

**EDA Board of Directors
Meeting Minutes
7 AM Friday, January 4, 2008**

Members present in **bold** print:

Members

Tim Ulrich
Casey Stotts

Duane Hoversten
Jim Haugen

Steve Jansick
Mike McGraw

Diane Gordon

Staff

Miles Seppelt, EDA Director
Lee Miller, EDA Assistant
Ken Merrill, Finance Director

Guests

Bill Corby, Chamber of Commerce

- I. **Mr. Ulrich called the meeting to order at 7:02 AM.**
- II. **Approve Agenda:** Added **Goals for 2008** under Other Business
- III. **Review and Approve Meeting Minutes**
 - a. Minutes of November 30th, Board of Directors
M/S/P: Hoversten, Stotts to approve the minutes from November 30th Board of Director's meeting. Approved unanimously.
 - b. Minutes of November 19th Finance Team Meeting
M/S/P: Jansick, Haugen to approve the November 19th Finance Team meeting minutes. Approved unanimously.
 - c. Minutes of December 27th Board of Directors Special Meeting
M/S/P: Haugen, Stotts to approve the minutes from December 27th Special Meeting of the Board of Directors. Change 'Bacon' Bank to Beacon Bank. Approved unanimously.

IV. Review of November 2007 Financial Statements

. Finance Director Ken Merrill gave the following report:

- As of the end of November, the EDA has \$107,829 cash on hand and total fund balance equal to \$99,789.
- The EDA received \$8,622 in rental revenues, total income for year to date being equal to \$230,656.
- Professional services for the month totaled \$7,500, payment to Ehlers & Associates for Customer Elation Project. Regular salaries and fringe benefits totaled \$8,516, total expenses being equal to \$17,392.

- The Economic Development (Industrial Park) loan fund has \$89,093 in cash available.
- The loan to Ashwill industries is performing as required, with an outstanding balance of \$22,625.
- The EDA is maintaining the outstanding loan balance of \$21,560 on the books for the time being from the Allied Mechanical loan.
- The EDA continues to have \$25,000 on deposit with MCCF, with total assets being equal to \$215,177.
- In the Downtown Loan Fund, the EDA has \$468,524 in cash available and holds mortgagees totaling \$678,597. All loans are performing as required (with the exception of Cornerstone Commons).
- For the first 11 months of the year the EDA has received \$110,883 in loan repayments and disbursed \$41,158 in downtown grants.
- In the MIF Loan Fund, year to date payment of \$7,800 were received from Warrior manufacturing with total assets in the fund being equal to \$200,873.

M/S/P: Gordon, Stotts to approve the November Financial Statements. Passed unanimously.

V. Director's Report

Mr. Seppelt reported the following:

- A.** Introduced spring intern, Lee Miller. Started December 10th and will be with us through May 30th.
- B.** Cenex project
 - Close to completing new building on Adams Street
 - Planning on occupying building by end of January
 - Will be recycling materials from old site (will reduce demo costs)
- C.** Customer Elation Call Center
 - Steel frame is standing, they hope to have it enclosed within the next two weeks
 - On target for April opening
- D.** Warrior Manufacturing
 - The company is up to 22 employees
 - Offices completed, will be hiring a receptionist soon
- E.** Corner Stone Commons
 - Refinancing loan with Beacon Bank
- F.** Business Recruitment

- Mr. Seppelt reported to the EDA Board about his visit with Recon Robotics at the CVN meeting. The company is looking for a production site with at least 7,500 sq. feet for assembly, testing, repair and office space. This technology based business would be an ideal fit into our spec building. The company has been awarded an 8 million dollar grant from the Defense Department for research and development.
- Mr. Seppelt reported that Global Discware has narrowed its list of potential sites down to three. Hutchinson is included on the list.

G. Industrial Park Design

- Mr. Seppelt has conducted preliminary research for possible funding sources for infrastructure for the industrial park. It was reported that no application for infrastructure grants have been made available at this time. It was mentioned that they would be available after the next bonding session. The EDA has set a goal of 1 million dollars from the grant.

H. County EDA

- Mr. Seppelt will be attending the Glencoe City Council meeting next week to gauge their support.
- Silver Lake has passed the resolution for support of a county EDA.
- Mr. Seppelt will also be meeting with McLeod County Commissioners soon.

VI. State Theatre

- The EDA received a request from Red and Linda McMonagle for the continuation of their interest only payment for their loan with the EDA.
- It was recommended by the Finance Team to continue with interest only payments for the theatre.

M/S/P: Jansick, Haugen to continue interest only payments with the State Theatre thru 2008. Passed unanimously. Mr. Ulrich abstained.

VII. Agricultural Lease

- The EDA received 7 bids to rent the Stritesky property which consists of 78 acres.
- The winning bid went to Randy Luthens at \$203.80/acre. Lease will be good for one year.
- There was discussion about providing a lease provision to reimburse the lessee for documented inputs (seed, fertilizer, etc.) if development were to take place during the lease period. This would be on a per acre basis.

M/S/P: Gordon, Stotts to accept Mr. Luthen's bid of \$203.80/acre with a lease provision regarding reimbursing lessee for documented costs of inputs on a per acre basis. Passed unanimously.

VIII. Pending Board Members Vacancies

- Mr. Seppelt has received only one application, but was contacted by an interested party the evening prior to this meeting.
- It was discussed about the possibility of contacting persons who have an application on file and see if they are still interested.
- It was decided to table this until the next meeting.

IX. Recognition Event

- EDA will complete a budget for this event and will present it to the Board at the next meeting.

X. Grant and Loan Applications

Sign & Awning Grant Program

None

Storefront Revitalization Matching Grant

None

XI. Other Business

- Letter of appreciation from George Quast for the sign and awning grant he received.
- Goals for 2008 were discussed.
They included the following:
 - 15 BR & E visits
 - Finish Cenex removal and site cleanup
 - Discussion of Power Plant face lift, they have been in contact with Landform
 - Downtown housing/HRA – potential site is the Cenex property
 - Pursue development of McLeod County EDA
 - Evaluate the feasibility of building a spec building in the industrial park
 - Discussion of expanding parameters of the downtown loan fund
 - Find use for old Cub Foods building
 - Pursue development opportunities for commercial development at the corner of HWYs 15 and 7
- There was also discussion about the Church at the south end of downtown and their redevelopment plans.
- Discussion about Hackbarth property. The son and daughter are now handling affairs.

XII. Chamber update

- Mr. Corby gave an overview of the SBDC meeting.
- Annual Chamber banquet is set for January 31st.
- January 18th there will be a presentation at the Event Center sponsored by the Chamber about healthcare.
- Mr. Corby also invited interested persons to the state Chamber meeting in Litchfield. State legislators will be present to hear input from business owners for the next legislative session.

XIII. Set Next Meeting

- The next meeting will take place Friday January 25th, at 7:00 am in the City Center Main Conference room.

XIV. Adjourn

The meeting adjourned at 7:54 a.m.

Respectfully submitted,

**Lee Miller
EDA Assistant**

**EDA Board of Directors
Meeting Minutes
7 AM Friday, January 25th, 2008**

Members present in **bold** print:
Updated: February, 5th

Members

Tim Ulrich
Casey Stotts

Steve Jansick
Jim Haugen

Diane Gordon
Mike McGraw

Duane Hoversten

Staff

Miles Seppelt, EDA Director
Lee Miller, EDA Assistant
Ken Merrill, Finance Director

Guests

Bill Corby, Chamber of Commerce

I. Mr. Ulrich called the meeting to order at 7:01 AM.

II. Approve Agenda: No action

III. Review and Approve Meeting Minutes

a. Minutes of January 4th, Board of Directors

M/S/P: Jansick, Haugen to approve the minutes from January 4th Board of Director's meeting. Approved unanimously.

b. Minutes of December 19th Finance Team Meeting

M/S/P: Jansick, McGraw to approve the December 19th Finance Team meeting minutes. Approved unanimously.

IV. Review of December 2007 Financial Statements

. Finance Director Ken Merrill gave the following report:

- As of the end of December, the EDA has \$157,841 cash on hand and total fund balance equal to \$157,161.
- The EDA received \$500 in rental revenues, total income for year from all sources being equal to \$299,209.
- Professional services for the month totaled \$910. Regular salaries and fringe benefits totaled \$9,706, total expenses being equal to \$11,177.
- The Economic Development (Industrial Park) loan fund has \$90,338 in cash available.
- The EDA is maintaining the outstanding loan balance of \$21,560 on the books for the time being from the Allied Mechanical loan.

- The EDA continues to have \$25,000 on deposit with MCCF, with total assets in the Economic Development loan fund being equal to \$215,496.
- In the Downtown Loan Fund, the EDA has \$463,826 in cash available and holds mortgagees totaling \$674,256. All loans are performing as required (with the exception of Cornerstone Commons).
- For the year the EDA has received \$118,246 in loan repayments and disbursed \$51,118 in downtown grants.

M/S/P: Haugen, McGraw to approve the December Financial Statements. Passed unanimously.

