wayne Getz. Unanimously approved.

**9. Financial Review-** (available day of meeting)- Motion was made by Wayne Getz to approve the financials. Seconded by Eric Omdahl. Unanimously approved.

### 10. Business

**a. New CEDA staff- Lorena Reichert** – Lorena Reichert introduced herself as the new CEDA staff for the St. Charles EDA. She described her prior economic development experience as a Business Project Manager for the Nebraska Department of Economic Development. She expressed that she excited for the role.

**b. Introduction to new school superintendent-** Robert Routh introduced himself. He would like the school district to be a partner for the EDA. He highlighted the opportunities for student involvement in the community, such as with volunteer hours, internships, job shadowing, and work experience for students. He said that the school district will be out of statutory operating debt after this school year. The administration investigated a four-day school week but has determined that the public is not interested from survey results and public meetings. The administration will investigate an operating levy at the end of the school year and see if the public would be interested in this option. Bill Spitzer thanked Mr. Routh for coming in. Mr. Routh said that he would like to do a job fair. Currently the district does not have a school counselor.

**c. Subordination Agreement** - Jubilee Gathering and Gifts – Jayden Glaze from Jubilee Gathering and Gifts aka The Giftary LLC spoke on the request to have the subordination agreement approved. Omdahl made a motion to approve. Schaber seconded the motion. Vote was unanimous.

**d. New Hotel Feasibility Study** – Lorena Reichert briefly spoke about the pros and cons of proposals from two companies that could provide hotel feasibility studies. Additional information will be provided at a future meeting.

#### e. Grants update-

**i. Recommendation to accept SMIF Small Town Grant for city comp plan** - \$10,000 for the comp plan – Andrew Langholz spoke on the SMIF Small Town Grant being awarded to the City of St. Charles for \$10,000 for the city's Comprehensive Plan. None of the members of the EDA had objections to recommending acceptance of the SMIF Grant to the City Council.

**ii. REC Club** – Andrew Langholz informed the EDA that the St. Charles REC Club was awarded a SMIF Small Town Grant of \$7,070 for new streetlight banners.

**11. Adjourn-** Motion made by Wayne Getz. Seconded by John Schaber. Unanimously approved. Meeting was adjourned at 7:40 am.

MEMORANDUM

TO: ECONOMIC DEVELOPMENT AUTHORITY BOARD  
FROM: LORENA REICHERT (STAFF)  
SUBJECT: HOTEL FEASIBILITY STUDY PROPOSALS  
DATE: 2/3/2025

I am requesting that the Economic Development Authority recommend approval to the City Council of the attached proposal from Core Distinction Group to act as a consultant for a Hotel Feasibility Study for a fee of \$15,000.

In mid-2024, staff requested and received a Market Intelligence Dashboard review of Hotel Market Potential in St. Charles from CEDA's services with Krakerjak Marketing & Sales Strategies. The marketing firm estimated that there is an estimated \$4.7 million in market potential for lodging on out-of-town trips. Based on this report, staff moved forward with requesting proposals from companies that conduct hotel feasibility studies.

Staff received proposals from two companies, Core Distinction Group (CDG) and HMI, Inc.

In the proposal from HMI, Inc., the Comprehensive Hotel Market Study was estimated at the fee of \$10,500. In addition, the Operational Proforma & Investment Analysis would be \$2,250. The total of these reports would be \$12,750. The work sample provided was of a generic community.

In the proposal from CDG, the project would include the Hotel Market Feasibility Study and Financial Projections/Proformas (2 Separate Brand Specific Proformas). The total of these reports would be \$15,000. The work sample provided was of an actual location similar in size and region to St. Charles that has employed the services of CDG.

After reviewing the proposals, staff believes that Core Distinction Group would be the best choice for conducting the hotel feasibility study in St. Charles. The multiple brand proformas is an advantage as well as their successful work with communities of a similar size and of a similar region as St. Charles.



