

City Council Meeting Agenda

October 06, 2026 at 5:30 PM

St. James City Hall – Council Chambers

1. CALL TO ORDER

2. CALL TO ORDER

3. ROLL CALL: Mayor Christopher Whitehead, Councilpersons: Susan Craig, Kathleen Hanson, Paul Harris, Stephen Lindee, Mary Shupe

4. DETERMINATION OF QUORUM

5. APPROVAL OF MINUTES

A. Consideration to Approve Minutes – 09.15.2026 Council Meeting

6. CONSENT ITEMS

A. Payment of Claims and ACH Payments

7. SCHEDULED BID LETTING

8. SCHEDULED PUBLIC HEARINGS

9. ADMINISTRATIVE APPEALS

10. FINANCIAL REPORTS

11. LICENSES AND PERMITS

12. OLD BUSINESS

A. Consideration to Approve Second Reading of Proposed Ordinance No. 039, 4th Series - Rezoning Property from I-2, General Industrial, to B-2, Service Business District

13. NEW BUSINESS

A. Consideration to Approve Resolution 10.26.01 - Approving Ordinance 039, 4th Series Rezoning Property From I-2, General Industrial, To B-2, Service Business District

B. Consideration to Approve Resolution 10.26.02 - Granting a Variance for a Property Located at 1005 5th Street North

C. Consideration to Approve Resolution 10.26.03 - Granting a Variance for a Property Located at 609 3rd Avenue South

D. Consideration to Approve Resolution 10.26.04 - Granting Signage Approval Relating to 1210 Heckman Court

E. Consideration to Approve Resolution 10.26.05 - Authorizing the City Clerk-Treasurer to Transfer Funds

- F.** Consideration to Approve Resolution 10.26.06 - Authorizing the St. James Mayor and City Manager to Enter into the Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program Agreement with the Minnesota Housing Finance Agency
- G.** Consideration to Approve Resolution 10.26.07 - Accepting the Caselle Community Connect Proposal and Authorizing the City Manager to Execute the Agreement
- H.** Consideration to Approve Resolution 10.26.08 - Accepting the EDA Services Proposal and Authorizing the City Manager to Execute the Agreement
- I.** Consideration to Approve Resolution 10.26.09 - Ordering Preparation of Report on Improvement for 1st Avenue South Improvements
- J.** Consideration to Approve First Reading of Proposed Ordinance No. 040, 4th Series - Amending Chapter §124.06(C) to the St. James City Code Pertaining to Lower-Potency Hemp Edibles

14. REPORT OF BOARDS, COMMISSIONS AND DEPARTMENT HEADS

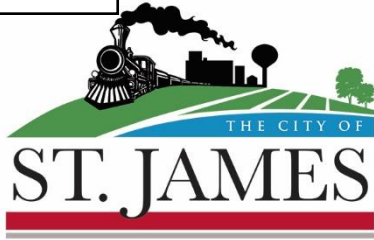
15. ADJOURNMENT

October 6, 2026

ITEM: Approval of Minutes – 09.15.2026 Council Minutes

BACKGROUND: The Minutes of September 15, 2026, City Council Meeting are attached for review and approval.

STAFF RECOMMENDATION: Approve/Deny Minutes.



City Council Meeting Minutes

September 15, 2026 at 5:30 PM

St. James City Hall – Council Chambers

1. CALL TO ORDER

Meeting called to order at 5:30 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL: Mayor Christopher Whitehead, Councilpersons: Susan Craig, Kathleen Hanson, Paul Harris, Stephen Lindee, Mary Shupe

PRESENT: Mayor Christopher Whitehead, Councilpersons Sue Craig, Kathleen Hanson, Paul Harris, Mary Shupe

ABSENT: Stephen Lindee

STAFF PRESENT: City Manager Amanda Knoll, City Clerk-Treasurer Kris Hurley, City Attorney Mike Kircher

4. DETERMINATION OF QUORUM

5. APPROVAL OF MINUTES

A. Consideration to Approve Minutes – 09.01.2026 Council Meeting

Motion made by Shupe, Seconded by Hanson.

Voting Yea: Craig, Hanson, Harris, Shupe

Upon voice vote, it was unanimously approved.

6. CONSENT ITEMS

A. Payment of Claims and ACH Payments

Payment of claims totaling \$555,978.83 is as follows: \$555,978.83 check no. 707162 - 707171 and 707176 - 707237 as listed in the check register.

Motion made by Craig, Seconded by Harris.

Voting Yea: Craig, Hanson, Harris, Shupe

Upon voice vote, it was unanimously approved.

7. SCHEDULED BID LETTING

8. SCHEDULED PUBLIC HEARINGS

9. ADMINISTRATIVE APPEALS

10. FINANCIAL REPORTS

11. LICENSES AND PERMITS

12. OLD BUSINESS

13. NEW BUSINESS

A. Consideration to Approve Park Advisory Committee Recommendation - Inclusive Park Project Proposal

The St. James Inclusive Park Committee has been working to develop a proposal for a new inclusive park designed to provide a welcoming recreational space where individuals of different ages and abilities can play, gather, and participate together. The proposal is intended to go beyond minimum accessibility requirements by incorporating accessible movement, sensory opportunities, age-appropriate play, supportive amenities, and design features intended to reduce physical, sensory, and social barriers.

The St. James Inclusive Park Committee presented the proposal to the City of St. James Park Advisory Committee for review. The Park Advisory Committee approved a recommendation to move the Inclusive Park project forward to the City Council for consideration.

The proposed project is currently estimated at approximately \$1.5 million at the planning level.

The request before the City Council was for consideration and authorization to continue advancing the project, rather than approval of the final design or a commitment of City funds. If the project moves forward, the next steps would include confirming the site and scope, continued community engagement, refining the concept design and cost estimate, developing a funding strategy, and returning to the City Council, as necessary, for consideration of land acceptance, agreements, expenditures, final plans, procurement, and construction authorization.

A motion was made by Council Member Craig to approve the proposed location and was seconded by Council Member Harris. The City Clerk requested clarification regarding whether the motion was intended to approve the proposed land/location or to authorize the Inclusive Park Committee to continue advancing the project. Council Member Craig rescinded the motion.

Motion made by Craig, seconded by Shupe to approve fundraising efforts and allow the Inclusive Park project to move forward.

Motion made by Craig, Seconded by Shupe.
Voting Yea: Craig, Hanson, Harris, Shupe

Upon voice vote, it was unanimously approved.

B. Consideration to Approve Resolution 09.26.01 - Setting the Preliminary 2027 Tax Levy

Resolution 09.26.01 sets the preliminary 2027 tax levy. Approval of this resolution directs the City Clerk to transmit a certified copy of the resolution to the County Auditor/Treasurer.

Motion made by Craig, Seconded by Harris. Upon hand vote, the following voted:
Voting Yea: Craig, Hanson, Harris, Shupe

Whereupon Mayor Christopher Whitehead declared Resolution 09.26.01 duly passed 4-0.

C. Consideration to Approve Resolution 09.26.02 - Calling for the Truth-In-Taxation Public Hearing

Resolution 09.26.02 calls for the Truth-In-Taxation public hearing to be set for Tuesday, December 1, 2026, at 6:00 PM in the Council Chambers.

Motion made by Harris, Seconded by Hanson. Upon hand vote, the following voted:

Voting Yea: Craig, Hanson, Harris, Shupe

Whereupon Mayor Christopher Whitehead declared Resolution 09.26.02 duly passed 4-0.

D. Consideration to Approve Resolution 09.26.03 - Appointing Park Advisory Committee Vacancy

Resolution 09.26.03 if approved will appoint Liam Skogen to the Park Advisory Committee.

Motion made by Hanson, Seconded by Craig. Upon hand vote, the following voted:

Voting Yea: Craig, Hanson, Harris, Shupe

Whereupon Mayor Christopher Whitehead declared Resolution 09.26.03 duly passed 4-0.

E. Consideration to Approve Resolution 09.26.04 - Granting Signage Approval Relating to 510 1st Avenue South

Resolution 09.26.04 if approved would grant signage approval at 510 1st Avenue South.

Motion made by Hanson, Seconded by Shupe. Upon hand vote, the following voted:

Voting Yea: Craig, Hanson, Harris, Shupe

Whereupon Mayor Christopher Whitehead declared Resolution 09.26.04 duly passed 4-0.

F. Consideration to Approve Resolution 09.26.05 - Granting a Variance for a Property Located at 340 12th Avenue South

Resolution 09.26.05 if approved will grant a variance for property located at 340 12th Avenue South.

Motion made by Harris, Seconded by Craig. Upon hand vote, the following voted:

Voting Yea: Craig, Hanson, Harris, Shupe

Whereupon Mayor Christopher Whitehead declared Resolution 09.26.05 duly passed 4-0.

G. Consideration to Approve Resolution 09.26.06 - Granting Special Use Permit to Allow for a Single-Family Residential Use in a B-2 "Service Business District"

Resolution 09.26.06 if approved grants a special use permit to allow for single-family residential use in a B-2 "Service Business District".

Motion made by Craig, Seconded by Hanson. Upon hand vote, the following voted:

Voting Yea: Craig, Hanson, Harris, Shupe

Whereupon Mayor Christopher Whitehead declared Resolution 09.26.06 duly passed 4-0.

H. Consideration to Approve First Reading of Proposed Ordinance No. 039, 4th Series - Rezoning Property from I-2, General Industrial, to B-2, Service Business District

Ordinance 039, 4th Series will rezone property located at 309 Armstrong Blvd North from I-2, General Industrial, to B-2, Service Business District.

Motion made by Shupe, Seconded by Harris. Ordinance 039, 4th Series received its first reading. Upon hand vote, the following voted:

Voting Yea: Craig, Hanson, Harris, Shupe

Whereupon Mayor Christopher Whitehead declared Ordinance 039, 4th Series to have received its first reading.

14. REPORT OF BOARDS, COMMISSIONS AND DEPARTMENT HEADS

15. ADJOURNMENT

Motion made by Harris, Seconded by Craig.

Voting Yea: Craig, Hanson, Harris, Shupe

All Yea - motion carried. The meeting adjourned at 6:08 p.m.

Kristin Hurley, City Clerk-Treasurer

October 6, 2026

ITEM: Old Business – Proposed Ordinance No. 039, 4th Series: Rezoning Property from I-2, General Business District, to B-2, Service Business District

BACKGROUND: The attached proposed ordinance rezone property located at 309 Armstrong Blvd North from I-2, General Industrial, to B-2, Service Business District.

~~**First Reading:** September 15, 2026~~

~~**Notice of Proposed Ordinance:** September 18, 2026~~

Second Reading and Final Vote: October 6, 2026

Approval of Publication of Title and Summary of Ordinance by the Council:

Publication of Title and Summary of Ordinance:

Publication of Entire Text of Ordinance at Watonwan County Library:

Recorded in the Ordinance Book and Available on Website:

Effective Date of Ordinance:

ACTION REQUESTED: Approve/Deny the 2nd Reading of Proposed Ordinance.

**State of Minnesota
County of Watonwan**

ORDINANCE 039, 4TH SERIES

**AN ORDINANCE REZONING PROPERTY FROM I-2, GENERAL INDUSTRIAL, TO
B-2, SERVICE BUSINESS DISTRICT**

BE IT ORDAINED, by the City Council of St. James, Watonwan County, Minnesota as follows:

“EXHIBIT A”

Be rezoned from I-2, General Industrial District, to B-2, Service Business District.

The Official Zoning Map shall hereby be amended to reflect said zoning change.

The Ordinance shall be in full force and effect from and after its publication as provided by law.

Adopted by the City Council this ____ day of _____, 2026.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

“EXHIBIT A”

Parcel: 20.276.1420

That part of the Northeast Quarter of the Southwest Quarter and the Northwest Quarter of the Southeast Quarter of Section 13, Township 106 North, Range 32 West, City of St. James, Watonwan County, Minnesota, described as follows:

Beginning at the Southwest corner of Lot 3 of Block 70 of the First Addition to the City of St. James, according to the recorded plat thereof; thence on an assumed bearing of South 27 degrees 06 minutes 48 seconds East, along the southwesterly line of Armstrong Boulevard, a distance of 90.65 feet to an iron monument; thence South 62 degrees 53 minutes 12 seconds West a distance of 130.00 feet to an iron monument; thence North 27 degrees 06 minutes 48 seconds West a distance of 44.00 feet to an iron monument; thence North 45 degrees 00 minutes West a distance of 49.02 feet to an iron monument located on the southeast line of said Lot 3; thence North 62 degrees 53 minutes 12 seconds East, along said southeast line, a distance of 145.06 feet to the point of beginning.