V. Director's Report

Mr. Seppelt reported the following:

A. Cenex project

- Close to completing new building on Adams Street
- Should be about a month when they are ready to move in
- Will be recycling materials from old site (will reduce demo costs)
- They have completed site examination
- EDA will be paying 2nd installment for fertilizer site

B. Customer Elation Call Center

- About a week ahead of schedule
- On target for April opening
- Most of the walls are up, but no roof yet

C. Warrior Manufacturing

- The company has 24 employees currently
- Passed state audit to finalize grant

D. Cornerstone Commons

- Refinancing loan with Beacon Bank
- They are negotiating with contractors to remove mechanic liens

E. Business Recruitment

- RKadia is looking to acquire Haugen Furniture. RKadia makes TV stands, bookcases, end tables, etc. They have 1-1.5 million in sales annually. They could potentially add 7-8 new jobs over the next two years.

F. County EDA

- Mr. Seppelt reported that his campaign for a county level EDA is going great. Every group he has visited so far has unanimously

passed a resolution of support. Mr. Seppelt is planning on meeting with the county commissioners one on one to explain in detail the benefits of a county EDA.

VI. Election of 2008 Officers

President- Tim Ulrich
Vice President- Mike McGraw
Treasurer- Steve Jansick
Assistant Treasurer- Ken Merrill, staff
Secretary- Economic Development Assistant, staff

M/S/P: McGraw, Haugen to approve slate of officers for 2008. Passed unanimously.

VII. Nominate new EDA Board Member

The Board received and reviewed two applications: Marc Vaillancourt and Randy Redman.

M/S/P: McGraw, Jansick to nominate of Marc Vaillancourt to replace Mr. Hoversten on the EDA Board of Directors. Passed unanimously.

The City Council will formally act on the nomination at their regular scheduled meeting on February 12th.

VIII. Business Incubator

- Mr. Hoversten presented to the board the possibility of partnering with Ridgewater College to create a business incubator at the college's vacant east campus.
- The site is 6.15 acres, with 18,000sf (12,000sf for production, 6,000sf of office space).
- Mr. Hoversten stated that there are some grant funds available for projects like this.
- The Board discussed the proposal and expressed their support.

IX. Hutch Iron & Metal

- Staff has been in preliminary discussions about constructing a fence alongside the west and north boundaries of the site.
- The fence would be about 8-10' high and would sit on about a 2-3' berm.
- As part of the deal, the EDA would trade a triangular piece of land located to the southwest of the scrap yard and offer a low interest loan in exchange for HI&M to pay for the project.
- Discussion followed about requiring the fence to be extended to include the southern boundary of the property

X. Recognition Event

- Staff presented the Board with a preliminary budget for the event
- Finance Team recommended a \$1500 budget for the event
- Tentative date is during the 2nd week in March

M/S/P: Jansick, McGraw to approve a budget of \$1,500 for the recognition event. Passed unanimously.

XI. Grant and Loan Applications

Sign & Awning Grant Program

Home Sweet Home Quilt Design – Amy Albrecht \$600.00

M/S/P: Ulrich, Jansick to approve grant request for \$600 to Home Sweet Home Quilt Design. Passed Unanimously.

Lang’s Meat Market – Randy Lang \$1980.34
***Contingent to Finance Team approval**

M/S/P: McGraw, Jansick to approve grant request of \$1980.34 to Lang’s Meat Market, contingent to Finance Team approval. Passed unanimously.

Pearson School of Music – Catherine Pearson \$2,000.00
***Contingent to Finance Team approval**

M/S/P: Jansick, McGraw to approve grant request of \$2000 to Pearson School of Music, contingent to Finance Team approval. Passed unanimously.

XII. Other Business

None

XIII. Chamber update

Mr. Corby updated the Board on the following events:

- Bridal Fair January 27th 11- 4:00 PM
- Annual Banquet will be held January 31st at the Hutchinson Event Center, doors open at 5:30 PM.
- Community Connection Nonprofit Open House February 21st at the Hutchinson Event Center 3:00 PM start time
- Ladies Escape Weekend: Feb. 29th Spa & Glam Party 7-9pm, March 1st HAHC Ladies Day Retreat 8:30am-2:00pm, Wine Tasting 7-9pm at the Victorian Inn
- Mr. Corby also announced that the Chamber is bringing speaker Rick Segel to Hutchinson March 12th. Mr. Segel will be speaking in two sessions. The first session is titled “Surviving in a slowing economy” and the afternoon session will focus on customer service.

XIV. Set Next Meeting

- The next meeting will take place Friday February 22nd, at 7:00 am in the City Center Main Conference room.

XV. Adjourn

The meeting adjourned at 8:17 a.m.

Respectfully submitted,

Lee Miller
EDA Assistant

EDA Board Meeting Minutes

Main Conference Room – City Center
7 AM Friday February 22nd, 2008

Members Present in Bold

Tim Ulrich
Jim Haugen

Steve Jansick
Diane Gordon

Mike McGraw
Marc Vaillancourt

Casey Stotts

Staff

Miles Seppelt, EDA Director
Lee Miller, EDA Assistant
Ken Merrill, Finance Director

Liaison

Bill Corby, Chamber President

Minutes

<u>BR & E Visits</u>

✓ Hillyard

- I. **Mr. Ulrich called the meeting to order at 7:03 a.m.**
- II. **Approve Agenda** No action taken
- III. **Review Meeting Minutes**

- A. **January 25th Board of Directors**

M/S/P: Jansick, Vaillancourt to approve minutes from the January 25th EDA Board of Directors meeting. Approved unanimously.

- B. **January 16th Finance Team**

M/S/P: Vaillancourt, Jansick to approve minutes from the January 16th Finance Team meeting. Approved unanimously.

- IV. **Review January Financial Statements**

The January Financial Statement was unavailable for this meeting. Both January and February financial statements will be reviewed at the April 4th EDA Board of Directors meeting.

- V. **Director's Report**
Mr. Seppelt reported the following:

- A. **Cenex Project**

- Moving ahead as scheduled. Should be moved in by the end of February.
- Working with a group called "The Green Institute" to help reduce demo costs at the old fertilizer site. They will dismantle and recycle what wood they can.

- B. **Customer Elation Call Center**

- As of this date they are on schedule. The building has been enclosed and is being heated to help thaw the ground so the floor can be poured.

- There was some discussion about the possibility of sharing some of Warrior's parking lot with Customer Elation if their own parking lot is not finished by the time they want to open. Customer Elation is planning on using a gravel parking lot until theirs is finished.

C. Recognition Event

- The recognition event has been pushed to April.

D. Cornerstone Commons

- Mr. Miller has been working with Beacon Bank to set up a direct deposit account for Cornerstone's monthly loan payment of \$1,114.56.

E. Business Recruitment - RKadia / Haugen Furniture

- RKadia is a furniture manufacturing company looking to locate in the Midwest.
- Mr. Jansick informed the Board that they will be partnering with Haugen Furniture at first as RKadia's design and manufacturing would complement Haugen's distribution network.

F. County EDA

- Every town in the county has been visited with the exception of Biscay. Mr. Seppelt will be scheduling a visit to their next city council meeting.
- Letters and an information packet have been sent to the 16 townships in the county prior to meeting individually with the county commissioners.

VI. Company "X"

- Representatives from company "X" came to Hutchinson on February 21st for a presentation by the EDA and to meet plant managers at 3M and Warrior Manufacturing regarding labor force of the area.
- Company "X" would require 10 acres for a 100,000 sq. ft. facility for manufacturing and assembly. They would create about 250 jobs within three years. Hutchinson would be their North American Headquarters.
- Discussion followed about possible incentives to offer them. The Finance Team recommended:

- 1) JOBZ
- 2) \$500,000 equipment loan at 2% for 7 years (proposed in partnership with DEED)
- 3) \$500,000 equipment loan at 6% for ____ years (proposed in partnership with SWIF)
- 4) Up to 10-acres in the new Hutchinson Energy Park FREE (set up as a 7-year forgivable loan)

M/S/P: Stotts, Haugen to approve the proposed assistance package as recommended by the Finance Team. Approved unanimously.

VII. Energy Park Drive

- Mr. Seppelt asked the Board for their thoughts on the name "Energy Park Drive" to be used for the new road that will run south from 5th Avenue through the new industrial park. Mr. Seppelt informed the Board that some members of the Planning Commission thought people might get confused as there is an Energy Park Drive in St. Paul.
- The Board indicated that the name "Energy Park Drive" was fine.

VIII. Business Incubator

- Proposed site would be the Ridgewater East campus. The site is just over 6 acres. The facility has 18,000 sq. feet, with about 12,000 sq. ft. to be used for production space and the remaining 6,000 sq. ft. to be used for office and classroom space.

P.M. session – Customer Service...Who Needs It?

- McLeod for Tomorrow Workshop – April 3rd, from 1-4:30 p.m. at the Brownton Community Center. Topic is “Looking into the future, how will communities in McLeod County be affected by the changes in demographics and transportation”.
 - Speakers include: Tom Gillaspy, State Demographer
Patrick Wiedermann, MNDOT Planner
John Brunkhorst, McLeod County HWY Engineer

XV. The next EDA Board of Directors meeting will be Friday, April 4th in the City Center Main Conference room at 7:00 a.m.

XVI. With no further business needing to be attended to, the meeting adjourned at 8:22 a.m.

Respectfully submitted,

Lee Miller
EDA Assistant

EDA Board of Directors

Meeting Minutes

7 AM Friday, April 4, 2008
(March Meeting)

Members present in **bold** print:

Members

Tim Ulrich

Casey Stotts

Diane Gordon

Jim Haugen

Steve Jansick

Mike McGraw

Marc Vaillancourt

Staff

Miles Seppelt, EDA Director

I. Call to Order

Tim Ulrich called the meeting to order at 7:01 AM.

