

**EDAP BOARD MEETING
WISH'N WELL CAFE
MARCH 20, 2012
7:00 A.M.**

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
 - A. Dennis Wilson – EDAP Loan Refinance (page 4)
 - B. Appointment of Members to the EDAP Finance Committee (page 10)
 - C. May 15, 2012 EDAP Meeting
- IV. OLD BUSINESS
 - A. Incubator/Industrial Park
 - B. Economic Status Of Community - Update
 - C. Past Due Loans – Update
 - D. Parking Lot – Update
 - E. Blighted Property On Minnie St.
- V. INFORMATIONAL
 - A. Revolving Loan Report (page 12)
- 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 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

Committee/Council Meeting Date: March 20, 2012

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 February 21, 2012 EDAP Board meeting.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from the February 21, 2012 EDAP Board meeting.

**MINUTES
EDAP BOARD**

FEBRUARY 21, 2012

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

**Motion was made by Beavers to approve the minutes of the January 17, 2012
EDAP Meeting. Seconded by Beavers and unanimously carried.**

DISCUSS BLIGHTED PROPERTY ON MINNIE STREET

Eckerly reported on the Schmidt and Laplant properties on Minnie Street. Eckerly was contacted by Mr. Schmidt's family that the property is for sale and they are utilizing Doug Ruhland, Eden Valley. Previously there was interest in these properties for a roadway. The Board directed Eckerly to contact Pay Del Co. Eckerly will check with DEED regarding infrastructure grants. The Board discussed borrowing money to Pay Del Co. Eckerly reported that she is working with Bill Spooner, City Attorney regarding the Laplant property.

INCUBATOR/INDUSTRIAL PARK

The Board discussed that Pay Del Co may have a party interested in the land, but it is not platted and needs infrastructure.

PARKING LOT UPDATE (JOELS ENTRANCE/EXIT)

Eckerly gave a report regarding moving the alley entrance from behind Jimmy's Pizza to the west and making the opening 32 feet wide for both incoming and outgoing traffic. The cost of the entrance construction is estimated at \$6,000.00. Eckerly has spoken to the businesses on the block and they all felt this was a good improvement. With the alley opening moved and widened, it would allow Queen Bees to expand across the alley. Friederichs are discussing expanding and this would open up traffic flow. This would also allow the drug store to have a drive through which would bring people downtown. This could be argued either way for or against being economic development. The Board discussed that this does not fit the criteria and they would not be willing to pass a motion to give EDAP funds to construct an alley access. The Board would consider a Small Loan since the project is under \$10,000.00. The Board expressed that the businesses on the block should form a coalition and work with Corner Drug on the entrance and utilizing parking. If none of the businesses are willing to participate in the costs than it must not be a big need. Eckerly will contact Corner Drug and offer the Small Loan as an option.

Eckerly stated that according to the City Ordinance; any alley construction costs are assessed back to the abutting property owners.

ECONOMIC STATUS

This item was not discussed.



PAST DUE LOANS

This item was not discussed.

There being no further business the meeting was adjourned at 8:10 a.m.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board Meeting

Committee/Council Meeting Date: March 20, 2012

Agenda Section: New Business

Originating Department: Administration

Item Number: III - A

ITEM DESCRIPTION: Dennis Wilson – EDAP Loan Refinance

Prepared by: Staff

COMMENTS:

Dennis Wilson, Midwest Cylinders' loan balloons on 4/22/12. Pat Flanders met with the EDAP Finance Committee and representatives from the Committee will give a verbal report on refinancing the \$214,410.77 balloon. The current loan was for 10 years (started 4/22/2002) at 4.75% interest, with monthly payments of \$2,233.14. The original loan amount was \$345,450.00. The interest rate on the refinance would be .25% over prime rate which today is at 3.25%. The loan was amortized for 20 years with a 10 year balloon. It started out with Pay Del Co and then Mr. Wilson starting up a business after Stearns Manufacturing left.

