

**MINUTES
EDAP BOARD**

DECEMBER 18, 2012

Bruce Stang called the meeting to order at 7:00 a.m. Members present were Jean Soine, Don Wiese, Gene Beavers, Chris Stanley, and Renee Eckerly. Also present were Tammy Hawksworth and Jeff Hawksworth, both of Skinz Protective Gear. Don Pietsch and Alan Habben were absent.

Motion was made by Soine to approve the minutes of the November 13, 2012 EDAP Meeting. Seconded by Beavers and unanimously carried.

The October 9, 2012 minutes were not available at this time.

SKINZ PROTECTIVE GEAR EQUIPMENT FINANCING

Equipment Loan – Tammy and Jeff Hawksworth, Skinz are requesting a loan of \$98,000.00 for new equipment. The loan would be split equally with Paynesville Township. The equipment purchased would be C & C Milling, C & C Turning and the software to make them work. Currently they are outsourcing this work and would like to do it in-house; it's all about turnaround time. This will also open new possibilities for them to get into manufacturing. The equipment will be purchased and put into use prior to the building expansion being finished. Hawksworth need to close on the loan before the end of the year for tax purposes. They will be hiring three additional employees. EDAP would take a second position on the new equipment, plus all the other equipment, A/R, finished goods, and raw materials. Wiese reported the Township approved participating in the loan last night.

Motion was made by Beavers to approve the Skinz Equipment Loan in the amount of \$98,000.00 split between the City and Paynesville Township for 10 years with no balloon at 3.25%, plus .25% interest and collateral and recommend such to the City Council and Paynesville Township. Seconded by Soine and unanimously carried (Stanley abstained).

Land subordination – Tammy and Jeff Hawksworth, Skinz reported that they are expanding their current building. They will be doubling the size of the building off the back side. The slab is already poured and construction will start over the next couple of months. The Credit Union and Small Business Administration (SBA) are working together on the loan. New appraisals have been done on the building and the City has received a copy. EDAP also has the bakery building for collateral with F&M Bank. The new total of loans to others (Credit Union and SBA) on the real estate is \$1,318,863.00. The new appraisal value is \$2,010,000.00. The request is to have EDAP subordinate the Skinz #4 loan to the fifth position, but maintain the current collateral. The Credit Union would have positions 1st and 2nd. SBA would have the 3rd & 4th position. The City would move to the 5th position if approved. If not approved, Skinz may not be able to get loan from the Credit Union or SBA or it would be a delay to try to obtain the money to pay EDAP off.

Motion was made by Stang to approve subordinating the land loan to the 5th position, but maintain the current collateral and recommend such to the City Council and Paynesville Township. Seconded by Wiese and unanimously carried (Stanley abstained).

INCUBATOR

No update at this time.

ECONOMIC STATUS

Eckerly reported on Country Cupboard closing. Soine reported that NuCara will be moving in February 2013 to the new location. There have been few different ideas as to what will be happening with NuCara's current corner building. It is important to get these buildings filled quickly.

PAST DUE LOANS

Eckerly reported Bloom Corner Floral is the two months late on their loan. A letter has been sent to get current before the end of the month which is also year end and the auditors will be reviewing this.

BLIGHTED PROPERTY ON MINNIE STREET

Stang reported that Pay Del Co has taken down the old Gutwald building and an easement has been given by both Gerry Mehr and himself to put in a private driveway back to Pay Del Co's land. Eckerly reported the Bill Spooner, City Attorney and herself have been waiting on a report from Inspectron Inc since July regarding the poor condition of the LaPlant property so that a time line can be put in place to either repair or demolish the structure. She has also placed a call to Ed Schmidts' conservator as to the status of the documents to give the City authorization to clean the property up and assess the costs to the property.

The Board discussed the Building Inspector hampering development. It was asked if it is possible to eliminate the building official or hire a new one. Eckerly reported that the Planning Commission sent out packets to all the building inspectors in the area and Inspectron was the only one that applied. Eckerly will contact the State of MN to find out if the options have changed.

There being no further business the meeting was adjourned at 7:55 a.m.