II. Approve Agenda

No action

III. Review Meeting Minutes

A. February 22nd Board of Directors

M/S/P: Haugen, Vaillancourt to approve the minutes as written. Passed unanimously.

B. February 20th Finance Team

M/S/P: McGraw, Haugen to approve the Finance Team minutes as written. Passed unanimously.

IV. Review February Financial Statements – Ken Merrill

EDA Director Miles Seppelt provided the following report:

January Report

- Cash available for operations is \$143,136
- Both the Warrior Mfg. & Customer Elation mortgages for the land write-down program are shown.
- We had \$500 in rental income for the month.
- Wages & benefits totaled \$9,158
- Economic Development Loan fund had \$91,805 in cash available
- Ashwill Industries & Warrior Mfg. loans are performing as required.
- Downtown loan fund has \$420,705 in cash available.
- Downtown loan fund currently has \$662,381 in mortgages outstanding.
- Loan repayments as of January 31st have totaled \$11,729.
- \$4,850 in downtown grants has been awarded.
- \$50,000 has been paid to Cenex from the Downtown Loan Fund as part of the fertilizer plant acquisition.

- MIF loan fund currently has \$13,000 in cash available from Warrior loan repayments and the outstanding balance on the loan is \$188,673.

February Report

- Cash available in operations is \$133,088
- Total of mortgages held as part of the land write-down program is \$166,399.
- \$500 in rental income was received from the Wetherell property.
- Wage / benefit expense for the month totaled \$9,406.
- \$1,012 was spent on professional services, relating to the development of the new industrial park.
- Economic Development loan fund has \$93,050 in cash available along with \$25,000 on deposit with MCCF.
- Downtown loan fund has \$424,158 in cash available with mortgages totaling \$655,089.
- \$20,181 in loan repayments has been received thus far this year.
- MIF loan fund has \$15,600 in cash available with a note outstanding of \$186,466.

M/S/P: Vaillancourt, McGraw to approve the financial report as presented. Passed unanimously.

V. Director's Report

<p><u>BR & E Visits</u></p> <p>None this month.</p>
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A. Cenex Project

- Phase II environmental and the "Limited Site Investigation" are essentially done.
- Based on the findings, Braun Intertec is going to ask the MPCA to close the site, as there is no significant additional petroleum contamination.
- About 330 yards of material will be to be removed to address the agricultural chemical contamination – not too bad.
- Cenex will be sending a crew to do a final clean-up of the site shortly, and we will have an asbestos inspection done in the near future as well.
- Aiming to have structures on the 3rd avenue site demolished by the end of May.

B. Customer Elation Call Center

- Project is on schedule, should be in operation by the end of May with 25 employees on day one.
- Paperwork has been submitted to obtain the first part of the MIF loan and that should be coming in today. We will have the entire \$500,000 MIF loan disbursed by mid-summer and repayment will commence on August 1st.

C. Business Incubator

- Currently working to integrate the Ridgewater College members of the project team.

D. Business Recruitment

- RKadia / Haugen Furniture
- Recon Robotics
- Company "X"
- The owner of RKadia indicated that he is not proceeding with the acquisition / merger with Haugen Furniture at this time.

- We had a good phone visit with Recon Robotics, they could potentially be a tenant for the Business Incubator. The company is still working on its due diligence, evaluating other communities, etc.
- We have not heard anything lately from Company "X," although we are still tentatively scheduled for a visit by company executives on Saturday, April 12th.

E. County EDA

- Staff is currently in the process of meeting individually with county board members. The visit with Bev Wangrin went extremely well and we believe she is in support of the concept.
- Dan Ehrke in Glencoe is meeting with Kermit Terlinden.
- We will be meeting with Sheldon Nies in the days ahead.
- The next meeting of McLeod For Tomorrow will have economic development as one of its areas of focus.

VI. Proposed Revisions to Sign & Awning Grant Rules

After a brief discussion a motion was made to amend the language of the EDA's Sign & Awning Grant Program, specifically the **Contractor / Permits** paragraph, as follows:

Contractor / Permits: A minimum of ~~one bid~~ two bids per project must be obtained from contractors, the lower of which will be reimbursed, unless the work is done by the grant applicant. All required permits must be obtained.

(**Note:** Deleted language is shown with a ~~strike through~~ and new language is denoted by underlining.)

M/S/P: Gordon, Vaillancourt to adopt the amended language for the EDA's Sign & Awning Grant Program. Passed unanimously.

VII. Proposed Company "X" Assistance

Staff noted that DEED is making their incentive contribution for Company "X" a forgivable \$500,000 loan made directly to the company. If the company meets its job creation goals the entire amount would be forgiven.

Originally it was our understanding that the assistance would be in the form of a \$500,000 grant to the city, which in turn would loan it to the company. As the company repaid the loan, the funds we become a permanent addition to the EDA's revolving loan fund.

As part of the overall incentive package, 10 acres of land is to be provided to the company free of charge, the premise being that for an investment of about \$56,000 (the original cost of the land) the city would get a new company, significant new job creation, potentially a \$500,000 infrastructure grant and a \$500,000 MIF grant which would ultimately become a permanent addition to the revolving loan fund. Now this last benefit will go directly to the company.

The Board discussed the issue and concluded that the potential benefits of the project still far outweighed the projected costs.

VIII. 2007 Annual Report

Miles Seppelt briefly summarized the 2007 EDA Annual Report. Highlights included:

- Summary results for the last five years were included in the 2007 report.
- 17 BR&E visits to manufacturers were made in 2007, with 46 companies being visited over the last five years.
- Successful grant writing has increased the value of the EDA's economic development revolving loan fund from \$194,840 in 2005 to \$908,866 in 2007.
- Warrior Mfg. has begun operations and Customer Elation has been recruited to the community.
- A total of \$845,000 in grants has been brought in over the last three years.
- 20 Sign & Awning Grants were awarded totaling \$32,117.88
- 6 Storefront Revitalization Matching Grants were awarded totaling \$25,398.97
- Total EDA equity has risen to \$2,959,735
- The final report will be posted to the internet shortly.

IX. Grant & Loan Applications

Sign & Awning Grant Program

Hope Center – Laurie Gelschus
218 Main Street S

\$1,000

M/S/P: McGraw, Gordon to approve up to \$1,000 for a new sign for the Hope Center. Passed unanimously. Vaillancourt abstained.

X. Other Business

Miles Seppelt reported that he attended the Worthington Bio-Science Conference

XI. Chamber Update

Dairy Day has been scheduled for the first week in June.

XII. Set Next Meeting – April 25th

Marc Vaillancourt indicated that he would not be able to attend April's meeting due to a scheduling conflict.

XIII. Adjourn

With no further business to attend to, the meeting adjourned at 7:53 AM.

Respectfully Submitted,

Miles R. Seppelt
EDA Director

Meeting Minutes
7 AM Friday, May 23rd, 2008

Members present in **bold** print:

Members

Tim Ulrich	Diane Gordon	Steve Jansick	Marc Vaillancourt
Casey Stotts	Jim Haugen	Mike McGraw	

Staff

Miles Seppelt, EDA Director
Lee Miller, EDA Assistant
Mike Solinger, EDA Assistant

I. Call To Order

Tim Ulrich called the meeting to order at 7:05 AM.

II. Approve Agenda

No action

III. Review Meeting Minutes

A. April 25th Board of Director

M/S/P: McGraw, Haugen to approve the minutes as written. Passed unanimously.

B. April 16th Finance Team

M/S/P: Haugen, Gordon to approve the Finance Team minutes as written. Passed unanimously.

IV. Review April Financial Statements – Miles Seppelt

Mr. Seppelt reported the following for the April financial statement:

- Cash available in operations is \$71,249.
- Total of mortgages held as part of the land write-down program is \$166,399.
- Reserved land note is at \$56,736.
- Travel school conference expense is 2,591 due the San Antonio conference. \$1500 will be reimbursed because of a grant.
- \$4,769 in taxes has been paid for Wetherall property and assessment.

- Economic Development loan fund has \$95,540 in cash available along with \$25,000 on deposit with MCCF. Notes are performing as required.
- Downtown loan fund has \$428,300 in cash available with mortgages totaling \$642,578. Mortgages are expected to increase.
- \$35,704 in loan repayments has been received thus far this year.
- The Downtown Grant Program has provided \$21,430 for this year. MIF loan fund has \$20,800 in cash available with notes outstanding of \$349,842

M/S/P: McGraw, Gordon to approve the financial report as presented. Passed unanimously.

V. Directors Report

Mr. Seppelt reported the following:

A. Cenex Project

- Staff reported the project is moving slowly. The Asbestos has been removed and now staff is waiting for final cleanup before moving forward.
- Staff is planning on the demolition of the buildings for June, with soil corrections slated for summer or fall. Related to the soil corrections, staff will work with the City Engineer to find suitable infill soil to replace the contaminated soil.

B. Customer Elation Call Center

- The lights are installed and sheet-rock is hung. The parking lot is ready to be paved.
- Hopeful to have center operating in July.
- Project has been delayed because of ordering the wrong backup generator.

