

**EDAP BOARD MEETING
WISH'N WELL CAFE
JUNE 15, 2010
7:00 A.M.**

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
 - A. DEED – Redevelopment Grants (page 5)
- IV. OLD BUSINESS
 - A. Incubator/Industrial Park – Update
 - B. Economic Status Of Community - Update
 - C. Status of Revolving Loan Past Due Payments - Update
 - D. EDAP Loan Applications (page 7) – **please bring the documents that were mailed to you from the last meeting also.**
 - E. MN Job Stimulus Webinar - Update
 - F. Geronimo Wind Energy – Donation Program
 - G. Koronis Lanes - EDAP Loan Application (page 11)
 - H. Skinz EDAP Loan - Update
 - I. Electric Yacht – Update
- V. INFORMATIONAL
 - A. DEED Summer Road Show (page 12)
 - B. Revolving Loan Report (page 16)
 - C. MN State Energy Partnership RFP Announcement (page 18)
- VI. ADJOURN

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

Members: Don Pietsch, Don Wiese, Bruce Stang, Chris Stanley, Alan Habben, Jeff Thompson, and Gene Beavers. 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 Meeting

Committee/Council Meeting Date: June 15, 2010

Agenda Section: Consent Agenda

Originating Department: Administration

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

Please review the attached minutes from the May 20, 2010 and May 27, 2010 EDAP Board meetings.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from May 20, 2010 and May 27, 2010 EDAP Board meetings.

**MINUTES
EDAP BOARD**

MAY 20, 2010

The meeting was called to order by Bruce Stang at 7:00 a.m. Other members present were Jeff Thompson, Chris Stanley, Don Pietsch, Al Habben, and Gene Beavers. Absent were Don Pietsch and Don Wiese. Also present was Renee Eckerly, Jeff Hawksworth, Tammy Hawksworth, and Rick Block.

Motion was made by Beavers to approve the minutes from the April 20, 2010 EDAP meeting. Seconded by Stanley and unanimously carried.

KORONIS LANES EDAP LOAN

Block missed funding through the Small Cities Grant as the purchase of the property had not gone through yet. He is putting up a new sign, installing new windows, putting on new stucco, and painting the inside with the loan. Eckerly will check if there is any Small Cities Grant money available. Block did get a small awning grant in the amount of \$212.00. Block wants to do a small face lift. The Finance Sub-Committee will meet with Block and bring back a recommendation to the EDAP Board. Block has been working with the Building Inspector on the improvements.

SKINZ EDAP LOAN

The total project is \$800,000.00 with land and equipment. Hawksworth is requesting \$80,000.00. The SBA is 40%, plus the Credit Union is at 50% which is a correction to the application. EDAP would be the gap financier to the complete project. Hawksworth's have purchased the former Ampe land to the west of the Industrial Park and are splitting the land and re-zoning the first 7 acres to light industrial off; the remaining land is staying Ag. Hawksworth's have also purchased the Sure -Flo building and the zoning is staying as is. Money is for building and land (70.39242.0000) (refinancing) not equipment and EDAP would be in the 3rd position behind SBA and the Credit Union. Under the current EDAP loan of \$98,000.00 Skinz sold lot #3 to Stang Precision and the full amount went to the Credit Union to buy down the first mortgage. The current building is worth \$400,000.00 with all the renovations. The company currently employees 10 to 12 employees with the expansion would be at least one more now and are planning to add 2 to 3 in the new building. They plan on diversifying to do different things so they don't have to depend on Yamaha. Skinz is Yamaha's #1 after the market provider. Skinz has gotten busier with the recession because they are doing more for Yamaha to cut down on Yamaha's overhead. At the new building they will have room to expand and they are building to be able to expand off 3 sides and able to keep everything under one roof.

Motion was made by Stanley to release lot 3 from the current loan and recommend such to the City Council. Seconded by Thompson and unanimously carried (Stang abstained).

On the current Minnie Street property there is a existing building over the lot line. The plan is to cut off the building and adjust to the setback, but right now Skinz needs the building for production until the new building is available to them so they can remove the storage in the building that is over the lot line. The building will be fixed within the next 1 ½ years. The Assessor was just there last year. There will be a Special EDAP meeting at 7:00 a.m. on

Thursday, May 27th to consider action on the Skinz and Koronis Lanes EDAP Loans. The Finance Sub-Committee will meet on May 25th at 11:00 a.m. at the Habben Office to review the loans and bring back a recommendation for the May 27th Special Meeting.

