

**EDAP BOARD MEETING
WISH'N WELL CAFE
FEBRUARY 19, 2013
7:00 A.M.**

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
 - A. Election of Officers (page 7)
 - B. Meeting Schedule (page 8)
 - C. Small Cities Housing Rehabilitation Project – Cooperation Agreement with Stearns County HRA (page 9)
- IV. OLD BUSINESS
 - A. Incubator/Industrial Park – Update
 - B. Economic Status Of Community – Update
 - C. Past Due Loans – Update
 - D. Blighted Property On Minnie St. – Update
 - E. Opportunity Park (page 12)
- V. INFORMATIONAL
 - A. Revolving Loan Report (page 14)
 - B. Next Meeting – Tuesday, March 19, 2013
- VI. ADJOURN

***** Please call or email Renee at 320-243-3714 ext. 227 or at renee@paynesvillemn.com if you are not able to attend the meeting. *****

Members: Don Pietsch, Don Wiese, Bruce Stang, Chris Stanley, Alan Habben, Jean Soine, and Kay McDaniel. **Advisory Member:** Renee Eckerly.

This agenda has been prepared to provide information regarding an upcoming meeting of the EDAP Board. This document does not claim to be complete and is subject to change.

BARRIER FREE: All EDAP Board meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual need for special services. Please contact City Hall (320) 243-3714 early, so necessary arrangements can be made.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board

Committee/Council Meeting Date: February 19, 2013

Agenda Section: Consent Agenda

Originating Department: Administration

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

Please review the minutes from October 9, 2012 and December 18, 2012 EDAP Board Meetings.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from the October 9, 2012 and December 18, 2012 EDAP Board Meetings.

**MINUTES
EDAP BOARD**

OCTOBER 9, 2012

Chairperson Bruce Stang called the meeting to order at 7:00 a.m. Members present were Jean Soine, Chris Stanley, Don Pietsch, Gene Beavers, and Don Wiese. Also present were City Administrator, Renee Eckerly; Sheri Wegner, Jeff Bertram (observing), and Kay McDaniel. Al Habben was absent.

Motion was made by Stanley to approve the minutes of the September 18, 2012 EDAP Meeting. Seconded by Soine and unanimously carried.

EDAP DIRECTOR/CTIY ADMINISTRATOR POSITION

Beavers gave a verbal report and stated that Eckerly's contract is up for renewal. The Union Negotiations team received two recommendations from the PEP Committee:

1. Positions would remain the same.
2. Remove Eckerly as the EDAP Director and hire a separate person or group of people as the EDAP Director.

It was asked if a separate EDAP Director would be a full-time or part-time position. This has not been determined. The main reason behind replacing Eckerly is to put more time toward it; not that Eckerly is not doing a good job. Soine expressed that she is part of PEP Committee and this discussion did not come from them. There was some discussion whether there should be someone full-time right now with the opportunities for expansion and development that the City is facing.

The Township does not contribute to the EDAP Director position currently. The Township needs the EDAP Board for doing loans. The Township pays the City \$3,000.00 per year to manage the EDAP loans. The Township needs to have a board for them to process their loans. It is important to have a full-time Director at City Hall so when inquires come in there is a first point of contact.

The Board discussed how \$13,000.00 figure was achieved. The Board asked if they were doing enough. Stang thought that the Queen Bee's, Bakery, Nelson Plastics, and Stang Precision projects went well. As a group, it was asked, is the change going to make it better. It was asked if the goal is to bring in a new director and constantly pound the pavement.

Soine stated that this is not a good time to do this as the City has been offered to extend her contract for one year with no increases as there is a lot going on right now. If Council wants to hire a full-time Director that would be good, but EDAP does not have that information. The Board discussed if there was any discussion regarding the Township paying towards a Director. It is the Director's job to go out and recruit; not the Board. The person should be at City Hall every day. This is not a volunteer position; it's too important as the City expanding.