Please see the attached amortization schedule.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the refinance of Dennis Wilson's (Midwest Cylinder) loan in the amount of \$214,410.77 at 3.5% interest for 10 years with no balloon.

4

Midwest Cylinder #2 - Re-write of #1

Compound Period : Monthly

Nominal Annual Rate : 3.500 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	04/01/2012	214,140.77	1		
2 Payment	04/22/2012	2,115.64	120	Monthly	03/22/2022

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	04/01/2012				214,140.77
1	04/22/2012	2,115.64	431.21	1,684.43	212,456.34
2	05/22/2012	2,115.64	619.66	1,495.98	210,960.36
3	06/22/2012	2,115.64	615.30	1,500.34	209,460.02
4	07/22/2012	2,115.64	610.93	1,504.71	207,955.31
5	08/22/2012	2,115.64	606.54	1,509.10	206,446.21
6	09/22/2012	2,115.64	602.13	1,513.51	204,932.70
7	10/22/2012	2,115.64	597.72	1,517.92	203,414.78
8	11/22/2012	2,115.64	593.29	1,522.35	201,892.43
9	12/22/2012	2,115.64	588.85	1,526.79	200,365.64
2012 Totals		19,040.76	5,265.63	13,775.13	
10	01/22/2013	2,115.64	584.40	1,531.24	198,834.40
11	02/22/2013	2,115.64	579.93	1,535.71	197,298.69
12	03/22/2013	2,115.64	575.45	1,540.19	195,758.50
13	04/22/2013	2,115.64	570.96	1,544.68	194,213.82
14	05/22/2013	2,115.64	566.46	1,549.18	192,664.64
15	06/22/2013	2,115.64	561.94	1,553.70	191,110.94
16	07/22/2013	2,115.64	557.41	1,558.23	189,552.71
17	08/22/2013	2,115.64	552.86	1,562.78	187,989.93
18	09/22/2013	2,115.64	548.30	1,567.34	186,422.59
19	10/22/2013	2,115.64	543.73	1,571.91	184,850.68
20	11/22/2013	2,115.64	539.15	1,576.49	183,274.19
21	12/22/2013	2,115.64	534.55	1,581.09	181,693.10
2013 Totals		25,387.68	6,715.14	18,672.54	
22	01/22/2014	2,115.64	529.94	1,585.70	180,107.40
23	02/22/2014	2,115.64	525.31	1,590.33	178,517.07
24	03/22/2014	2,115.64	520.67	1,594.97	176,922.10
25	04/22/2014	2,115.64	516.02	1,599.62	175,322.48
26	05/22/2014	2,115.64	511.36	1,604.28	173,718.20
27	06/22/2014	2,115.64	506.68	1,608.96	172,109.24
28	07/22/2014	2,115.64	501.99	1,613.65	170,495.59
29	08/22/2014	2,115.64	497.28	1,618.36	168,877.23
30	09/22/2014	2,115.64	492.56	1,623.08	167,254.15
31	10/22/2014	2,115.64	487.82	1,627.82	165,626.33