ELECTRIC YACHT

EDAP is interested in getting them here. Eckerly suggested connecting them with Skinz for the building lease. Offer gap financing and see what they would need in that area.

INCUBATOR

EDAP discussed purchasing the Skinz building for the incubator, but due to the building code, it will be a nightmare to remodel the building to be suitable.

MAINS'L SERVICE

Thompson reported that this company sets up group home with elderly and special needs; like what is out in Wilglo Acres. They are licensed through Stearns County. They are looking to get their services out as available.

STATUS OF LOANS

Eckerly reported that only one loan is still past due and a letter has been sent to them.

KC COMPANIES

It was reported that as of April 26, 2010 they are meeting with the Hospital Board.

MN JOB STIMULUS WEBINAR

This item was tabled.

ECONOMIC STATUS OF COMMUNITY

This item was tabled.

EDAP LOAN APPLICATIONS

This item was tabled.

GERONIMO WIND ENERGY

This item was tabled.

REVOLVING LOAN REPORT

An updated report was distributed.

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

**MINUTES
SPECIAL EDAP BOARD**

MAY 27, 2010

The meeting was called to order by Bruce Stang at 7:00 a.m. Other members present were Jeff Thompson, Chris Stanley, Don Pietsch, and Gene Beavers. Absent were Alan Habben and Don Wiese. Also present was Renee Eckerly.

SKINZ EDAP LOAN

The Board reviewed the data from the Finance Sub-Committee presented by Stang. Skinz would be able to cash flow both payments at \$1.50 to every dollar of debt. There would be added employees and they have not been late on any payments. This would expand the economics of the area. It is shown that they meet the criteria of the mission of the EDAP Board to be awarded the loan. The loan would be a 20 year loan with a 10 year balloon with collateral being the bakery and the current building on 511 Minnie St. with a third position on the new building and land. SBA will come in after everything is done, so there will be a request for subordination at that time. The Township will participate in the loan at 50% at current rate of prime rate plus .25% (or 3.50%). They are not combining the current loan with this issue. SBA needs a letter ASAP to stop additional fees.

Motion was made by Beavers to approve the \$80,000.00 loan for 20 years with a 10 year balloon at 3.25% interest plus .25% (or 3.50%) with collateral on the bakery, 511 Minnie St., and the new building and land and split with the Township pending written documents from the Finance Sub-Committee. Seconded by Pietsch and unanimously carried.

Skinz would like to have the loan on the Council agenda on June 9, 2010. The Township has already discussed this last Monday night and approved it.

KORONIS LANES LOAN

The Finance Sub-Committee did not have any information to make a report and recommendation. The Township does not participate in the small loan fund. Approval of this loan was tabled as Rick Block needs to get together with the Sub-Finance Committee.

There being no further business the meeting was adjourned at 8:15 a.m.

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Renee Eckerly

From: DEED Communications [email@email-positivelyminnesota.com]
Sent: Wednesday, May 12, 2010 1:59 PM
To: Renee Eckerly
Subject: DEED to Award \$3 Million in Redevelopment Grants

To view this email as a web page, go [here](#).



The Minnesota Department of Employment and Economic Development (DEED) will be awarding \$3 million in grants through the Redevelopment Grant Program. Read an overview of the grant program at www.tinyurl.com/29br9bb .

Under the program, your project can receive up to 50 percent of costs to pay for land acquisition, demolition, infrastructure and other project-related improvements related to redeveloping the property.

You will find an application, form and instructions at www.tinyurl.com/29ksepe .

The deadline for applications is 4 p.m., Monday, Aug. 2.

What's New with the Redevelopment Grant Program

Proposed Demolition Loan Program

DEED is constantly looking to update the Redevelopment Grant Program to meet the needs of Minnesota communities. We are in the early stages of proposing an amendment to the Redevelopment Grant Program that would provide funds for demolition activities on sites even when there is no imminent redevelopment opportunity or plan. More information is available at www.tinyurl.com/28bvv5o

"Potential Project Application" form

In order to gauge the future redevelopment needs of Minnesota communities, and to help guide the proposed Demolition Loan Program, we are now offering a "Potential Project Application Form." If you have a project site that won't be ready in August or funding will be requested under a future round of redevelopment grants, please submit this optional "Potential Project Application" form. It is available at www.tinyurl.com/2e3m3dn . Click on "Potential Project Application."