Stanley stated that Eckerly is doing a good job at what she does and he would not suggest the Board do anything at this time. This process started with the Union Negotiations Team as a concept. Stang stated that this should be discussed, but don't want to make a

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recommendation and don't have an alternative. EDAP is doing a good job and Eckerly is doing a great job. Beavers stated that because three Council members present; he would step out and allow Bertram to speak.

(Beavers left at 7:35 a.m.)

The current person is doing a good job; it's the Council's decision on how they want to fill the position. Eckerly is doing a good job at what's being done unless the plan is for bigger and better. It was suggested to offer Eckerly a one year contract until more details are figured out. Stang explained the expansion he did. A company came to Stang to see if he could provide the space. Eckerly put a schedule together and walked him through the complete process. Stang's experience was very good. It was stated that something may be missing, but what are the alternatives. The Board agreed that EDAP needs somebody there at City Hall as the Director. If the plan is to hire a full-time dedicated Director; the Board would want to know who, the charge, and why.

Bertram reported that the idea was brought to the Union Negotiations Team by group of people. It is not a way to save money, but invest money.

Stearns Manufacturing was brought here by four people and Kevan McCarney. Stang brought Valley Industries and Nelson Plastics. These were nothing the City did. This idea has validity and that's why it was brought to EDAP. It will bring businesses, let's get the businesses to come, who cares who brings them here.

Making sure loans are current is the Board's decision. The cost will be about \$50,000.00 - \$60,000.00 for an EDAP Director. Want attention paid to the business community like Ellen Anderson did when she was the EDAP Director. The Board asked if there was any proof that a full time Director is better than a part-time Director position.

Eckerly has done a good job in facilitating. It was suggested to have this group work with Eckerly to facilitate for now and see if she can't keep up then bring in a new Director. There is a need to have someone out door knocking and tell businesses that EDAP is here. It was suggested to create a job description. This has nothing to do with saving money; it's just an idea.

The Trail and Stearns Manufacturing was done as a group. Pay Del Co – EDAP is pushing them to do something with the land. The original Industrial Park was created by a group of individuals.

Beavers returned at 7:50 a.m.

The Board discussed that there needs to be a contact and no secondary option to replace Eckerly was offered. The Board liked the group concept if it's the right people.

Motion was made by Stanley to leave as is for now and to re-evaluate over the next few months and to work with a group or until a new plan is presented and recommend such to the City Council. Seconded by Stang and unanimously carried.

(Stanley left at 7:58 a.m.)

INCUBATOR

This item as not discussed.

ECONOMIC STATUS

This item as not discussed.

PAST DUE LOANS

It was reported that Bloom Corner Floral is past due on their loan.

BLIGHTED PROPERTY ON MINNIE STREET - UPDATE

This item was not discussed.

REVOLVING LOAN REPORT

The Revolving Loan Report was reviewed.

There being no further business the meeting was adjourned at 8:00 a.m.

**MINUTES
EDAP BOARD**

DECEMBER 18, 2012

Bruce Stang called the meeting to order at 7:00 a.m. Members present were Jean Soine, Don Wiese, Gene Beavers, Chris Stanley, and Renee Eckerly. Also present were Tammy Hawksworth and Jeff Hawksworth, both of Skinz Protective Gear. Don Wiese Pietsch and Alan Habben were absent.

Motion was made by Soine to approve the minutes of the November 13, 2012 EDAP Meeting. Seconded by Beavers and unanimously carried.

The October 9, 2012 minutes were not available at this time.

SKINZ PROTECTIVE GEAR EQUIPMENT FINANCING

Equipment Loan – Tammy and Jeff Hawksworth, Skinz are requesting a loan of \$98,000.00 for new equipment. The loan would be split equally with Paynesville Township. The equipment purchased would be C & C Milling, C & C Turning and the software to make them work. Currently they are outsourcing this work and would like to do it in-house; it's all about turnaround time. This will also open new possibilities for them to get into manufacturing. The equipment will be purchased and put into use prior to the building expansion being finished. Hawksworth need to close on the loan before the end of the year for tax purposes. They will be hiring three additional employees. EDAP would take a second position on the new equipment, plus all the other equipment, A/R, finished goods, and raw materials. Wiese reported the Township approved participating in the loan last night.