Midwest Cylinder #2 - Re-write of #1

	Date	Payment	Interest	Principal	Balance
	32 11/22/2014	2,115.64	483.08	1,632.56	163,993.77
	33 12/22/2014	2,115.64	478.32	1,637.32	162,356.45
	2014 Totals	25,387.68	6,051.03	19,336.65	
	34 01/22/2015	2,115.64	473.54	1,642.10	160,714.35
	35 02/22/2015	2,115.64	468.75	1,646.89	159,067.46
	36 03/22/2015	2,115.64	463.95	1,651.69	157,415.77
	37 04/22/2015	2,115.64	459.13	1,656.51	155,759.26
	38 05/22/2015	2,115.64	454.30	1,661.34	154,097.92
	39 06/22/2015	2,115.64	449.45	1,666.19	152,431.73
	40 07/22/2015	2,115.64	444.59	1,671.05	150,760.68
	41 08/22/2015	2,115.64	439.72	1,675.92	149,084.76
	42 09/22/2015	2,115.64	434.83	1,680.81	147,403.95
	43 10/22/2015	2,115.64	429.93	1,685.71	145,718.24
	44 11/22/2015	2,115.64	425.01	1,690.63	144,027.61
	45 12/22/2015	2,115.64	420.08	1,695.56	142,332.05
	2015 Totals	25,387.68	5,363.28	20,024.40	
	46 01/22/2016	2,115.64	415.14	1,700.50	140,631.55
	47 02/22/2016	2,115.64	410.18	1,705.46	138,926.09
	48 03/22/2016	2,115.64	405.20	1,710.44	137,215.65
	49 04/22/2016	2,115.64	400.21	1,715.43	135,500.22
	50 05/22/2016	2,115.64	395.21	1,720.43	133,779.79
	51 06/22/2016	2,115.64	390.19	1,725.45	132,054.34
	52 07/22/2016	2,115.64	385.16	1,730.48	130,323.86
	53 08/22/2016	2,115.64	380.11	1,735.53	128,588.33
	54 09/22/2016	2,115.64	375.05	1,740.59	126,847.74
	55 10/22/2016	2,115.64	369.97	1,745.67	125,102.07
	56 11/22/2016	2,115.64	364.88	1,750.76	123,351.31
	57 12/22/2016	2,115.64	359.77	1,755.87	121,595.44
	2016 Totals	25,387.68	4,651.07	20,736.61	
	58 01/22/2017	2,115.64	354.65	1,760.99	119,834.45
	59 02/22/2017	2,115.64	349.52	1,766.12	118,068.33
	60 03/22/2017	2,115.64	344.37	1,771.27	116,297.06
	61 04/22/2017	2,115.64	339.20	1,776.44	114,520.62
	62 05/22/2017	2,115.64	334.02	1,781.62	112,739.00
	63 06/22/2017	2,115.64	328.82	1,786.82	110,952.18
	64 07/22/2017	2,115.64	323.61	1,792.03	109,160.15
	65 08/22/2017	2,115.64	318.38	1,797.26	107,362.89
	66 09/22/2017	2,115.64	313.14	1,802.50	105,560.39
	67 10/22/2017	2,115.64	307.88	1,807.76	103,752.63
	68 11/22/2017	2,115.64	302.61	1,813.03	101,939.60
	69 12/22/2017	2,115.64	297.32	1,818.32	100,121.28
	2017 Totals	25,387.68	3,913.52	21,474.16	
	70 01/22/2018	2,115.64	292.02	1,823.62	98,297.66
	71 02/22/2018	2,115.64	286.70	1,828.94	96,468.72
	72 03/22/2018	2,115.64	281.37	1,834.27	94,634.45