Attend Our Workshop

More details about this grant round, the application process and the proposed demolition loan program will be covered at workshops next month. We hope to see you there.

Workshop dates and locations are:

Austin

Wednesday, June 9

10 a.m.to noon
Mower County Courthouse
Board Room
201 First St. NE
Austin, MN 55912

Two-hour parking is available in the parking lot north of the courthouse or on the street. Additional parking available one block away in County Lot A at the southwest corner of First Street NW and Second Avenue NW. No parking permit is required.

Metro

Tuesday, June 22
10 a.m. to noon
Hennepin North WorkForce Center
Conference Rooms 1 & 2
7225 Northland Drive
Brooklyn Park, MN 55428

Granite Falls

Thursday, June 24
10 a.m. to noon
Minnesota West Community and Technical College
Auditorium
1593 11th Ave.
Granite Falls, MN 56241

Park near the southeast part of the building.

Detroit Lakes

Monday, June 28
1 to 3 p.m.
Detroit Lakes City Hall
Council Chambers Room
1025 Roosevelt Ave.
Detroit Lakes, MN 56502

Park in the adjacent Lakes Liquor parking lot.

Grand Rapids

Tuesday, June 29
9 to 11 a.m.
Itasca Resource Center
Room 122
1209 SE Second Ave.
Grand Rapids, MN 55744

If you have questions, contact Irene Dassier at 651-259-7449 or
Irene.Dassier@state.mn.us .

This email was sent to: renee@painesvillemn.com

This email was sent by: MN Dept. of Employment & Economic Development
332 Minnesota Street, Suite E200 St. Paul, MN 55101-1338 USA



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**Economic Development Authority of Paynesville
Small Loan Application
Check List**

The following is a list of the information and documentation necessary to submit a final application. Forms have been enclosed to aid you in preparing the information. You may use your forms, provided all the necessary information is furnished.

1. History of Business _____
2. Products _____
3. Financial Information _____
 - A. Monthly cash flow analysis for next 12 months
 - B. Profit and Loss Statements: last year, current statement (less than 90 days), and 1 year of projections.
 - C. Balance Sheet: last year, current year and, 1 year of projections.
4. Schedule of Business Debs _____
5. Statement of Collateral _____
6. Resumes and Personal Financial Statements _____
7. Corporate/Partnership Authorization _____
8. Township contacted to participate _____
9. Building Code – site plan review and additional costs _____
10. Refinance – have all parties on previous loan been contacted _____

**Economic Development Authority of Paynesville
Industrial/Commercial Loan Application
Check List**

The following is a list of the information and documentation necessary to submit a final application. Forms have been enclosed to aid you in preparing the information. You may use your forms, provided all the necessary information is furnished.

1. History of Business _____
2. Market Analysis and Strategy _____
3. Products _____
4. Manufacturing Process _____
5. Financial Information _____
 - A. Monthly Cash Flow Analysis for next 12 months
 - B. Profit and Loss Statements – last 3 years, current statement (less than 90 days) and 2 years of projections
 - C. Balance Sheet – last 3 years, current, 2-year projections
6. Schedule of Business Debts _____
7. Statement of Collateral _____
8. Resumes and Personal Financial Statements _____
9. Commitment Letters _____
10. Affiliates _____
11. Appraisals/Proposed Lease/Purchase Agreements _____
12. Corporate/Partnership Authorization _____
13. Township contacted to participate _____
14. Building Code – site plan review and additional costs _____
15. Refinance – have all parties on previous loan been contacted _____

EDAP FINANCE COMMITTEE
LOAN APPLICATION REVIEW CHECKLIST

1. Has the required minimum loan application financial information; tax return(s); and collateral information been provided?
2. Does the proposed use of EDAP funds meet with the loan guidelines of EDAP?
3. Does the loan purpose when reviewed with the financial information indicate a sound management plan?
4. Can the business cash flow the proposed loan(s) taking into account the complete project?
5. Is the security adequate?
6. Are there any additional factors that should be considered in this loan review?

