

**EDAP BOARD MEETING
WISH'N WELL CAFÉ
MAY 19, 2015
7:00 A.M.**

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
 - A. Small Cities Grant Loan – K- Payne (page 7)
 - B. EDAP Small Revolving Loan - Design Portrait Studio (page 10)
 - C. Combine EDAP & Bank Loan - Sweet Nook Bakery (page 14)
- IV. OLD BUSINESS
 - A. Economic Status Of Community – Update
 - B. Past Due Loans – Update
 - C. Member Resignation/Replacement – Pay Del Co Representative (page 15)
- V. INFORMATIONAL
 - A. Revolving Loan Report (page 17)
- 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: May 19, 2015

Agenda Section: Consent Agenda

Originating Department: Administration

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

Please review the minutes from the October 21, 2014, November 25, 201, and February 17, 2015 EDAP Board meetings.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from the October 21, 2014, November 25, 201, and February 17, 2015 EDAP Board meetings.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board

Committee/Council Meeting Date: April 21, 2015

Agenda Section: Consent Agenda

Originating Department: Administration

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

Please review the minutes from the October 21, 2014, November 25, 201, and February 17, 2015 EDAP Board meetings.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from the October 21, 2014, November 25, 201, and February 17, 2015 EDAP Board meetings.

**MINUTES
EDAP BOARD MEETING**

FEBRUARY 17, 2015

Jean Soine called the meeting to order at 7:00 a.m. Members present were Bruce Stang, Kay McDaniel, Chris Stanley, and Renee Eckerly, City Administrator. Don Pietsch, Don Wiese, and Al Habben were absent.

Motion was made by Stanley to approve the minutes from the January 20, 2015 EDAP Board meeting. Seconded by Stang and unanimously carried.

BUSINESS KIOSK

Len Gilmore has suggested the business kiosk idea. The Board discussed the cost and putting up a sign with Quick Response Code (QR Code) at each park. The Board commented that this should really be a Chamber idea. Eckerly will check with Sheri Wegner regarding the application she did for Town and County Days.

MEMBERSHIP

The Board discussed asking Wayne Nelson to serve on the Board. Stang will check with him. It was suggested to ask Al Habben to see if he would stay on the EDAP Finance Sub-Committee. Eckerly will contact him.

TAX ABATEMENT

The Board discussed if other cities require applications to be made prior to the project starting. The Board reviewed the revised policy and application and a few changes were made.

Motion was made by Stanley to approve the Tax Abatement Policy & Application with the noted changes and recommend such to the City Council. Seconded by McDaniel and unanimously carried.

ECONOMIC STATUS OF COMMUNITY

The following was discussed: Alco, Dollar General, apartments, ballpark, former Corner Drug building, and the former Super Valu building.

INFORMATIONAL

The Revolving Loan Report was reviewed.

There being no further business the meeting was adjourned at 7:50 a.m.

**MINUTES
EDAP BOARD MEETING**

NOVEMBER 25, 2014

Jean Soine called the meeting to order at 11:00 a.m. Members present were Kay McDaniel, Don Wiese, Chris Stanley, and Renee Eckerly, City Administrator. Don Pietsch, Bruce Stang, and Al Habben were absent.

No minutes were presented for approval.

ECONOMIC STATUS OF COMMUNITY

Eckerly reported that Alco is closing and she has been in contact with a liquidation company regarding the building.

PAST DUE LOANS

Eckerly reported on the past due loans.

TAX ABATEMENT

Tammy Omdal, Northland Strategies was on a conference call regarding tax abatement and reviewed the following:

- City's portion of taxes only
- Only for the increase in taxes for the improvement
- Can't be used for parks
- Spread across total tax base
- All taxpayers pay more taxes to get project done
- 15 to 20 years
- Levy a special property tax base
- Collected and used for specific purpose
- Example: business has \$20,000.00 in new taxes, City agrees to abatement for 15 years, reimburse them – cut check back and sent back to property owner
- Community pool – abatement levy – certify
- Process:
 - Area want to assist – not a district
 - Whatever parcels the City wants
 - Figure current taxes and taxes on improvements
 - Abatement area
 - Then tax levy would be spread over the tax base
- Limit is \$200,000.00 or 10% of taxing capacity
- Public Hearing – tax statement does not look any different if property is included in abatement
- No abatement – pay taxes – return taxes back to them
- How do you not do this for everyone?
 - Need to have a policy in place
 - Public project, job generation, eliminating retail

The Board reviewed Princeton's Policy. The Board discussed whether or not to do tax abatement. The Board agreed to proceed and develop a policy. It was suggested to send out more examples to the Board. The purpose is to put together an abatement policy and email it to Omdal for review.

INFORMATIONAL

The Revolving Loan Report was reviewed.

