



ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

City of New Prague

Wednesday, December 13, 2023 at 7:30 AM

City Hall Council Chambers - 118 Central Ave N

1. **CALL TO ORDER**
2. **CONSENT AGENDA**
 - a. EDA Meeting Minutes: October 11, 2023, and November 8, 2023
 - b. Claims for Payment: **\$9.30**
3. **FUTURE EDA ENDEAVORS**
 - a. December 13, 2023
4. **MINNESOTA HOUSING FINANCE AGENCY (MHFA) 2024 MINNESOTA CITY PARTICIPATION PROGRAM (MCPP)**
 - a. Application and Agreement
5. **BUSINESS RETENTION AND EXPANSION (BR&E) PROGRAM**
6. **BUSINESS UPDATES**
 - a. December 2023
7. **EXECUTIVE DIRECTORS REPORT**
8. **MISCELLANEOUS**
9. **ADJOURNMENT**

Next Meeting: Wednesday, January 10, 2024

OUR MISSION IS TO PROMOTE AND FACILITATE ECONOMIC DEVELOPMENT IN THE NEW PRAGUE AREA:

- * Strengthen existing businesses and non-profits *
- * Create an environment conducive to new economic development *
- * Create long term funding strategy *

Brent Quast, President
Troy Pint, Vice President
Eric Krogman, Secretary
Nick Slavik
Austin Reville
Duane Jirik, Mayor
Bruce Wolf, Councilmember
Joshua Tetzlaff, City Administrator & Executive Director

Term Ending 5/31/26 (*Partial Term)
Term Ending 5/31/27
Term Ending 5/31/25
Term Ending 5/31/24
Term Ending 5/31/29



ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

City of New Prague

Wednesday, October 11, 2023 at 7:30 AM

City Hall Council Chambers - 118 Central Ave N

1. CALL TO ORDER

The meeting was called to order at 7:30 a.m. by President Brent Quast with the following members present: Brent Quast, Nick Slavik, Troy Pint, Eric Krogman, and Austin Reville.

Absent: Duane Jirik and Bruce Wolf

City staff present: City Administrator Josh Tetzlaff and Planning/Community Development Director Ken Ondich

Other present: Jo Foust, Business and Community Development Director, Scott County CDA

2. CONSENT AGENDA

Motion made by Slavik, seconded by Quast to approve. All voted in favor. Motion carried (5-0).

- a. September 13, 2023, EDA Meeting Minutes (Regular and Closed)
- b. Claims for Payment: **\$61.32**

3. FUTURE EDA ENDEAVORS

- a. October 11, 2023

City Administrator Tetzlaff noted that he added "Daycare Assistance" to the listing over the past month. Quast inquired if the City tracked the number of daycares, particularly pre and post-COVID. Planning/Community Development Director Ondich indicated that the Scott County CDA does have said information for the Scott County side of the City. Reville asked the EDA what project they should complete next. Tetzlaff noted that the idea is to wait until the Comprehensive Plan process is completed before moving forward on items and that the Comprehensive Plan process should be completed in the first few months after the new year.

4. 2024 BUDGET DISCUSSION

- a. Proposed Budget

Motion made by Quast, seconded by Reville to recommend the 2024 EDA Budget to the City Council. All voted in favor. Motion carried (5-0).

5. BUSINESS RETENTION AND EXPANSION (BR&E) PROGRAM

Jo Foust indicated that she is still trying to get a meeting together with the regional manager of Pizza Ranch and that they have not yet found a local manager which would allow them to reopen.

6. BUSINESS UPDATES

- a. October 2023

Ondich provided the monthly update, including a general update on housing costs and lack of units getting constructed. Foust indicated that the Scott County CDA still has four homes on Community Land Trust Land available.

7. EXECUTIVE DIRECTORS REPORT

Nothing new to report.

8. MISCELLANEOUS

Foust indicated that the Fast Track Challenge was occurring on Thursday, October 12th at 3:00 p.m. at Prior Lake City Hall. She also indicated that the MnCAR Expo was occurring on October 25th and that they have a banner and information on the City's three remaining industrial park lots that they will have available to attendees.

9. ADJOURNMENT

The meeting was adjourned by the order of President Quast at 7:46 a.m.

Respectfully Submitted,

Joshua M. Tetzlaff
City Administrator / EDA Executive Director



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES**

City of New Prague

Wednesday, November 08, 2023 at 7:30 AM

City Hall Council Chambers - 118 Central Ave N

Due to lack of quorum, the meeting was cancelled.

Respectfully Submitted,

Joshua M. Tetzlaff
City Administrator / EDA Executive Director

Vendor Name	Description	Net Invoice Amount
ROSS NESBIT AGENCIES INC.	AGENCY FEE	9.30
Total EDA:		9.30
Grand Totals:		9.30