Based on the factors considered above; the finance committee makes the following recommendation.

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9-2008

EDAP FINANCE COMMITTEE

Loan Application Review Checklist

Date: _____

Attendance: _____

1. Has the required minimum loan application financial information; tax return (s) and collateral information been provided?

2. Does the proposed use of EDAP funds meet with the loan guidelines of EDAP?

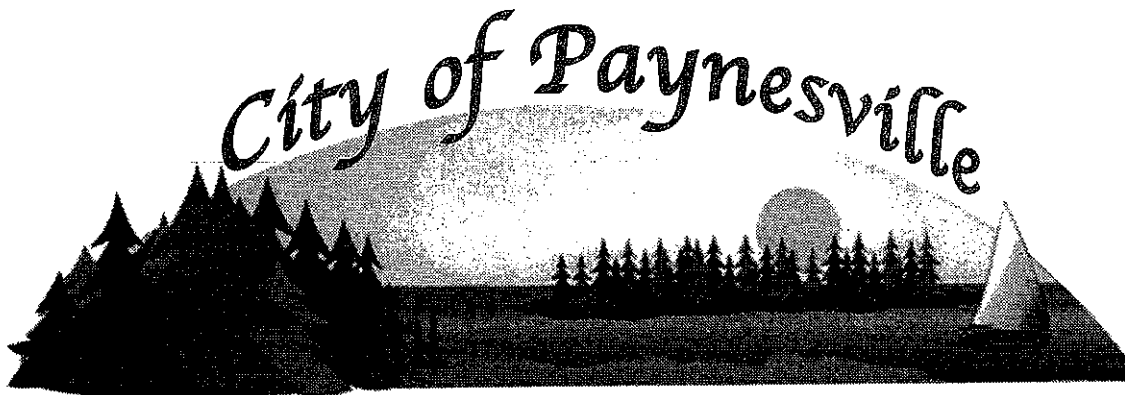
3. Does the loan purpose when reviewed with the financial information indicate a sound management plan?

4. Can the business cash flow the proposed loan(s) taking into account the complete project?

5. Is the security adequate?

6. Are there any additional factors that should be considered in this loan review?

7. Based on the factors considered above; the Finance sub-committee makes the following recommendation.



A Lifetime Opportunity

May 27, 2010

Rick Block
Koronis Lanes
119 James Street East
Paynesville, MN 56362

RE: EDAP Loan Application

Rick,

Please contact Alan Habben to set up a date and time to meet with the Economic Development Authorities Finance sub-committee to review your financial documents for your loan application.

You can contact Alan at (320) 243-3459. The other members that you will be meeting with are Bruce Stang and Jeff Thompson. The Finance sub-committee will bring back a report and recommendation to the full EDAP Board for a decision. The next EDAP Board meeting is scheduled for June 15, 2010 at 7:00am.

Sincerely,

Renee Eckerly
Renee Eckerly
City Administrator

Jennifer Welling

From: Renee Eckerly
Sent: Tuesday, June 01, 2010 3:58 PM
To: Jennifer Welling
Subject: FW: DEED Road Show
Attachments: ~WRD000.jpg; image001.jpg; image002.jpg; image003.jpg; image004.jpg

For next EDAP agenda

Renee Eckerly
City Administrator – Paynesville, MN
Email: ReneeE@paynesvillemn.com
Telephone: 320-243-3714 ext. 227
Fax: 320-243-3713

From: DEED Communications [mailto:email@email-positivelyminnesota.com]
Sent: Tuesday, May 25, 2010 3:24 PM
To: Renee Eckerly
Subject: DEED Road Show

To view this email as a web page, go [here](#).

DEED Summer Road Show 2010

DEED Plans Visits to 11 Minnesota Communities

It's that time of year again. The Minnesota Department of Employment and Economic Development (DEED) is going back on the road this summer to meet with our partners around the state.

DEED Commissioner Dan McElroy and other agency leaders will visit 11 cities over an eight-week period starting in June. Our theme this year is "**New Tools for New Times**," featuring presentations on the Angel Tax Credit and other new initiatives that are designed to encourage economic growth in Minnesota. Commissioner McElroy will also discuss the state of the Minnesota economy and give an overview of the 2010 legislative session.

