

**EDAP BOARD MEETING
WISH'N WELL CAFÉ
AUGUST 20, 2013
7:00 A.M.**

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
 - A. EDAP Loan & MN Investment Fund – Louis Industries (page 4)
- IV. OLD BUSINESS
 - A. Participate In Manufacturing Week In October
 - B. Incubator/Industrial Park – Update
 - C. Economic Status Of Community – Update
 - D. Past Due Loans – Update
 - E. Industrial Land – Update
- V. INFORMATIONAL
 - A. Revolving Loan Report (page 7)
- VI. ADJOURN

***** This is a very important meeting. Please call or email Renee at 320-243-3714 ext. 227 or at renee@paysvillemn.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: August 20, 2013

Agenda Section: Consent Agenda

Originating Department: Administration

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

Please review the minutes from July 23, 2013 Special EDAP Board Meeting.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from the July 23, 2013 Special EDAP Board Meeting.

**MINUTES
SPECIAL EDAP BOARD**

JULY 23, 2013

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

Motion was made by Pietsch to approve the minutes of the July 16, 2013 EDAP Board Meeting. Seconded by Stanley and unanimously carried.

SUBORDINATION REQUEST – SWEET NOOK BAKERY

It was reported that Blonigen will not be able to get full funding with the Credit Union if this is not approved.

Motion was made by Soine to approve the subordination Agreement and recommend such to the City Council. Seconded by Habben and unanimously carried.

MANUFACTURING WEEK PARTICIPATION

2008 was the last time the City participated in Manufacturing Week. This is held in the month of October. It was suggested to ask Skinz if they would participate.

Motion was made by Pietsch to participate in Manufacturing Week this October. Seconded by Habben and unanimously carried.

EDAP LOAN PROCESS

The Board reviewed the following issues:

1. 20 year loans with a 10 year balloon
2. Only allowing loans for up to 50% of the revolving loan funds

A Small Business Loan (SBA) has to be 20 years with a 10 year balloon, but EDAP can state that there will not be a refinance on the remaining 10 years. Pietsch reported on the positive reaction from the Township regarding the proposed changes.

Motion was made by Stanley to approve the changes to the loan documents and recommend such to the City Council and Township Board. Seconded by Habben and unanimously carried.

REVOLVING LOAN STATUS REPORT

The Board requested changes to the Revolving Loan Status Report and to have the Township add their Revolving Loan amounts. The amount in the Township's Revolving Loan Fund is \$300,000.00 - \$350,000.00. The Board discussed the history of loans and was impressed by the number of businesses EDAP has assisted.

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EXPLORE MINNESOTA

Eckerly reported on the Explore Minnesota registration for manufacturing and tax credits available for using college interns.

INDUSTRIAL PARK LAND

It was reported that there is no land available again for industrial property. The Board discussed what the City's plan is for industrial development. Eckerly will put a comprehensive plan map on the next agenda. Pietsch reported on the railroad crossing improvements and costs. Five years ago it was estimated at \$200,000.00 to put up cross arms because the railroad intends to increase the train speeds.

There being no further business the meeting was adjourned at 7:58 a.m.

PAYNESVILLE REVOLVING LOAN FUND APPLICATION

I. GENERAL INFORMATION

Name of Business: Louis Industries

Address: 222 Industrial Loop W

City: Paynesville Zip Code 56362

Business Contact Person: Leo or Lance Louis

Telephone # 320-243-3696

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

Other contacts or application assistance providers:

Name:	Telephone #
Leo Louis _____	cell -612-416-6000 _____
Lance Louis _____	cell - 612-419-5550 _____
Kevin Wall _____	cell - 612-416-5577 _____
Cecil Louis _____	

Type of Business:

Louis Industries ≡ Corporation (corporation)
Louis Industries Partnership = General Partnership (land and building)

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

If a partnership, provide name(s) and address(s) of all partners. See above

Has you or your business ever filed bankruptcy?