There being no further business the meeting was adjourned at 12:10 p.m.

**MINUTES
EDAP BOARD MEETING**

OCTOBER 21, 2014

Jean Soine called the meeting to order at 7:00 a.m. Members present were Kay McDaniel, Don Wiese, Chris Stanley, Bruce Stang, and Renee Eckerly, City Administrator. Don Pietsch and Al Habben were absent.

Motion was made by Stanley to approve the minutes from the July 15, 2014 EDAP Board meeting. Seconded by Wiese and unanimously carried.

KPAYNE BUILDING

Eckerly reported that she has reviewed the information with KPayne and given KPayne an application.

TAX ABATEMENT

The Board discussed tax abatement versus a TIF and industrial versus retail. They further discussed possible criteria:

1. Million dollar project or more
2. Pay all fees incurred by Attorney, City staff, and any publishing

Examples from other cities were reviewed. Eckerly will research this further and bring back her findings to the next meeting.

BILLBOARD

It was reported that this has been completed and paid for.

INDUSTRIAL LAND

Eckerly mentioned the Fuchs property.

INFORMATIONAL

The Revolving Loan Report was reviewed.

There being no further business the meeting was adjourned at 8:05 a.m.

Jennifer Welling

From: Renee Eckerly
Sent: Tuesday, May 05, 2015 11:04 AM
To: Jennifer Welling
Subject: FW: K-Payne work to be completed - EDAP Agenda

EDAP Board

From: Renee Eckerly
Sent: Tuesday, May 05, 2015 11:03 AM
To: 'Simon Thielen'
Cc: Doris Washington; 'K1 Sportswear'
Subject: RE: K-Payne work to be completed

Simon,

I will then present to the EDAP Board the new listing of rehab work that is listed below at the meeting on May 19, 2015. I don't see any issues, but it is good to get the Board approval. Is there anyone else on the waiting list that has not had any work done?

Renee Eckerly
City Administrator
City of Paynesville
(320) 243-3714 ext. 227
Fax (320) 243-3713

From: Simon Thielen [<mailto:Simon.Thielen@tricap.org>]
Sent: Wednesday, April 29, 2015 7:14 AM
To: Renee Eckerly
Cc: Doris Washington; 'K1 Sportswear'
Subject: RE: K-Payne work to be completed

Renee,

It became a little too late in the fall last year to complete the roofing work, so no work has been completed as part of the second loan. This is all the second loan, there is not a third loan.

Thank you

Simon Thielen
Tri-County Action Program
Housing Rehab Specialist
Lead Risk Assessor
Energy Auditor
1210 23rd Avenue South
Waite Park, MN 56387
simon.thielen@tricap.org



(office) 320-257-4464

From: Renee Eckerly [mailto:Renee@paynesvillemn.com]
Sent: Tuesday, April 28, 2015 5:49 PM
To: Simon Thielen
Cc: Doris Washington; 'K1 Sportswear'
Subject: RE: K-Payne work to be completed

Simon,

I am looking for a little clarification. October 2014, the EDAP Board took action from an email that was included in their October 21, 2014 agenda to allow K-Payne to get a second loan. Is this for a 3rd loan or did the 2nd loan change?

Renee Eckerly
City Administrator
City of Paynesville
(320) 243-3714 ext. 227
Fax (320) 243-3713

From: Simon Thielen [mailto:Simon.Thielen@tricap.org]
Sent: Tuesday, April 28, 2015 8:56 AM
To: Renee Eckerly
Cc: Doris Washington
Subject: K-Payne work to be completed

Renee,

Below is the breakdown of the work to be completed for the K-Payne building at 114 James St W, Paynesville:

VALLEY CONSTRUCTION

Replace metal roof: \$ 3,350.00
Repair low pitch roof: \$ 650.00
Install gutters: \$ 325.00

HAINES ELECTRIC

Replace (38) 8' fluorescent light fixtures: \$3,200.00

TOTAL FOR PROJECT: \$7,525.00

Previous work completed at the K-Payne building July , 2014:

- **Install 4 new large windows and repair deteriorated components around them: \$ 3,170.00**

If you need anything else, or have other questions, please let me know.

Thank you,

Simon Thielen
Tri-County Action Program
Housing Rehab Specialist
Lead Risk Assessor
Energy Auditor
1210 23rd Avenue South
Waite Park, MN 56387
simon.thielen@tricap.org
(office) 320-257-4464

Community Action: Helping People. Changing Lives.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board

Committee/Council Meeting Date: May 19, 2015

Agenda Section: New Business

Originating Department: Administration

Item Number: III - B

ITEM DESCRIPTION: EDAP Small Revolving Loan - Design Portrait Studio

Prepared by: Staff

COMMENTS:

Leslie Klehr, Design Portrait Studio will give a verbal presentation for a EDAP Small Revolving Loan of \$10,000.00. She has purchased Sheri's Studio. Klehr would like to keep the process moving. The next step would be for Klehr to meet with the EDAP Finance Sub-Committee.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to forward the EDAP Small Revolving Loan Application for Design Portrait Studio to the EDAP Finance Sub-Committee for a report and recommendation.