EDA

Account	Account Code Description	2023 CURRENT Budget	Current Period	Year to Date Thru 10/31/2023	Budget Balance
680-3-0000-31010	CURRENT PROPERTY TAXES	\$ 75,000.00	\$ 12,957.43	\$ 52,139.53	\$ 22,860.47
680-3-0000-31020	DELINQUENT PROPERTY TAXES	\$ -	\$ (103.75)	\$ 4.14	\$ (4.14)
680-3-0000-36210	INTEREST INCOME	\$ 250.00	\$ 378.38	\$ 5,833.78	\$ (5,583.78)
	TOTAL OPERATING REVENUE	\$ 75,250.00	\$ 13,232.06	\$ 57,977.45	\$ 17,272.55
680-4-4650-101	WAGES FULL-TIME	\$ 38,412.00	\$ 2,982.47	\$ 30,469.65	\$ 7,942.35
680-4-4650-103	WAGES PART-TIME	\$ -	\$ -	\$ -	\$ -
680-4-4650-113	EMPLOYEE BENEFITS	\$ 41.00	\$ -	\$ -	\$ 41.00
680-4-4650-121	EMPLOYER CONT. PERA	\$ 3,246.00	\$ 223.71	\$ 2,335.19	\$ 910.81
680-4-4650-122	EMPLOYER CONT. F I C A	\$ 3,311.00	\$ 222.45	\$ 2,329.34	\$ 981.66
680-4-4650-129	GERF CHANGE	\$ -	\$ -	\$ -	\$ -
680-4-4650-131	HEALTH INSURANCE	\$ 9,377.00	\$ 263.10	\$ 2,860.74	\$ 6,516.26
680-4-4650-132	DENTAL INSURANCE	\$ 965.00	\$ 23.69	\$ 244.14	\$ 720.86
680-4-4650-133	LIFE & S-T DISABILITY INS.	\$ 49.00	\$ 10.18	\$ 107.44	\$ (58.44)
680-4-4650-151	WORKER'S COMPENSATION INS.	\$ 207.00	\$ -	\$ 266.48	\$ (59.48)
680-4-4650-200	SUPPLIES	\$ 500.00	\$ -	\$ 23.28	\$ 476.72
680-4-4650-220	REPAIRS & MAINT. SUPPLIES	\$ 500.00	\$ -	\$ -	\$ 500.00
680-4-4650-301	AUDIT	\$ 521.00	\$ -	\$ 516.95	\$ 4.05
680-4-4650-305	CIVIL LEGAL FEES	\$ 3,000.00	\$ -	\$ 17,887.34	\$ (14,887.34)
680-4-4650-310	PROFESSIONAL SERVICES	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00
680-4-4650-320	POSTAGE	\$ 200.00	\$ 11.13	\$ 129.57	\$ 70.43
680-4-4650-322	COMPUTER COMM/MAINT	\$ -	\$ -	\$ 32.60	\$ (32.60)
680-4-4650-330	TRAVEL, CONF, MILEAGE ALLOW.	\$ 300.00	\$ -	\$ 41.40	\$ 258.60
680-4-4650-340	ADVERTISING & PUBLICATIONS	\$ 1,200.00	\$ -	\$ 368.00	\$ 832.00
680-4-4650-369	INSURANCES	\$ 225.00	\$ 9.30	\$ 2,471.60	\$ (2,246.60)
680-4-4650-433	DUES & SUBSCRIPTIONS	\$ 305.00	\$ -	\$ -	\$ 305.00
680-4-4650-441	SPECIAL PROJECTS	\$ 6,391.00	\$ -	\$ -	\$ 6,391.00
680-4-4650-490	DONATION OTHER CIVIC ORG.	\$ -	\$ -	\$ 500.00	\$ (500.00)
680-4-4650-720	TRANSFER-OUT	\$ 5,000.00	\$ -	\$ 2,916.65	\$ 2,083.35
680-4-4650-905	DEBT PAYMENT	\$ -	\$ -	\$ -	\$ -
	TOTAL OPERATING EXPENSES	\$ 75,250.00	\$ 3,746.03	\$ 63,500.37	\$ 11,749.63

EDA Industrial Park

Account	Account Code Description	2023 CURRENT Budget	Current Period	Year to Date	Budget Balance
681-3-0000-36210	INTEREST INCOME	\$ -	\$ 167.25	\$ 2,576.39	\$ (2,576.39)
	TOTAL OPERATING REVENUE	\$ -	\$ 167.25	\$ 2,576.39	\$ (2,576.39)
681-4-4650-303	ENGINEERING FEES	\$ -	\$ -	\$ 158.00	\$ (158.00)
681-4-4650-420	DEPRECIATION EXPENSE	\$ 1,773.00	\$ -	\$ 1,330.11	\$ 442.89
681-4-4650-500	CAPITAL PROJECTS	\$ 988,000.00	\$ -	\$ -	\$ 988,000.00
	TOTAL OPERATING EXPENSES	\$ 989,773.00	\$ -	\$ 1,488.11	\$ 988,284.89

EDA			
		2022	2023
		YTD BALANCE	CURRENT YTD BALANCE
		10/31/2022	
ASSETS			
680-10101	CLAIM ON CASH	\$ 145,011.13	\$ 145,115.73
680-10120	MONEY MARKET-FIRST BK & TRUST	\$ 25,559.20	\$ 25,635.77
680-10125	MONEY MARKET-4M	\$ 235,235.38	\$ 241,608.93
680-15501	PREPAID OTHER	\$ 5.24	\$ -
680-15696	DEFERRED OUTFLOW - OPEB	\$ -	\$ 147.00
680-15699	GERF DEFERRED OUTFLOW	\$ -	\$ 5,912.00
	TOTAL ASSETS	\$ 405,810.95	\$ 418,419.43
LIABILITIES			
680-20210	ACCOUNTS PAYABLE	\$ 675.50	\$ 9.30
680-21711	ACCRUED PAYROLL INS DEDUCT	\$ 1.12	\$ -
680-21717	OPEB LIABILITY	\$ -	\$ 554.00
680-22296	OPEB DEFERRED INFLOW	\$ -	\$ 142.00
680-22299	GERF DEFERRED INFLOW	\$ -	\$ 296.00
680-23999	GERF PENSION LIABILITY	\$ -	\$ 19,266.00
	TOTAL LIABILITIES	\$ 676.62	\$ 20,267.30
RETAINED EARNINGS		\$ 405,134.33	\$ 398,152.13
	TOTAL LIABILITIES & FUND EQUITY	\$ 405,810.95	\$ 418,419.43

