

**EDAP BOARD MEETING
WISH'N WELL CAFÉ
JUNE 18, 2013
7:00 A.M.**

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
 - A. EDAP Loan – Savage Land Partnership (page 4)
- IV. OLD BUSINESS
 - A. Incubator/Industrial Park – Update
 - B. Economic Status Of Community – Update
 - C. Past Due Loans – Update
 - D. Blighted Property On Minnie St. – Update
- V. INFORMATIONAL
 - A. Revolving Loan Report (page 9)
- 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: June 18, 2013

Agenda Section: Consent Agenda

Originating Department: Administration

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

Please review the minutes from May 21, 2013 EDAP Board Meeting.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from the May 21, 2013 EDAP Board Meeting.

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**MINUTES
EDAP BOARD**

MAY 21, 2013

Jean Soine called the meeting to order at 7:00 a.m. Members present were Chris Stanley, Bruce Stang, Kay McDaniel, Don Pietsch (8:10 a.m.) and Renee Eckerly, City Administrator. Don Wiese and Alan Habben were absent.

Motion was made by Stanley to approve the minutes of the March 19, 2013 EDAP Board Meeting. Seconded by Stang and unanimously carried.

DAVE VOSS

It was reported that Voss has purchased the land next to Paynesville Excavating and may come for a \$150,000.00 loan for a new building. Stang will get back to the Board on the timing of the loan.

Motion was made by Stang to proceed with the loan process with Dave Voss. Seconded by McDaniel and unanimously carried

INCUBATOR

The Board is approaching an individual to partner with EDAP on an incubator.

ECONOMIC STATUS

Bella's Bargains (formerly Garage Sale Place), Drug Store closer to moving to their new location, and Valley Industries Expansion were all mentioned.

PAST DUE LOANS

There is one past due loan that should be taken care of by the end of June.

BLIGHTED PROPERTY ON MINNIE STREET

Eckerly reported that the City is utilizing Attorney Spooner to get these properties cleaned up.

OPPORTUNITY PARK

The Opportunity Park Preliminary Plat process had stopped until the Council addresses a land purchase offer.

SWEET NOOK

Eckerly reported that Marilyn Blonigen now wants \$27,000.00 from EDAP because EDAP has cheaper interest than the bank. The Board is concerned with Blonigen's time frame. Blonigen wants to be in her new location before Town & Country Days. There is a need to find a new tenant for the old bakery building.

Motion was made by Stanley to approve a \$15,000.00 loan at .25 percent over prime rate; the equipment will be the collateral and recommend such to the City Council. Seconded by Soine and unanimously carried (McDaniel abstained).

REVOLVING LOAN REPORT

The Revolving Loan Report was reviewed.

There being no further business the meeting was adjourned.

PAYNESVILLE REVOLVING LOAN FUND APPLICATION

I. GENERAL INFORMATION

Name of Business: Savage Land Partnership, LLC

Address: 29235 Cty Rd 181

City: Paynesville Zip Code 56362

Business Contact Person: Brian Savage

Telephone # 243-8500

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

Other contacts or application assistance providers:

Name:	Telephone #
<u>Jeff Savage</u>	<u>243-8500</u>
_____	_____
_____	_____

Type of Business:

_____ Sole Proprietorship _____ Corporation _____ General Partnership

_____ Limited Partnership _____ Limited Liability Partnership Other LLC

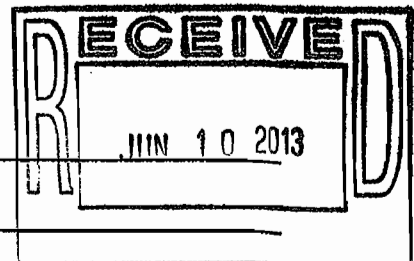
If a corporation, provide the name(s) and address(s) of shareholders that own 20% or more of outstanding shares of the corporation. Brian Savage - 50%

Jeff Savage - 50%

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

Has you or your business ever filed bankruptcy?

No X Yes _____ if yes, please explain:



II. NATURE OF LOAN REQUEST

Amount of loan request \$ 337,500 Total Project Cost \$ 2,250,000

New Business or Business Expansion? Business Expansion

of existing jobs _____ # of jobs to be created _____

of jobs retained _____ Amount of Private Financing _____

III. FINANCING PURPOSE AND SOURCES (Complete all that are applicable to your loan.)

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

	RLF	Bank Loan	Equity	Other	Total
Property Acquisition	_____	_____	<u>\$ 169,750</u>	_____	<u>\$ 169,750</u>
Site Improvements	_____	_____	_____	_____	_____
Building Renovation	_____	_____	_____	_____	_____
New Construction	<u>\$ 337,500</u>	<u>\$ 1,540,000</u>	<u>\$ 202,750</u>	_____	<u>\$ 2,080,250</u>
Machinery/Equipment	_____	_____	_____	_____	_____
Inventory Purchase	_____	_____	_____	_____	_____
Working Capital	_____	_____	_____	_____	_____
Job Training	_____	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____	_____
Total Project Cost	<u>\$ 337,500</u>	<u>\$ 1,540,000</u>	<u>\$ 372,500</u>	_____	<u>\$ 2,250,000</u>