Motion was made by Beavers to approve the Skinz Equipment Loan in the amount of \$98,000.00 split between the City and Paynesville Township for 10 years with no balloon at 3.25%, plus .25% interest and collateral and recommend such to the City Council and Paynesville Township. Seconded by Soine and unanimously carried (Stanley abstained).

Land subordination – Tammy and Jeff Hawksworth, Skinz reported that they are expanding their current building. They will be doubling the size of the building off the back side. The slab is already poured and construction will start over the next couple of months. The Credit Union and Small Business Administration (SBA) are working together on the loan. New appraisals have been done on the building and the City has received a copy. EDAP also has the bakery building for collateral with F&M Bank. The new total of loans to others (Credit Union and SBA) on the real estate is \$1,318,863.00. The new appraisal value is \$2,010,000.00. The request is to have EDAP subordinate the Skinz #4 loan to the fifth position, but maintain the current collateral. The Credit Union would have positions 1st and 2nd. SBA would have the 3rd & 4th position. The City would move to the 5th position if approved. If not approved, Skinz may not be able to get loan from the Credit Union or SBA or it would be a delay to try to obtain the money to pay EDAP off.

Motion was made by Stang to approve subordinating the land loan to the 5th position, but maintain the current collateral and recommend such to the City Council and Paynesville Township. Seconded by Wiese and unanimously carried (Stanley abstained).

INCUBATOR

No update at this time.

ECONOMIC STATUS

Eckerly reported on Country Cupboard closing. Soine reported that NuCara will be moving in February 2013 to the new location. There have been few different ideas as to what will be happening with NuCara's current corner building. It is important to get these buildings filled quickly.

PAST DUE LOANS

Eckerly reported Bloom Corner Floral is the two months late on their loan. A letter has been sent to get current before the end of the month which is also year end and the auditors will be reviewing this.

BLIGHTED PROPERTY ON MINNIE STREET

Stang reported that Pay Del Co has taken down the old Gutwald building and an easement has been given by both Gerry Mehr and himself to put in a private driveway back to Pay Del Co's land. Eckerly reported the Bill Spooner, City Attorney and herself have been waiting on a report from Inspectron Inc since July regarding the poor condition of the LaPlant property so that a time line can be put in place to either repair or demolish the structure. She has also placed a call to Ed Schmidts' conservator as to the status of the documents to give the City authorization to clean the property up and assess the costs to the property.

The Board discussed the Building Inspector hampering development. It was asked if it is possible to eliminate the building official or hire a new one. Eckerly reported that the Planning Commission sent out packets to all the building inspectors in the area and Inspectron was the only one that applied. Eckerly will contact the State of MN to find out if the options have changed.

There being no further business the meeting was adjourned at 7:55 a.m.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board Meeting

Committee/Council Meeting Date: February 19, 2013

Agenda Section: New Business

Originating Department: Administration

Item Number: III - A

ITEM DESCRIPTION: Election of Officers

Prepared by:

COMMENTS:

Nominations for Chairperson
Nominations for Vice Chairperson
Nominations for Secretary

ADMINISTRATOR COMMENTS:

Current Officers:

Chair Bruce Stang
Vice Chair Chris Stanley
Secretary Renee Eckerly

COMMITTEE/COUNCIL ACTION:

A motion to elect _____ as Chairperson.
A motion to elect _____ as Vice Chairperson.
A motion to elect _____ as Secretary.