C. Business Incubator

- The incubator project is moving along slowly. Members of the EDA Incubator exploratory committee have started meeting with members of the Ridgewater Incubator team to collaborate on different ideas and where this project is going.
- The goal is to have 3 businesses operating in the incubator by the end of summer and 3 agencies by fall.

D. County EDA

- At the next McLeod for Tomorrow meeting, a panel consisting of EDA professionals will be on hand to discuss the positives of a County EDA.
- A formal proposal will take place sometime in June

VI. Development of “Energy Park”

A. Preliminary Plat & Preliminary Engineering

There was discussion of whether to proceed with preliminary plans for development. Mr. Seppelt provided cost comparisons and projected the cost of infrastructure. The staff feels the project is on the right track. Phase 1 will start in spring 2009.

VII. Company Prospect

A company has expressed interest in moving a location to Hutchinson. They are looking for 5 acres and a 50,000 sq. ft. building. Hutchinson is enticing for this company because of their relationship with 3M

VIII. Community Venture Network (CVN)

- There was discussion whether to renew membership with CVN. Mr. Seppelt felt the quality of CVN has been declining over the past few years.
- Membership fees have increased from \$3,950 to \$4,250

IX. Recognition Event

- Mr. Seppelt spoke with the Chamber of Commerce to discuss how the Chamber organizes their events.
- Preliminary plans for the event include: Wednesday June 25th.
 - Open house 3pm – 5pm.
 - Small reception from 5pm – 6:30pm.
 - The reception and open house will take place at the council chambers and lobby of City Center Building.
 - About 100 people will be invited to this event.
 - About a 5 minute presentation will take place to present plaques to honorees.

X. Grant and Loan Applications

None

XI. Other Business

Mr. McGraw reported there is an open house to go over the proposed school bond on June 9th from 7 – 8:30p.m

XII. Chamber Update

Mr. Corby reported the following:

- Hwy 7 & 15 road construction information posted on our website. Info is also given on our phone answering system.
- Buy Local Program– the Chamber CVB is working on a new initiative to promote keeping business local.
 - A new task force has been formed with 9 members
 - May newsletter article
- We will be hosting the MN Chamber’s Regional Policy Session 12:00 – 1:30 on Wednesday, May 28. This is to get feedback from businesses to help set the MN Chamber’s agenda for the next legislative session.
- McLeod For Tomorrow elected officials forum May 29
 - Funding Education
 - County EDA

XIII. Set Next Meeting

The next meeting is set for June 27th at 7:00am in the City Center Main Conference Room

XIV. Adjourn

With no further business to attend to, the meeting adjourned at 8:31am

Respectfully Submitted,

Mike Solinger
EDA Deputy

EDA Board of Directors Meeting Minutes

7 AM Friday, June 27, 2008

Members present in **bold** print:

Members

Tim Ulrich
Casey Stotts

Diane Gordon
Jim Haugen

Steve Jansick
Mike McGraw

Marc Vaillancourt

Staff

Miles Seppelt, EDA Director

I. Call to Order

Tim Ulrich called the meeting to order at 7:01 AM.

II. Approve Agenda

No action

III. Review Meeting Minutes

A. May 23rd Board of Directors

M/S/P: McGraw, Gordon to approve the May 23rd EDA Board minutes as written. Passed unanimously.

B. May 21st Finance Team

M/S/P: Vaillancourt, Jansick to approve the Finance Team minutes of May 21st as written. Passed unanimously.

IV. Review May Financial Statements – EDA Director

- In operations, cash available is \$33,598
- The EDA's 1st half levy check has come in, amounting to \$69,558.
- Rental income amounted to \$500 for the month.
- Professional services expenditures totaled \$15,101 – this was for SEH's work on the preliminary plat for "Energy Park"
- Under Dues & Subscriptions there was a \$250 expenditure for the EDA Director's membership in the National Business Incubator Association.
- The Industrial Park loan fund has a total of \$96,785 in cash available. All loans are performing as required.
- In the Downtown Revolving Loan Fund there is a total of \$432,098 in cash available. This will be reduced by \$130,000 as the loan to Jeff Haag is disbursed for his downtown restaurant project.
- The EDA currently holds \$631,507 in mortgages downtown.
- For the year the EDA has received \$41,502 in loan repayments and has disbursed downtown grants totaling \$23,430.

- The MIF Loan Fund has \$23,400 in cash available with notes outstanding of \$179,817 and \$165,804 to Warrior Manufacturing and Customer Elation, respectively.
- A disbursement request of about \$70,000 was submitted to DEED for the Customer Elation loan.

M/S/P: Vaillancourt, Gordon to approve the EDA Financial Report as presented. Passed unanimously.

V. Director's Report

A. Cenex Project

- Final approvals are now finally in place so we are ready to demolish the four buildings on the property.
- An RFP for the demolition work will go out today and we will have proposals for that work back by July 18th.
- Demolition should occur 2-3 weeks after that.

B. Customer Elation Call Center

- The parking lot was paved earlier this week and landscaping is going in today.
- The company has started hiring and is very happy with the number of applications they've received.
- Operations are tentatively scheduled to begin on July 7th.

C. County EDA

- One-on-one meetings with all county board members have been completed.
- Next step is to get added to the agenda of the next county board meeting to present the proposal and request that an exploratory committee be appointed to formally study the idea.

D. Customer Elation MIF

- Payment request # 2, in the amount of \$70,000 has been submitted to DEED. Once the city receives it we will disburse it to the company.

E. Recognition Event Recap

- Although attendance was less than what we hoped for, the event overall was a success.
- Mr. Virgil Goebel and Mr. Emanuel Albrecht were honored for their role in the formation of "Hutchinson Growth" and the EDA gained some positive media coverage.

F. Company "X" Update

- Discussions are under way with a company that is looking for a 5-acre site on which to build a 50,000 square foot manufacturing facility with room to expand.
- We are in the process of providing information requested by the company.

VI. Business Incubator

- EDA staff continues to work with Ridgewater College to develop their "Ridgewater East" building into a small business incubator.
- Although the names are tentative at this point, the plan is that the building itself will house a number of economic development related agencies and a small amount of physical incubator space and be called the "Ridgewater Business Center."

- A region-wide incubation & business assistance initiative will also be launched, possibly called “The Alliance for Entrepreneurship & Innovation.”
- The idea is to provide a full menu of business assistance services – everything from assistance on how to write a business plan to training for executives, managers & supervisors and everything in between.
- It would be the ultimate “one-stop-shop” for businesses looking for ANY type of assistance.
- There is some preliminary discussion about the possibility of moving the EDA offices to the Ridgewater Business Center as part of this initiative. The EDA Finance Team considered this option and decided to take a “wait-and-see” approach.
- At present, a lease has been developed for the incubator and the business plan is being written. A visit to the Owatonna Business Incubator is planned for June 25th.

VII. Development of “Energy Park”

- The next step in the development of the new industrial park is pulling together funding for construction of the needed infrastructure.
- A presentation on the project was made to the City Council this past Tuesday and in the coming weeks the Council will be determining priorities for city infrastructure projects.
- EDA staff in the meantime will be writing a grant proposal to the “Greater Minnesota Business Development Public Infrastructure Grant Program” in an effort to obtain \$250,000 for the project (the maximum grant allowed).
- Installation of water & sewer lines could take place as early as this fall if funding becomes available.

VIII. Jorgensen Hotel Loan (Jeff Haag / Tom Daggett)

- Jeff Haag & Tom Daggett are making additional improvements to the historic Jorgensen Hotel building; the entire first floor will now be renovated and leased out.
- In addition, their original \$130,000 loan has been paid down to \$84,329 so, per program rules, they are eligible to borrow the difference of \$45,671 to finance these improvements.

M/S/P: Jansick, McGraw to approve a loan in the amount of \$45,671 to Jeff Haag & Tom Daggett for improvements to the Jorgenson Hotel building, subject to all downtown loan program and documentation requirements being met. Passed unanimously. Tim Ulrich abstained.

IX. Grant & Loan Applications

NONE

X. Other Business

A. Discussion of membership in Community Venture Network

- The Board discussed EDA membership in the Community Venture Network (CVN).
- EDA Staff met with CVN to review the reasons why Hutchinson was not planning to renew its membership. These were:
 - Many of the companies being presented by CVN require substantial amounts of equity investment, which Hutchinson does not currently have available.
 - Also, many of the companies presented tend to be software & service related, whereas Hutchinson is more of a high-technology manufacturing center and is looking for that type of company.
- CVN indicated that they have heard similar concerns from other member communities and will be shifting their marketing / recruitment efforts to focus more manufacturing companies that can be financed in a more conventional manner.
- CVN also offered to keep Hutchinson as a full member at ½ price for one year, so as to monitor these changes as they take place.
- The Board discussed this offer and concluded that Hutchinson can simply rejoin next year if the changes are made. EDA staff will monitor CVN for the next year.

M/S/P: Vaillancourt, Gordon to not renew our membership in the Community Venture Network.

B. Update on redevelopment of former Pet Clinic Lot

- About 5 parking stalls will be added on the alley side (west side) of the lot towards the end of July.
- EDA staff will be working to pull together a plan for the final redevelopment of the lot over the next month. Potential partners could be the City, the Hutchinson Downtown Association and others.