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

	RLF	Bank Loan	Equity	Other
Dollar Amount	\$337,500	\$1,540,000	\$372,500	_____
% of Project Cost	15%	68.5%	16.5%	_____
Term (years)	20 yrs / 10 yrs balloon	20 yrs	_____	_____
Interest Rate	3.5%	3.99%	_____	_____
Collateral Offered	2 nd mtg.	1 st mtg.	_____	_____
Lien Position	2 nd	1 st	_____	_____

Name of participating Bank: CMCU

Contact Person: Chris Stanley Telephone # 243-7022

Address: PO Box 209 Painesville

Name of participating Bank: _____

Contact Person: _____ Telephone # _____

Address: _____

Other Lender: _____

Contact Person: _____ Telephone # _____

Address: _____

Other Lender: _____

Contact Person: _____ Telephone # _____

Address: _____

V. BUSINESS PLAN OUTLINE

- A. History of Business**
- B. Market Analysis and Strategy**
 - 1. Description of current buyers and target markets
 - 2. List of current competitors
 - 3. Product pricing
 - 4. Advertising methods
 - 5. Sales promotion
- C. Products**
 - 1. Description of Product Line
 - 2. Proprietary position of patents, copyrights, legal, and technical considerations
 - 3. Comparison to Competition
- D. Manufacturing Process**
 - 1. Materials
 - 2. Production methods
- E. Financial Projections**
 - 1. Provide monthly cash flow analysis for next 12 months
 - 2. Provide profit and loss statement for last three years, current year-to-date, and two-year projection
- F. List of Existing Business Debt**
 - 1. List outstanding balance, interest rate, term, maturity date, and collateral on all existing debt.
- G. Statement of Proposed Collateral**
 - 1. Provide a detailed list of all collateral offered, its value, and security position by funding sources.
- H. Resumes**
 - 1. Include resumes of all principals who have significant financial interest in the business.
- I. Commitment Letters**
 - 1. Include commitment letters from banks or others stating the terms and conditions of their participation.
- J. Affiliates**
 - 1. Description of any affiliates or subsidiaries of business or principals requesting assistance, as well as balance sheets and income statements for past two years on such affiliates or subsidiaries.



- K. Appraisals/Lease Agreements/Purchase Agreements
 - 1. Provide a current independent appraisal for any real property subject to this loan request and/or offered as major collateral to secure the loan. Also, include copies of existing or proposed lease(s), purchase agreements, or other financial arrangements pertaining to the subject property.
- L. Partnership Certificate of Authorization or Corporate Certificate of Authority and Incumbency

VI. OTHER REQUIRED DOCUMENTS

- A. Copy of last year's submitted business income tax statement
- B. Copy of last two year's submitted personal income tax statement
- C. Evidence of payment of last quarter's payroll tax
- D. Evidence of Workers' Comprehensive and Liability insurance coverage

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	6/10/13 _____ Date
 _____ Applicant's Signature	6/10/13 _____ Date
_____ Applicant's Signature	_____ Date
_____ Applicant's Signature	_____ Date

REVOLVING LOAN STATUS REPORT

Date of Update: 06/05/2013

	Business Name	Remaining 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	\$ 190,781.87	06/05/2013	\$ 2,115.64	07/22/2013
*	Queen Bee's Bar & Grill	\$ 85,942.70	04/26/2013	\$ 1,019.64	04/20/2013
*	Skinz #4	\$ 100,066.80	05/16/2013	\$ 637.96	06/15/2013
*	Skinz #5	\$ 94,409.64	05/16/2013	\$ 969.08	06/28/2013

* Joint Loans w/Township

TOTAL REMAINING

BALANCE \$ 496,992.01

LATE PAYMENTS:

Bloom Corner Floral	\$ 314.54	Due: 6/1/13
Queen Bee's Bar	\$ 509.82	Due: 4/20/13
Queen Bee's Bar	\$ 509.82	Due: 5/20/13
TOTAL DELINQUENT	\$ 1,334.18	

CITY REVOLVING LOAN BALANCE	\$ 623,011.28	updated 6/3/13	<i>(unaudited)</i>
CITY EDAP BALANCE	\$ 107,016.41	updated 6/3/13	<i>(unaudited)</i>