

**EDAP BOARD MEETING
PAYNESVILLE CITY HALL COUNCIL CHAMBERS
APRIL 20, 2021
7:00 A.M.**

Some or all members of the EDAP Board may participate in this meeting by Zoom rather than being personally present at the EDAP Board's special meeting place at 221 Washburne Avenue, Paynesville, Minnesota. Members of the public can monitor the EDAP Board meeting by contacting Kristin Leither at 320-243-3714 ext. 247 or kleither@paynesvillemn.com by noon on the day prior to the meeting to make arrangements via Zoom.

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
 - A. TIF – Nelson Plastics
 - B. City Administrator/EDAP Director Salary
- IV. OLD BUSINESS
 - A. Economic Status Of Community – Update
 - B. Past Due Loans – Update
 - C. New Industrial Park – Ferche Property
- V. INFORMATIONAL
 - A. Revolving Loan Report (page 4)
- VI. ADJOURN

Members: Mark Dingmann Township Board Member
Lynnette Ostendorf – Chamber Representative
Lorrie Gottwald – Township Representative
Bruce Stang – Township Representative
Chris Stanley – City Representative
Wayne Nelson – Pay Del Co Representative
Megan Brick – City Council
Jean Soine – City Council
Tariq Al-Rifai – Advisory Member

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 BOARD/COUNCIL ACTION

BOARDCOUNCIL NAME: EDAP Board

Board/Council Meeting Date: April 20, 2021

Agenda Section: Consent Agenda

Originating Department: Administration

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

Please review the minutes from the February 16, 2021 EDAP Board meeting.

ADMINISTRATOR COMMENTS:

BOARD/COUNCIL ACTION:

Motion to approve the minutes from the February 16, 2021 EDAP Board meeting.

**MINUTES
EDAP BOARD MEETING**

FEBRUARY 16, 2021

The meeting was called to order at 7:00 a.m. by Chairperson Chris Stanley. Other members present were Mark Dingmann, Bruce Stang, Wayne Nelson, Megan Brick, Jean Soine, and Tariq Al-Rifai, City Administrator. The Chamber representative and Lorrie Gottwald, Township were absent.

Motion was made by Stanley to approve the minutes from the January 19, 2021 EDAP Board meeting. Seconded by Dingmann and unanimously carried.

EDAP LOAN FORGIVENESS

Al-Rifai reported that this came about after a request from a couple of local small business owners to get some help from the City as a result of the slowdown in their business. Brick added that small businesses were struggling and looking for any kind of help. At the last EDAP Board meeting, Al-Rifai presented the request of giving a grant to affected businesses equal to the amount of the refunded liquor license fees. The Board did not feel that it was appropriate to give out grants and it would be difficult to set the parameters to make it fair.

Today, Al-Rifai suggested that the request from these businesses be to reduce the balance of their EDAP loans by the same amount as a form of support. Stanley also felt that this was similar to the last request and that EDAP is not in the business of giving out grants. EDAP offers low cost loans to local businesses. Dingmann asked if the City was willing to offer some type of credit to affected businesses, such as a credit on their water bill. Stanley said that struggling businesses could ask EDAP for loans if they need support. He also said that affected businesses may also ask EDAP to defer their loan and/or interest payments for 3, 6, or more months as a way to support them. Stang said that it would not be good if businesses fail and that if they ask for support, we should offer some. It was agreed that any affected business, whether they have an EDAP loan or not, could ask for a new/another loan and can also present their case for deferment. Stang added, that this should be on a case-by-case basis.

FERCHE PROPERTY ON LAKE AVE.

Stanley wanted to add this to New Business. Stanley mentioned that he, along with Stang, Al-Rifai and Mergen, met with Jason Ferche, the owner of the property. Everyone was very pleased with Ferche's interest in working with the City in developing this land. Ferche was very motivated and also indicated his interest in developing some apartment units along the creek area (also said that he would like a TIF if he were to do this). Stang mentioned to Ferche that there is one commercial business that is interested in a lot just off Hwy. 23 for its business. Stang put them in touch and said that they have been in discussion already. Having one business start there would kick off interest in more hopefully and would begin development of the new industrial park.

Stang brought up the idea of a business incubator. He and Reinke looked into this in Long Prairie, where they saw such an incubator. It was successful. This would entail the City

building and owning a property in an industrial area and dividing it into smaller sections to attract startup businesses that need immediate and small space. Once the businesses are up and running, they would hopefully out-grow the space and move on to purchase their own property in the industrial park. This would free up space for the next start up to come in. Stang felt that this would be a great way to attract and encourage small businesses to start in the City and added that there would need to be a limit in the number of years a business would be allowed to stay there to free up space for new businesses. He also said that rent would be very low in year one and slowly rise to market rates by the 4th year. At which point a term limit would need to be set to get them to move.

The idea is to purchase from Ferche 1 to 1.5 acres and construct a four-bay building. Stanley said that the building would need to be at the end of the development for two reasons:

1. It's not prime property that Ferche would want for other businesses
2. It would allow the City to apply for an infrastructure development grant since they do not give grants on vacant land. Therefore, constructing a building at the end of the property would allow the City to apply for an infrastructure grant for the entire length of the property. This would also help attract other businesses to the area.

Stang asked Dingmann if the Township would contribute to building the incubator and he said the EDAP Board would need to present the idea to the Township Board.

It was agreed that Al-Rifai would look into estimates of what it would cost to build this and see if there are any incubator grants from the state. Al-Rifai would also contact Ferche to get more details about his plans to build an apartment building.

ECONOMIC STATUS OF COMMUNITY

There was nothing to update at this time.

PAST DUE LOANS

There was nothing to update at this time.

There being no further business, the meeting was adjourned.

REVOLVING LOAN STATUS REPORT

Date of Update:

4/13/2021

Business Name	Outstanding Balance	Date of last Payment	Amount of Last Payment	Current/Next Due Date
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C & S Towing Inc	\$ 6,655.57	3/24/2021	\$ 455.76	5/1/2021
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Eats & Treats	\$ 5,499.13	4/2/2021	\$ 180.00	5/3/2021
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Koronis Lanes Refinance	\$ 21,959.60	3/1/2021	\$ 628.55	10/1/2021
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Koronis Living LLC	\$ 6,378.06	3/25/2021	\$ 300.00	4/13/2021
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* Queen Bee's Bar & Grill	\$ 57,293.01	3/8/2021	\$ 900.00	5/20/2021
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* Safe Basements Inc.	\$ 170,053.64	3/22/2021	\$ 2,590.96	5/1/2021
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* Savage Land Partnership	\$ 231,333.45	3/24/2021	\$ 1,957.36	6/3/2021
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* Todd & Lauri Lokken	\$ 31,787.36	4/13/2021	\$ 471.70	5/17/2021
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* Joint Loans w/Township				
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TOTAL OUTSTANDING BALANCE	\$ 530,959.82			
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LATE PAYMENTS:

TOTAL DELINQUENT	\$ -			
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CITY REVOLVING LOAN BALANCE (available)	\$ 458,074.45	2/28/2021	<i>(unaudited)</i>
CITY EDAP BALANCE	\$ 392,978.35	2/28/2021	<i>(unaudited)</i>
TOWNSHIP LOAN BALANCE (available)	???		