There will be plenty of time for questions and answers. These sessions should be of special interest to our core partners: economic developers, workforce development professionals, educators, local government officials, business leaders and legislators.

Please register to attend one of our road shows! Go to www.PositivelyMinnesota.com and

select calendar of events.

The following is this year's road show schedule:

Rochester
Tuesday, June 22
8 to 11:30 a.m.
Rochester Community and Technical College
851 30th Ave. SE

Fairmont
Tuesday, June 22
2 to 5:30 p.m.
Southern Minnesota Educational Campus
100 Downtown Plaza

Marshall
Tuesday, June 29
1 to 4:30 p.m.
Southwest Minnesota State University
1501 State St.

Little Falls
Tuesday, July 13
1 to 4:30 p.m.
Initiative Foundation
405 First St. SE

Hutchinson
Tuesday, July 20
8:30 a.m. to noon
Hutchinson Event Center
1005 Highway 15 South, Plaza 15

Pine City
Wednesday, July 21
8:30 a.m. to noon
Pine Tech Community College
900 Fourth St. SE

Brooklyn Park
Monday, July 26
1 to 4:30 p.m.
North Hennepin Community College
Science Center, Room 125
7411 85th Ave. N.

Fergus Falls
Tuesday, July 27
1 to 4:30 p.m.
Minnesota State Community and Technical College - Fergus Falls
Legacy Hall
1414 College Way

Hibbing
Wednesday, Aug. 4
1 to 4:30 p.m.
Hibbing Community College

1515 E. 25th St.

Bemidji

Thursday, Aug. 5

8:30 a.m. to noon

Bemidji State University

American Indian Resource Center

1500 Birchmont Drive NE

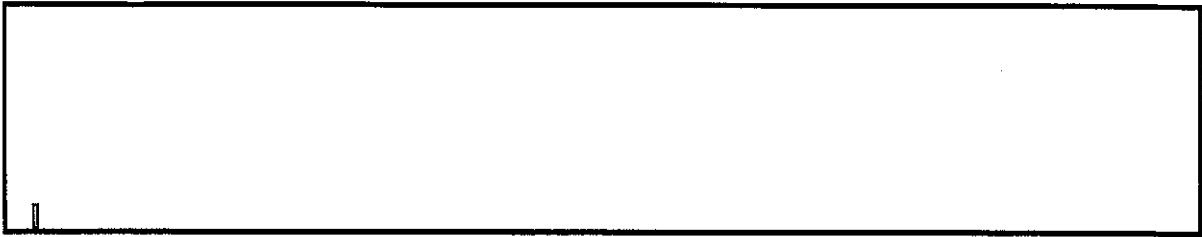
Thief River Falls

Wednesday, Aug. 18

8:30 to noon

Northland Community and Technical College

1101 Highway 1 E.



This email was sent to: renee@paysvillemn.com

This email was sent by: MN Dept. of Employment & Economic Development
332 Minnesota Street, Suite E200 St. Paul, MN 55101-1338 USA



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REVOLVING LOAN STATUS REPORT