EDA Industrial Park			
		2022	2023
		YTD BALANCE	CURRENT YTD BALANCE
CURRENT ASSETS			
681-10101	CLAIM ON CASH	\$ 37,479.49	\$ 737,229.22
681-10120	MONEY MARKET-FIRST BK & TRUST	\$ 12,779.83	\$ 12,818.42
681-10125	MONEY MARKET-4M	\$ 103,812.28	\$ 106,622.66
	TOTAL CURRENT ASSETS	\$ 154,071.60	\$ 856,670.30
NON CURRENT ASSETS			
681-16100	LAND	\$ 938,836.36	\$ 400,625.38
681-16300	INFRASTRUCTURE	\$ 88,675.68	\$ 88,675.68
681-16310	ACCUM. DEPRECIATION-INFRASTR	\$ (10,469.95)	\$ (12,095.64)
	TOTAL NON CURRENT ASSETS	\$ 1,017,042.09	\$ 477,205.42
	TOTAL ASSETS	\$ 1,171,113.69	\$ 1,333,875.72
LIABILITIES			
681-20210	ACCOUNTS PAYABLE	\$ -	\$ -
	TOTAL LIABILITIES	\$ -	\$ -
RETAINED EARNINGS		\$ 1,171,113.69	\$ 1,333,875.72
	TOTAL LIABILITIES & FUND EQUITY	\$ 1,171,113.69	\$ 1,333,875.72



118 Central Avenue North, New Prague, MN 56071
phone: 952-758-4401 fax: 952-758-1149

MEMORANDUM

TO: EDA BOARD
FROM: JOSHUA TETZLAFF, CITY ADMINISTRATOR
SUBJECT: FUTURE EDA ENDEAVORS
DATE: DECEMBER 8, 2023

** This will be a standing agenda item as we discuss the future of the EDA and what we'd like to pursue.**

With the remaining industrial lots pending sale, it is likely that by the end of the year, the EDA will need to be looking at a new endeavor. To that end, I would like to have a discussion as to where the EDA would like to go. Keep in mind, there is no one right or wrong answer. In fact, it is possible, and from my standing even advised, that the EDA should look at two or three projects or areas to consider.

The last eight years have been about developing the industrial park and from what I have been able to gleam, many thought it would develop out much faster than it did. That being said, it is also possible that without those shovel ready industrial lots available at a discount, some local businesses may have expanded or completely moved to other communities who had lots available. So while it took eight years for the lots to finally develop, there has been pay-off on those lots in the form of expanded local businesses and the starting to new businesses.

The following are ideas Ken and I have come up with as directions the EDA could look into. As I stated above, none of these are right/wrong. They are all directions the EDA could look into and have good reasoning for. I would advise trying to tackle two or three areas so as not to pigeon-hole ourselves into just a single venture but to instead diversify and try to tackle multiple issues. These are certainly not the only ideas either. I encourage EDA members to think about other possibilities.

Expand the Industrial Park

It would not be difficult to make an argument for additional industrial park expansion. Without the City offering land, the private sector does not seem interested in developing industrial lots. And without lots, the businesses that are currently in the industrial park would not be there, thus losing out on future tax growth. If history is any indication, we would not fully develop out any sort of expansion for at least five to ten years, but would that future growth in the tax base be worth holding the land?

Anecdotally, staff has heard that available industrial land is drying up quickly in Scott County and that may push other businesses, further out to find space. This could be an opportunity to expand. We'd likely be subsidizing again but I don't think we should have an expectation of making money on industrial lots. It's more about the future play for tax base and employment growth, which indirectly would help with residential growth, than immediate profit on land development.

- August 2023 Update: In June, staff spoke with a representative of the industrial land to the north about what it may look like for the City to purchase the property. The number that the representative

started with was the same price that Brick's Boatworks paid for the property (\$2.29 SF). Staff felt this was extremely high, and the EDA members at the July meeting agreed. Staff will be preparing information to include with a potential future offer that would justify why the amount is significantly less. Staff is also exploring funding options should the EDA decide to move forward.

Expand Commercial Development

The EDA does not have to necessarily stick solely with industrial development. There are cities that also look into developing commercial lots for more retail or service type businesses. This is especially seen where the private sector has not done such. In New Prague, there are some commercial lots available but the number is limited. Does the EDA want to explore a more commercial oriented development?

Expand Residential Housing

Another possibility would be for the EDA to get into the housing market. While we have been very job focused, a strong piece of economic development is having people to actually work at the jobs created. To have more available labor, housing is needed. This could take the form of single family housing, attached housing (such as townhomes), or even multifamily housing. In New Prague, we are in need of all of it and the private sector does not seem keen on getting in. Unlike the industrial/commercial development, this could be an opportunity for the EDA to make money for other projects as lots/homes sell.

- May 2023 Update: There has been interest from the private sector in potentially offering assistance through tax abatement to multi-family units. Is this something the EDA would be interested in pursuing?

Buildout Industrial Property for Sale/Lease

Something that has been briefly discussed, among staff at least, is the possibility of building a spec building that could be lease/sold off to prospective businesses. Staff has been consistently receiving calls from prospective businesses looking for less than 10,000 SF of space who may not have the desire or capital to build or own themselves. This would be an opportunity to provide for those types of businesses. Doing a project like this could stand on its own or be part of a larger industrial development.

Purchase the Mill Property

Since I arrived, I have heard discussions around the community of what the Mill property could be. Whether it is people who are renovating all of it, a part of it, or taking it to the ground and starting over, there are a lot of thoughts on what that property could be. Ultimately, whoever is owning the property has the biggest say in its use. To that end, maybe the EDA is interested in purchasing the property and having direct control. The last owner purchased the property for \$200k. There are now three owners, as the previous owner sold off 25% of the stake to two others. There is money at the State level for both historic renovations as well as brownfield clearings, which I believe this site would be eligible for. If this is something the EDA is interested in, staff can start those conversations.