October 6, 2026

ITEM: New Business – Resolution 10.26.01: Approving Ordinance 039, 4th Series Rezoning Property from I-2, General Industrial, to B-2, Service Business District

BACKGROUND: The attached resolution rezones property located at 309 Armstrong Blvd North from I-2, General Industrial, to B-2, Business Service District. This resolution also approved the title and summary for publication.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 10.26.01

**RESOLUTION APPROVING ORDINANCE 039, 4TH SERIES REZONING
PROPERTY FROM I-2, GENERAL INDUSTRIAL, TO B-2, SERVICE BUSINESS
DISTRICT**

WHEREAS, the City of St. James introduced the proposed Ordinance 039, 4th Series rezoning property from I-2, General Industrial, to B-2, Service Business District; and

WHEREAS, the City of St. James City Council reviewed this item during their September 15, 2026, city council meeting, agreed with the recommendation and approved the first reading of the proposed Ordinance 039, 4th Series; and

WHEREAS, the City of St. James City Council held a second reading of the proposed Ordinance 039, 4th Series during their October 6, 2026, meeting; and

WHEREAS, Minnesota Statutes, Section 412.91, Subd. 4, allows publication by title and summary in the case of lengthy ordinances; and

WHEREAS, the City of St. James City Council finds that the following title and summary would clearly inform the public of the intent and effect of the Ordinance 039, 4th Series.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. JAMES, MINNESOTA, that the City of St. James City Council hereby approved the second and final reading of the proposed Ordinance 039, 4th Series rezoning property from I-2, General Industrial, to B-2, Service Business District.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Manager shall cause the following summary of the proposed Ordinance to be published in the official newspaper in lieu of the entire ordinance:

PUBLIC NOTICE

**ORDINANCE 039, 4TH SERIES REZONING PROPERTY FROM I-2, GENERAL
INDUSTRIAL, TO B-2, SERVICE BUSINESS DISTRICT**

The City Council of St. James has adopted Ordinance 039, 4th Series, rezoning property from I-2, General Industrial, to B-2, Service Business District at 309 Armstrong Blvd North. The effective date of the ordinance is upon publication.

This summary of Ordinance 039, 4th Series has been approved by the City Council on October 6, 2026. A printed copy of the full text of the ordinance is available for public

inspection in the office of the city clerk.

Adopted by the City Council this 6th day of October 2026.

Christopher Whitehead, Mayor

Attest:

Kristin Hurley, City Clerk - Treasurer

October 6, 2026

ITEM: New Business – Resolution 10.26.02: Granting a Variance for a Property Located at 1005 5th Street North

BACKGROUND: The attached resolution grants the requested variance for the property located at 1005 5th Street North for a 4-foot side yard setback from the south property line in a One-and Two-Family Residential District (R-1). The Planning and Zoning Commission met on Monday, September 28, 2026, where a public hearing was held with no public comment. The commissioners recommend granting the requested variance.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 10.26.02

**RESOLUTION GRANTING A VARIANCE FOR A PROPERTY LOCATED AT
1005 5TH STREET NORTH**

WHEREAS, Scott Schiller (“Applicant”) submitted an application requesting the approval of a variance of the property owned by the Applicant located at 1005 5th Street North which is legally described as follows (“Property”):

**LOT 1, BLOCK 1, YORKTOWN SUBDIVISION II, CITY OF ST. JAMES,
WATONWAN COUNTY, MINNESOTA**

WHEREAS, a public hearing before the St. James Planning Commission was held September 28, 2026, for the purpose of hearing the variance request from the Applicant; and

WHEREAS, the Applicant is requesting a variance to grant a four-foot side yard setback from the south property line in a R1 “One-and Two-Family Residential District” per St. James City Code §156.004(F)(3); and

WHEREAS, the Property is located in a R-1 “One- and Two-Family Residential District”; and

WHEREAS, the St. James City Code §156.074; states the setback required for a side yard is to be eight feet; and

WHEREAS, based upon the factual findings, the Planning Commission has come to the following conclusion:

- 1) It was the finding of the Planning and Zoning Commission that the requested variance should be granted.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
ST. JAMES, WATONWAN COUNTY, MINNESOTA**, as follows:

- 1) The City of St. James is hereby granting a variance to Scott Schiller for a four-foot side yard setback from the south property line at the Property located at 1005 5th Street North in St. James, Minnesota.

Adopted by the City Council this 6th day of October 2026.

Christopher Whitehead, Mayor

Attest:

Kristin Hurley, City Clerk - Treasurer

ST. JAMES PLANNING COMMISSION

TO: Planning Commission Members
FROM: Amanda Knoll, City Manager
DATE: September 28, 2026
RE: Variance – 1005 5th Street N

Applicant

SCOTT SCHILLER
ADDRESS – 1005 5TH STREET N

Request

The applicant is requesting a variance to grant a 4' side yard setback from the south property located in a One-and Two-Family Residential District (R-1).

Proposal

The Applicant desires to place a garage in the southwest corner of the property. The proposed 30' X 22' garage with 30' X 8' overhang would be 4' feet from the south property line. The existing estimated property size is 11,500 square feet with a building lot coverage of 17%. The proposed building lot coverage will be 25% with the addition of the proposed garage.

Location

The property is located at 1005 5th Street N legally described as Lot 1, Block 1, Yorktown Subdivision II, City of St. James, Watonwan County, Minnesota.

The parcel is zoned as R-1 “One-and Two-Family Residential” District. The surrounding zoning designations include B-1 (west, south, north).

Existing Land Use

The parcel is being used for residential purposes.

City Code

The following city code shows the criteria for granting variance:

§ 156.055 VARIANCE.

(A) Criteria for granting variances.

(1) A variance to the provisions of this chapter may be issued to provide relief to the land owner in those zones where this chapter imposes undue hardship or practical difficulties to the property owner in the use of the land. No use variances may be issued.

(2) A variance may be granted only in the event that the following circumstances exist:

(a) Exceptional, or extraordinary, circumstances apply to the property that do not apply generally to other properties in the same zone, or vicinity, and result from lot size or shape, topography, or other circumstances over which the owners of property have had no control;

(b) The literal interpretation of this chapter would deprive the applicant of rights commonly enjoyed by other properties in the same district under the terms of this chapter;

(c) The special conditions, or circumstances, do not result from the actions of the applicant;

(d) The variance requested will not confer on the applicant any special privilege that is denied by this chapter to owners of other lands, structures, or buildings in the same district;

(e) The variance requested is the minimum change needed to alleviate the hardship;

(f) The variance would not be materially detrimental to the purposes of this chapter, or to property in the same zone; and

(g) A proposed home, or building, improvement may be allowed without a variance; provided, it meets the following additional criteria:

1. It does not intrude on any setback to a degree greater than the building line of the existing principal structure; and

2. It is not located within a floodplain area.

The following city code shows the setback standards for a R-1 zoned district:

§ 156.074 LOT AREA, WIDTH, AND MINIMUM SETBACK STANDARDS.

<i>Setback, Lot Size</i>	<i>Size Standard</i>
Front yard	25 feet
Height regulations	30 feet
Minimum lot area	9,000 feet
Minimum lot width	75 feet
Rear yard	20 feet*
Side yard	8 feet**
<i>Notes to Table:</i> Rear yard setback for a garage accessed from an alley is five feet Side yard setback for a garage accessed from an alley is five feet	

Recommendations

Staff recommends approval.

Exhibits

Exhibit A – Zoning Request Application

Exhibit B – Notice of Public Hearing

Exhibit C - Property Map



CITY OF ST. JAMES PLANNING COMMISSION REQUEST

Application for: ☒ Variance \$175.00 plus 3.00 per notice

☐ Rezoning \$175.00 plus 3.00 per notice

☐ Ordinance Change \$175.00 plus 3.00 per notice

☐ Special Use Permit \$175.00 plus 3.00 per notice

☐ Annexation Petition \$5.00/acre (min \$150 – max \$600)

☐ Lot Division/Property Split \$175.00 plus 3.00 per notice

☐ Plat Subdivision – Prelim \$75 plus 3.00 per notice

☐ Plat Subdivision – Final \$75 plus 3.00 per notice

☐ Vacation initiated by citizen petitioner \$175.00 plus 3.00 per notice

☐ Notification billing \$3.00 for each required notice

Applicant: Name: Scott Schiller

Mailing Address: 1005 5th Str. North St. James MN 56081

Phone Number: 507-381-7794

Email: hoghead-90@yahoo.com

Property Address (if different from Applicant's address):

Parcel ID: _____

Description of area affected: Back yard of residence

Present Zone _____

Present Set-back _____

Present Use Lawn

Proposed Zone (if different) _____

Proposed Set-back (if different) 4' side (south) property

Proposed Use (if different) Garage

Request

Build 30'x22' Garage with 8' overhang
with 4' off set for side property (south) line

☒ Attached drawing of request

The above information and attached drawing of request are true and correct to the best of my knowledge.

09/04/2026
Date

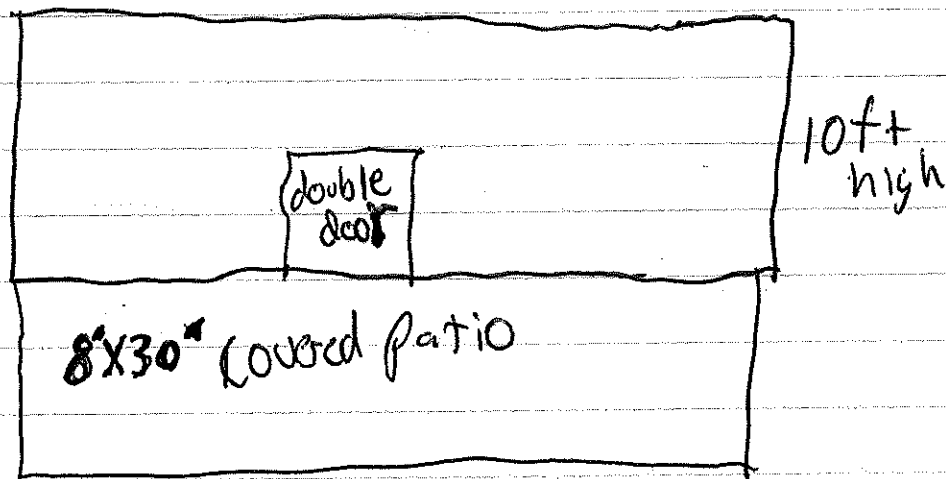
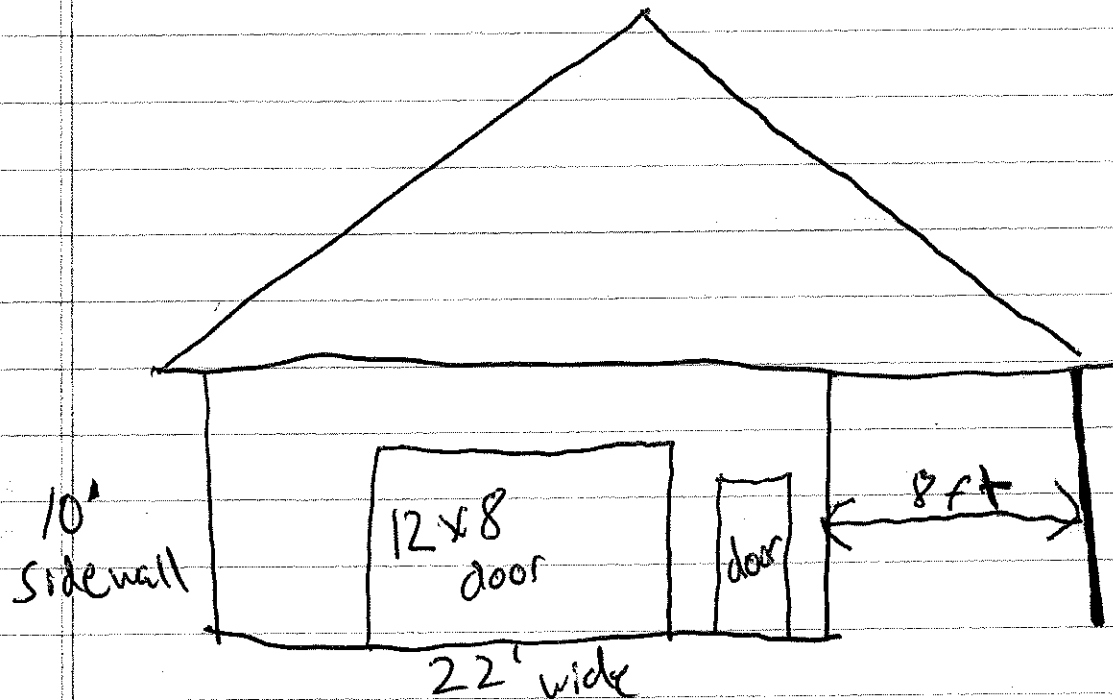
Scott Schiller
Signature of Person Filing Application

