

**EDAP BOARD MEETING
WISH'N WELL CAFE
OCTOBER 19, 2010
7:00 A.M.**

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
- IV. OLD BUSINESS
 - A. Incubator/Industrial Park – Update
 - B. Economic Status Of Community - Update
 - C. Past Due Loans – Bloom & Bowden – Update (page 4)
 - D. Geronimo Wind Energy – Donation Program - Update
- V. INFORMATIONAL
 - A. Revolving Loan Report (page 5)
- 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, 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: October 19, 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 September 21, 2010 EDAP Board meeting.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from the September 21, 2010 EDAP Board meeting.

**MINUTES
EDAP BOARD**

SEPTEMBER 21, 2010

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

Motion was made by Stanley to approve the August 17, 2010 EDAP Board meeting minutes. Seconded by Stang and unanimously carried.

SKINZ EDAP LOAN

Skinz needs an additional \$30,000.00 due to the appraised value coming in less. The total cost of the new project is \$656,000.00 just for the building. The Credit Union is at 90% and SBA is at the maximum. The appraised value decrease is due to comparative values. There is a few that have sold and the ones that have sold are bank sales. The Board discussed the prior equity sheet handout from May 2010. Currently Skinz employs 12 persons and have already hired one additional person. On May 27, 2010 EDAP approved \$80,000.00 at 3.50%. Without the additional money, Skinz would have to sell equipment. The Finance Sub-Committee didn't feel the risk increased that much from the \$80,000.00 to the \$110,000.00. Mitzel stated that the State Law is limiting the amount that the Credit Union can fund. Pietsch had some concerns if the Township would approve the additional money.

Motion was made by Beavers to rescind the \$80,000.00 from May 27, 2010. Seconded by Thompson and unanimously carried (Stanley abstained).

Motion was made by Thompson to approve the \$110,000.00 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. Seconded by Beavers and unanimously carried (Stanley abstained).

Hawksworth closed last week at the Credit Union and will close with SBA after the project is finished.

INCUBATOR

It was asked that with the grant can EDAP put up a building under the grant and sell it to the business that is renting it. It was further asked can EDAP have multiple loans up to \$1 million dollars. Eckerly would further research if EDAP can get the grant and build a structure for a business and when can EDAP sell the building.

ECONOMIC STATUS

Five businesses are looking at land out by the airport. A realtor was in yesterday and has two clients interested in land along Hwy. 23. The Voss lot on Minnie St. is in the Preliminary Plat

stage at the Township for October 6th. There was some discussion on the LaPlant property and that the City is proceeding to get this property cleaned up.

PAST DUE LOANS

It was reported that there has been no word from Bowden's. Bloom's are still behind and Queen Bee's are hanging in there.

GERONIMO WIND ENERGY

Stang is continuing to meet with representatives from Geronimo Wind Energy.

INFORMATIONAL

The Board reviewed the Revolving Loan Report.

There being no further business the meeting was adjourned at 7:45 a.m.

Renee Eckerly

From: William Spooner [fs-law@clearwire.net]
Sent: Wednesday, September 29, 2010 8:51 AM
To: Renee Eckerly
Subject: Re: Bowdens EDAP loan

Renee,

You can report to EDA that judgment was entered 9/24/10 in the amount of \$2,923.73. I will be undertaking the process of attempting to collect the judgement. I have no information about the current employment of either Mr or Mrs Bowden or their banking affiliations and will be looking for any such information to assist in our collection efforts.

Bill Spooner

On Tue, Sep 28, 2010 at 5:04 PM, Renee Eckerly <Renee@paynesvillemn.com> wrote:

Bill,

I have not heard or received any payments from the Bowdens' since the Summons & Complaint. Is there anything else that EDAP needs to do with this loan or does it just sit there in hopes that they pay someday?

Renee Eckerly

City Administrator – Paynesville, MN

Email: ReneeE@paynesvillemn.com

Telephone: 320-243-3714 ext. 227

Fax: 320-243-3713

REVOLVING LOAN STATUS REPORT

10/14/2010	BALANCE	PRINCIPAL	PAYMENT	LAST PMT. AMOUNT	DUE DATE
MIDWEST CYLINDER	\$ 236,066.76	1,398.76	10/04/10 10/10 PMT.	2,233.14	22ND
NELSON PLASTICS #2	\$ 28,117.17	684.25	10/01/2010 10/10 PMT.	798.26	1ST
SKINZ PROTECTIVE GEAR #3	\$ 97,029.66	190.05	10/14/2010 10/10 PMT.	732.84	10TH
PAYNESVILLE TOTAL ENT. CENTER	\$ 3,324.99	178.71	09/14/2010 9/10 PMT.	205.17	1ST
* QUEEN BEE'S BAR & GRILL INC.	\$ 93,773.17	798.79	10/07/2010 9-10/10 PMTS.	1441.67	20TH
HABBEN (AJ PROPERTIES)	\$ 776.08	107.39	10/14/2010 10/10 PMT.	110.00	1ST
HARTMANN, R/M #1 116 WASHBURNE AVE	\$ 882.65	106.27	09/16/2010 9/10 PMT.	110.00	1ST
HARTMANN, R/M #2 118 WASHBURNE AVE	\$ 882.65	106.27	09/16/2010 9/10 PMT.	110.00	1ST
CTS INVESTMENTS LTD (SIXTA)	\$ 771.69	107.07	10/01/2010 10/10 PMT.	110.00	1ST
BURR, JOEL & DELANE LAKES AREA LAUNDROMAT	\$ 772.86	107.78	10/01/2010 10/10 PMT.	110.00	1ST
FOUR VET PARTNERSHIPS	\$ 1,090.34	106.07	09/29/2010 10/10 PMT.	110.00	1ST
JACOBSON, MIKE #1	\$ 1,199.78	103.93	10/05/2010 10/10 PMT.	110.00	1ST
JACOBSON, MIKE #2	\$ 1,199.87	103.93	10/05/2010 10/10 PMT.	110.00	1ST

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10/14/2010	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	\$ 26,272.39	294.85	08/09/2010 6-7/10 PMTS.	629.08	1ST
BLOMGREN, KARL/MARGRET	\$ 1,511.09	102.49	10/14/2010 10/10 PMT.	110.00	1ST
SWYTER, DENNIS/CAROLYN	\$ 1,723.32	103.51	10/01/2010 10/10 PMT.	110.00	1ST
SCHRUPP, DAVID/PAMELA	\$ 1,926.51	103.23	09/24/2010 9/10 PMT.	110.00	26TH
STONEBURNER, ROBERT	\$ 2,239.07	203.42	10/04/2010 9-10 PMTS.	110.00	1ST
JACKLITCH, RANDY & ANN	\$ 2,648.59	98.13	10/12/2010 10/10 PMT.	110.00	1ST
KORONIS LANES #2	\$ 9,860.64	139.36	10/01/2010 10/10 PMT.	110.00	1ST
TOTAL	\$ 514,047.22				
* Joint Loans w/Township					
LATE PAYMENTS:					
BOWDEN	770.00	4-10/10			
BLOOM CORNER FLORAL	943.62	8-10/10			
PVILLE TOTAL ENT CTR	205.17	10/10			
HARTMANN #1	110.00	10/10			
HARTMANN #2	110.00	10/10			
TOTAL DELINQUENT	\$ 2,138.79				
CITY RLF BALANCE		\$461,997.33	10/13/2010	Unaudited	
CITY EDAP FUND		\$47,751.55	10/13/2010	Unaudited	

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