Purchase Downtown Property, Improve, and Sell/Lease

The Mill isn't the only property downtown. There is currently property all up and down Main Street. Maybe the EDA is interested in acquiring other property on Main Street for rehab or redevelopment. If some of these properties are historically designated, which some may be eligible for, there is likely money available for some of these projects. The City would then be in a position that it could either work with a private developer or work on the project themselves, and then sell or lease to create capital for future projects.

Purchase Property Surrounding City Center and Redevelop

Just off downtown, and north of the Mill property, is a large two-block area known as City Center. The City owns most of the property, though there are some lots on the west side that are owned by others, and a few businesses along Main Street that are owned by others. This may be an opportunity for the EDA to work with

the City to either redevelop what is currently owned, or pursue ownership of additional lots in this area to create a larger, more cohesive project.

Provide Improvement Funds to Downtown Businesses

Another opportunity for the EDA may be to provide funds for area businesses and property owners to rehab their own properties. This would be the least intensive project the EDA would likely take in as there wouldn't be the same risk as owning property. That being said, it would be completely dependent on property owners wanting to participate. This may be an opportunity to provide for area businesses on top of the EDA doing other projects.

- April 2023 Update: During the March 2023 meeting, the EDA discussed that it did not have much interest in this item due to limited involvement during previous attempts to improve the downtown.

Daycare Assistance

At a recent meeting with fellow administrators across south central Minnesota, one item came up that some EDAs/cities are considering as an economic development tool...daycare assistance. Some of these towns were not looking at daycare assistance in the form of helping families pay for daycare, but instead helping in-home care and care centers become established. The thought was many employees for companies are having trouble finding care for their kids and that if a city can help create more availability, it would help to drive further employment of their citizens.



118 Central Avenue North, New Prague, MN 56071
phone: 952-758-4401 fax: 952-758-1149

MEMORANDUM

TO: EDA MEMBERS
CC: JOSHUA M. TETZLAFF, CITY ADMINISTRATOR
FROM: KEN ONDICH – PLANNING / COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: MINNESOTA HOUSING FINANCE AGENCY (MHFA) 2024 MINNESOTA CITY PARTICIPATION PROGRAM (MCP)
DATE: DECEMBER 6, 2023

As the EDA will recall, last December the EDA passed a motion to participate in the MCP Program (see the attached documents about the program) for the Le Sueur County side of the City (as it was noted that the Scott County CDA already covered the Scott County side of the City through the program).

Our first year participating in the program was a great success with demand outpacing the allotment we were initially provided (we were allotted one loan for \$146,692, but ended up being provided \$470,140 with two loans committed for a 320% utilization rate – far exceeding the 50% utilization rate required to participate again in 2024).

Once again there is not a required local commitment fee to participate in the program so there would be no cost to the EDA to apply to participate in the program once again and all loans are administered by banks so there is no additional work for city staff.

In order to once again join the program, the EDA would need to sign the attached application and agreement forms which must then be submitted between Tuesday January 2nd and Friday January 12th.

The exact amount allotted for the LeSueur County side of the city would not be determined until February 2024.

Staff Recommendation

Staff recommends that the EDA authorize application to the 2024 Minnesota City Participation Program.

Minnesota Housing 2024 Minnesota City Participation Program (MCP) Application

Minnesota Housing must receive your application by email between January 2-15, 2024 at 5:00

Please provide all the information below.

Agency Contact Information

Agency Name: New Prague Economic Development Authority

Contact Person: Kenneth D. Ondich

Mailing Address: 118 Central Ave N Physical Address: 118 Central Ave N

City: New Prague State: MN Zip: 56071 Website: https://www.ci.new-prague.mn.us/

Phone #: 952-758-4401 E-Mail: kondich@ci.new-prague.mn.us

Administrative Information

- Check agency type:
 - City
 - City HRA/CDA/EDA
 - County HRA/
 - Port Authority
 - Multi-County HRA: Receive single allocation for all counties within your jurisdiction
 - Consortium of local government units applying jointly by agreement (please submit evidence of agreement with this application, even if you provided one in previous years).
- List the legal name(s) of all cities and counties where the funds will be utilized. For county and multicounty applications, only list the counties.

City of New Prague (Le Sueur County side of the City only)
- Check the box below to confirm this statement:

MCP helps the community meet an identified housing need and the program is economically viable.
- Does your City (or County) offer a down payment program or other homeownership assistance?

Yes No

If yes, list program names (For informational purposes only; does not impact your application status):

Signature

Provide authorized signature(s) from the organization submitting this application, including printed or typewritten name, title and phone number. Scan original and email application to mn.housing@state.mn.us (Original not needed).

Signature
Joshua M. Tetzlaff City Administrator / EDA Executive Director

Name (Print)
952-758-4401 Title
jtetzlaff@ci.new-prague.mn.us

Phone number or check here if same as above. E-mail or check here if same as above.

Program and Contact Information

Minnesota Statute sets Borrower Income Limits and House Purchase Price Limits. Minnesota Housing makes final determinations of the total amount of program funds available and individual allotments (in compliance with a per capita distribution method specified in statute).

Questions about MCP or this application? Contact Greg Krenz at (651)297-3623 or greg.krenz@state.mn.us

**MINNESOTA HOUSING FINANCE AGENCY
MINNESOTA CITY PARTICIPATION PROGRAM**

**PROGRAM APPLICATION
COMMITMENT AGREEMENT**

THIS APPLICATION AND AGREEMENT (this "Agreement") is between The New Prague Economic Development Authority with its office at 118 Central Ave N., New Prague, MN 56701 and Minnesota Housing Finance Agency ("Minnesota Housing"), with its office at 400 Wabasha Street North, Suite 400, St. Paul, MN 55102.

RECITALS:

A. Minnesota Housing, under the provisions of Minn. Stat. §474A.061, Subd. 2a is authorized to issue qualified mortgage bonds, as that term is used in the Internal Revenue Code of 1986, as amended (the "Code"), on behalf of the City, and it will issue bonds for that purpose (the "Bonds").