Midwest Cylinder #2 - Re-write of #1

	Date	Payment	Interest	Principal	Balance
73	04/22/2018	2,115.64	276.02	1,839.62	92,794.83
74	05/22/2018	2,115.64	270.65	1,844.99	90,949.84
75	06/22/2018	2,115.64	265.27	1,850.37	89,099.47
76	07/22/2018	2,115.64	259.87	1,855.77	87,243.70
77	08/22/2018	2,115.64	254.46	1,861.18	85,382.52
78	09/22/2018	2,115.64	249.03	1,866.61	83,515.91
79	10/22/2018	2,115.64	243.59	1,872.05	81,643.86
80	11/22/2018	2,115.64	238.13	1,877.51	79,766.35
81	12/22/2018	2,115.64	232.65	1,882.99	77,883.36
2018 Totals		25,387.68	3,149.76	22,237.92	
82	01/22/2019	2,115.64	227.16	1,888.48	75,994.88
83	02/22/2019	2,115.64	221.65	1,893.99	74,100.89
84	03/22/2019	2,115.64	216.13	1,899.51	72,201.38
85	04/22/2019	2,115.64	210.59	1,905.05	70,296.33
86	05/22/2019	2,115.64	205.03	1,910.61	68,385.72
87	06/22/2019	2,115.64	199.46	1,916.18	66,469.54
88	07/22/2019	2,115.64	193.87	1,921.77	64,547.77
89	08/22/2019	2,115.64	188.26	1,927.38	62,620.39
90	09/22/2019	2,115.64	182.64	1,933.00	60,687.39
91	10/22/2019	2,115.64	177.00	1,938.64	58,748.75
92	11/22/2019	2,115.64	171.35	1,944.29	56,804.46
93	12/22/2019	2,115.64	165.68	1,949.96	54,854.50
2019 Totals		25,387.68	2,358.82	23,028.86	
94	01/22/2020	2,115.64	159.99	1,955.65	52,898.85
95	02/22/2020	2,115.64	154.29	1,961.35	50,937.50
96	03/22/2020	2,115.64	148.57	1,967.07	48,970.43
97	04/22/2020	2,115.64	142.83	1,972.81	46,997.62
98	05/22/2020	2,115.64	137.08	1,978.56	45,019.06
99	06/22/2020	2,115.64	131.31	1,984.33	43,034.73
100	07/22/2020	2,115.64	125.52	1,990.12	41,044.61
101	08/22/2020	2,115.64	119.71	1,995.93	39,048.68
102	09/22/2020	2,115.64	113.89	2,001.75	37,046.93
103	10/22/2020	2,115.64	108.05	2,007.59	35,039.34
104	11/22/2020	2,115.64	102.20	2,013.44	33,025.90
105	12/22/2020	2,115.64	96.33	2,019.31	31,006.59
2020 Totals		25,387.68	1,539.77	23,847.91	
106	01/22/2021	2,115.64	90.44	2,025.20	28,981.39
107	02/22/2021	2,115.64	84.53	2,031.11	26,950.28
108	03/22/2021	2,115.64	78.60	2,037.04	24,913.24
109	04/22/2021	2,115.64	72.66	2,042.98	22,870.26
110	05/22/2021	2,115.64	66.70	2,048.94	20,821.32
111	06/22/2021	2,115.64	60.73	2,054.91	18,766.41
112	07/22/2021	2,115.64	54.74	2,060.90	16,705.51
113	08/22/2021	2,115.64	48.72	2,066.92	14,638.59
114	09/22/2021	2,115.64	42.70	2,072.94	12,565.65
115	10/22/2021	2,115.64	36.65	2,078.99	10,486.66

7

Midwest Cylinder #2 - Re-write of #1

	Date	Payment	Interest	Principal	Balance
	116 11/22/2021	2,115.64	30.59	2,085.05	8,401.61
	117 12/22/2021	2,115.64	24.50	2,091.14	6,310.47
	2021 Totals	25,387.68	691.56	24,696.12	
	118 01/22/2022	2,115.64	18.41	2,097.23	4,213.24
	119 02/22/2022	2,115.64	12.29	2,103.35	2,109.89
	120 03/22/2022	2,115.64	5.75	2,109.89	0.00
	2022 Totals	6,346.92	36.45	6,310.47	
	Grand Totals	253,876.80	39,736.03	214,140.77	

P

Midwest Cylinder #2 - Re-write of #1

Last interest amount decreased by 0.40 due to rounding.

9

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board Meeting

Committee/Council Meeting Date: March 20, 2012

Agenda Section: New Business

Originating Department: Administration

Item Number: III - B

ITEM DESCRIPTION: Appointment Members to the EDAP Finance Committee

Prepared by: Staff

COMMENTS:

Currently the EDAP Finance Committee members are Alan Habben, Bruce Stang, Jeff Thompson and Gene Beavers is an alternate. However, Jeff Thompson no longer serves on the EDAP Board; therefore, he will need to be replaced.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to appoint _____ to the EDAP Finance Committee.