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REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board Meeting

Committee/Council Meeting Date: February 19, 2013

Agenda Section: New Business

Originating Department: Administration

Item Number: III - B

ITEM DESCRIPTION: Meeting Schedule

Prepared by: Staff

COMMENTS:

Each year every Board sets their meeting schedule. Currently the EDAP Board meets on the third Tuesday of each month at 7:00 a.m. at the Wish'n Well Café.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to set the EDAP Board meeting schedule for _____.

COOPERATION AGREEMENT
Small Cities Housing Rehabilitation Project
City of Paynesville

This Agreement is made and entered into this 25th day of April 2007, by and between the City of Paynesville, Minnesota (City) and the Housing and Redevelopment Authority of Stearns County, Minnesota (HRA).

The City has been awarded a Small Cities Development Program Housing Rehabilitation Grant by the Minnesota Department of Employment and Economic Development (DEED). The City desires that the HRA act as administering agent for the grant. The HRA represents that it is duly qualified and willing to perform said administrative services as set forth herein:

I. Purpose

1. The HRA and the City have determined that it is desirable and in the best interest of Paynesville residents that the City qualify as a city applicant within the provisions of the Act.
2. The purpose of this Agreement is to authorize the City to cooperate with the HRA in undertaking essential community development and housing assistance activities pursuant to a Small Cities Development Grant as authorized by the Act, the rules and all applicable regulations.

II. Terms of Contract

1. The City shall act as the project applicant and submit to the State of Minnesota and appropriate reviewing agencies all necessary documents and forms for the grant.
2. The HRA agrees and will assist the City in the undertaking of such essential activities by providing the services specified in this Agreement.
 - a. It shall act as the administrator for the project and perform all duties and responsibilities as necessary for the preparation, submission and implementation of the project. These duties will include, but not be limited to, the following:
 - drafting policies and procedures for City's approval;
 - developing rehabilitation standards for City's approval;
 - conducting an environmental review;
 - coordinating project activities with Rehabilitation Specialist;
 - complying with all applicable regulations such as fair housing, equal opportunity, affirmative action, citizen participation, historic properties clearance, audit requirements;

- coordinating project implementation including marketing, eligibility determination, applicant selection, file documentation, filing repayment agreements, reporting to DEED, project close out, and gathering applicant/beneficiary data;
 - implementing lead based paint rules; and
 - all other necessary tasks to complete grant program.
3. The parties mutually agree to comply with all applicable requirements of the Act, and all applicable regulations in the use of the basic grant amounts submitted pursuant to the Act and the regulations.

III. Scope of Activities

1. The City will be responsible for the approval of project policies, procedures and rehabilitation standards which will be provided by the HRA. The Mayor will act as the certifying official on all required documentation.
2. The HRA will keep complete and accurate records of all project claims and disbursements in accordance with program regulation. The HRA will submit disbursement requests to DEED. Administrative expenses will be requested from DEED on a reimbursement basis.
3. All grant program funds will be sent to the City of Paynesville. The City will pay the HRA within 14 days of receiving funds from DEED.
4. The HRA will manage and report on the revolving funds consistent with this Agreement.
5. The HRA will be paid from allowable program administration funds.

IV. Special Provisions

1. The City will provide a work area for the Rehabilitation Specialist throughout the grant period. This will include telephone, fax, postage, copier access, etc., necessary to carry out grant activities.
2. The City will publish informational and legal notices as required by DEED. These notices will be prepared by and paid for by the HRA.
3. The HRA and the City mutually agree to indemnify and hold harmless each party from any claims, losses, costs, expenses or damages resulting from the acts or omissions of their respective officers, agents and employees relating to activities conducted under this Agreement, the Act, the rules or regulations.
4. Independent contractor status: for the purpose of this Agreement, the HRA will be deemed an independent contractor, not an employee of the City.

5. Amendments: any alteration, variation, modification or waiver of the provisions of this Agreement shall be valid only after it has been reduced to writing, duly signed by both parties and attached to the original of this Agreement.