No X Yes _____ if yes, please explain:

II. NATURE OF LOAN REQUEST

Amount of loan request \$ TBD

Total Project Cost \$ 3-5 Million

W

New Business or Business Expansion? Expansion

of existing jobs 42

of jobs to be created 7-10

of jobs retained 42

III. FINANCING PURPOSE AND SOURCES

How and what funds will be used to finance project? (dollar amounts)

	RLF	Bank Loan	Equity	Other	Total
Property Acquisition	_____	_____	_____	_____	_____
Site Improvements	TBD__	TBD__	TBD__	_____	_____
Building Renovation	_____	_____	_____	_____	_____
New Construction	_____	_____	_____	_____	_____
Machinery/Equipment	TBD__	TBD__	TBD__	_____	_____
Inventory Purchase	TBD__	TBD__	TBD__	_____	_____
Working Capital	TBD__	TBD__	TBD__	_____	_____
Job Training	TBD__	TBD__	TBD__	_____	_____
Energy/Technology	TBD__	TBD__	TBD__	_____	_____
Total Project Cost	TBD__	TBD__	TBD__	None__	_____

IV. FINANCING TERMS AND CONDITIONS

	RLF	Bank	Equity Loan	Other
Dollar Amount	TBD__	TBD__	TBD__	_____
% of Project Cost	_____	_____	_____	_____
Term (years)	20__	_____	_____	_____
Interest Rate	Prime_	_____	_____	_____
Collateral Offered	_____	_____	_____	_____
Lien Position	_____	_____	_____	_____

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Name of participating Bank: Bank of the West

Contact Person: Rodney Votava Telephone # 218-739-0222

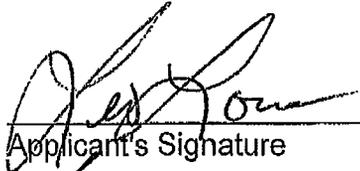
Address: Fargo, ND

Louis Industries is a closely held private sub chapter S corporation. We consider our business plan and financials confidential and privileged information. You can view our financials at our facility at a meeting or we can have our accountant and financial institutions provide you with a statement.

Additional information about the company can be found at our web site:
www.louisindustries.com

SIGNATURE OF APPLICANT(S)

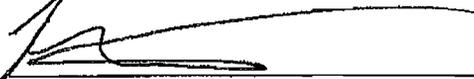
I have willfully furnished this information to the Economic Development Authority of Paynesville (EDAP) for the purpose of applying for a loan. I (we) understand that this information will (may) be reviewed by City staff, the EDAP Board, City Council, and Township Board. I (we) further authorize EDAP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



Applicant's Signature

6/17/13

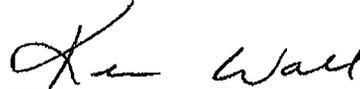
Date



Applicant's Signature

6/17/13

Date



Applicant's Signature

6/17/13

Date

Applicant's Signature

Date

REVOLVING LOAN STATUS REPORT

Date of Update: **08/07/2013**

Business Name	Outstanding Balance	Date of last Payment	Amount of Last Payment	Current/Next Due Date
* Bloom Corner Floral	\$ 18,559.91	05/06/2013	\$ 629.08	06/01/2013
Koronis Lanes	\$ 7,231.09	03/04/2013	\$ 197.79	10/01/2013
Midwest Cylinder #2	\$ 187,706.83	08/07/2013	\$ 2,115.64	09/22/2013
* Queen Bee's Bar & Grill	\$ 85,452.74	07/02/2013	\$ 509.82	07/20/2013
* Skinz #4	\$ 99,456.55	07/25/2013	\$ 637.96	08/15/2013
* Skinz #5	\$ 93,108.51	07/25/2013	\$ 969.08	08/28/2013
Sweet Nook Bakery	\$ 14,770.87	07/17/2013	\$ 272.88	08/17/2013

* Joint Loans w/Township

TOTAL OUTSTANDING BALANCE \$ **506,286.50**

LATE PAYMENTS:

Bloom Corner Floral	\$ 314.54	Due: 6/1/13
Bloom Corner Floral	\$ 314.54	Due: 7/1/13
Bloom Corner Floral	\$ 314.54	Due: 8/1/13
Queen Bee's Bar & Grill	\$ 509.82	Due: 7/20/13
TOTAL DELINQUENT	\$ 1,453.44	

CITY REVOLVING LOAN BALANCE (available)	\$ 616,463.21	updated 8/1/13	<i>(unaudited)</i>
CITY EDAP BALANCE	\$ 102,303.58	updated 8/1/13	<i>(unaudited)</i>
TOWNSHIP LOAN BALANCE (available)			