## 2025 CEDA Work Plan

### St. Charles Economic Development Authority – DRAFT

1. Fill Chattanooga I-90 Industrial Park
  - a. Look toward future expansion to gain 10+ acre lot
  - b. Coordinate with CEDA Grant Department, MiEnergy, and MN DEED to understand what grants may be available to prospective businesses.
2. Business visits & interactions
  - a. Create a business retention and expansion survey. Make appointments with businesses to give survey.
3. Manage loan funds (ongoing)
  - a. Facilitate new applications, inquiries, and service existing loans.
4. Housing Issues/Discussion
5. Administration (monthly)
  - a. Minutes, agenda packets, memos, scheduling, etc... for EDA meetings.
  - b. Reports, compliance, and record keeping.
  - c. Update EDA pages on the city website.
6. Chamber/City Efforts
  - a. Assist with joint efforts.
7. Prospective projects (ongoing):
  - a. Other expansion/relocation projects in town.
    - i. Future redevelopment of E 9th street
  - b. Work on “missing” businesses (hotel, dentist, large industry/manufacturer, more retail shops on main street, \_\_\_\_\_ etc...)
  - c. Attend events pertaining to economic development.

# ***City of St. Charles***

## ***Commercial Rehabilitation Program***

The Commercial Rehabilitation program can only be used for exterior repairs/improvements, code violation corrections, handicapped accessibility and energy efficiency improvements to commercial property in the City of St. Charles.

- **The minimum amount of St. Charles Commercial Rehabilitation assistance per building is \$1,000**
- **The maximum amount of St. Charles Commercial Rehabilitation assistance per building is \$5,000**
- **The maximum percentage of St. Charles Commercial Rehabilitation assistance per building is 50% of the total project.**
  - o **The breakdown will be 50% deferred loan, 50% owner investment.**
    - **Owner investment can come in the form of equity or commercial financing.**
- **St. Charles Commercial rehabilitation program funds will be structured at a minimum, as a five (5) year deferred loan.**
- **The deferred loan will be forgiven 20% for each full year after approval**
- **The maximum number of loans given out will based on the EDA budget for that year.**

### **Application Process:**

- Applicant must own the commercial property.
- Applicant must be current on all taxes, loans, and utility payments.
- “Commercial property” is defined as a parcel of land in the City of St. Charles which is taxed for commercial use.
- Owners must submit a letter of interest that indicates the following:
  - o **Detailed description of the entire rehabilitation project with cost estimates**
  - o **Statement indicating that if not for the assistance of the rehabilitation loan program, the applicant would not be able to proceed with the project, or to the extent that they wish to do so.**
  - o **Indication of the amount of Commercial Rehab funds that are being requested, and the eligible improvements that the dollars will be used for.**
  - o **Indication that matching funds (50% minimum) have been acquired or made available to the project through letter of credit from bank or letter that funds are available in applicant’s account.**
- Letter of interest will be reviewed by economic development staff to ensure eligibility of the proposed project. If eligibility requirements are met, the letter of interest will be submitted for review by the revolving loan committee.
- The revolving loan committee will review the letter of interest to determine that the project meets the eligibility criteria and goals of the Commercial Rehabilitation program. If the project is approved for recommendation, it will be placed on the agenda for the next regularly scheduled Economic Development Authority (EDA) meeting for review.
- The EDA will review the project and hear the recommendation from the revolving loan committee then make a determination for recommendation to City Council for final review.
- City Council will review the project; hear the recommendations from EDA and the revolving loan committee to make the final decision.
- EDA staff will contact applicant to relay City Council decision, and if necessary, set appointment to sign any required documents.
- Upon City Council approval, payment will be made directly to the vendor performing the work.

# ***City of St. Charles***

## ***Commercial Rehabilitation Program***

### **Examples of possible eligible projects:**

- Exterior enhancements (i.e., tuckpointing, brickwork, siding)
- Windows and Entry doors
- Awnings and Signage
- Roof Repair
- Foundation Repair

### **Examples of ineligible projects:**

- Exterior Painting
- Interior Remodeling
- Shelving and Interior Displays
- Inventory
- Equipment
- Acquisition

All projects must go through the review process and eligibility will be determined on a case-by-case basis. A final review of the project will be completed. A company can only be granted assistance for a project once every 3 years.

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