

## **MINUTES EDAP BOARD**

**JUNE 18, 2013**

Jean Soine called the meeting to order at 7:00 a.m. Members present were Chris Stanley, Bruce Stang, Kay McDaniel, Don Pietsch, and Renee Eckerly, City Administrator. Don Wiese and Alan Habben were absent. Also present were Lance Louis, Louis Industries; Kevin Wall, Louis Industries; Leo Louis, Louis Industries; and Brian Savage, Valley Industries/Savage Land Partnership.

**Motion was made by McDaniel to approve the minutes of the May 21, 2013 EDAP Board Meeting. Seconded by Stanley and unanimously carried.**

### **EDAP LOAN – SAVAGE LAND PARTNERSHIP**

A loan application in the amount of \$337,500.00 was submitted by Brian Savage. Savage reported that they will be constructing a new building to take on Emac Group from Ohio and Comet from Burnsville and Bloomington site. They will be adding at least 3-4 new employees. They will continue to rent the 30,000 square foot building from Wayne Nelson. The Board questioned if there is a limit that needs to be kept in the Revolving Loan Fund. The Board has never discussed this because there has not been an issue. The Credit Union would have first position on the loan. This is a second mortgage on the property. Dave Johnson has title issuance since there is no abstract. Savage Land Partnership has put in \$400,000.00. Pietsch will check to see if the Township will participate. The Township has approximately \$300,000.00 in their Revolving Loan Fund. This would be a 20 year loan with a 10 year balloon. The interest rate would be at 3.5%.

**Motion was made by Stang to approve an EDAP Loan in the amount of \$337,500.00 at 3.5% interest for 20 years with a 10 year balloon contingent on approval from the EDAP Finance Sub-Committee, with a second position on Collateral, and if the Township will participate and recommend such to the City Council. Seconded by Pietsch and unanimously carried (Stanley abstained).**

### **TIF – LOUIS INDUSTRIES**

Representatives from Louis industries were in attendance. They are proposing an expansion as they are in need of additional space (30,000 – 37,560 square feet) that would include an office area (this would not qualify for TIF money). They also need to put in a major piece of equipment at the cost of \$800,000.00 - \$1 million dollars. They have started hiring for this project and over the next 3 years will hire an additional 6-7 employees. The TIF would be for 9 years and the increment is \$37,662.00. They will also be coming for an EDAP loan in September or October and are working with DEED and the City on Minnesota Investment Fund money. Eckerly asked if a site plan was ready to be reviewed.

### **RAILROAD**

The abandoned railroad is owned by Pay Del Co and Eckerly will contact Pat Flanders to resolve. Leo Louis asked who is the owner of the land that the abandoned railroad spur is on.

Eckerly reported that Stearns County had no owner of record on the internet, but Bill Spooner researched this at Stearns County and found it to be Pay Del Co as the owner.

**Motion was made by Pietsch to contact Pay Del Co and resolve the abandoned railroad of Out Lot A. Seconded by Stanley and unanimously carried (Stang abstained).**

### **INCUBATOR**

Eckerly will contact Pat Flanders to request the land be given to the abutting property owners. Stang reported that Voss has sold the property. Voss may be looking at the blighted property on Minnie St.

### **BLIGHTED PROPERTY ON MINNIE STREET**

Eckerly reported that the City is utilizing Attorney Spooner to get these properties cleaned up. They are working with Schmitz's conservator; he wants to get rid of the property. There are some back taxes due on both the LaPlant and Schmitz properties. Demolition of the Schmitz property is estimated at \$7,000.00.

### **ECONOMIC STATUS**

The following was reported:

- Warren with Truck Specialties went to Eden Valley because the building they found they could move into right away
- Skinz building (downtown) is for sale
- Paynesville Chiropractic building is for sale
- McDonald building (inside) is almost done; need dry weather to finish the outside
- Grandstand project needs civil engineering plans for plumbing

### **PAST DUE LOANS**

There are two past due loans; Eckerly will send a letter to Queen Bee's and Blooms.

### **REVOLVING LOAN REPORT**

The Revolving Loan Report was reviewed.

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