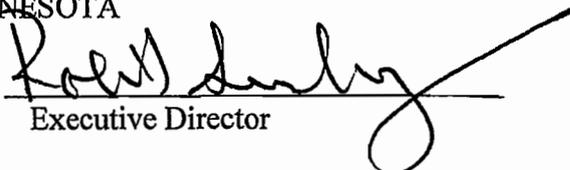
V. Termination

1. The term of this Agreement is for a period commencing on its effective date and ending after the project closeout is completed.
2. The Agreement is automatically extended for additional one-year periods after the second year unless written notice of termination to be effective at the end of any such subsequent year is given by one of the parties to the other no later than 180 days before the end of such year.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

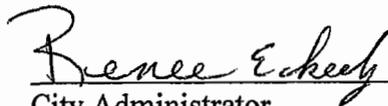
HOUSING AND REDEVELOPMENT
AUTHORITY OF STEARNS COUNTY,
MINNESOTA

ATTEST: _____

BY: 
Executive Director

APPROVED AS TO EXECUTION

CITY OF PAYNESVILLE, MINNESOTA


City Administrator

BY: 
Mayor

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board Meeting

Committee/Council Meeting Date: February 19, 2013

Agenda Section: Old Business

Originating Department: Administration

Item Number: III - B

ITEM DESCRIPTION: Opportunity Park

Prepared by: Staff

COMMENTS:

Please review the attached proposed layout of Opportunity Park Second Addition. The Council has reviewed this and recommends proceeding with the platting process pending EDAP approval.

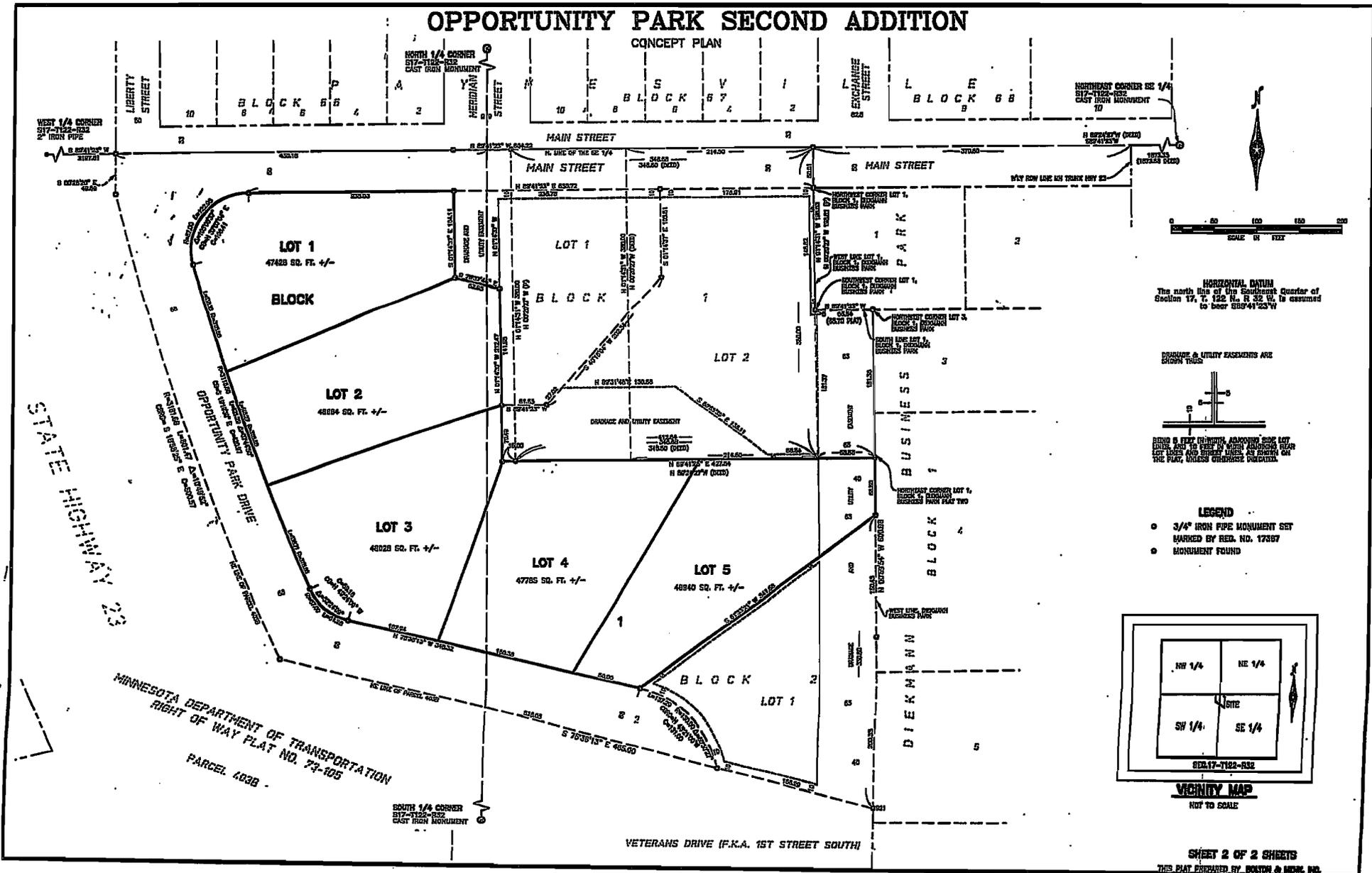
ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to proceed with the platting process for Opportunity Park Second Addition.