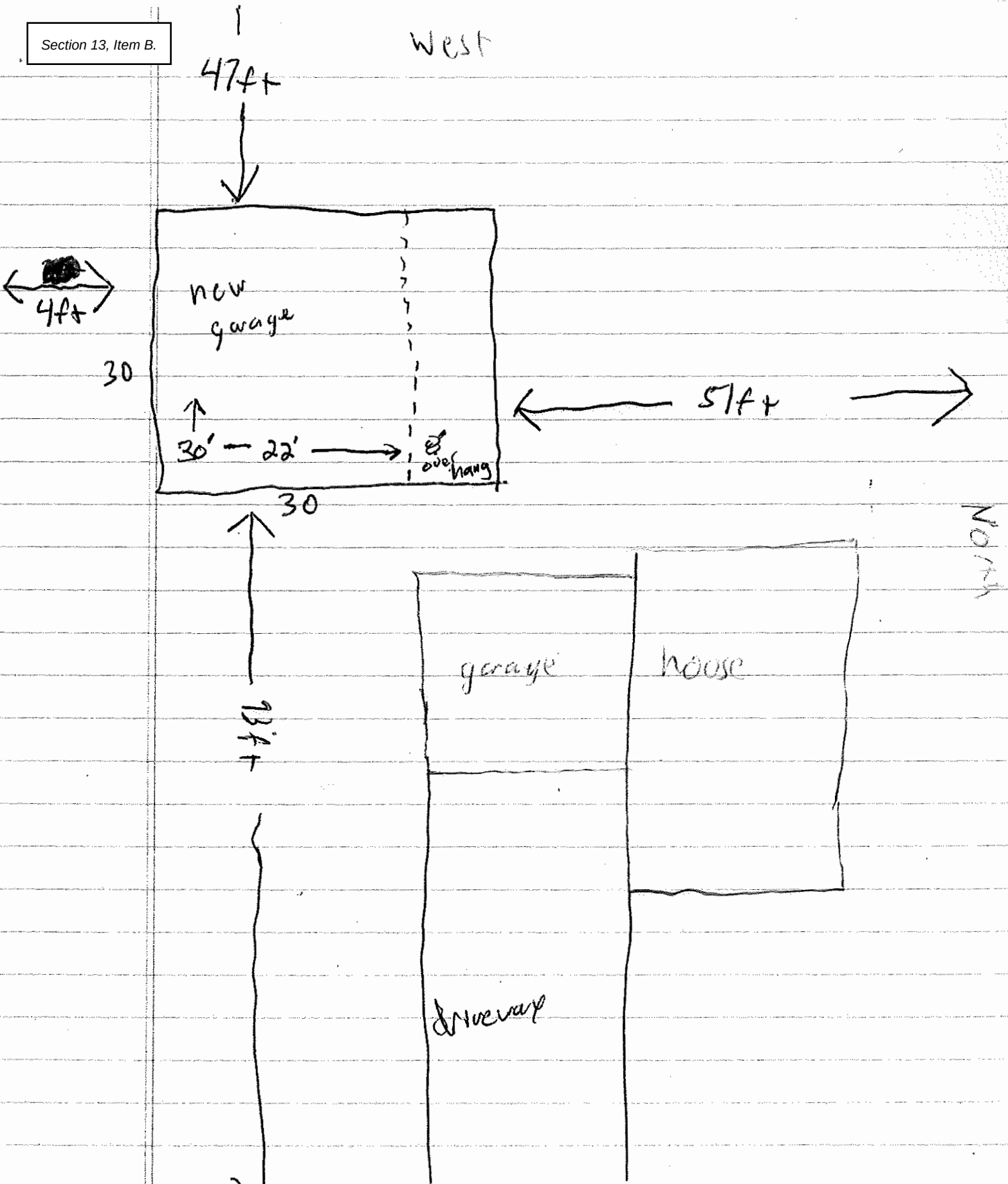
HEARING: The Commission will not render a decision unless applicant or a designated representative is present at the hearing. Commission meetings are scheduled on the last Monday of each month. A completed application must be submitted by the second Tuesday of each month to be considered at that month's meeting.

DRAWING: A drawing of the affected area must be attached showing present lot lines and existing buildings and the requested change. Applications will not be accepted without all information. The Zoning Administrator will notify the applicant within 10 business days if the application is incomplete.

FEE: SEE ABOVE. The fee for request is due at the time of this application submittal. The notice fee will be due on or before the public hearing. If the notice fee is not submitted, the public hearing will be cancelled at the applicants cost.

Proposed garage 30x22 with 30x8 overhang







City of St. James

1205 6th Ave S. | PO Box 70 | St. James, MN 56081

P. 507-375-3241 | F. 507-375-4376 | www.ci.stjames.mn.us

NOTICE OF PUBLIC HEARING ST. JAMES PLANNING COMMISSION

NOTICE IS HEREBY GIVEN, that the St. James Planning Commission will meet on Monday, September 28, 2026, at 5:15 p.m. at City Hall located at 1205 6th Ave S, St. James, Minnesota, for the following purpose:

To consider a request for variance for the property located at 1005 5th St N owned by Scott and Julie Schiller. The property is legally described as Lot 1, Block 1, Yorktown Subdivision II, City of St. James, Watonwan County, Minnesota. The variance request is to grant a 4 ft side yard setback from the south property line in a One- and Two-Family Residential District (R-1).

All persons are invited to attend the September 28, 2026 Public Hearing and to present their views relating to this request either orally or in writing.

Dated September 17, 2026

Brianna Sanders
Zoning Administrator

Publish September 17, 2026: St. James Plaindealer

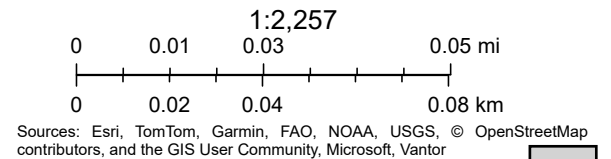
1005 5th St N - Variance Request

Section 13, Item B.



9/9/2026, 4:16:03 PM

 Parcels



October 6, 2026

ITEM: New Business – Resolution 10.26.03: Granting a Variance for a Property Located at 609 3rd Avenue South

BACKGROUND: The attached resolution grants the requested variance for the property located at 609 3rd Avenue South for a 4-foot side yard setback from the west property line and a 7-foot rear yard setback from the north property line to replace an existing garage structure in a One-and Two-Family Residential District (R-1). The Planning and Zoning Commission met on Monday, September 28, 2026, where a public hearing was held with no public comment. The commissioners recommend granting the requested variance.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 10.26.03

**RESOLUTION GRANTING A VARIANCE FOR A PROPERTY LOCATED AT
609 3RD AVENUE SOUTH**

WHEREAS, Alex Royce (“Applicant”) submitted an application requesting the approval of a variance of the property owned by the Applicant located at 609 3rd Avenue South which is legally described as follows (“Property”):

LOT 9, BLOCK 26, ORIGINAL PLAY, CITY OF ST. JAMES, WATONWAN COUNTY, MINNESOTA, AND ALL THAT PART OF BLOCK 26 WHICH LIES BETWEEN LOT 9 AND 10 BEING THE VACATED ALLEY BETWEEN SAID LOTS, ALL IN BLOCK 26, CITY OF ST. JAMES, WATONWAN COUNTY, MINNESOTA

WHEREAS, a public hearing before the St. James Planning Commission was held September 28, 2026, for the purpose of hearing the variance request from the Applicant; and

WHEREAS, the Applicant is requesting a variance to grant a four-foot side yard setback from the west property line and a seven-foot rear yard setback from the north property line to replace an existing accessory structure in a R1 “One-and Two-Family Residential District” per St. James City Code §156.004(F)(3); and

WHEREAS, the Property is located in a R-1 “One- and Two-Family Residential District”; and

WHEREAS, the St. James City Code §156.074; states the setback for a side yard required is to be eight feet, and the setback for a rear yard required is be twenty feet; and

WHEREAS, based upon the factual findings, the Planning Commission has come to the following conclusion:

- 1) It was the finding of the Planning and Zoning Commission that the requested variance should be granted.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ST. JAMES, WATONWAN COUNTY, MINNESOTA, as follows:

- 1) The City of St. James is hereby granting a variance to Alex Royce for a four-foot side yard setback from the south property line and a seven-foot rear yard setback from the north property line to replace an existing accessory at the Property located at 609 3rd Avenue South in St. James, Minnesota.

Adopted by the City Council this 6th day of October 2026.

Christopher Whitehead, Mayor

Attest:

Kristin Hurley, City Clerk - Treasurer

ST. JAMES PLANNING COMMISSION

TO: Planning Commission Members
FROM: Amanda Knoll, City Manager
DATE: September 28, 2026
RE: Variance – 609 3rd Avenue S

Applicant

ALEX ROYCE

ADDRESS – 609 3RD AVENUE S

Request

The applicant is requesting a variance to grant a 7' rear yard setback from the north property line and a 4' side yard setback from the west property line located in a One-and Two-Family Residential District (R-1).

Proposal

The Applicant desires to replace a garage consistent with existing setbacks in the northwest corner of the property. The proposed 30' X 24' garage would be 7' feet from the north property line and 4' from the west property line. The existing estimated property size is 7,500 square feet with a building lot coverage of 14%. The proposed building lot coverage will be 23% with the addition of the proposed garage.

Location

The property is located at 609 3rd Avenue S legally described as Lot 9, Block 26, Original Plat, City of St. James, Watonwan County, Minnesota, and all that part of Block 26 which lies between Lot 9 and 10 being the vacated alley between said Lots, all in Block 26, City of St. James, Watonwan County, Minnesota.

The parcel is zoned as R-1 “One-and Two-Family Residential” District. The surrounding zoning designations include B-2 (north) and R-1 (west and east).

Existing Land Use

The parcel is being used for residential purposes.

City Code

The following city code shows the criteria for granting variance:

§ 156.055 VARIANCE.

(A) *Criteria for granting variances.*

(1) A variance to the provisions of this chapter may be issued to provide relief to the land owner in those zones where this chapter imposes undue hardship or practical difficulties to the property owner in the use of the land. No use variances may be issued.

(2) A variance may be granted only in the event that the following circumstances exist:

- (a) Exceptional, or extraordinary, circumstances apply to the property that do not apply generally to other properties in the same zone, or vicinity, and result from lot size or shape, topography, or other circumstances over which the owners of property have had no control;
- (b) The literal interpretation of this chapter would deprive the applicant of rights commonly enjoyed by other properties in the same district under the terms of this chapter;
- (c) The special conditions, or circumstances, do not result from the actions of the applicant;
- (d) The variance requested will not confer on the applicant any special privilege that is denied by this chapter to owners of other lands, structures, or buildings in the same district;
- (e) The variance requested is the minimum change needed to alleviate the hardship;
- (f) The variance would not be materially detrimental to the purposes of this chapter, or to property in the same zone; and
- (g) A proposed home, or building, improvement may be allowed without a variance; provided, it meets the following additional criteria:
 - 1. It does not intrude on any setback to a degree greater than the building line of the existing principal structure; and
 - 2. It is not located within a floodplain area.

The following city code shows the setback standards for a R-1 zoned district:

§ 156.074 LOT AREA, WIDTH, AND MINIMUM SETBACK STANDARDS.

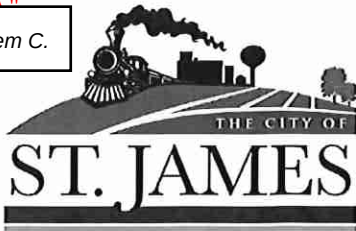
<i>Setback, Lot Size</i>	<i>Size Standard</i>
Front yard	25 feet
Height regulations	30 feet
Minimum lot area	9,000 feet
Minimum lot width	75 feet
Rear yard	20 feet*
Side yard	8 feet**
<i>Notes to Table:</i> Rear yard setback for a garage accessed from an alley is five feet Side yard setback for a garage accessed from an alley is five feet	

Recommendations

Staff recommends approval.

Exhibits

Exhibit A – Zoning Request Application
 Exhibit B – Notice of Public Hearing
 Exhibit C - Property Map



CITY OF ST. JAMES PLANNING COMMISSION REQUEST

City of St. James

AUG 27 2026

PAID

Application for: ☒ Variance \$175.00 plus 3.00 per notice
☐ Rezoning \$175.00 plus 3.00 per notice
☐ Ordinance Change \$175.00 plus 3.00 per notice
☐ Special Use Permit \$175.00 plus 3.00 per notice
☐ Annexation Petition \$5.00/acre (min \$150 – max \$600)
☐ Lot Division/Property Split \$175.00 plus 3.00 per notice
☐ Plat Subdivision – Prelim \$75 plus 3.00 per notice
☐ Plat Subdivision – Final \$75 plus 3.00 per notice
☐ Vacation initiated by citizen petitioner \$175.00 plus 3.00 per notice
☐ Notification billing \$3.00 for each required notice

Applicant: Name: Alex Royce
Mailing Address: 609 3rd Ave S
Phone Number: 612-720-1902
Email: Royce.Alex.L@gmail.com

Property Address (if different from Applicant's address):

Parcel ID: 201002590

Description of area affected: Existing garage setback

Present Zone _____

Present Set-back Garage is currently setback 7ft in the rear and 4ft on the sides

Present Use Setback spacing for garage

Proposed Zone (if different) _____

Proposed Set-back (if different) Maintain existing setback

Proposed Use (if different) _____

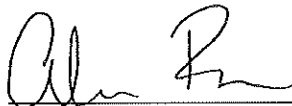
Request

Maintain the existing garage setback when replacing the existing garage.

☒ Attached drawing of request

The above information and attached drawing of request are true and correct to the best of my knowledge.

8-27-26
Date


Signature of Person Filing Application

HEARING: The Commission will not render a decision unless applicant or a designated representative is present at the hearing. Commission meetings are scheduled on the last Monday of each month. A completed application must be submitted by the second Tuesday of each month to be considered at that month's meeting.

DRAWING: A drawing of the affected area must be attached showing present lot lines and existing buildings and the requested change. Applications will not be accepted without all information. The Zoning Administrator will notify the applicant within 10 business days if the application is incomplete.

FEE: SEE ABOVE. The fee for request is due at the time of this application submittal. The notice fee will be due on or before the public hearing. If the notice fee is not submitted, the public hearing will be cancelled at the applicants cost.

Alex Royce
609 3rd Ave S.
St. James, MN 56081

August 27th, 2026

**Variance Request to Maintain Existing Rear and Side Setback for Garage Replacement
— 609 3rd Ave S**

Members of the Planning Commission,

Please accept this letter as a formal application for a setback variance for my property located at 609 3rd Ave S, St. James, MN 56081. I am requesting a variance from the new standard 20-foot rear yard setback, and 8-foot side yard setback requirement to construct a new detached garage in place of the current structure.