PAYNESVILLE SMALL REVOLVING LOAN FUND APPLICATION

I. GENERAL INFORMATION

Name of Business: Design Portrait Studio

Address: 201 Washburne Ave

City: Paynesville Zip Code 56362

Business Contact Person: Leslie Klehr

Telephone # 320-243-7771

Social Security # _____
(if business is a sole proprietorship)

Other contacts or application assistance providers:

Name:	Telephone #:
_____	_____
_____	_____
_____	_____

Type of Business:

Sole Proprietorship Corporation General Partnership
 Limited Partnership Limited Liability Partnership Other _____

If a corporation, provide the name(s) and address(s) of shareholders that own 20% or more of outstanding shares of the corporation:

If a partnership, provide name(s) and address(s) of all partners:

Has you or your business ever filed bankruptcy?

No Yes _____ if yes, please explain:

Lien Position _____

Name of participating Bank: _____

Contact Person: _____ Telephone #: _____

Address: _____

Other Lender: _____

Contact Person: _____ Telephone #: _____

Address: _____

V. OTHER REQUIRED DOCUMENTS

- 1. Statement of Proposed Collateral
 - A. Provide a detailed list of all collateral offered, its value, and security position by funding sources.
- 2. Copy of last year's submitted business income tax statement.

SIGNATURE OF APPLICANT(S)

I have willfully furnished this information to the Economic Development Authority of Paynesville (EDAP) for the purpose of applying for a loan. I (we) understand that this information will (may) be reviewed by City staff, the EDAP Board, City Council, and Township Board. I (we) further authorize EDAP staff to be in contact with those individuals and institutions involved in the proposed project.



Applicant's Signature

5-5-15

Date

Applicant's Signature

Date

Applicant's Signature

Date

II. NATURE OF LOAN REQUEST

Amount of loan request \$ 10,000 Total Project Cost \$ _____

New Business or Business Expansion? Purchased existing (Shen's studio)

of existing jobs _____ # of jobs to be created 1

of jobs retained _____ Amount of Private Financing _____

III. FINANCING PURPOSE AND SOURCES

How and what funds will be used to finance project? (dollar amounts) (Complete all that are applicable for your loan.)

	RLF	Bank Loan	Equity	Other	Total
Property Acquisition	_____	_____	_____	_____	_____
Site Improvements	_____	_____	_____	_____	_____
Building Renovation	_____	_____	_____	_____	_____
New Construction	_____	_____	_____	_____	_____
Machinery/Equipment	_____	_____	_____	_____	_____
Inventory Purchase	_____	_____	_____	_____	_____
Working Capital	_____	_____	_____	_____	_____
Job Training	_____	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____	_____
Total Project Cost	_____	_____	_____	_____	_____

IV. FINANCING TERMS AND CONDITIONS (Complete all that are applicable for your loan.)

	RLF	Bank Loan	Equity	Other
Dollar Amount	_____	_____	_____	_____
% of Project Cost	_____	_____	_____	_____
Term (years)	_____	_____	_____	_____
Interest Rate	_____	_____	_____	_____
Collateral Offered	_____	_____	_____	_____

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board

Committee/Council Meeting Date: May 19, 2015

Agenda Section: New Business

Originating Department: Administration

Item Number: III - C

ITEM DESCRIPTION: Combine EDAP & Bank Loan - Sweet Nook Bakery

Prepared by: Staff

COMMENTS:

Marilyn Blonigen, Sweet Nook Bakery will be in attendance to discuss combining the remaining balances on her EDAP Loan and Bank Loan into one EDAP Loan. The current EDAP Loan was started on 6-17-13 for \$15,000.00 and is to end on 5-17-18.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to _____.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board

Committee/Council Meeting Date: May 19, 2015

Agenda Section: Old Business

Originating Department: Administration

Item Number: IV - C

ITEM DESCRIPTION: Member Resignation/Replacement

Prepared by: Staff

COMMENTS:

Please review the attached resignation from Al Habben from the EDAP Board; however, he is willing to serve on the EDAP Finance Sub-Committee.

Discuss a replacement.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to accept the resignation from Al Habben from the EDAP Board and recommend such to the City Council

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Jennifer Welling

From: Renee Eckerly
Sent: Tuesday, February 24, 2015 5:29 PM
To: Jennifer Welling
Subject: FW: EDAP Committee

Next EDAP agenda

From: Alan Habben [<mailto:AHabben@anfinsonthompson.com>]
Sent: Tuesday, February 24, 2015 2:55 PM
To: Renee Eckerly
Subject: RE: EDAP Committee

Renee;

Since I haven't been much of a participant lately I believe that would be best for all parties. I would be more than happy to continue on the finance sub committee.