STEPS IN THE RLF APPLICATION PROCESS

1. Loan Requirements for applicants for RLF Loans
 - A. Applicant must pick up application from City Hall and complete. Also, provide the following:
 1. Purpose statement (what are they applying for)
 - a) Type of business
 - b) Amount of monies requested
 - c) Number of employees
 - d) Retail or manufacturing
 - B. Three (3) years Federal tax returns for their current business and three (3) years personal tax returns.
 - C. Business Plan. Projections for what the business could do if the loan was granted. Data of numbers showing sales volume and expenses.
 - D. Appraisals of any property or equipment.
 - E. Blueprints and specs for any building projects.
 - F. Estimate or bids confirming the costs of any equipment purchases.
 - G. Business and personal financial statements not more than 90 days old.
 - H. Agreement that Uniform Building Code will be followed.
2. Applicant to make verbal presentation to EDAP Board and return application.
3. Application will be turned into City Hall.
4. EDAP Finance committee as of 5-19-09: Alan Habben, Bruce Stang, Jeff Thompson, Gene Beavers (alternate) will review application to make sure application is complete with applicant present to answer questions. There shall be no review of financial documents by a member with potential conflict of interest.
5. Finance Committee will submit a written recommendation to the EDAP board.
6. A recommendation of the Finance Sub-Committee will be reviewed by EDAP Board for their recommendation.
7. EDAP Board's recommendation will be submitted to the Paynesville City Council and/or Paynesville Township Board for approval or denial.
8. If approved, a loan agreement will be prepared with the City of Paynesville and/or Paynesville Township.
9. City attorney will prepare all development and security agreements; unless otherwise specified by EDAP Board.
10. The borrower and the City or Township must sign all documents.
11. Payments must be authorized.
12. A payment schedule will be established.
13. Payments will be monitored.

PLEASE ALLOW 4-6 WEEKS TO PROCESS APPLICATIONS.

REVOLVING LOAN STATUS REPORT

03/13/2012	BALANCE	PRINCIPAL	PAYMENT	LAST PMT. AMOUNT	DUE DATE
MIDWEST CYLINDER	\$ 213,473.94	1,326.76	03/08/12 3/12 PMT.	2,233.14	22ND
SKINZ PROTECTIVE GEAR #3	\$ 92,171.14	426.51	03/06/2012 3/12 PMT.	732.84	10TH
PAYNESVILLE TOTAL ENT. CENTER	\$ -	262.76	02/21/2012 2/12 PMT.	264.87	1ST
* QUEEN BEE'S BAR & GRILL INC.	\$ 90,529.92	89.36	02/06/2012 12/11 PMT.	775.30	20TH
* BLOOM CORNER FLORAL	\$ 22,095.42	441.44	02/23/2012 1-2/12 PMTS.	629.08	1ST
SCHRUPP, DAVID/PAMELA	\$ -	118.09	02/28/2012 FINAL PMT.	110.00	26TH
STONEBURNER, ROBERT	\$ 449.26	108.35	02/27/2012 3/12 PMT.	110.00	1ST
JACKLITCH, RANDY & ANN	\$ 881.15	106.71	03/08/2012 3/12 PMT.	110.00	1ST
SKINZ #4	\$ 105,130.17	374.92	02/14/2012 2/12 PMT.	637.96	14TH
KORONIS LANES #2	\$ 8,133.45	185.02	02/29/2012 3/12 PMT.	110.00	1ST
TOTAL	\$ 532,864.45				
* Joint Loans w/Township					
LATE PAYMENTS:					
BLOOM CORNER FLORAL		314.54	DUE 3/12		
QUEEN BEE'S		1550.60	DUE 1/12 & 2/12		
TOTAL DELINQUENT	\$ 1,865.14				
CITY RLF BALANCE		\$525,325.88	03/13/2012	Unaudited	
CITY EDAP FUND		\$16,814.03	03/13/2012	Unaudited	