PROPOSED PROJECT & VARIANCE REQUEST

The existing garage on the property is in poor condition and urgently needs to be torn down and replaced. My project plan includes the following:

- Tearing down the old garage and shed that are in disrepair
- Replacing with a new 24' x 30' two stall garage
- Using the existing side and rear yard setbacks

JUSTIFICATION & PRACTICAL DIFFICULTIES (Minn. Stat. § 462.357)

Strict application of the 20-foot rear setback presents clear practical difficulties due to the physical layout and dimensions of the lot:

1. Inaccessibility & Unusable Yard: Shifting the garage 20 feet forward and 8 feet into the lot renders the new garage virtually inaccessible by vehicles entering the site and severely restricts the remaining usable yard space.
2. Reasonable Use & Property Conditions: Replacing a deteriorating garage with a safe, modern structure is a standard and reasonable residential update. Maintaining the

established rear footprint preserves vehicle maneuverability while significantly improving property conditions.

3. Neighborhood Character & Adjacent Land: The rear property line borders commercial property (Casey's) and is screened by an existing privacy fence. Maintaining the existing rear setback will have no impact on light, air, privacy, or sightlines for adjacent residential properties or surrounding traffic. The new garage would also be in line with the other garages within the block.

Enclosed with this application are the required site plan sketches illustrating the property boundaries, existing structures, and proposed placement.

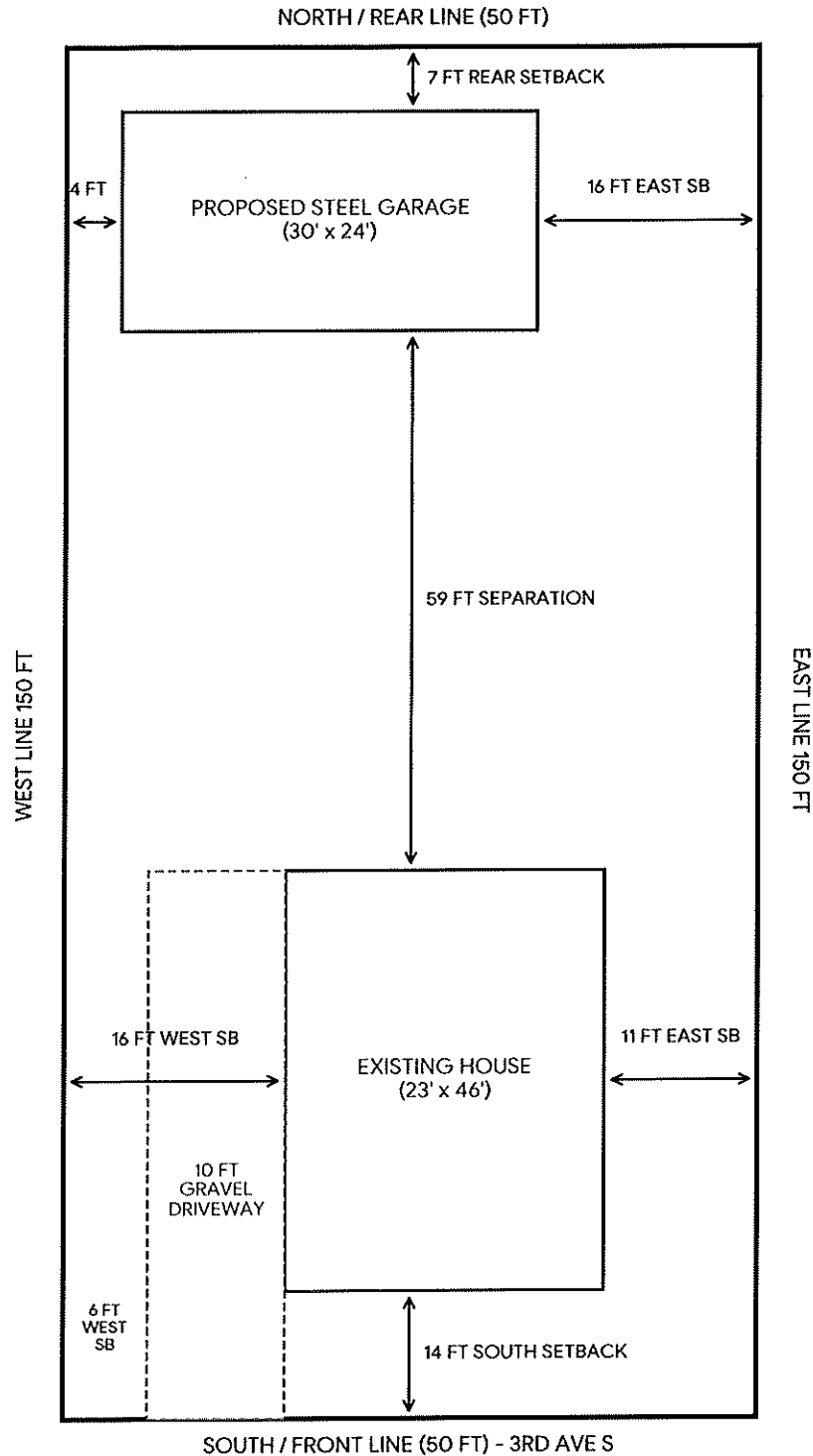
Thank you for your time and consideration.

Sincerely,

Alex Royce

OFFICIAL SITE PLAN

Address: 609 3rd Ave S, St. James, MN 56081 | Parcel ID: 201002590



Parameter	Dimension / Measurement	Zoning Compliance Context
Total Lot Dimensions	50 ft Wide x 150 ft Deep (7,500 sq. ft.)	Standard Residential Plot Grid
Existing House Footprint	23 ft Wide x 46 ft Deep (1,058 sq. ft.)	Setback: 16' West / 11' East / 14' South
Proposed Steel Garage	30 ft Wide x 24 ft Deep (720 sq. ft.)	Setback: 4' West / 16' East / 7' North/Rear

Section 13, Item C.

Structural Separation	59 feet (North-to-South)	Exceeds standard 10' fire buffer minimum
Driveway Access Track	10 ft Wide x 50 ft Long (Gravel Surface)	Permeable access track along House West wall
Total Combined Coverage	1,778 sq. ft. Total Built Footprint	23.7% Total Lot Coverage (Under standard 30% cap)

Proposed garage 24'x 30'



The new garage would remain inline with all other existing garages within the block.

Existing Garage and Shed





City of St. James

1205 6th Ave S. | PO Box 70 | St. James, MN 56081

P. 507-375-3241 | F. 507-375-4376 | www.ci.stjames.mn.us

NOTICE OF PUBLIC HEARING ST. JAMES PLANNING COMMISSION

NOTICE IS HEREBY GIVEN, that the St. James Planning Commission will meet on Monday, September 28, 2026, at 5:15 p.m. at City Hall located at 1205 6th Ave S, St. James, Minnesota, for the following purpose:

To consider a request for variance for the property located at 609 3rd Ave S owned by Alex and Sarah Royce. The property is legally described as Lot 9, Block 26, Original Plat, City of St. James, Watonwan County, Minnesota, and all that part of Block 26 which lies between Lot 9 and 10 being the vacated alley between said Lots, all in Block 26, City of St. James, Watonwan County, Minnesota. The variance request is to grant a 7 ft rear yard setback from the north property line and a 4 ft side yard setback from the west property line in a One- and Two-Family Residential District (R-1).

All persons are invited to attend the September 28, 2026 Public Hearing and to present their views relating to this request either orally or in writing.

Dated this 17th Day of September 2026.

Brianna Sanders
Zoning Administrator

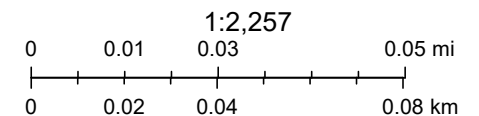
Publish September 17, 2026: St. James Plaindealer

609 3rd Ave S



9/1/2026, 9:57:19 AM

 Parcels



Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community, Microsoft, Vantor

October 6, 2026

ITEM: New Business – Resolution 10.26.04: Granting Signage Approval Relating to 1210 Heckman Court

BACKGROUND: Please see the attached resolution granting signage approval at 1210 Heckman Court. The Planning and Zoning Commission met on Monday, September 28, 2026. The commissioners recommend granting the sign permit.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 10.26.04

**RESOLUTION GRANTING SIGNAGE APPROVAL RELATING TO
1210 HECKMAN COURT**

WHEREAS, Bob Scott (“Applicant”) submitted an application for the Super 8 requesting signage approval for property located at 1210 Heckman Court, St. James, MN which is legally described as follows (“Property”):

**LOT 3, BLOCK 1, HECKMAN ACRES ADDITION, CITY OF ST. JAMES,
WATONWAN COUNTY, MINNESOTA.**

WHEREAS, the subject property is located in the B-4 “Highway Commercial Business District”; and

WHEREAS, the Applicant seeks approval to erect free standing one sign replacing the existing damaged sign; and

WHEREAS, St. James City Code §156.033 requires that the plan of the proposed sign be received by the Planning and Zoning Commission, and approved by the City Council; and

WHEREAS, the Planning and Zoning Commission made its decision in this matter based on the documentation set forth at the time of the September 28, 2026, meeting; and

WHEREAS, the meeting was open to the public and there were no comments on the application; and

WHEREAS, based upon the factual findings, the Planning and Zoning Commission has come to the following conclusion:

- 1) It was the finding of the Planning and Zoning Commission that the sign permit should be granted.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
ST. JAMES, WATONWAN COUNTY, MINNESOTA**, as follows:

- 1) The City of St. James is hereby granting signage approval to Bob Scott for the Super 8 located at 1210 Heckman Court.

Adopted by the City Council this 6th day of October 2026.

Christopher Whitehead, Mayor

Attest:

Kristin Hurley, City Clerk - Treasurer

ST. JAMES PLANNING COMMISSION

TO: Planning Commission Members
FROM: Amanda Knoll, City Manager
DATE: September 28, 2026
RE: Sign Permit – Super 8

Applicant

SUPER 8

ADDRESS – 1210 HECKMAN CT

CONTACT – ROBERT SCOTT

Request

The applicant is requesting a sign permit to replace one free-standing damaged twelve-foot by eight-foot pylon sign. The sign will display the hotel name of “Super 8”.

Location

The property is located in a Highway Commercial Business District (B-4). The surrounding zoning designations include B-4.

Existing Land Use

The parcel is being used for a hotel facility.

City Code

Section 156.002 defines an on-premise sign, which is proposed, as a sign advertising a business, commodity, service, or entertainment, offered upon the same premises on which the sign is located.

§ 156.033 SIGNS.

(C) *Permit required for signs.* A permit shall be required to erect any sign in the city, unless exempted above. No sign shall be erected by any person until the plan for the proposed sign has been received by the Planning and Zoning Commission and approved by the Council. Permit fees shall be determined by the Council.

(N) *Monument signs.*

(1) *Definition.* A freestanding sign, in which the entire base of the sign structure is in contact with the ground, providing a solid, and continuous, background for the sign face that is the same width as the sign from the ground to the top of the sign. The base of the sign shall be constructed of a permanent material, such as concrete block or stone, shall be considered a **MONUMENT SIGN**.

(2) *Metal shroud.* A piece of metal which is used to conceal, and screen, the support structure of a monument sign.

(3) *Monument sign area.* The advertising area of a monument sign.

(4) *Prohibited signs.* The following signs are prohibited by this section:

signs that resemble any official marker erected by a government agency by reason of position, shape, or color, which interferes with the proper function of a traffic sign, signal, or be misleading to vehicular traffic;

(b) Signs within a public right-of-way or easement, except for signs installed by governmental entities;

(c) Signs attached to rocks, trees, fences, or utility poles. Signs on fences denoting safety hazards will be allowed;

(d) Signs of a rotating beam or flashing illumination;

(e) Signs advertising by letters, words, or figures painted upon any sidewalk within the city;

(f) Advertising signs painted on any exterior building surface;

(g) Rotating signs;

(h) Signs painted, or attached, to vehicles where the vehicle is parked on a property, and not intended to be moved for a period of 48 hours, or more. At all times, vehicles containing advertising and/or signage shall not be parked along the property frontage;

(i) Roof signs;

(j) Temporary signs which advertise a business, product, or service which is not produced, or conducted, on the zoning lot upon which the sign is located; and

(k) Signs which project over the public right-of-way.

(5) *Construction of monument signs.* Monument signs shall be constructed with the entire bottom of the sign structure in contact with the ground. The bottom two feet of the sign shall either be Kasota stone, precast concrete, brick, or landscaping masonry blocks that are earth tone colors, unless otherwise provided for. A solid, continuous background area should be provided from the ground to the top of the sign via a combination of either Kasota stone, precise concrete, brick, stone, landscaping blocks, or metal shroud which matches the appearance, and color, of the principal building.

(6) *Ground area.* The ground area around the base, or base of the sign, of the monument in ground/pylon sign shall be landscaped with shrubs and ground cover equal to the area of 50% of the sign base. The landscaping shall consist of shrubs and ground covers that can withstand the environmental conditions of the site, and will provide season interest.