At this point I would like to tender my resignation as a member of the EDAP Board of Directors effective as of the date a replacement is obtained.

Alan E Habben

Thanks Renee.

Alan

From: Renee Eckerly [<mailto:Renee@painesvillemn.com>]
Sent: Tuesday, February 24, 2015 11:12 AM
To: Alan Habben (alan@habbenhennen.com)
Subject: EDAP Committee

Al,

I know this is your very busy time of year. I am contacting you because at the last EDAP Committee meeting it was discussed that you may be interested in resigning from the Board since you are moving toward retirement (boy am I jealous).

That being said, you are a very valued member and since we have been playing phone tag and have not had a chance to talk. The EDAP Board was wondering if you would still be interested in staying on the EDAP Finance Sub Committee. But not staying on the Board. If you have interest on staying on the Board and the Sub Committee would be FANTASTIC! Please respond before March 17th would be greatly appreciated.

Thank you for your time!

Renee Eckerly
City Administrator
City of Painesville
(320) 243-3714 ext. 227
Fax (320) 243-3713

REVOLVING LOAN STATUS REPORT

Date of Update:

4/30/2015

	Business Name	Outstanding Balance	Date of last Payment	Amount of Last Payment	Current/Next Due Date
*	Bloom Corner Floral #2	\$ 16,203.15	2/20/2015	\$ 683.80	3/15/2015
	Eats & Treats	\$ 16,425.12	2/27/2015	\$ 177.99	2/3/2015
	Koronis Lanes	\$ 5,319.77	3/3/2015	\$ 197.79	10/1/2015
*	Louis Industries	\$ 251,571.70	3/2/2015	\$ 12,126.90	6/4/2015
#	Louis Industries Deed Part A	\$ 20,000.00	3/2/2015	\$ 175.00	6/4/2015
	Louis Industries Deed Part B	\$ 50,314.34	3/2/2015	\$ 2,425.38	6/4/2015
	Midwest Cylinder #2	\$ 171,906.33	6/12/2014	\$ 2,115.64	7/22/2014
*	Queen Bee's Bar & Grill	\$ 78,458.71	4/16/2015	\$ 1,019.64	5/20/2015
*	Skinz #4	\$ 91,875.61	4/17/2015	\$ 637.96	5/15/2015
*	Skinz #5	\$ 77,981.40	4/17/2015	\$ 969.08	5/28/2015
*	Savage Land Partnership	\$ 315,444.26	4/30/2015	\$ 1,957.36	7/3/2015
	<u>Sweet Nook Bakery</u>	<u>\$ 9,805.68</u>	<u>4/17/2015</u>	<u>\$ 272.88</u>	<u>5/17/2015</u>
*	Joint Loans w/Township				
#	Joint Loans w/State				
	TOTAL OUTSTANDING BALANCE	\$ 1,105,306.07			

LATE PAYMENTS:

Bloom Corner Floral	\$ 341.90	Due: 3/15/15
Bloom Corner Floral	\$ 341.90	Due: 4/15/15
Eats & Treats	\$ 177.99	Due: 2/3/15
Eats & Treats	\$ 177.99	Due: 3/3/15
Eats & Treats	\$ 177.99	Due: 4/3/15
Midwest Cylinder #2	\$ 2,115.64	Due: 7/22/14
Midwest Cylinder #2	\$ 2,115.64	Due: 8/22/14
Midwest Cylinder #2	\$ 2,115.64	Due: 9/22/14
Midwest Cylinder #2	\$ 2,115.64	Due: 10/22/14
Midwest Cylinder #2	\$ 2,115.64	Due: 11/22/14
Midwest Cylinder #2	\$ 2,115.64	Due: 12/22/14
Midwest Cylinder #2	\$ 2,115.64	Due: 1/22/15

In redemption period
 with Credit Union
 until Aug 3 2015.
 5/12/15 city started
 do diligence regarding
 loan redemption.

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Midwest Cylinder #2	\$	2,115.64	Due: 2/22/15		
Midwest Cylinder #2	\$	2,115.64	Due: 3/22/15		
Midwest Cylinder #2	\$	2,115.64	Due: 4/22/15		
TOTAL DELINQUENT	\$	19,574.73			
CITY REVOLVING LOAN BALANCE (available)			\$ 257,277.74	updated 2/28/15	<i>(unaudited)</i>
CITY EDAP BALANCE			\$ 136,162.16	updated 2/28/15	<i>(unaudited)</i>
TOWNSHIP LOAN BALANCE (available)					