XI. Chamber Update

- The 1st annual Hometown Golf Challenge is scheduled for Monday, July 28th.
- "Fishing in the Midwest" will be filming in the Hutchinson area this summer and will air in the first quarter of 2009.
- The next Marketing Mixer is scheduled for July 16th from 5 to 6 PM.

XII. Set Next Meeting – July 25th

- Both Diane Gordon and Steve Jansick indicated that they have a conflict on July 25th and so would not be able to attend the meeting.
- If needed, the next meeting date may be shifted to better accommodate everyone's schedules.

XIII. Adjourn

With no further business to attend to, the meeting adjourned at 8:08 AM.

Respectfully Submitted,

Miles R. Seppelt
EDA Director

EDA Board of Directors Meeting Minutes

7 AM Friday, July 25, 2008

Members present in **bold** print:

Members

Tim Ulrich

Diane Gordon

Steve Jansick

Marc Vaillancourt

Casey Stotts

Jim Haugen

Mike McGraw

Staff

Miles Seppelt, EDA Director

Mike Solinger, EDA Assistant

I. Call to Order

Tim Ulrich called the meeting to order at 7:02 AM.

II. Approve Agenda

No action

III. Review Meeting Minutes

A. June 27th Board of Directors

M/S/P: Haugen, Vaillancourt to approve the June 27th EDA Board minutes as written. Passed unanimously.

B. June 18th Finance Team

M/S/P: Ulrich, Vaillancourt to approve the Finance Team minutes of June 18th as written. Passed unanimously.

IV. Review May Financial Statements – EDA Director

- In operations, cash available is \$89,320.
- The EDA's 1st half levy check has come in, amounting to \$69,665.
- Rental income amounted to \$500 for the month.
- Professional services expenditures totaled \$4,886.
- Under Dues & Subscriptions there was a \$250 expenditure for the EDA Director's membership in the National Business Incubator Association.
- The Economic Development Loan Fund has \$98,030 in cash. All loans are performing as required.
- In the Downtown Revolving Loan Fund there is a total of \$316,773 in cash available.
- The EDA currently holds \$757,329 in mortgages downtown.
- For the year the EDA has received \$54,269 in loan repayments and has disbursed downtown grants totaling \$23,430.

- The MIF Loan Fund has **\$26,700** not \$96,700 as presented in the Financial Statements in cash available with notes outstanding of \$177,592 and \$236,504 to Warrior Manufacturing and Customer Elation, respectively.
- A disbursement of \$70,000 was submitted to DEED for the Customer Elation loan.

M/S/P: Haugen, Vaillancourt to approve the EDA Financial Report with the noted revision to cash in the MIF Loan Fund. Passed unanimously.

V. Director's Report

A. Cenex Project

- Staff has received 6 quotes for demolition work and has given them to Cenex to select a contractor for work.
- Demolition should occur in 2-3 weeks.

B. Customer Elation Call Center

- The company has opened for business.
- To date, 10 employees have been hired and the company will be creating 5 – 10 jobs per month.

C. County EDA

- The County Board agreed to take the next step in this process.
- Next step is to put a committee together of 11 – 15 people to study the feasibility of implementing an EDA.

D. Business Incubator

- EDA staff continues to work with Ridgewater College to develop their "Ridgewater East Building into a small business incubator.
- A region-wide incubation & business assistance initiative will also be launched, possibly called "The Alliance for Entrepreneurship & Innovation."

E. Energy Park

- The City Council will be prioritizing projects soon and Energy Park should be one at the top of the list.

F. Company "X" Update

- Discussions are under way with a company that is looking for a 5-10 acre site on which to build a 50,000 square foot manufacturing facility with room to expand.
- Staff is in the process of providing information requested by the company.
- Setting this company in Energy Park would be ideal.

VI. Downtown Gateway

- Staff is working with a number of partners to raise funding for a gateway.
- Public restrooms, a wall mural, parking, an information center, and shrubbery will all be incorporated into this gateway.

VII. Jorgensen Hotel Loan

- Clarification was needed as to what is the best way to provide new funds on this loan.
- The Board decided it is a legal matter and needs to be decided by the City Attorney.

VIII. Customer Elation Loan

- Customer Elation would like to move back their initial repayment date to October 1 instead of August 1.

M/S/P: Haugen, Vaillancourt to approve moving the repayment date to October 1 and Attach a Note. Passed unanimously.

IX. Grant & Loan Applications

Sign & Awning Grant

Zellas Restaurant, Blake Barnard **\$2,000**
14 Main Street S.

M/S/P: Ulrich, Vaillancourt to approve up to \$2,000 for awnings for Zellas Restaurant. Passed Unanimously.

Urban Hair Studio, Julie Elder **\$1,920**
18 Main Street S.

M/S/P: Vaillancourt, Haugen to approve up to \$1,920 for a new awning for Urban Hair Studio. Passed Unanimously.

X. Other Business

None

XI. Chamber Update

- The 1st annual Hometown Golf Challenge is scheduled for Monday, July 28th.
- "Fishing in the Midwest" filming took place around town on July 22nd and 23rd. The show will broadcast the first quarter 2009.
- Hwy 7 & 15 road construction information posted on the chamber website.
- Member up-date orientation Thursday August 21 from 12:00 – 1:00 p.m.
- Applications for the 2008/2009 Leadership Institute are now available.

XII. Set Next Meeting – August 22nd

- The Board decided to move next months meeting to August 22nd to avoid scheduling conflicts with Labor Day weekend.

XIII. Adjourn

With no further business to attend to, the meeting adjourned at 8:58 a.m.

Respectfully Submitted,

Mike Solinger
EDA Assistant

EDA Board of Directors Special Meeting Minutes

12 PM Wednesday, August 6, 2008

Members present in **bold** print:

Members

Tim Ulrich
Casey Stotts

Diane Gordon
Jim Haugen

Steve Jansick
Mike McGraw

Marc Vaillancourt

Staff

Miles Seppelt, EDA Director
Mike Solinger, EDA Assistant
Gary Plotz, City Administrator

Guests

Mayor Steve Cook

I. Call to Order

Tim Ulrich called the meeting to order at 12:03 p.m.

II. Approve Agenda

No action

III. Industrial Park

Mayor Cook presented to the Board, indicating that he has had informal talks with Mr. Marvin Hackbarth regarding property he owns east of town.

Discussion followed.

M/S/P: Vaillancourt, McGraw to authorize Miles Seppelt and Gary Plotz to meet with Mr. Hackbarth to work out the details for the potential purchase of 67 acres on a 7-10 year contract-for-deed basis with a price not to exceed \$15,000 per acre. Passed Unanimously.

IV. Hutch Iron & Metal Berm

Mr. Seppelt presented to the Board two options to place a berm on city property along the property line with Hutch Iron & Metal. The Board decided it would revisit this topic at a later date.

V. Other Business

Mr. Jansick reported that he had spoken with a gentlemen from the SUPERVALU Fixed Assets Department in reference to the vacant Cub Foods building and asked staff to give him a call. Mr. Seppelt will follow up.

VI. Adjourn

With no further business to attend to, the meeting adjourned at 1:20 p.m.

Respectfully Submitted,

Mike Solinger
EDA Assistant

EDA Board of Directors Meeting Minutes

11:30 AM Tuesday, August 26, 2008
(Rescheduled from August 22nd)

Members present in **bold** print:

Members

Tim Ulrich
Casey Stotts

Diane Gordon
Jim Haugen

Steve Jansick
Mike McGraw

Marc Vaillancourt

Staff

Ken Merrill, Finance Director
Miles Seppelt, EDA Director

I. Call to Order

Tim Ulrich called the meeting to order at 11:30 AM.

II. Approve Agenda

No action.

III. Review Meeting Minutes

A. July 25th Board of Directors

M/S/P: Jansick, Ulrich to approve the July 25th EDA Board minutes as written. Passed unanimously.

B. August 6th Special EDA Board Meeting

M/S/P: McGraw, Gordon to approve the August 6th Special meeting minutes as written. Passed unanimously.

C. July 16th Finance Team

M/S/P: Jansick, Gordon to approve the Finance Team minutes of July 16th as written. Passed unanimously.

IV. Review May Financial Statements – Ken Merrill, Finance Director

- Mr. Merrill reviewed the EDA financial statements for the Board:
- As of July 31st, the EDA had \$79,425 in cash available for operations.
- Rental income of \$500 was received from the Wetherell Property.
- The “operating supplies” line item shows a \$1,039 expenditure, which was primarily the costs involved with the recent EDA Recognition Event / Open House.
- \$5,622 was spent on “Improvements to Land” – this was reimbursement for expenses related to construction of a drainage swale behind the charter school and EDA lot on 5th Avenue.
- The Economic Development Loan Fund currently has \$99,275 in cash available. Loans to Warrior Mfg. and Ashwill Industries are performing as required.

- The Downtown Revolving Loan Fund currently has \$321,783 in cash available and holds mortgages totaling \$753,413. A loan in the amount of \$46,703 is not reflected in this total as it went out in August.
- The MIF Loan Fund has cash available of \$28,600 – reflecting loan payments by Warrior Mfg. The Loan to Customer Elation will go into repayment starting September 1st.
- Total assets in the MIF loan fund currently total \$440,466.
- The City just received another \$136,090 for this fund which will be reflected in next months financial report.

M/S/P: McGraw, Gordon to approve the EDA Financial Report as presented. Passed unanimously.