B. The City applying to participate is a Minnesota city, county, city or county housing and redevelopment authority, economic development authority, port authority or a consortium of local government units, as defined by Minnesota Statutes §474A.061, Subd. 2a(c).

C. Minnesota Housing has implemented Minnesota Housing Finance Agency Minnesota City Participation Program (the "Program") and will use the proceeds from the issuance of the Bonds to fund the Program.

D. The City has requested and received a set-aside of funds from the Program.

E. The City wishes to obtain a commitment by Minnesota Housing to direct Minnesota Housing's designated Master Servicer (the "Master Servicer") to purchase mortgage notes ("Mortgages") that will be originated by a lender or lenders that meet Minnesota Housing requirements for participation in programs funded by qualified mortgage bonds (collectively, the "Lender").

F. Mortgages that the Master Servicer purchases pursuant to the commitment requested by the City must only be for residences located within a geographic area to be established and designated by the City.

G. Minnesota Housing is willing to issue a commitment agreeing to purchase Mortgage-Backed Securities backed by Mortgages that are (i) originated by the Lender; (ii) purchased by the Master Servicer; (iii) in accordance with the terms and conditions of this Agreement, the Program, and the Start Up Procedural Manual to be supplied by Minnesota Housing (the "Procedural Manual"), the provisions of which are hereby incorporated by reference into this Agreement as if set forth in full herein; and (iv) made to borrowers with adjusted incomes not exceeding the greater of 80 percent of statewide or area median income as calculated by Minnesota Housing.

NOW, THEREFORE, in consideration of the covenants contained in this Agreement, Minnesota Housing and the City agree as follows:

1. **City Requirements.** All Mortgages submitted to Minnesota Housing for purchase under the Program must comply with all of the requirements of the Program, the Start Up Procedural Manual and this Agreement.

2. **Commitment and Commitment Amount.** The City, which applied in January 2024 for a commitment, hereby requests that Minnesota Housing cause its Master Servicer to purchase Mortgages that have been originated by the Lender and meet the requirements of, and are made in accordance with the provisions of, this Agreement, the Program, and the Procedural Manual. Minnesota Housing, by accepting this Agreement, commits to the purchase of those Mortgages in the aggregate principal amount (the "Commitment Amount") to be determined and allocated

by Minnesota Housing in accordance with Minnesota Statutes §474A.061, Subd. 2a(d), and provided to the City.

The Master Servicer will only purchase Mortgages pursuant to this Agreement securing property that, and borrowers who, satisfy the requirements and provisions of this Agreement, the Program, and the Procedural Manual. The City acknowledges that the commitment is effective upon the approval thereof by Minnesota Housing and the delivery of a copy of this Agreement by Minnesota Housing to the City.

3. **Lender Qualifications.** Lenders must meet Minnesota Housing requirements for participation in programs funded by qualified mortgage bonds.

4. **Commitment Term.** The term of this Agreement and the City's participation in the Program (the "Commitment Term") will commence on January 16, 2024 and shall continue through November 30, 2024. This Agreement, and the City's participation in the Program, will automatically terminate, without the need for any action by either party hereto, at the end of the Commitment Term.

5. **Set-Aside Term.** The Commitment Amount will be set-aside and held by Minnesota Housing for the sole use by the City for a period of time to be established by Minnesota Housing, in its sole option and discretion, provided, however, that time period will not be less than six months (the "Set-Aside Term") commencing on a date to be selected and specified by Minnesota Housing. Minnesota Housing will notify the City in writing of the date on which the Set-Aside Term commences.

Any portion of the Commitment Amount not reserved for the purchase of qualifying Mortgages as of the end of the Set-Aside Term shall be canceled and returned to Minnesota Housing for redistribution under the Program. In addition, any portion of the Commitment Amount reserved for Mortgages that are not delivered to the Master Servicer for purchase within the time period delineated in the Procedural Manual for that purchase, will be canceled and Minnesota Housing will redistribute that amount under the Program. Minnesota Housing may make any funds available to the Program at the end of the Commitment Term for mortgage loans that are eligible to be financed with proceeds of the Bonds.

6. **Commitment Fees.** There is no commitment fee payable by the City for the commitment by Minnesota Housing to the purchase by the Master Servicer of qualifying Mortgages.

7. **Purchase Price.** The purchase price of each Mortgage to be purchased by the Master Servicer pursuant to this Agreement will be as set forth in the requirements of the Procedural Manual and posted on Minnesota Housing's website.

8. **Mortgage Terms.** The terms and conditions for all Mortgages, including but not limited to the interest rate, will be set from time to time by Minnesota Housing, at its sole option and discretion, and communicated to the Lender in accordance with the procedures set forth in the Procedural Manual.

9. **Area Limitation.** Minnesota Housing, pursuant to this Agreement, is required to purchase only those Mortgages that are for residences located within a geographic area to be established and designated by the City.

10. **Servicing.** The servicing of Mortgages shall be the sole responsibility of the Master Servicer or one or more other entities that Minnesota Housing may designate in its sole discretion.

11. **Contract Documents.** The purchase by the Master Servicer of each Mortgage pursuant to Minnesota Housing's commitment is a contract consisting of this Agreement and the provisions and requirements contained in the Procedural Manual, with all amendments and supplements thereto in effect as of the date of Minnesota Housing's acceptance of this Agreement.

12. **Paragraph Captions and Program Headings.** The captions and headings of the paragraphs of this Agreement are for convenience only and will not be used to interpret or define the provisions thereof.

13. **Applicable Law.** This Agreement is made and entered into in the State of Minnesota, and all questions relating to the validity, construction, performance and enforcement hereof will be governed by the laws of the State of Minnesota.