06/09/2010	BALANCE	PRINCIPAL	PAYMENT	LAST PMT. AMOUNT	DUE DATE
MIDWEST CYLINDER	\$ 241,296.62	1,178.30	06/07/10 6/10 PMT.	2,233.14	22ND
NELSON PLASTICS #2	\$ 30,838.74	679.31	06/02/2010 6/10 PMT.	798.26	1ST
SKINZ PROTECTIVE GEAR #3	\$ 98,324.84	198.37	05/13/2010 5/10 PMT.	732.84	10TH
PAYNESVILLE TOTAL ENT. CENTER	\$ 3,858.05	177.91	06/09/2010 6/10 PMT.	205.17	1ST
* QUEEN BEE'S BAR & GRILL INC.	\$ 94,085.01	0.00	05/05/2010 5/10 PMT.	500.00	20TH
HABBEN (AJ PROPERTIES)	\$ 1,307.43	105.66	05/14/2010 5/10 PMT.	110.00	1ST
HARTMANN, R/M #1 116 WASHBURNE AVE	\$ 1,200.61	107.28	06/07/2010 6/10 PMT.	110.00	1ST
HARTMANN, R/M #2 118 WASHBURNE AVE	\$ 1,200.61	107.28	06/07/2010 6/10 PMT.	110.00	1ST
CTS INVESTMENTS LTD (SIXTA)	\$ 1,197.08	106.57	05/28/2010 6/10 PMT.	110.00	1ST
BURR, JOEL & DELANE LAKES AREA LAUNDROMAT	\$ 1,198.87	105.71	06/02/2010 6/10 PMT.	110.00	1ST
BURR, JOEL & DELANE BURR #2	\$ -	1619.38	05/10/2010 PAID IN FULL	1620.62	1ST
FOUR VET PARTNERSHIPS	\$ 1,512.61	104.86	06/01/2010 6/10 PMT.	110.00	1ST
JACOBSON, MIKE #1	\$ 1,618.66	106.03	05/28/2010 6/10 PMT.	110.00	1ST
JACOBSON, MIKE #2	\$ 1,618.75	106.03	05/28/2010 6/10 PMT.	110.00	1ST

PAGE 2 - RLF STATUS RPT.

06/09/2010	BALANCE	PRINCIPAL	PAYMENT	LAST PMT. AMOUNT	DUE DATE
BOWDEN, PAUL & LISA	\$ 1,977.94	280.68	04/19/2010 1-3/10 PMTS.	300.00	1ST
* BLOOM CORNER FLORAL	\$ 26,567.24	705.82	05/04/2010 3-5/10 PMTS.	943.62	1ST
BLOMGREN, KARL/MARGRET	\$ 1,925.09	103.55	06/02/2010 6/10 PMT.	110.00	1ST
SWYTER, DENNIS/CAROLYN	\$ 2,135.66	103.86	05/28/2010 6/10 PMT.	110.00	1ST
SCHRUPP, DAVID/PAMELA	\$ 2,231.12	103.86	06/07/2010 6/10 PMT.	110.00	26TH
STONEBURNER, ROBERT	\$ 2,644.54	103.68	06/02/2010 6/10 PMT.	110.00	1ST
JACKLITCH, RANDY & ANN	\$ 3,046.79	105.16	06/02/2010 6/10 PMT.	110.00	1ST
TOTAL	\$ 519,786.26				
* Joint Loans w/Township					
LATE PAYMENTS:					
BOWDEN	330.00	4-6/10			
TOTAL DELINQUENT	\$ 330.00				
CITY RLF BALANCE		\$436,232.06	05/11/2010	Unaudited	
CITY EDAP FUND		\$26,320.68	05/11/2010	Unaudited	

14

Renee Eckerly

From: DEED Communications [email@email-positivelyminnesota.com]
Sent: Wednesday, May 12, 2010 9:24 AM
To: Renee Eckerly
Subject: Minnesota State Energy Partnership RFP announcement

To view this email as a web page, go [here](#).

Announcement of Request for Proposals

The Minnesota State Energy Sector Partnership (MSESP) is requesting proposals from businesses and organizations in Minnesota that present innovative projects for Minnesota to "skill up while greening up." Any Minnesota-based business or organization is eligible to apply for funds to train Minnesotans in the occupational skills of energy efficiency and renewable energy industries.

MSESP is funded by a three-year, \$6 million United States Department of Labor grant to provide training, job placement, and related activities in energy-efficient building, construction, and retrofit industries; renewable electric power industry; and bio-fuels industry.

MSESP is an initiative of the Governor's Workforce Development Council, a leader of innovative state and regional workforce development strategies.

The complete RFP announcement is attached. Please distribute to your organizations and networks.

To download a copy of the RFP and supporting documentation, or for more information, visit:

<http://www.gwdc.org/committees/MSESP/index.htm>

Proposals are due by 4 p.m., Friday, June 18, 2010.

Thank you,

Bryan F. Lindsley
Executive Director
Governor's Workforce Development Council
Office: 651.259.7572
Cell: 651.403.9531

This email was sent to: renee@paynesvillemn.com

This email was sent by: MN Dept. of Employment & Economic Development
332 Minnesota Street, Suite E200 St. Paul, MN 55101-1338 USA



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