V. Director’s Report

A. Cenex Project

- Demolition of the buildings on 3rd Avenue is complete and the wreckage should be removed by the end of today.
- Over the next two or three days contaminated soils will be removed and replaced with clean fill.

B. Customer Elation Call Center

- \$372,000 of the \$500,000 loan has been disbursed (about 75%) and the remainder should be disbursed within the next couple of weeks.
- Our loan with Customer Elation will go into repayment status on September 1st.
- The company expects to hire about 20 additional people over the next 2-3 months.

<u>BR & E Visits</u>
▪ RD Machine
▪ Hutchinson Mall
▪ 3D C-N-C

C. County EDA

- We are in the process of pulling together an “Exploration team” from around the county that will formally evaluate the feasibility, proposed activities, funding mechanisms, etc. for a county EDA.
- Hopefully the team can have its first meeting within a month and finish its work within 90 days after that.

D. Business Incubator

- Ridgewater College is busy refurbishing the “Ridgewater East” building in the industrial park and hope to have it open this fall.
- To this point it seems that Ridgewater College does not have a strong interest in putting together any entrepreneurial effort beyond the building itself, so Duane Hoversten, Anthony Hanson, Bill Corby and EDA staff have been working on that aspect of the incubator initiative.

E. Company “X” Update

- The company is preparing detailed specifications for the facility it will need here in Hutchinson. They are currently working with 3M to pull together the information they need to complete that process.

F. New Retail

- Best Buy is coming to Hutchinson and will be building a new 25,000 sf store just north of the existing (and vacant) former Office Max Building.
- Best Buy had no interest in an existing building – they want their new building to be LEED certified, meaning built to the highest environmental and energy efficiency standards.

VI. Industrial Park – Funding Options (Discussion)

Staff updated the board on the status of acquiring the Hackbarth land for future industrial park space:

- Total size of the parcel under consideration is 74.5 acres – with 68 acre north of 5th Avenue and an additional 6 ½ acres south of 5th Avenue.
- At \$15,000 per acre this would total \$1,117,500, excluding interest.
- The city is looking at a 5-year contract-for-deed (the maximum allowed) and has proposed an interest rate of 5%. Annual payments would be \$207,772 for 5 years.
- Potential funding would come from the Excess Bond Fund, projected property sales and – if needed – possible sale of the Stritesky property.
- Infrastructure costs to open up the first section of the new industrial park (about 42 acres) would total approximately \$969,775.
- Funding for infrastructure could potentially come from City Improvement Bonding, Deferred Assessments, assessments on neighboring properties and, if approved, a Business Development Infrastructure grant from the State of Minnesota.

Discussion followed. Key points included:

- We may wish to consider a lower annual amount on the contract-for-deed with a balloon payment in Year 5.
- Every effort should be made to retain the Stritesky property – as it will still be needed for industrial development in the future.
- Once we hear back from the Seller, a special meeting of the EDA Board may be necessary.

VII. Downtown Gateway Funding

Staff updated the Board on the status of the Downtown Gateway project. Two grant proposals have been submitted and we are waiting to hear the results.

In the meantime, some small steps are being taken to stabilize the site. If possible, we'd like to get grass planted on the lot this fall.

M/S/P: Jansick, Gordon to authorize \$2,000 for site revitalization on the former Pet Clinic lot as part of the “Downtown Gateway” initiative. Passed unanimously.

The EDA may consider additional funding as the project develops.

VIII. Incubator Project: Appointment of Steering Committee

EDA staff updated the Board on the status of the business incubator project.

- Ridgewater College is in the process of renovating the “Ridgewater East” building to house agencies that assist businesses, Ridgewater’s Customized Training and Small Business Management programs, the SBDC and so forth.
- It appears that Ridgewater’s focus is primarily on the building itself and the programs that would be housed there. Interest in a true incubation program – which includes activities that go beyond the walls of the building itself – appears to be limited.
- To gauge the need and desire for a broader, more regional, entrepreneurial initiative a meeting of key stakeholders was being considered.

Discussion ensued. It was noted that we want to be careful not to duplicate the efforts of other regional economic development agencies and initiatives.

M/S/P: Gordon, Stotts to appoint Duane Hoversten, Anthony Hanson, Bill Corby and Miles Seppelt to a steering committee to explore further development of the incubator project into a broader, potentially regional initiative. Passed unanimously.

IX. Grant & Loan Applications

Sign & Awning Grant

Oral-Facial Surgery, PA – Karen Bachman **\$1,321.50**
16 Washington Ave. W. Suite 104

M/S/P: McGraw, Gordon to approve the grant request in the amount of \$1,321.50. Passed Unanimously.

X. Other Business

- The EDA Director will be on vacation the week of September 1-5.

XI. Chamber Update

Bill Corby updated the Board on the current activities of the Chamber of Commerce.

XII. Set Next Meeting – September 26th

- Several Board members expressed an interest in switching the regular EDA Board meetings from the fourth Friday at 7 AM to a Noon lunch meeting during the fourth week of the month. Staff will canvas the board members to see what works best for everyone.

XIII. Adjourn

With no further business to attend to, the meeting adjourned at 12:31 PM.

Respectfully Submitted,

Miles R. Seppelt
EDA Director

EDA Board of Directors Special Meeting Minutes

4:30 PM Wednesday, September 17, 2008

Members present in **bold print**:

Members

Tim Ulrich
Casey Stotts

Diane Gordon
Jim Haugen

Steve Jansick
Mike McGraw

Marc Vaillancourt

Staff

Miles Seppelt, EDA Director
Mike Solinger, EDA Assistant
Ken Merrill, Finance Director
Marc Sebor, City Attorney

I. Call to Order

Tim Ulrich called the meeting to order at 4:31 PM

II. Approve Agenda

No action

III. Industrial Park Contract-for-Deed

The EDA Director reviewed the overall parameters of the proposed land purchase. Mr. Hackbarth has agreed to all the proposed provisions except that he intends to retain the 6 ½ acres he owns south of 5th Avenue. It is not for sale.

Discussion followed and the Board agreed that purchase of the 68 acres north of 5th Ave. would be sufficient.

Finance Director Ken Merrill discussed potential funding for the property acquisition. There are sufficient dollars in the Community Improvement Fund to cover the down payment and annual payments up through year 3 of the proposed contract-for-deed. After that it may become necessary to liquidate the Stritesky Parcel to make the final payments.

City Attorney Marc Sebor reviewed the various provisions in the contract-for-deed for the benefit of the Board. The purchase price reflects the appraised value of the property and recognizes the gift to the city. In addition, the city shall have the right to make improvements and develop the property as opportunities arise.

The existing agricultural lease on the property was discussed. It was agreed that if at all possible the City should take over the lease – primarily because of the need to install infrastructure on the site in the near future.

Further discussion ensued.

M/S/P: Gordon, Haugen to recommend approval of the Contract-for-Deed to the City Council, with final details to be worked out by the EDA Director, City Attorney and City Administrator. Passed Unanimously.

IV. Other Business

The EDA Director explained that he had to have grass planted on the EDA lot located between the Cenex Grain Elevator and the Charter school so that it did not become a weed patch.

M/S/P: Jansick, Gordon to authorize payment of the invoice for grass seed. Passed Unanimously.

V. Adjourn

With no further business to attend to, the meeting adjourned at 5:12 PM

Respectfully Submitted,

Miles Seppelt
EDA Director

EDA Board of Directors Meeting Minutes

12:00 PM Wednesday, October 1, 2008
(September Meeting)

Members present in **bold** print:

Members

Tim Ulrich
Casey Stotts

Diane Gordon
Jim Haugen

Steve Jansick
Mike McGraw

Marc Vaillancourt

Staff

Miles Seppelt, EDA Director
Mike Solinger, EDA Assistant

I. Call to Order

Tim Ulrich called the meeting to order at 12:01 PM.

II. Approve Agenda

No action.

III. Review Meeting Minutes

A. August 26th Board of Directors

M/S/P: McGraw, Haugen to approve the August 26th EDA Board minutes as written. Passed unanimously.

B. September 17th Special EDA Board Meeting

M/S/P: Gordon, Vaillancourt to approve the September 17th Special meeting minutes as written. Passed unanimously.

C. August 20th Finance Team

M/S/P: Jansick, Vaillancourt to approve the Finance Team minutes of August 20th meeting as written. Passed unanimously.

IV. Review August Financial Statements – Miles Seppelt, EDA Director

- Mr. Seppelt reviewed the EDA financial statements for the Board:
- As of August 31st, the EDA had \$63,342 in cash available for operations.
- Rental income of \$500 was received from the Wetherell Property.
- The Professional Services Line shows \$648 was spent in August for assessments to the industrial park.
- The Economic Development Loan Fund currently has \$100,520 in cash available. Loans to Warrior Mfg. and Ashwill Industries are performing as required.
- The Downtown Revolving Loan Fund currently has \$283,621 in cash available and holds mortgages totaling \$790,467.

- Total loan repayments and distributions to date are \$70,972 and \$176,404 respectively. To date, grant payments total \$24,415.
- The MIF Loan Fund has cash available of \$31,200. Loan repayment interest in this fund is at \$3,052 as if August 31.

M/S/P: Vaillancourt, Haugen to approve the EDA Financial Report as presented. Passed unanimously.