OPPORTUNITY PARK SECOND ADDITION

CONCEPT PLAN

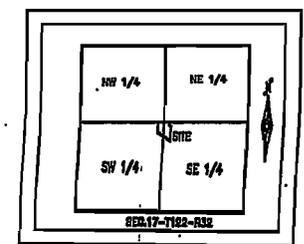


HORIZONTAL DATUM
The north line of the Southeast Quarter of Section 17, T. 122 N., R. 12 E. is assumed to bear S89°41'23"W

DRAINAGE & UTILITY EASEMENTS ARE SHOWN TRUSS

BEING 6 FEET IN WIDTH, APPROXIMATE LOT LINES, SHOWN TO BE THE CENTER LINE OF LOT LINES AND OTHER LINES AS SHOWN ON THE PLAT, UNLESS OTHERWISE INDICATED.

- LEGEND**
- 3/4" IRON PIPE MONUMENT SET MARKED BY REG. NO. 17367
 - MONUMENT FOUND



SHEET 2 OF 2 SHEETS
THIS PLAT PREPARED BY BOSTON & MERRILL, INC.

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REVOLVING LOAN STATUS REPORT

02/11/2013	BALANCE	PRINCIPAL	PAYMENT	LAST PMT. AMOUNT	DUE DATE
MIDWEST CYLINDER #2	\$ 196,974.50	1,512.92	02/06/13 2/13 pmt	2,115.64	22ND
* QUEEN BEE'S BAR & GRILL INC.	\$ 86,789.72	501.28	02/08/2013 12/12,1/13 pmts	1019.64	20TH
* BLOOM CORNER FLORAL	\$ 19,208.43	1031.24	01/10/2013 11-12/12,1-2/13 PMTS	1258.16	1ST
* SKINZ #4	\$ 101,529.50	311.54	01/23/2013 1/13 PMTS	637.96	15TH
KORONIS LANES #2	\$ 7,407.27	197.78	02/04/2013 2/13 PMT	197.78	1ST
* SKINZ #5	\$ 97,363.88	636.12	02/05/2013 2/13 PMT	969.08	31ST
TOTAL	\$ 509,273.30				
* Joint Loans w/Township LATE PAYMENTS:					
TOTAL DELINQUENT CITY RLF BALANCE	\$ -	\$617,178.50	02/11/2013	Unaudited	
CITY EDAP FUND		\$115,921.73	02/11/2013	Unaudited	