(7) *Business and industrial districts.* Monument signs will be permitted in business and industrial districts within the city when in compliance with all other zoning provisions and regulations. The maximum total signage area of all signs and franchise architecture should not exceed more than two times the front lineal footage of the lot.

(8) *Dimensions, placement of monument signs.*

(a) Monument signs greater than eight feet in height shall be constructed with the entire bottom of the sign structure in contact with the ground. The bottom two feet of such signs shall be Kasota stone, precast concrete, brick, or landscaping masonry blocks that are earth tone colors. A solid continuous background area should be provided from the ground to the top of the sign either in combination of Kasota stone, precise concrete, brick, stone, landscaping blocks, or metal shroud which matches the appearance, and color, of the principal building.

monument sign height may be 10% of the front lineal frontage of a lot with not less than ten feet required, or more than 15 feet permitted.

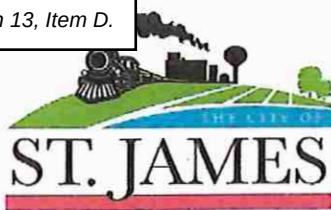
- (c) No more than one monument sign shall be permitted per zoning lot except through lots.
- (d) The square foot area of the sign shall not exceed the front lineal frontage of the zoning lot.
- (e) The sign face shall occupy at least 50% of the monument sign.
- (f) A landscaping area shall be provided around the base of the sign in accordance with this section.
- (g) The sign shall not encroach upon any road right-of-way, and monument signs shall observe the setback regulations set forth within each zoning district.
- (h) Multi-tenant business centers will be allowed to have one joint identification monument sign.

Recommendations

Staff recommends approval.

Exhibits

Exhibit A – Sign Permit Application



CITY OF ST. JAMES

APPLICATION FOR A SIGN PERMIT

Name of Applicant: MIM Slows - BOB SCOTT

Address: 1160 MOHR DR.

City/State/Zip: MANKATO, MN. 56001

Phone Number: 507 625.4265

Address of Sign (if different from above): 1710 HECKMAN CT.

- ☐ Wall sign
- ☐ Wall sign with illumination (lights)
- ☐ Free-standing or monument sign
- ☒ Free-standing or monument sign with illumination (lights)

Application Permit Fee (\$50.00): ☐ PAID ☐ Initial by City Staff

The information below can be found on <https://beacon.schneidercorp.com>

Legal Description of Property: _____

Parcel ID: _____

Evidence of ownership or enforceable option: ☐ submitted ☐ not submitted

Current Zoning District of Property: _____

Provide a brief narrative description of the existing signage on-site and of the signage improvements proposed in this application (use a separate sheet of paper if needed): _____

REPLACE DAMAGED PYLON SIGN.

Applicant has provided a photo or drawing of sign. ☐ complete ☐ incomplete

Sketch Plan Submitted on: / / Value of proposed work: _____

Dimensions of Sign: 12' x 8' @ 54' OAH

Sketch Plan information to be provided:

1. North arrow and parcel boundaries drawn to scale (preferably 1"=100')
2. Location of existing buildings, their size, use, and setbacks from parcel boundary lines, existing signage on site, existing driveway locations, existing streets/roads on or immediately adjacent to the parcel, existing easements, power utility poles/underground utility lines on or serving the parcel, and existing parcel areas
3. Location of proposed signage, the type of signage carrier (freestanding, attached to building), the message display area, a description of any proposed lighting if external lighting sources are to be used, the location of the lighting source, and distances of all signage elements from parcel boundary lines;
4. A line drawing of the new sign, message display area, with dimensions
5. Identification of adjacent landowners

Information supplied was: ☐ complete ☐ incomplete _____ initialed by City Staff

The above information and attached drawing of request are true and correct to the best of my knowledge.

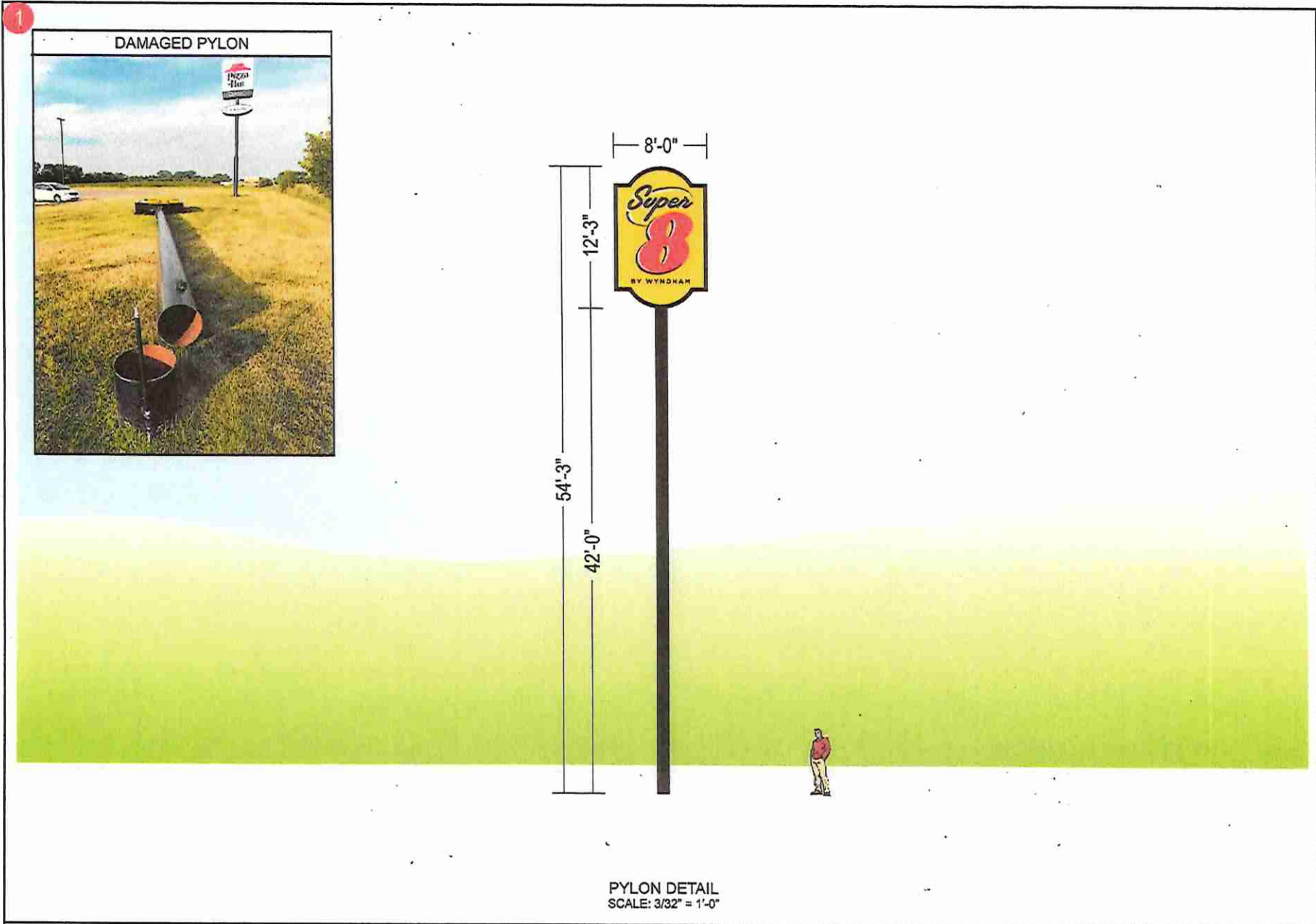
Date

9/6/26

Signature of Person Filing Application

B. Scott

Last revised 2/13/2023



Locations in:
 Florida New Jersey
 Maryland South Dakota
 Tel 800.843.9888
 www.personaservicesgroup.com

Customer:
 SUPER 8
Location:
 ST. JAMES, MN
File Name:
 540879 - R1 - ST. JAMES, MN

Project No.:
 540879
Request No.:
 94085
Prepared By:
 RG
Date:
 7/31/26
Revision:
 1

This sign is intended to be installed in accordance with the requirements of Article 105 of the National Electric Code and/or other applicable local codes. This includes proper grounding and bonding of the sign.

This is an original document created by Persona Services Group provided specifically to the client for the client's personal use. This document should not be shared, reproduced, disclosed or otherwise used without written permission from Persona Services Group.

Customer Approval (Please Initial):

Approval Date:



INN CODE: 3696

SUPER 8
1210 HECKMAN CT
ST. JAMES, MN 56081

EXISTING SIGNS:

- ① 12'-3" X 8'-0" PYLON (DAMAGED)
- ② PYLON
- ③ WALL SIGN
- ④ WALL SIGN

PROPOSED SIGNS:

- ① 12'-3" X 8'-0" PYLON
- ② REMAIN AS IS
- ③ REMAIN AS IS
- ④ REMAIN AS IS



Locations in:
Florida New Jersey
Maryland South Dakota
Tel 800.843.9888
www.personaservicesgroup.com

Customer:
SUPER 8
Location:
ST. JAMES, MN
File Name:
540879 - R1 - ST. JAMES, MN

Project No.:
540879
Request No.:
94085
Prepared By:
RG
Date:
7/16/26
Revision:
1

This sign is intended to be installed in accordance with the requirements of Article 009 of the National Electric Code and/or other applicable local codes. This includes proper grounding and bonding of the sign.
This is an original document created by Persona Services Group provided specifically to the client for the client's personal use. This document should not be altered, reproduced, distributed or otherwise used without written permission from Persona Services Group.

Customer Approval (Please Initial):

Approval Date:

October 6, 2026

ITEM: New Business – Resolution 10.26.05: Authorizing the City Clerk-Treasurer to Transfer Funds

BACKGROUND: The St. James EDA administers the Commercial Revitalization Program. The EDA Board has recently approved two loan applications through the program.

To ensure sufficient funds are available in the Commercial Revitalization Fund to issue the approved loans, a transfer of \$40,000 is needed from Fund 237 (Small City Development Fund) to Fund 238 (Commercial Revitalization Fund).

The attached resolution authorizes the City Clerk-Treasurer to complete the transfer to provide the funding necessary for the EDA to proceed with the two approved loans.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 10.26.05

**RESOLUTION AUTHORIZING THE CITY CLERK-TREASURER TO
TRANSFER FUNDS**

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ST. JAMES, WATONWAN COUNTY, MINNESOTA, that the following sum of money be transferred, along with all future interest earnings and authorize the City Clerk-Treasurer the ability to adjust according.

TRANSFER FROM	TO	AMOUNT
Fund 237 (Small City Development)	Fund 238 (Commercial Revitalization)	\$ 40,000.00

Adopted by the Council this 6th day of October 2026.

Christopher Whitehead, Mayor

ATTEST:

Kristin Hurley, City Clerk - Treasurer

October 6, 2026

ITEM: New Business – Resolution 10.26.06: Authorizing the St. James Mayor and City Manager to Enter into the Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program Agreement with the Minnesota Housing Finance Agency

BACKGROUND: The City of St. James has been awarded \$120,000 through the Minnesota Housing Finance Agency (MHFA) Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program. The attached grant contract establishes the terms and conditions for the city's acceptance and use of the funding.

Under the approved work plan, the city will use the \$120,000 to provide financial support to Southwest Housing Partnership (SWMHP) for its affordable housing efforts. As a condition of the city's financial support, SWMHP will prioritize projects that provide affordable housing to homeowners or homebuyer households.

The grant period begins October 6, 2026, or when all required signatures are obtained, whichever is later, and continues through October 6, 2030. The city may not begin grant-funded activities until the agreement is fully executed and MHFA has provided authorization to proceed.

The city will be responsible for administering the grant, maintaining supporting documentation, requesting reimbursement from MHFA, and completing required annual reporting. The work plan anticipates providing financial support to SWMHP in at least two payments as expenses are incurred.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 10.26.06

**RESOLUTION AUTHORIZING THE ST. JAMES MAYOR AND CITY
MANAGER TO ENTER INTO THE GREATER MINNESOTA SMALL CITIES
(TIER II CITIES) HOUSING AID GRANT PROGRAM AGREEMENT WITH
THE MINNESOTA HOUSING FINANCE AGENCY**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF ST. JAMES, MINNESOTA, as follows:**

Section 1: The St. James Mayor and City Manager are hereby authorized and directed to sign the Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program Agreement with the Minnesota Housing Finance Agency.

Adopted by the City Council this 6th day of October 2026.

Christopher Whitehead, Mayor

ATTEST:

Kristin Hurley, City Clerk-Treasurer

**MINNESOTA HOUSING FINANCE AGENCY
GRANT CONTRACT AGREEMENT
GREATER MINNESOTA SMALL CITIES (TIER II CITIES) HOUSING AID GRANT
PROGRAM**

This Grant Contract Agreement is between the Minnesota Housing Finance Agency ("MHFA") and City of St. James, 1205 6th Ave S, PO Box 70, St. James, MN 56081 ("GRANTEE").

Recitals

1. Under [Minnesota Statute 477A.36, subdivision 3](#), MHFA is empowered to enter into this Grant Contract Agreement.
2. MHFA is in need of tier II cities as defined in [Minn. Stat. 477A.36, subd. 1\(i\)](#), to fund qualifying projects as defined in the Program Guide (as defined in Section 2.2 of this Grant Contract Agreement) and in [Minn. Stat. 477A.36, subd. 4](#).
3. The Grantee represents that it is duly qualified and agrees to perform all services described in this Grant Contract Agreement to the satisfaction of MHFA.

