

**MINUTES  
EDAP BOARD**

**MAY 20, 2010**

The meeting was called to order by Bruce Stang at 7:00 a.m. Other members present were Jeff Thompson, Chris Stanley, Don Pietsch, Al Habben, and Gene Beavers. Absent were Don Pietsch and Don Wiese. Also present was Renee Eckerly, Jeff Hawksworth, Tammy Hawksworth, and Rick Block.

**Motion was made by Beavers to approve the minutes from the April 20, 2010 EDAP meeting. Seconded by Stanley and unanimously carried.**

**KORONIS LANES EDAP LOAN**

Block missed funding through the Small Cities Grant as the purchase of the property had not gone through yet. He is putting up a new sign, installing new windows, putting on new stucco, and painting the inside with the loan. Eckerly will check if there is any Small Cities Grant money available. Block did get a small awning grant in the amount of \$212.00. Block wants to do a small face lift. The Finance Sub-Committee will meet with Block and bring back a recommendation to the EDAP Board. Block has been working with the Building Inspector on the improvements.

**SKINZ EDAP LOAN**

The total project is \$800,000.00 with land and equipment. Hawksworth is requesting \$80,000.00. The SBA is 40%, plus the Credit Union is at 50% which is a correction to the application. EDAP would be the gap financier to the complete project. Hawksworth's have purchased the former Ampe land to the west of the Industrial Park and are splitting the land and re-zoning the first 7 acres to light industrial off; the remaining land is staying Ag. Hawksworth's have also purchased the Sure -Flo building and the zoning is staying as is. Money is for building and land (70.39242.0000) (refinancing ) not equipment and EDAP would be in the 3<sup>rd</sup> position behind SBA and the Credit Union. Under the current EDAP loan of \$98,000.00 Skinz sold lot #3 to Stang Precision and the full amount went to the Credit Union to buy down the first mortgage. The current building is worth \$400,000.00 with all the renovations. The company currently employees 10 to 12 employees with the expansion would be at least one more now and are planning to add 2 to 3 in the new building. They plan on diversifying to do different things so they don't have to depend on Yamaha. Skinz is Yamaha's #1 after the market provider. Skinz has gotten busier with the recession because they are doing more for Yamaha to cut down on Yamaha's overhead. At the new building they will have room to expand and they are building to be able to expand off 3 sides and able to keep everything under one roof.

**Motion was made by Stanley to release lot 3 from the current loan and recommend such to the City Council. Seconded by Thompson and unanimously carried (Stang abstained).**

On the current Minnie Street property there is a existing building over the lot line. The plan is to cut off the building and adjust to the setback, but right now Skinz needs the building for production until the new building is available to them so they can remove the storage in the building that is over the lot line. The building will be fixed within the next 1 ½ years. The Assessor was just there last year. There will be a Special EDAP meeting at 7:00 a.m. on

Thursday, May 27<sup>th</sup> to consider action on the Skinz and Koronis Lanes EDAP Loans. The Finance Sub-Committee will meet on May 25<sup>th</sup> at 11:00 a.m. at the Habben Office to review the loans and bring back a recommendation for the May 27<sup>th</sup> Special Meeting.

### **ELECTRIC YACHT**

EDAP is interested in getting them here. Eckerly suggested connecting them with Skinz for the building lease. Offer gap financing and see what they would need in that area.

### **INCUBATOR**

EDAP discussed purchasing the Skinz building for the incubator, but due to the building code, it will be a nightmare to remodel the building to be suitable.

### **MAINS'L SERVICE**

Thompson reported that this company sets up group home with elderly and special needs; like what is out in Wilglo Acres. They are licensed through Stearns County. They are looking to get their services out as available.

### **STATUS OF LOANS**

Eckerly reported that only one loan is still past due and a letter has been sent to them.

### **KC COMPANIES**

It was reported that as of April 26, 2010 they are meeting with the Hospital Board.

### **MN JOB STIMULUS WEBINAR**

This item was tabled.

### **ECONOMIC STATUS OF COMMUNITY**

This item was tabled.

### **EDAP LOAN APPLICATIONS**

This item was tabled.

### **GERONIMO WIND ENERGY**

This item was tabled.

### **REVOLVING LOAN REPORT**

An updated report was distributed.

There being no further business the meeting was adjourned at 8:05 a.m.