V. Director's Report

A. Cenex Project

- Soil tests have been conducted and results yielded a little more excavation.
- The next step will be to put in monitoring wells on the property to further track site pollution.

B. Customer Elation Call Center

- To date, Customer Elation has 20 employees and is planning to hire 15 more over the next month and hope to have 50 by year end.
- The MIF Loan for Customer Elation is currently 98% paid out.



C. County EDA

- We are in the process of pulling together an "Exploration team" from around the county that will formally evaluate the feasibility, proposed activities, funding mechanisms, etc. for a county EDA.
- Hopefully the team can have its first meeting within a month and finish its work within 90 days after that.

D. Business Incubator

- Ridgewater College is busy refurbishing the "Ridgewater East" building in the industrial park and hope to have it open this fall.
- To this point it seems that Ridgewater College does not have a strong interest in putting together any entrepreneurial effort beyond the building itself, so Duane Hoversten, Anthony Hanson, Bill Corby and EDA staff have been working on that aspect of the incubator initiative.

E. Company "X" Update

- The company recently stated their expansion plans are in a holding pattern. There is some uncertainty about what stage of planning they are in.

VI. Industrial Park Acquisition / Planning

Staff updated the board on the status of acquiring the Hackbarth land for future industrial park space:

- A few minor legal terms and conditions are being worked through to secure the fine points of the acquisition including: the land is 68 acres not 70 and who is to receive the money upon purchase.
- Mr. Hackbarth has agreed that the lease Mr. Christianson has to farm the land will be transferred to the city upon purchase.
- The City is hoping to complete the purchase by October 14. The City will then rezone the land, complete an engineering study, and have surveyed.
- Infrastructure will likely be a project in the spring.

VII. Grant & Loan Applications

NONE

VIII. Other Business

- Jay Freedman asked Mr. Seppelt if he could make a pitch to the Board about acquiring a small piece of EDA property – the Board decided this subject is not relevant at this time.

IX. Chamber Update

Bill Corby updated the Board on the current activities of the Chamber of Commerce

X. Set Next Meeting – October 29th

XI. Adjourn

With no further business to attend to, the meeting adjourned at 12:38 PM.

Respectfully Submitted,

Mike Solinger
EDA Assistant

EDA Board of Directors Meeting Minutes

12:00 PM Wednesday, October 29th, 2008

Members present in **bold** print:

Members

Tim Ulrich
Casey Stotts

Diane Gordon
Jim Haugen

Steve Jansick
Mike McGraw

Marc Vaillancourt

Staff

Miles Seppelt, EDA Director
Mike Solinger, EDA Assistant

I. Call to Order

Tim Ulrich called the meeting to order at 12:07 PM.

II. Approve Agenda

No action.

III. Review Meeting Minutes

A. October 1st Board of Directors

M/S/P: McGraw, Haugen to approve the October 1st EDA Board minutes as written. Passed unanimously.

B. September 17th Finance Team

M/S/P: Jansick, Gordon to approve the Finance Team minutes of September 17th meeting as written. Passed unanimously.

IV. Review September Financial Statements – Miles Seppelt, EDA Director

- As of September 30th, the EDA had \$46,505 in cash available for operations.
- Rental income of \$500 was received from the Wetherell Property.
- Improvements to Land line item shows a \$871 expense for the Downtown Gateway.
- The Economic Development Loan Fund currently has \$101,765 in cash available. Loans to Warrior Mfg. and Ashwill Industries are performing as required.
- The Downtown Revolving Loan Fund currently has \$284,278 in cash available and holds mortgages totaling \$782,509.
- Total loan repayments and distributions to date are \$80,558 and \$176,404 respectively. To date, grant payments total \$31,335.
- The MIF Loan Fund has cash available of \$43,106.

M/S/P: Haugen, Gordon to approve the EDA Financial Report as presented. Passed unanimously.

V. Director's Report

A. Cenex Project

- A second round of soil samples have been collected to see if any further excavation is needed.
- Once its determined that no more soil excavation needs to be done, the next step is to put in monitoring wells on the property to further track site pollution.

B. Customer Elation Call Center

- To date, Customer Elation has 20 employees and is planning to hire 15 more over the next month and hope to have 50 by year end.
- The MIF Loan for Customer Elation is currently 98% paid out.

BR & E Visits

- Nordic Components
- RHC Plating
- Ohly
- Dock Rite Inc.

C. County EDA

- Staff presented the nominees for the County EDA exploratory committee.
- The next step is for the County Board to officially appoint the committee members.

D. Business Incubator

- The latest meeting with incubator staff members was very encouraging and we've been able to resolve some key questions with the help of Dr. Allen.
- Ridgewater is in the process of renovating the East Campus Building. The timetable to complete this renovation is uncertain at this point.

E. Downtown Gateway

- Staff is in discussion with the Hutchinson Downtown Association on plans for next summer continuation of the Downtown Gateway Project. A crushed gravel path and an informational kiosk are the next steps as money comes in.

F. Stritesky Property Rent Paid

- Rent received for 2008 is \$14,952.81. The 2009 winning bid to rent the property is 237.35 per acre (\$17,414.37).

G. Downtown Idea Exchange

- Downtown Hutchinson is the cover story for a national publication called the "Downtown Idea Exchange." A very nice article highlights the great contributions and programs that are involved in making Hutchinson's Downtown very successful.

VI. Stritesky Property Rent Bid Results

- Staff has completed the annual advertising process to lease out the 77-acre industrial park property.
- Six bids were received with a high bid of \$237.35 per acre from Randy Luthens.

M/S/P: Gordon, McGraw to accept Randy Luthens' bid of \$237.25 per acre for the industrial park property. Approved unanimously.

VII. Industrial Park Acquisition / Planning

Staff updated the board on the status of acquiring the Hackbarth land for future industrial park space:

- A legal description of 70 acres "more or less" has been adopted for the property.
- The gift tax deduction to the City is a main condition of sale left to settle and this is in the hands of Mr. Hackbarth's accountant and attorney.

VIII. EDA Levy & Budget

- Staff reviewed the process for determining the amount of the proposed 2009 EDA tax levy.

M/S/P: Jansick to request an EDA tax rate of 1.525% which would yield a tax levy amount of \$155,144.78 for 2009 operations. Passed unanimously.

- Staff reviewed the proposed EDA 2009 budget. Most everything is the same as last year, excepting the following:
 - Wages increased to \$83,834 to account for any adjustments.
 - Operating supplies increased from \$2,000 to \$3,500
 - Professional Services increased from \$6,000 to \$8,000
 - Car Allowance – Travel increased from \$1,500 to \$2,500
 - Dues & Subscriptions reduced from \$5,000 to \$1,000 (dropped CVN)
 - Improvements to Land increased from \$0 to \$4,000 for the Downtown Gateway project.
 - Machinery & Equipment increased from \$600 to \$750.
- Total revenues are budgeted to be \$180,559 and expenditures are budgeted to be \$173,146 leaving a projected final balance of \$7,413 for the year.

M/S/P: Haugen, McGraw to approve the proposed EDA 2009 Operating Budget. Passed Unanimously.

IX. Consideration of 2009 Projects

The Board considered projects and priorities for 2009:

- Renewable Energy / Biosciences
- Complete Phase I development of Industrial Park
- Complete County EDA Project
- Continue Cenex Project
- Continue Business Incubator Project
- Continue Development of Downtown “Gateway”
- 15 BR&E Visits
- Develop new marketing materials: web-site / brochures
- Others?

President Ulrich suggested keeping our marketing emphasis on the web-site rather than on printed materials, which tend to date rapidly.

Additional projects may be considered at future meetings.

X. Grant & Loan Applications

Storefront Revitalization Matching Grant

Zella’s Restaurant – Jeff Haag

\$5,000

M/S/P: McGraw, Gordon to approve the Storefront Revitalization Matching Grant in the amount of \$5,000. Passed Unanimously.

XI. Other Business

- Jim Haugen brought up the topic of city SAC & WAC fees, particularly as they are imposed on building revitalization projects downtown. The EDA Board discussed the issue. Staff will do some research to see how other communities handle historic renovation projects.

XII. Chamber Update

Mr. Seppelt updated the Board on the current activities of the Chamber of Commerce

XIII. Set Next Meeting

Due to the Thanksgiving holiday, the November meeting of the Hutchinson EDA was moved back to Wednesday, December 3rd.

XIV. Adjourn

With no further business to attend to, the meeting adjourned at 1:10 PM.

Respectfully Submitted,

Mike Solinger
EDA Assistant

EDA Board of Directors Meeting Minutes

12:00 PM Wednesday, December 3rd, 2008

(November Meeting)

Members present in **bold** print:

Members

Tim Ulrich
Casey Stotts

Diane Gordon
Jim Haugen

Steve Jansick
Mike McGraw

Marc Vaillancourt

Staff

Miles Seppelt, EDA Director
Mike Solinger, EDA Assistant

I. Call to Order

Mike McGraw called the meeting to order at 12:04 PM.

II. Approve Agenda

No action.

III. Review Meeting Minutes

A. October 29th Board of Directors

M/S/P: Vaillancourt, Gordon to approve the October 29th EDA Board minutes as written. Passed unanimously.

B. October 22nd Finance Team

M/S/P: Jansick, Haugen to approve the Finance Team minutes of October 22nd meeting as written. Passed unanimously.