Grant Contract Agreement

1. Term of Grant Contract Agreement

1.1 *Effective date:*

October 6, 2026, or the date all required signatures are obtained, whichever is later. Per [Minn. Stat. 16B.98, Subd. 5](#), the Grantee must not begin work until this Grant Contract Agreement is fully executed and MHFA's Authorized Representative has notified the Grantee that work may commence. Per [Minn. Stat. 16B.98, Subd. 7](#), no payments will be made to the Grantee until this Grant Contract Agreement is fully executed.

1.2 *Grant period:*

The Grant Contract Agreement period for the Program begins with the Effective Date of this Grant Contract Agreement and continues through October 6, 2030 (the "Grant Period"). All funds provided through this Grant Contract Agreement must be fully expended in compliance with this Grant Contract Agreement by the end of the Grant Period.

1.3 *Expiration date:*

January 6, 2031, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

1.4 *Survival of Terms.*

The following clauses survive the expiration or cancellation of this Grant Contract Agreement: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 15 Data Disclosure.

1.5 *Award Identification Number.*

This Grant Contract Agreement is assigned Award Identification Number 2025-Tier2-018.

2. Grantee's Duties

The Grantee, who is not a state employee, will:

Comply with required grants management policies and procedures set forth through [Minn. Stat. 16B.97](#),

[Subd. 4 \(a\) \(1\)](#), and review the State of Minnesota Department of Administration's Office of Grants Management [Policy 08-01](#) (Conflict of Interest for State Grant-Making). The Grantee is required to have a documented Conflict of Interest policy and must utilize this policy when performing the Grantee duties under the Grant Contract Agreement. If the Grantee has knowledge or becomes aware of any actual, potential, perceived, or organizational conflicts of interest with respect to the Grant Contract Agreement, the Grantee shall immediately disclose the conflict of interest directly to MHFA.

2.1 ***Work Plan and Budget***

The Grantee shall perform the duties specified in **Exhibit A** (the "Work Plan") and **Exhibit B** (the "Budget Summary"), which are attached and incorporated into this Grant Contract Agreement.

2.2 ***Program Guide***

The Grantee will comply with the Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant [Program Guide](#) (the "Program Guide") located on MHFA's [website](#), which is incorporated into this Grant Contract Agreement and may be amended as needed. MHFA will provide notice of any such amendments to the Grantee's Authorized Representative (defined herein) by email. Unless otherwise indicated in the Program Guide, any such amendments are binding to the Grantee as of the date indicated in the notice, which shall not be earlier than the date that MHFA sends the notice.

2.3 ***Authorized Expenditures***

The Grantee acknowledges that grant funds disbursed by MHFA are provided for qualifying projects as defined in the Program Guide and [Minn. Stat. 477A.36, subd. 4](#). All grant funds must be used by the Grantee to fund the activities described in the Work Plan and Budget Summary in accordance with the terms of this Grant Contract Agreement.

2.4 ***Reporting***

The Grantee must submit annual reports to MHFA until all grant funds have been expended or the expiration date of the Grant Contract Agreement, whichever occurs first. Required annual report information may include: program or project progress reporting, grant expenditures and any other information MHFA requests regarding the use of grant funds.

Reporting forms and instructions will be available on the Local Government Housing Programs [webpage](#) or provided by MHFA to the Grantee's authorized representative.

3. **Time**

The Grantee must comply with all the time requirements described in this Grant Contract Agreement. In the performance of this Grant Contract Agreement, time is of the essence.

4. **Consideration and Payment**

4.1 ***Consideration.***

MHFA will pay for all services performed by the Grantee under this Grant Contract Agreement as follows:

(a) ***Compensation***

The Grantee will be paid up to a maximum of \$120,000.00, according to the breakdown of grant funds committed to qualifying projects in **Exhibit B** (the "Budget Summary"), which is attached and incorporated into this Grant Contract Agreement.

(b) ***Travel Expenses***

Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee as a result of this Grant Contract Agreement will not exceed \$0.00 (Zero Dollars);

provided that the Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Minnesota Management and Budget (MMB). The Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received MHFA's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

(c) ***Total Obligation.***

The total obligation of MHFA for all compensation and reimbursements to the Grantee under this Grant Contract Agreement will not exceed \$120,000.00 (the "Grant Proceeds").

4.2 ***Payment***

(a) ***Invoices***

MHFA will promptly pay the Grantee after the Grantee presents an itemized invoice for the services actually performed and MHFA's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule:

- The Grantee may submit invoices for reimbursement as it incurs costs of qualifying projects. MHFA reserves the right to accept invoices only for amounts of \$5,000 or more and/or no more frequently than once every 90 days; and,
- The Grantee must submit a "full and final" invoice after it has performed all services under this Grant Contract Agreement.

Each invoice must include supporting documentation for MHFA's review and approval. Supporting documentation may include, but is not limited to: ledgers; bank statements; accounting reports; receipts; additional invoices; contractor pay applications/draw requests; photographs of work in progress and completed; and other relevant financial records and documents as MHFA reasonably requests.

MHFA may retain a portion of the amount(s) approved subject to completion of monitoring and financial reconciliation,. The total amount retained in connection with all approved invoices is not to exceed 10% (ten percent) of the Total Obligation.

(b) ***Unexpended Funds***

The Grantee must promptly return to MHFA any unexpended funds that have not been accounted for annually in a financial report to MHFA due at grant closeout.

4.3 ***Contracting and Bidding Requirements***

- (a) Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.
- (b) Services and/or materials that are expected to cost between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three (3) verbal quotes or bids.
- (c) Services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively awarded based on a minimum of two (2) verbal quotes or bids or awarded to a targeted vendor.
- (d) The Grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:

- [State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List](#)
 - Metropolitan Council Underutilized Business Program: MCUB: [Metropolitan Council Underutilized Business Program](#)
 - Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: [Central Certification Directory](#)
- (e) The Grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.
- (f) The Grantee must maintain support documentation of the purchasing or bidding process used to contract services in their financial records, including support documentation justifying a single/sole source bid, if applicable.
- (g) Notwithstanding (a) - (d) above, MHFA may waive bidding process requirements when:
- Vendors included in response to competitive grant request for proposal process were approved and incorporated as an approved work plan for the grant.
 - It is determined there is only one legitimate or practical source for such materials or services and that the Grantee has established a fair and reasonable price.
- (h) For projects that include construction work of \$25,000 or more, prevailing wage rules apply per [Minn. Stat. 177.41](#) through [177.44](#). These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.
- (i) The Grantee must not contract with vendors who are suspended or debarred in MN: <https://mn.gov/admin/osp/government/suspended-debarred>.

5. Conditions of Payment

All services provided by the Grantee under this Grant Contract Agreement must be performed to MHFA's satisfaction, as determined at the sole discretion of the MHFA's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by MHFA to be unsatisfactory or performed in violation of federal, state, or local law.

6. Authorized Representative

MHFA's Authorized Representative is Jennifer Bergman, Director of Local Government Housing Programs, 400 Wabasha Street N. Suite 400, St. Paul, MN 55102, 651-539-9724, jennifer.bergman@state.mn.us, or her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this Grant Contract Agreement. If the services are satisfactory, the MHFA's Authorized Representative will certify acceptance on each invoice submitted for payment. The Authorized Representative may delegate certain responsibilities to any Local Government Housing Programs staff member.

Local Government Housing Programs staff may be reached by email at tier2cities.mhfa@state.mn.us.

The Grantee's Authorized Representative is [Brianna Sanders, Economic Development Director, 1205 6th Ave S, PO Box 70, St. James, MN 56081, 507-375-3241, brianna.sanders@ci.stjames.mn.us, Amanda Knoll, City Manager, 1205 6th Ave S, PO Box 70, St. James, MN 56081, 507-375-3241,

amanda.knoll@ci.stjames.mn.us. If the Grantee's Authorized Representative changes at any time during this Grant Contract Agreement, the Grantee must immediately notify MHFA.

7. Assignment Amendments, Waiver, and Grant Contract Agreement Complete

7.1 *Assignment*

The Grantee shall neither assign nor transfer any rights or obligations under this Grant Contract Agreement without the prior written consent of MHFA, approved by the same parties who executed and approved this Grant Contract Agreement, or their successors in office.

7.2 *Amendments*

Any amendments to this Grant Contract Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Grant Contract Agreement, or their successors in office.

7.3 *Waiver*

If MHFA fails to enforce any provision of this Grant Contract Agreement, that failure does not waive the provision or MHFA's right to enforce it.

7.4 *Grant Contract Agreement Complete*

This Grant Contract Agreement contains all negotiations and agreements between MHFA and the Grantee. No other understanding regarding this Grant Contract Agreement, whether written or oral, may be used to bind either party.

8. Liability

The Grantee must indemnify, save, and hold MHFA, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by MHFA, arising from the performance of this Grant Contract Agreement by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the MHFA's failure to fulfill its obligations under this Grant Contract Agreement.

9. State Audits

Under Minn. Stat. § 16B.98, Subd.8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this Grant Contract Agreement or transaction are subject to examination by the Commissioner of Administration, MHFA and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Grant Contract Agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

10. Government Data Practices and Intellectual Property Rights

10.1 *Government Data Practices*

The Grantee and MHFA must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by MHFA under this Grant Contract Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this Grant Contract Agreement. The civil remedies of [Minn. Stat. 13.08](#) apply to the release of the data referred to in this clause by either the Grantee or MHFA. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify MHFA. MHFA will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

10.2 ***Intellectual Property Rights***

- (a) MHFA owns all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the works and documents created and paid for under this Grant Contract Agreement. The “works” means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Grantee, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this Grant Contract Agreement. “Works” includes documents. The “documents” are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Grantee, its employees, agents, or subcontractors, in the performance of this Grant Contract Agreement. The documents will be the exclusive property of MHFA and all such documents must be immediately returned to MHFA by the Grantee upon completion or cancellation of this Grant Contract Agreement. To the extent possible, those works eligible for copyright protection under the United States Copyright Act will be deemed to be “works made for hire.” The Grantee assigns all right, title, and interest it may have in the works and the documents to MHFA. The Grantee must, at the request of MHFA, execute all papers and perform all other acts necessary to transfer or record MHFA’s ownership interest in the works and documents.
- (b) *Obligations*
 - (1) Notification. Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Grantee, including its employees and subcontractors, in the performance of this Grant Contract Agreement, the Grantee will immediately give MHFA’s Authorized Representative written notice thereof, and must promptly furnish MHFA’s Authorized Representative with complete information and/or disclosure thereon.
 - (1) Representation. The Grantee must perform all acts and take all steps necessary to ensure that all intellectual property rights in the works and documents are the sole property of MHFA, and that neither the Grantee nor its employees, agents, or subcontractors retain any interest in and to the works and documents. The Grantee represents and warrants that the works and documents do not and will not infringe upon any intellectual property rights of other persons or entities. The Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless MHFA, at Grantee’s expense, from any action or claim brought against MHFA to the extent that it is based on a claim that all or part of the works or documents infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Grantee’s or MHFA’s opinion is likely to arise, the Grantee must, at the MHFA’s discretion, either procure for MHFA the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing works or documents as necessary and appropriate to obviate the infringement claim. This remedy of MHFA will be in addition to and not exclusive of other remedies provided by law.

11. **Workers Compensation**

The Grantee certifies that it is in compliance with [Minn. Stat. 176.181, Subd. 2](#), pertaining to workers’ compensation insurance coverage. The Grantee’s employees and agents will not be considered MHFA

employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way MHFA's obligation or responsibility.

12. Publicity and Endorsement

12.1 *Publicity*

Any publicity regarding the subject matter of this Grant Contract Agreement must identify MHFA as the sponsoring agency and must not be released without prior written approval from MHFA's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Grant Contract Agreement. All projects primarily funded by state grant appropriations must publicly credit MHFA, including on the Grantee's website when practicable.

12.2 *Endorsement*

The Grantee must not claim that MHFA endorses its products or services.

13. Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this Grant Contract Agreement. Venue for all legal proceedings out of this Grant Contract Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14. Termination

14.1 *Termination by MHFA*

(a) *Without Cause*

MHFA may terminate this Grant Contract Agreement without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

(b) *With Cause*

MHFA may immediately terminate this Grant Contract Agreement if MHFA finds that there has been a failure to comply with the provisions of this Grant Contract Agreement, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. MHFA may take action to protect the interests of MHFA, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.2 *Termination by The Commissioner of Administration*

The Commissioner of Administration may immediately and unilaterally cancel this Grant Contract Agreement if further performance under the Agreement would not serve agency purposes or is not in the best interest of State.

14.3 *Termination for Insufficient Funding*

MHFA may immediately terminate this Grant Contract Agreement if:

- (a) It does not obtain funding from the Minnesota Legislature or the Minnesota Department of Revenue; or

- (b) Funding cannot be continued at a level sufficient to allow for the payment of the services covered here.

Termination must be by written notice to the Grantee. MHFA is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. MHFA will not be assessed any penalty if this Grant Contract Agreement is terminated because of the decision of the Minnesota Legislature, the Minnesota Department of Revenue, or other funding source, not to appropriate or transfer funds to MHFA, or to request the return of funds from MHFA. MHFA must provide the Grantee notice of the lack of funding within a reasonable time of MHFA's receiving that notice.