14. **Agreement Conditional Upon Minnesota Housing Approval.** This Agreement will be a binding obligation of Minnesota Housing upon its execution by Minnesota Housing and delivery of a copy of the same to the City; provided, however, Minnesota Housing may, in its sole option and discretion, any time on or after January 16, 2024 revoke such obligation and terminate this Agreement if the City has not fully executed and returned a fully executed original hereof to Minnesota Housing. That revocation and termination will be accomplished and evidenced by Minnesota Housing notifying the City thereof by way of a "Certified Letter - Return Receipt Requested" addressed and delivered to the City. Upon revocation and termination this Agreement will be null and void and of no force or effect.

15. **Issuance of Bonds.** The City hereby authorizes Minnesota Housing to issue, on behalf of the City, qualified mortgage bonds, as that term is used in the Code, in an amount equal to the Commitment Amount, and Minnesota Housing agrees to issue those bonds if and when federal law authorizes and Minnesota Housing deems it is economically feasible to do so.

(THE REMAINING PORTION OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the City has executed this Agreement this ____ day of _____, _____
(Month) (Year) (Day)

The New Prague Economic Development Authority

By: _____
(Signature of Authorized Officer)

(Name of Authorized Officer)

By: _____
(Signature of Authorized Officer)

(Name of Authorized Officer)

Minnesota Housing APPROVAL

Minnesota Housing hereby accepts the above Program Application-Commitment Agreement and approves and grants participation in the program.

MINNESOTA HOUSING FINANCE AGENCY

By: _____
Kayla Schuchman

Its: Assistant Commissioner, Single-Family Division

Signed this ____ day of _____, 2024.

2024 Minnesota City Participation Program (MCP) Background and Summary Information

Minnesota Housing manages the Minnesota City Participation Program (MCP), which uses the Tax Exempt Bond Housing Pool Allocation authorized by the Office of Minnesota Management and Budget (MMB) to enable communities throughout the state to efficiently provide first-time homebuyer loans in their community without the administrative burden of running their own bond program. The first-time homebuyers access the program through their local lenders and have access to downpayment and closing cost assistance if needed.

Self-issuance of bonds may not be economically feasible for some communities, given economies of scale necessary for successful self-issuance. Under the MCP Program, Minnesota Housing can sell bonds on behalf of local governments to assist them in meeting local housing goals pursuant to Minnesota Statutes [Section 474A.061, subdivision 2a](#).

Minnesota's statute 474A.061, Manufacturing, Housing and Public Facilities Pools (aka the "Housing Pool"), allows Minnesota Housing to access additional bonding authority through an application process administered by Minnesota Housing from January 2 through January 15 annually. Historically, Minnesota Housing competed for the 31% of the available "Housing Pool" with other self-issuers such as the Dakota County CDA, the Southeast Multi-County HRA, Washington County, and the City of St. Cloud.

In accordance with that statute, cities (or counties or multi-county organizations) apply to Minnesota Housing annually for such authority. Funding allocations are allocated to participating cities on a per capita basis, with each applicant allocated a minimum of \$100,000.

Participants will not be responsible for paying the application deposit or processing fee this year. This is subject to change; however, Minnesota Housing will provide notification in advance of future program years if there is a deposit or processing fee. There will be a minimum usage requirement of 50% of the allocation in order to participate the following year.

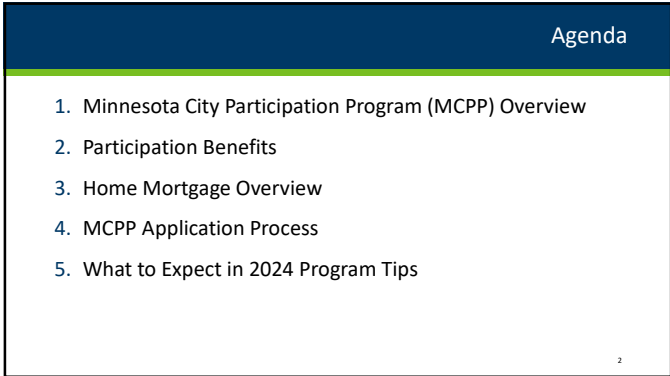


Minnesota City Participation Program (MCP) Information Session

Thursday, October 25, 2023 | 9:00 – 10:00 a.m.

m MINNESOTA HOUSING

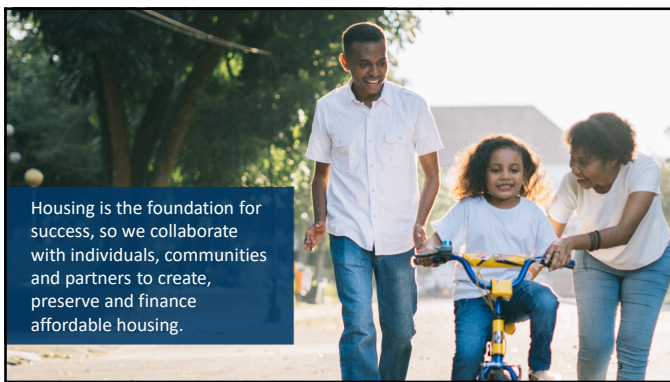
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Agenda

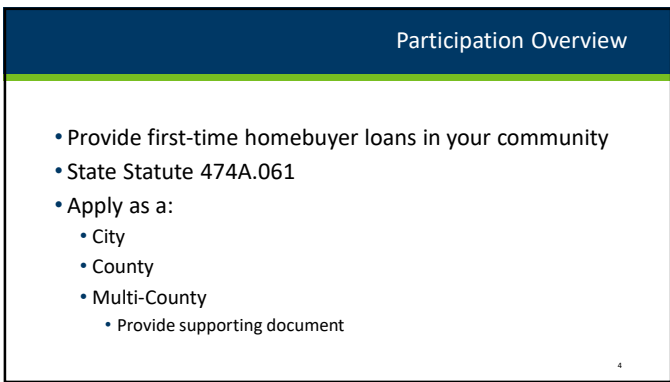
1. Minnesota City Participation Program (MCP) Overview
2. Participation Benefits
3. Home Mortgage Overview
4. MCP Application Process
5. What to Expect in 2024 Program Tips

2



Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing.