IV. Review October Financial Statements – Miles Seppelt, EDA Director

- As of October 31st, the EDA had \$36,577 in cash available for operations.
- Rental income of \$500 was received from the Wetherell Property.
- Year-to-date improvements to land is \$6,493, will most being dispersed for a drainage swale for the Stritesky Property.
- The Economic Development Loan Fund currently has \$103,010 in cash available. Loans to Warrior Mfg. and Ashwill Industries are performing as required.
- Discussion was held about the possibility of writing off the Allied Mechanical Loan. A decision will be made at year end.
- The Downtown Revolving Loan Fund currently has \$292,234 in cash available and holds mortgages totaling \$775,198.
- Total loan repayments and distributions to date are \$91,781 and \$176,404 respectively. To date, grant payments total \$39,602.
- The MIF Loan Fund has cash available of \$48,306.

M/S/P: Vaillancourt, Gordon to approve the EDA Financial Report as presented. Passed unanimously.

V. Director's Report

A. Cenex Project

- Monitoring wells will be distributed throughout the property to track further site pollution. .
- The 1st reimbursement to Cenex from the State Ag Program has been disbursed. A second reimbursement will be in January.

B. Customer Elation Call Center

- Mr. Seppelt will disburse the final loan payment to the call center this afternoon of December 3rd.

BR & E Visits

- HTI
- Phoenix Solutions
- Target

C. County EDA

- Nominations to the County EDA Exploratory Committee have been delayed.
- The County Board will hold a workshop to discuss this committee.

D. Business Incubator

- Ridgewater College seems to be losing interest in the Incubator Project.
- Mr. Ulrich made a suggestion to the Board that the EDA should explore the idea of leasing space in Ridgewater East and renting that space out to companies to incubate. Discussion followed.

E. Industrial Park Acquisition

- The City is waiting for Mr. Hackbarth's attorneys to sort out the legal details of the arrangement. This language is vital for moving the acquisition forward. The city would like to have the deal done by year end.

VI. Recommendation for reappointment of Tim Ulrich to EDA Board.

M/S/P: McGraw, Jansick to approve the recommendation to the City Council for the reappointment of Tim Ulrich to the EDA Board. Passed Unanimously. Ulrich abstained from vote.

VII. Update of Business Subsidy Policy

Mr. Seppelt filled the Board in on updates made to the Business Subsidy Policy. The following updates were made:

- Business Subsidies do not include assistance of less than \$150,000, and do not include business loans or loan guarantees of \$150,000 or less.
- The Minimum Wage has changed for retail to \$7.25/hr and commercial to \$9.06/hr.

M/S/P: Vaillancourt, Gordon to approve the updated language of the Business Subsidy Policy. Passed Unanimously.

VIII. Consideration of Equipment Loan Program

- In order to simplify the EDA Loan Program, Mr. Seppelt brought forth to the board this loan program that will allow businesses to borrow up to \$40,000 to finance equipment.

M/S/P: Gordon, Vaillancourt to approve Equipment Loan Program with a borrowing limit of \$40,000. Passed unanimously.

IX. Ashwill Industries Loan

- Tony Ashwill has brought forth a request to pay off his current loan in full and apply for a new loan. This new loan will be used for working capital to reduce utility costs.
- Discussion followed and upon Mr. Ashwill submitting the necessary paperwork to the Finance Team, the EDA Board will make a decision.

X. Consideration of 2009 Projects

The Board did not yet have any more suggestions for 2009 projects.

XI. Grant & Loan Applications

Sign and Awning Grant Program

Wild Prairie Coin – Glen Kashuba **\$1,537.67**
122 Main St. N

M/S/P: Jansick, McGraw to approve the Sign Matching Grant in the amount of \$1,537.67. Passed Unanimously.

Hairy Edge – Elizabeth Painschab **\$1,986.23**
6 Main St. N

M/S/P: Gordon, McGraw to approve the Sign Matching Grant in the amount of \$1,986.23. Passed Unanimously.

XII. Other Business

- Mr. Seppelt, Mr. Vaillancourt, and Mr. Corby met with Senator Amy Klobishar to discuss rural economic development. The group shared areas of emphasis and gave input on the need for infrastructure in the areas industrial parks.

XIII. Chamber Update

Mr. Corby updated the Board on the current activities of the Chamber of Commerce

XIV. Set Next Meeting

Due to the holiday season, the December meeting will be moved to Wednesday, January 7th.

XV. Adjourn

With no further business to attend to, the meeting adjourned at 12:59 PM.

Respectfully Submitted,

Mike Solinger
EDA Assistant

EDA Board Meeting

Main Conference Room – City Center
12 PM Wednesday January 7th 2009

(December Meeting) MEETING MINUTES

Members present in **bold** print:

Members

Tim Ulrich
VACANT

Diane Gordon
Jim Haugen

Steve Jansick
Mike McGraw

Marc Vaillancourt

Staff

Jeremy Carter, Finance Director

Miles Seppelt, EDA Director

Melissa Reichl, EDA Assistant

I. Call to Order

Tim Ulrich called the meeting to order at 12:03 PM.

II. Approve Agenda

No action.

III. Review Meeting Minutes

A. December 3rd Board of Directors (November Meeting)

M/S/P: Vaillancourt, Gordon to approve the December 3rd EDA Board minutes as amended. Passed unanimously.

B. November 19th Finance Team

M/S/P: Jansick, Ulrich to approve the Finance Team minutes of November 19th meeting as written. Passed unanimously.

IV. Review November Financial Statements – Miles Seppelt, EDA Director

- As of November 30th, the EDA had \$32,834 in cash available for operations.
- Rental income of \$500 was received from the Wetherell Property.
- The Economic Development Loan Fund currently has \$104,255 in cash available. Revenues over expenditures amounted at \$3,346. Loans to Warrior Mfg. and Ashwill Industries are performing as required.
- The Downtown Loan Fund currently has \$295,169 in cash available and holds mortgages totaling \$769,268. All Downtown Loans are performing as required.
- As of November 30th, total loan repayments and distributions are \$99,808 and \$176,404, respectively. To date, grant payments total \$39,602.
- The MIF Loan Fund has \$56,859 cash available. Loans to Warrior Mfg. and Customer Elation are performing as required.

M/S/P: Vaillancourt, Haugen to approve the EDA Financial Statements as presented. Passed unanimously.

V. Director's Report

A. Cenex Property

The next step in the project is the installation of monitoring wells. Cenex will be receiving its second reimbursement from AG-VIC at the end of January.

B. BR & E Visits

Staff visited Goebel Fixture Company. 17 companies were visited this year.

C. Retail Trade Analysis Update

The Retail Trade Analysis presentation has been rescheduled for Monday, February 9th, from 5:30-6:30 at the Hutchinson Event Center.

D. County EDA

Staff attended a County Board workshop January 5th. The meeting went well and there was discussion of the proposed exploration committee. The committee should be appointed by the County board at their meeting of January 20th, and meetings will begin shortly thereafter.

E. Internship Grant

The EDA received a \$1,000 grant from the Economic Development Association of Minnesota to help offset the cost of the internship.

F. Industrial Park Grant

Staff is finalizing a \$250,000 grant proposal to DEED to help cover infrastructure costs of the Industrial Park. The grant should be submitted sometime in the next week or ten days.

VI. EDA Website Update

The EDA website has been updated and expanded. The Board was pleased with the results, and recommended some refinements.

VII. Industrial Park Development

The next steps in the Industrial Park development is annexing the land into the city and rezoning the property. SEH, Inc. can update their engineering study of the Stritesky parcel to include the new land. The engineering study will include a topographical survey, proposed lot & utility layouts, platting, preliminary design of roads & infrastructure and provide cost estimates for construction of roads & utilities.

The EDA Director proposed funding the engineering study out of the industrial park revolving loan fund, which could then be reimbursed out of future bonding for the new infrastructure.

M/S/P: Jansick, Haugen to approve up to \$26,500 for the updated engineering study with funds fronted from the industrial park revolving loan fund and reimbursed by future bonding. Passed unanimously.

VIII. Grant & Loan Applications

Ashwill Industries – Tony Ashwill
945 5th Avenue SE

\$30,000

M/S/P: Haugen, Vaillancourt to approve a \$30,000 loan with a 6 year term at 8.00% interest as recommended by the Finance Team. Passed unanimously.

IX Other Business

- EDA staff informed the Board that an inquiry was received about a potential business start-up. The board agreed to look over a business proposal once it was submitted.
- Jay Freedland of Hutch Iron & Metal has inquired about the status of a small land parcel the EDA owns just west of his industrial park property.

After discussion the Board decided that it does not have enough information at this time to make any decision regarding the disposition of the property. It will review the matter again sometime 2010.

M/S/P: Jansick, Vaillancourt to table the question until 2010 at the earliest. Passed unanimously.

- The Board discussed making a recommendation for City Council liaison to the EDA.

M/S/P: Jansick, Vaillancourt to recommend that the City Council appoint Chad Czmowski to be the liaison to the EDA Board. Passed unanimously.

Staff will prepare a memorandum for the upcoming City Council packet.

X Chamber Update

- Bill Corby updated the board on current activities of the Chamber of Commerce.

XI Set Next Meeting – January 28th

XII Adjourn

With no other business to attend to, the meeting adjourned at 1:15 PM.

Respectfully Submitted,

Melissa Reichl
EDA Assistant