15. Data Disclosure

Under [Minn. Stat. 270C.65, Subd. 3](#), and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to MHFA, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

16. Fraud Disclosure

Fraud is any intentionally deceptive action made for personal gain or to damage another. Any person or entity (including its employees and affiliates) that enters into an agreement with MHFA and witnesses, discovers evidence of, receives a report from another source, or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report to:

- MHFA's Chief Risk Officer at 651.296.7608 or 800.657.3769 or by email at MHFA.ReportWrongdoing@state.mn.us;
- Any member of MHFA's [Servant Leadership Team](#) as denoted on MHFA's current organizational chart (Go to mnhousing.gov, scroll to the bottom of the screen and select About Us, select Servant Leadership Team); or
- [Report Wrongdoing or Concerns \(mnhousing.gov\)](#) (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing).

17. Suspension

By entering into any agreement with MHFA, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the agreement) has not been suspended from doing business with MHFA. Please refer to MHFA's website for a list of [suspended individuals and organizations](#).

18. Conflicts

In the event of a conflict between the terms of this Grant Contract Agreement, its exhibits, and the Program Guide, or between exhibits, the order of precedence is first the Grant Contract Agreement, and then in the following order:

- [Program Guide](#)
- Exhibit A: Work Plan
- Exhibit B: Budget Summary

1. GRANTEE

The Grantee certifies that the appropriate person(s) have executed the Grant Contract Agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

2. MINNESOTA HOUSING FINANCE AGENCY

By: _____
(with delegated authority)

Title: _____

Date: _____

Distribution:
MHFA
Grantee
MHFA's Authorized Representative

Exhibit A: Work Plan: Financial Support to Nonprofit Affordable Housing Providers**Qualifying Project Type covered by this Work Plan:**

Financial support to nonprofit Affordable Housing providers in their mission to provide safe, dignified, affordable and supportive housing in Minnesota.

Project Description:

Grant funds will be used to financially support the Southwest Minnesota Housing Partnership (SWMHP) in its mission to provide safe, dignified, affordable and supportive housing. As a condition of providing this financial support, the Grantee will require that SWMHP prioritize projects that provide affordable housing to homeowner or homebuyer households.

Budget for this Qualifying Project Type

Financial Support to Nonprofit Affordable Housing Providers	Grantee	[Subgrantee 1 (if any)]	[Subgrantee 2 (if any)]	Proposed Budget
Support to Southwest Minnesota Housing Partnership	\$ 120,000.00	\$ -	\$ -	\$ 120,000.00
[Enter Expense 2, if any, here]	\$ -	\$ -	\$ -	\$ -
[Enter Expense 3, if any, here]	\$ -	\$ -	\$ -	\$ -
[Enter Expense 4, if any, here]	\$ -	\$ -	\$ -	\$ -
[Enter Expense 5, if any, here]	\$ -	\$ -	\$ -	\$ -
[Enter Expense 6, if any, here]	\$ -	\$ -	\$ -	\$ -
[Enter Expense 7, if any, here]	\$ -	\$ -	\$ -	\$ -
[Enter Expense 8, if any, here]	\$ -	\$ -	\$ -	\$ -
[Enter Expense 9, if any, here]	\$ -	\$ -	\$ -	\$ -
[Enter Expense 10, if any, here]	\$ -	\$ -	\$ -	\$ -
Financial Support Expenses Subtotal	\$ 120,000	\$ -	\$ -	\$ 120,000

Nonprofit Affordable Housing Provider Information

Enter below information for each nonprofit affordable housing provider the Grantee will financially support with grant funds.

Name	Address	City	Zip Code	Email Address
Southwest Minnesota Housing Partnership	2401 Broadway Ave #1	Slayton	56172	swmhp@swmhp.org
[Enter Nonprofit 2 information here, if any]				
[Enter Nonprofit 3 information here, if any]				

Subgrantee and Other Vendor Information

Enter below information for any subgrantees or other vendors named in the Grantee's application for funds.

Name	Address	City	Zip Code	Email Address
[Enter Subgrantee/Other Vendor 1, if any, here]				
[Enter Subgrantee/Other Vendor 2, if any, here]				
[Enter Subgrantee/Other Vendor 3, if any, here]				

Section 13, Item F.

Anticipated Outcomes, Timeline and Performance Measures for this Qualifying Project Type		
Identify specific and targeted results expected from the activities outlined in the Project Description. Also describe the intended beneficiaries of the proposed activities.	Identify important events that must occur at specified points throughout the term of the agreement to effectively achieve outcomes. Include timelines, dates or other milestones as appropriate.	Identify data points, how you will collect reporting information, specific outcome measures that represent the ultimate impact of the project and output measures that reflect grant activities.
Anticipated Outcome #1:	Anticipated Milestones and Timeline	Performance Measures:
The City of St. James will enter into an agreement with and provide Grant Funds to Southwest Minnesota Housing Partnership Grant Funds in its mission to provide safe, dignified, affordable and supportive housing in Minnesota.	The City will enter into an agreement with and provide financial support to SWMHP in at least two payments as they incur expenses. The project will be complete once the City provides all financial support to SWMHP and requests reimbursement from Grant Funds. We anticipate all grant funds will be disbursed by the end of the Grant Period.	Each year following contract execution by Decemeber 1st, we will report on the status of the project. The project will provide financing that will allow the City of St. James to increase the supply of affordable housing. The city will collect and retain documentation from SWMHP detailing the expenses for which they are requesting reimbursement and will report annually on the status of the grant funds.
		Estimated number of households or housing units to be assisted: 1
Anticipated Outcome #2:	Anticipated Timeline	Performance Measures:
[Enter Anticipated Outcome #2, if any, here]	[Enter Milestones and Timeline for Outcome #2 here; Required only if there is an Outcome #2]	[Enter Performance Measures for Outcome #2 here; Required only if there is an Outcome #2]
		Estimated number of households or housing units to be assisted: [Enter number here; required only if there is an Outcome #2]
Anticipated Outcome #3:	Anticipated Timeline	Performance Measures:
[Enter Anticipated Outcome #3, if any, here]	[Enter Milestones and Timeline for Outcome #3 here; required only if there is an Outcome #3]	[Enter Performance Measures for Outcome #3 here]
		Estimated number of households or housing units to be assisted: [Enter number here; required only if there is an Outcome #3]

GREATER MINNESOTA SMALL CITIES (TIER II CITIES) HOUSING AID GRANT PROGRAM**Exhibit B: Budget Summary**

Grantee:	City of St. James
Total Award Amount:	\$ 120,000.00

Total Program Expenses (totals from Exhibit A)	Proposed Budget
1. Emergency Rental Assistance	\$ -
2. Financial support to Nonprofit Affordable Housing providers	\$ 120,000.00
3. Development of Market Rate Residential Rental Properties	\$ -
4. Affordable Housing Development and Financing	\$ -
5. Operations and management of financially distressed residential properties	\$ -
6. Supportive services or staff of supportive services providers for supportive housing	\$ -
7. Operating emergency shelter facilities	\$ -
8. Other Projects	\$ -
Total Program Expenses	\$ 120,000.00

October 6, 2026

ITEM: New Business – Resolution 10.26.07: Accepting the Caselle Community Connect Proposal and Authorizing the City Manager to Execute the Agreement

BACKGROUND: The city utilizes Caselle for its financial and utility billing software. Our current payment processing platform will no longer be capable with Caselle as of 2027.

Caselle has provided the city with a proposal to implement Community Connect, its online customer portal and payment platform. Community Connect will integrate with the city's existing Caselle Utility Management and Cash Receipting applications. The proposal includes implementation, configuration of the billing process, portal setup, staff training, and ongoing client support.

Under the proposal, the city would utilize an absorbed-fee model, meaning the city would pay the processing costs rather than passing a convenience fee on to residents. The processing fee is 1.70% for credit/debit card transactions and \$0.74 per ACH transaction.

STAFF RECOMMENDATION: Approve/Deny Resolution.

State of Minnesota
County of Watonwan

RESOLUTION NO. 10.26.07

**RESOLUTION ACCEPTING THE CASELLE COMMUNITY CONNECT
PROPOSAL AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE
AGREEMENT**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF ST. JAMES, MINNESOTA, as follows:**

Section 1: The proposal from Caselle for Community Connect is hereby accepted, including the absorbed-fee pricing model, a one-time implementation fee of \$1,200, a base Utility Payments portal fee of \$25 per month, credit/debit card processing fees of 1.70%, ACH processing fees of \$0.74 per transaction, and other applicable fees and terms as set forth in the proposal.

Section 2: The City Manager is hereby authorized and directed to execute the Caselle Community Connect proposal and agreement on behalf of the City of St. James and to take such actions as are necessary to implement the service.

Adopted by the City Council this 6th day of October 2026.

Christopher Whitehead, Mayor

ATTEST:

Kristin Hurley, City Clerk-Treasurer

CASELLE®



COMMUNITY CONNECT

PRICE PROPOSAL FOR
St. James, MN, City of

PRICING & TERMS

Pricing is based on the following information provided by the St. James, MN, City of:

CLIENT OVERVIEW	
Bills/Month (Est.)	2050
Average Payment (Est.)	\$215.45
Credit Card Transactions (Est.)	N/A
ACH Transactions (Est)	N/A
Pricing Model	Absorbed Fees

PAYMENT FEES	
Credit/Debit Card	1.70%
ACH	\$0.74
All fees include recurring, one-time payments, all payment channels, and all card brands (Visa, MasterCard, American Express and Discover).	

OTHER FEES	
Text Notifications – Charged per outbound text notification to each contact	\$.10 per outbound (Waived)
Chargeback	\$15 per Chargeback
Unauthorized ACH Return	\$15 per Unauthorized ACH Return
ACH Return	\$2.5 per Return
PCI Compliance Fee	\$8 per month (Waived)

COMMUNITY CONNECT PORTAL FEES					
Base Package – Utility Payments		\$25/mo			
Portal Add-Ons: Bank Bill Pay \$25/mo + \$.25 per transaction, IVR \$50/mo, Create Communications \$25/mo					
Miscellaneous	\$0/mo	Permits		Accounts Receivable	\$10/mo
Business License		Business Tax		Custom Forms	\$25/mo
Implementation Fee – Includes integration, billing process configuration, portal setup, and staff training				\$2400 One-time, paid for upfront \$1200 One-time, paid for upfront	
Client Support - Unlimited phone + e-mail inquiries.				Included	
Cash Receipting Web Services				Existing Application	
Utility Management Web Services				Existing Application	
Business Web Services				N/A	

Additional Instructions	
Portal fees and implementation fee have been reduced pending this agreement is signed by October 31st, 2026	

- I. Unless otherwise specified, Implementation Fee includes up to six (6) hours of implementation work by Caselle staff. Any required work above six hours will be billed hourly increments at \$200/hour.
- II. All clients will be invoiced in advance of implementation. All invoiced fees are due at receipt and required to begin implementation, unless otherwise specified.
- III. Community Connect Portal application fees will be invoiced with all other Caselle applications. For clients billed for support annually, Community Connect Portal application fees will be invoiced initially on a pro rata basis to align with the client's upcoming renewal.
- IV. For clients absorbing the payment processing fees, clients will be charged via direct deposit monthly by our payment processing partner, Zift.

Entity Name	St. James, MN, City of
-------------	------------------------

Account Type

Complete a separate Pricing Agreement for each deposit account and/or Account Type that is required.

General Government	Yes
Utility	Yes
Visa Registered Utility Biller	Yes

Absorb Processing Fees?

Visa / Mastercard / Amex / Discover	Yes
ACH	Yes

Convenience Fee Rates (Visa / Mastercard / Amex / Discover)

Rules				Percentage Fee	Per Item Fee
N/A		-		0.00%	\$0.00
N/A		-		0.00%	\$0.00
N/A		-		0.00%	\$0.00
N/A		-		0.00%	\$0.00
N/A		-		0.00%	\$0.00

Convenience Fee Rates (ACH)

Rules				Percentage Fee	Per Item Fee
N/A		-		0.00%	\$0.00
N/A		-		0.00%	\$0.00
N/A		-		0.00%	\$0.00
N/A		-		0.00%	\$0.00
N/A		-		0.00%	\$0.00
N/A		-		0.00%	\$0.00

Processing Fees

Only applicable for accounts absorbing fees.

Pricing Type	Absorbed Fees
Visa / Mastercard / Discover / Amex Rate	1.70%
Visa / Mastercard / Discover / Amex Per Item	
ACH Rate	
ACH Per Item	\$0.74

****NOTICE AND DISCLOSURE OF CARD ASSOCIATION PASS-THROUGH FEES "COST":** Each card organization assess fees to merchants in connection with transactions outside of the bank's control, such as dues and assessments, fixed acquirer network fees, international/cross-border transaction fees, network access and data usage charges. These fees apply to all merchants, regardless of bank, processor or ISO affiliation and are passed through at cost to you, the merchant, and are not marked up. For interchange pass through pricing, by signing this Custom Pricing Quote and Agreement, you accept and agree to these pass-through fees and understand that they may change from time-to-time without notice.

Fixed Fees

Applicable to all accounts.

Per Chargeback	\$15.00
Per ACH Return	\$2.50
Per Unauthorized ACH Return	\$15.00
Monthly PCI Validation Fee	\$8.00 (Waived)

By proceeding, you agree to the fees outlined in this Caselle Proposal and agreement and acknowledge acceptance of the associated Terms and Conditions.

Accepted By: _____ Title: _____

Signature: _____ Date: _____

Contact Information

Please provide the employee information the team will be working with to setup and implement this order.