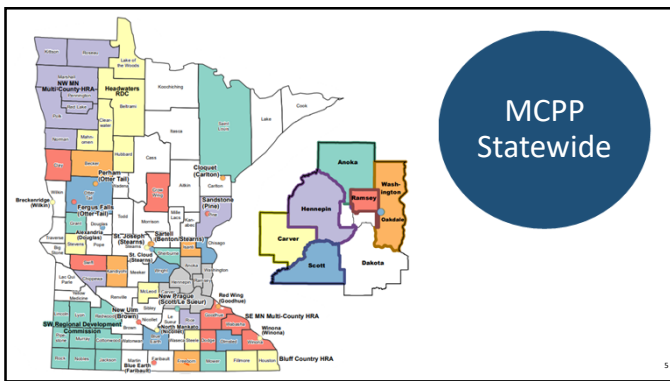
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Participation Overview

- Provide first-time homebuyer loans in your community
- State Statute 474A.061
- Apply as a:
 - City
 - County
 - Multi-County
 - Provide supporting document

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MCP Statewide

A map of Minnesota showing various Metropolitan Statistical Areas (MSAs) and Metropolitan Planning Areas (MPAs) color-coded to represent different MCP participation regions. A large blue circle with the text 'MCP Statewide' is overlaid on the right side of the map.

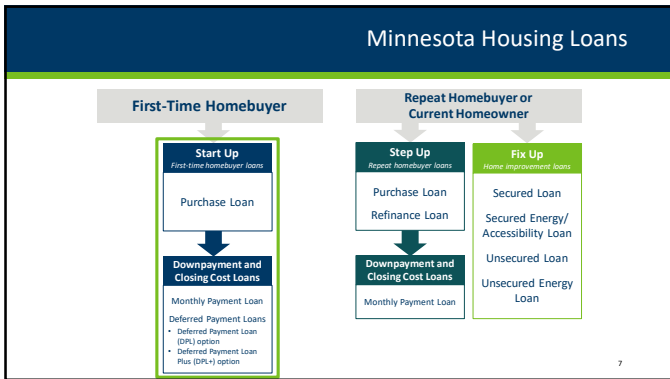
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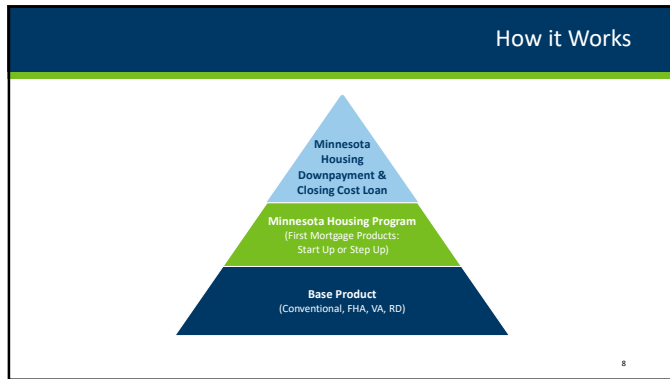
Participation Benefits

- Promote first-time homeownership in your community
- Access to downpayment and closing cost loans
- Minimal administrative burden
- Dedicated funding for your community
- Marketing and outreach support
- No deposit or fee in 2024
- Information on loan activity in your area

6



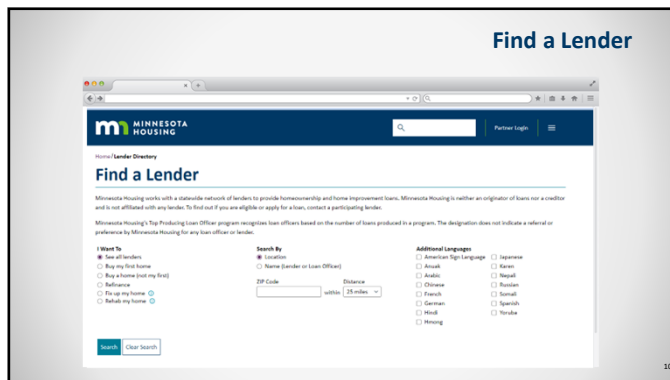
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8



9



10

Start Up Loan Eligibility

Minnesota Housing sets Eligibility Requirements:

- Borrower Income Limits – on website
- House Price Limits
 - \$515,200 in 11-County Metro
 - \$472,030 in Balance of State
- Credit Requirements per loan product guidelines
 - Minimum credit score (640)
 - Maximum Debt-to-income
 - Downpayment and closing cost loan eligibility
- Homebuyer education

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Start Up Income Limits

Household Size	11-County Metro Area	Dodge & Olmsted Counties	All Other Counties
1-2	\$124,200	\$118,000	\$111,700
3+	\$142,800	\$135,700	\$128,400

Note: MCPP Loans need to be at or below 80% AMI

*Effective for loans locked on or after July 3, 2023. See previous income limits listed below for loans locked prior to July 3.

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MCPD Eligibility Requirements

- Start Up Program
- Property located in applicant's jurisdiction
- Borrower's income is at or below 80% of the area median income (AMI)



13


MCPD Application Process



14

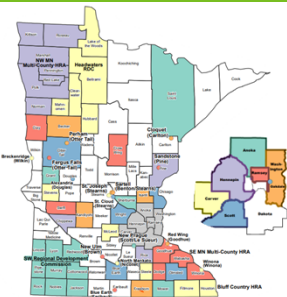
MCPD Application Process

- Application and Agreement Due between: **January 2 - January 12, 2024**
- Provide authorized signature
 - DocuSign available for Agreement
- Email electronic copy to: mn.housing@state.mn.us
- Get Board approval **prior** to sending application



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MCPD Allocation Amount



- Total Allocation – provided by Minnesota Management and Budget (MMB)
- Minnesota Housing allocates
 - Based on population
 - Announced in February

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Time for review

MCPD Application

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MCPD Agreement

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Program Usage Requirement



- Need to use at least 50% of allocation
 - Between January 16 and November 30
- Worried about usage?
 - Consider changing your participation level
 - Contact Greg to discuss

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Outreach Support



- Website content
- Marketing Material
- Monthly Email and usage reports
- Visits and calls yearly from our staff
- Templates and logos for press releases, newsletters, and social media

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Program Usage Reports

For Informational Purposes Only

Funding Source	Fiscal Year	**Additional Start Up Loans				Step Up Loans				Total Loan Activity				Downpayment and Closing Cost Loans	
		Committed	Committed Amount	Disbursed	% of Orig.	Committed	Committed Amount	Disbursed	% of Orig.	Committed	Committed Amount	Disbursed	% of Orig.	Committed	Committed Amount
American	18	1,000,000	\$1,000,000	\$0	0%	1,100,000	\$1,100,000	\$0	0%	2,100,000	\$2,100,000	\$0	0%	1,000,000	\$1,000,000
...
...

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Program Usage Reports

For Informational Purposes Only

**Additional Start Up Loans		Step Up Loans		Total Loan Activity		Downpayment and Closing Cost Loans	
Committed	Committed Amount	Committed	Committed Amount	Committed	Committed Amount	% of First Mortgage Loans	Total Amount of Downpayment Loans
1	\$	1	\$	2	\$	100%	\$
47	\$13,533,262	668	\$1,505,863	267	\$7,187,218	99%	\$,698,350
1	\$64,012	1	\$	1	\$	100%	\$
1	\$	1	\$65,040	17	\$2,144,093	100%	\$18,361
1	\$	1	\$	1	\$24,009	100%	\$1,000
1	\$177,859	1	\$	1	\$435,799	100%	\$6,100
1	\$1,788,838	1	\$2,596,811	1	\$4,485,649	100%	\$19,713
1	\$	1	\$	1	\$145,934	100%	\$2,500
1	\$1,153,313	1	\$	1	\$1,153,313	100%	\$0
1	\$	1	\$47,222	11	\$1,876,823	100%	\$13,000
1	\$99,262	1	\$624,060	28	\$5,907,020	100%	\$27,300
1	\$1,001,509	1	\$919,396	26	\$5,123,731	90%	\$13,500
1	\$20,311	1	\$30,847	7	\$1,171,550	100%	\$6,273
1	\$81,200	1	\$,000,110	24	\$3,748,299	100%	\$23,800

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Program Tips




- Identify lenders that offer our program**
 - "Find a Lender" at mnhousing.gov
 - Refer callers to these lenders
 - Contact lenders - Refer to program as "Start Up"
- Place our brochures in your lobby**
- Partner with Homeownership Advisors**
 - Hocmn.org
- Use our Marketing Toolkit**

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mnhousing.gov

Home is where we build our lives.



- Homeownership
- Rental Housing
- Financing & Ending Homelessness
- Policy & Research

24



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A slide with a white background. At the top right is the Minnesota Housing logo, which consists of a stylized 'm' in blue and green followed by the words "MINNESOTA HOUSING". Below the logo is a dark blue horizontal bar with the text "For More Information" in white. Underneath this bar is a light gray section containing contact information for Greg Krenz: "Contact:", "Greg Krenz", "Greg.Krenz@state.mn.us", "651.297.3623", and "[www.mnhousing.gov](\"http://www.mnhousing.gov\")". A small number "26" is visible in the bottom right corner of the slide.

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December 2023 EDA Business Updates:

- **2 new home permits** were issued in November (2 single family homes and 0 townhome units). 11 residential home permits have been issued so far in 2023 (11 single family, 0 townhomes, 0 apartment units).
- **ATR, LLC (2 If By Sea Tactical)** was issued a Conditional Use Permit and Variance for **100 2nd Ave. SW** (former location of Urban Flea Market) to open an indoor firing range with retail sales, office, and classroom space. The variance specifically allowed the indoor firing range to be located no less than 500' (versus no less than 1,000' in the ordinance) from an establishment that serves alcohol, and the conditional use permit was required for all indoor shooting ranges within the I-1 Light Industrial Zoning District. A building permit was also issued at this location for overhead garage doors to be installed for easier access on the south end of the building to access the remaining portion of the space not being utilized by the firing range.
- **Minnesota Grain and Feed Association** has relocated to 125 Main Street W. which was a space that had been vacant for the past year downtown. They moved out of a tenant space in the building at 1405 1st Street NE. No new tenant has moved into this vacated space yet.
- A building permit was submitted for a **new commercial office building to be located at 1305 1st Street NE** (immediately east of the ReMax building) as proposed by Dan Bishop. Mr. Bishop previously completed a lot combination and easement vacation to prepare the property for construction.
- A building permit was submitted for a new commercial restaurant business named **Scooter's Coffee to be located at 1701 1st Street SE.** The location will be a drive-thru only type of business. More information can be found at <https://www.scooterscoffee.com/>.
- **Chalk It Up Pool Hall, located at 114 Main St. W.** closed at the end of October. No new tenant has been identified for the space at this time.
- A commercial tenant change permit was issued to **Lark Studio Arts at 215 ½ Main Street W.** which has now opened to the public at designated times.
- Over **330 reroofing and residing permits have been issued in 2023** which is still a large number of these types of permits when a typical year would see approximately 75 of these types of permits.