Name _____ :

Email: _____

Phone Number: _____

Address: 1205 6th Ave South, St. James, Minnesota, 56081

October 6, 2026

ITEM: New Business – Resolution 10.26.08: Accepting the EDA Services Proposal and Authorizing the City Manager to Execute the Agreement

BACKGROUND: The St. James EDA has been evaluating how to best provide economic development services following the vacancy in its economic development position. Rather than immediately filling the position as a traditional full-time city employee, staff have explored an alternative model that places greater emphasis on business relationships, development opportunities, business recruitment, and advancing projects.

The EDA has developed a proposal with Rod Hamilton to serve as a contracted Economic Development Advisor. Under the proposed arrangement, Rod would serve as a strategic economic development resource and work directly with the City Manager, EDA Board, local businesses, developers, property owners, and regional and state partners. The relationship would be structured as an independent contractual relationship rather than a traditional city employee position.

City staff would continue to provide the administrative support necessary for EDA operations, including meeting preparation, minutes, record retention, routine correspondence, financial documentation, and reporting. This structure is intended to allow Rod to focus his time on relationship-building, identifying opportunities, connecting resources, and advancing projects.

The proposed compensation is \$2,500 per month, structured as a professional service retainer rather than an hourly arrangement. The initial agreement would begin on September 28, 2026, and continue through December 31, 2026. The remainder of 2026 would serve as an initial period for both parties to evaluate the working relationship, scope of services, workload, support structure, and overall effectiveness. Any continuation beyond December 31, 2026, would be subject to mutually agreed-upon terms.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 10.26.08

**RESOLUTION ACCEPTING THE EDA SERVICES PROPOSAL AND
AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF ST. JAMES, MINNESOTA, as follows:**

Section 1: The City Council hereby approves the proposal for contracted economic development services with Rod Hamilton as an economic development advisor at a monthly compensation of \$2,500 through December 31, 2026. Any continuation of services beyond December 31, 2026, shall be subject to mutually agreed-upon terms between the City and Rod Hamilton.

Section 2: The City Manager is hereby authorized and directed to execute the agreement and any necessary documents on behalf of the City of St. James.

Adopted by the City Council this 6th day of October 2026.

Christopher Whitehead, Mayor

ATTEST:

Kristin Hurley, City Clerk-Treasurer

CITY OF ST. JAMES

Proposal for Contract Economic Development Services

Prepared For	Rod Hamilton
Prepared By	City of St. James
Initial Term	Negotiable

Purpose

The City of St. James is interested in establishing a contractual relationship with Rod Hamilton to provide strategic economic development leadership for the St. James Economic Development Authority (EDA).

The City recognizes that successful economic development is fundamentally relationship-driven. This proposal is intentionally structured to utilize Rod's experience, relationships, knowledge of Greater Minnesota, and ability to connect people and resources while allowing City staff to provide the administrative support necessary to carry out that work.

The goal is not simply to fill a vacant position. It is an opportunity to reconsider how St. James approaches economic development and establish a model focused on relationships, opportunities, projects, and measurable community impact.

The Opportunity

St. James is at a point where economic development can be approached differently. Rather than focusing primarily on administration of programs, the City wants to focus its resources on creating opportunities, developing relationships, and pursuing projects that will have a lasting impact on the community.

The City believes this partnership provides an opportunity to combine Rod's experience and relationships with the City's resources and commitment to create meaningful, long-term results for St. James.

Proposed Role

Contract Economic Development Advisor

Rod would serve as the City's primary strategic economic development resource and would work directly with the City Manager, EDA Board, businesses, developers, property owners, regional partners, and state and federal resources.

The position would be structured as an independent contractual relationship rather than a traditional full-time City employee position.

Primary Areas of Focus

Business Development & Retention

Develop and maintain relationships with existing St. James businesses; identify opportunities for expansion and investment; assist businesses encountering barriers to growth; and connect businesses with appropriate financing, workforce, state, regional, and technical resources.

Business Recruitment

Identify and pursue businesses and developers that may be a good fit for St. James. Serve as a relationship-builder and primary point of contact for significant economic development prospects.

Housing Development

Assist the City in identifying and advancing opportunities for workforce housing, market-rate housing, redevelopment, and other housing initiatives necessary to support continued community and economic growth.

Development & Redevelopment

Work with the City Manager and EDA to identify strategic development and redevelopment opportunities, including underutilized properties, commercial areas, industrial development, downtown opportunities, and other catalytic projects.

Project Development

Help move projects from concept to reality by bringing together developers, property owners, financial institutions, government agencies, funding partners, and other necessary stakeholders.

State, Regional & Legislative Relationships

Leverage existing relationships and experience to connect St. James with resources and opportunities available through the State of Minnesota, regional development organizations, legislators, agencies, and other economic development partners.

Strategic Economic Development

Work with the City Manager and EDA Board to establish economic development priorities and identify projects capable of creating long-term impact for St. James.

Administrative Support

The City understands that Rod's highest value to St. James would be his experience, relationships, strategic thinking, and ability to advance projects - not routine administrative work.

Accordingly, the City would provide administrative support for the position. City staff would be responsible for routine paperwork and administrative functions, including meeting preparation and minutes, record retention, routine correspondence, processing documents, financial documentation, reporting, and other administrative tasks associated with EDA operations.

Rod would provide the substantive information and direction necessary when documentation is required for a project but would not be expected to perform routine clerical or administrative duties.

Work Arrangement

The City proposes a flexible, results-oriented arrangement. Rod would primarily work remotely and would not be expected to maintain regular office hours at St. James City Hall.

In-person attendance would be focused on situations where his presence adds value, including significant development meetings, meetings with businesses or developers, selected EDA meetings, community or regional meetings, and other important project discussions.

The City recognizes and respects that health and family come first. The arrangement would be intentionally structured to provide flexibility regarding when and where work is performed.

Rather than measuring the relationship by hours spent in an office, the City would evaluate its success based upon communication, relationships developed, opportunities pursued, projects advanced, and results achieved.

Working Relationship

Rod would work directly with the City Manager. The City Manager would remain responsible for overall City administration and would coordinate City staff resources necessary to support economic development activities.

The EDA Board would continue to establish policy, approve programs and financial commitments where required, and provide strategic direction.

- Rod develops relationships, identifies opportunities, connects resources, and helps move projects forward.
- City staff handles the administrative structure and documentation necessary to support those efforts.
- The City Manager provides organizational oversight, coordination, and connection to City Council and other City operations.

Initial Priorities

- Become familiar with existing St. James EDA projects, programs, properties, businesses, and financial resources.
- Meet with key employers, businesses, financial institutions, developers, community partners, and regional economic development organizations.
- Review current development opportunities and identify projects with the greatest potential for advancement.
- Assess existing EDA programs and identify opportunities for improvement or simplification.
- Identify potential housing, commercial, industrial, and redevelopment opportunities.
- Establish a short list of strategic economic development priorities.
- Present recommendations to the City Manager and EDA Board regarding where St. James should focus its economic development resources.

Communication

Because the position would operate with considerable independence and flexibility, communication will be important. Rod and the City Manager would establish a regular communication schedule appropriate to current projects and workload.

The City is not seeking extensive activity reports or unnecessary documentation. Updates should be concise and focused on:

- Active projects and prospects;
- Significant conversations or opportunities;
- Issues requiring City action;
- Upcoming decisions; and
- Assistance or resources needed from City staff or the EDA.

Initial Term and Future Relationship

The City proposes an initial agreement beginning upon execution and continuing through December 31, 2026. The remainder of 2026 will serve as an initial trial period, allowing both Rod and the City to evaluate the working relationship, scope of services, workload, administrative support structure, and overall effectiveness of the arrangement.

If the arrangement is mutually successful, the parties intend to negotiate a subsequent one-year agreement. Thereafter, the City envisions continuing the relationship through successive one-year agreements unless either party determines that the arrangement should conclude or be modified.

The formal professional services agreement would include reasonable provisions allowing either party to terminate the relationship upon written notice.

Proposed Compensation

For the initial term, the City proposes compensation of \$2,500 per month, prorated for any partial month at the beginning of the agreement.

Compensation would be structured as a monthly professional-services retainer rather than an hourly arrangement. The intent is to recognize that the value of this relationship is derived from Rod's experience, relationships, strategic involvement, accessibility, and ability to advance economic development opportunities rather than a prescribed number of hours worked.

The monthly retainer would encompass the economic development services described within this proposal. The City would provide the administrative support necessary for EDA operations and project implementation.

Prior to January 1, 2027, Rod and the City Manager would review the initial arrangement and negotiate compensation and terms for a subsequent one-year agreement.

What St. James Is Looking For

St. James is not looking simply for someone to administer an EDA. The City is looking for someone who understands rural Minnesota, knows how to bring people together, recognizes opportunities, understands how government and private development intersect, and can help turn ideas into projects.

The City wants its economic development efforts to create lasting value for the community. This partnership is intended to build a model centered on relationships, collaboration, problem-solving, and results.

Next Step

This proposal is intended to begin a conversation rather than prescribe every detail of the relationship. If the concept is of interest, the City Manager and Rod would meet to discuss the proposed scope, anticipated level of involvement, compensation, administrative support, and any modifications necessary to create an arrangement that works well for both Rod and the City of St. James.

Following mutual agreement on the framework, the terms would be incorporated into a formal professional services agreement for appropriate City review and approval.

October 6, 2026

ITEM: New Business – Resolution 10.26.09: Ordering Preparation of Report on Improvement for 1st Avenue South Improvements

BACKGROUND: The city is considering potential improvements to 1st Avenue South (CSAH 56) from 10th Street to 11th Street. The proposed project may include sanitary sewer, watermain, storm sewer, street, sidewalk, turf establishment, erosion control, and related improvements.

Because the city is considering assessing benefited properties for all or a portion of the project costs pursuant to Minnesota Statutes, Chapter 429, the next step is to authorize preparation of a preliminary engineering report.

The attached resolution directs the City Engineer to study the proposed improvements and report back to the City Council regarding the necessity, cost-effectiveness, and feasibility of the project; whether the improvement; the estimated project cost; and the methodology that would be used to calculate individual assessments for affected properties.

Approval of this resolution does not authorize construction of the project or establish assessment against affected properties. Rather, it authorizes the engineering study necessary to provide the Council with additional information before determining whether to proceed with the proposed improvement.

Once preliminary engineering report is completed, it will be presented to the City Council for review and consideration of the next steps in the Chapter 429 improvement process.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 10.26.09

**RESOLUTION ORDERING PREPARATION OF REPORT ON IMPROVEMENT
FOR 1ST AVENUE SOUTH IMPROVEMENTS**

WHEREAS, it is proposed to improve 1st Avenue S (CSAH 56) from 10th Street to 11th Street and

WHEREAS, such improvements may include sanitary sewer, watermain, storm sewer, street, sidewalk, turf establishment/erosion control, and other related improvements; and

WHEREAS, it is proposed to assess the benefited property for all or a portion of the cost of the improvement, pursuant to Minnesota Statutes, Chapter 429.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ST. JAMES, WATONWAN COUNTY, MINNESOTA, as follows:

That the proposed improvements, called 1st Avenue S Improvements be referred to the City Engineer for study and that that person is instructed to report to the Council with all convenient speed advising the Council in a preliminary way as to whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

Adopted by the City Council this 6th day of October 2026.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk-Treasurer

October 6, 2026

ITEM: New Business – Proposed Ordinance No. 040, 4th Series: Amending Chapter §124.06(C)(4) to the St. James City Code Pertaining to Lower-Potency Hemp Edibles

BACKGROUND: The attached proposed ordinance amends the language pertaining to the storage and display of lower-potency hemp edibles in accordance with state law and regulations.

First Reading: October 6, 2026

Notice of Proposed Ordinance: October 9, 2026

Second Reading and Final Vote: October 20, 2026

Approval of Publication of Title and Summary of Ordinance by the Council:

Publication of Title and Summary of Ordinance:

Publication of Entire Text of Ordinance at Watonwan County Library:

Recorded in the Ordinance Book and Available on Website:

Effective Date of Ordinance:

ACTION REQUESTED: Approve/Deny the 1st Reading of Proposed Ordinance.

State of Minnesota
County of Watonwan

ORDINANCE 040, 4TH SERIES

AN ORDINANCE AMENDING CHAPTER §124.06(C)(4) TO THE ST. JAMES CITY
CODE PERTAINING TO LOWER-POTENCY HEMP EDIBLES

The City of St. James does ordain:

Section 1. Title XI of the City Code is amended by revising Chapter §124.06(C)(4) to read as follows:

§ 124.06 LOWER-POTENCY HEMP EDIBLES.

(C) *Additional standards*

(4). Storage and display of product. ~~Low-potency edibles shall be sold behind a counter and stored in a locked case.~~ Lower-potency hemp edibles, other than lower-potency hemp edibles intended to be consumed as a beverage, shall be displayed behind a checkout counter where the public is not permitted or in a locked case. Lower-potency hemp edibles that are not displayed shall be stored in a secure area. Lower-potency hemp beverages may be displayed and stored in accordance with applicable state laws and regulations.

Section 2. Effective Date. The effective date of this ordinance shall be effective upon passage and publication.

First Reading: _____

Second Reading: _____

Date of Publication: _____

Date Ordinance Takes Effect: _____

Adopted by the City Council this ____ day of _____, 2026.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk