

# EDA Board Meeting

Main Conference Room – City Center  
12 PM Wednesday January 28, 2009  
MEETING MINUTES

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Members present in **bold print**.

## Members

**Tim Ulrich**  
VACANT

Diane Gordon  
**Jim Haugen**

**Steve Jansick**  
**Mike McGraw**

**Marc Vaillancourt**

## Staff

Miles Seppelt, EDA Director  
Melissa Reichl, EDA Assistant

## Liaison

Bill Corby, Chamber President

### **I. Call to Order**

Tim Ulrich called the meeting to order at 12:05 PM.

### **II. Approve Agenda**

No action.

### **III. Review Meeting Minutes**

#### **A. January 7<sup>th</sup> Board of Directors (December Meeting)**

**M/S/P:** Vaillancourt, Haugen to approve January 7<sup>th</sup> EDA Board minutes as amended. Passed unanimously.

#### **B. December 17<sup>th</sup> Finance Team**

**M/S/P:** Jansick, Vaillancourt to approve the Finance Team minutes of December 17<sup>th</sup>. Passed unanimously.

### **IV. Review December Financial Statements – EDA Director**

- As of December 31<sup>st</sup>, the EDA had \$94,217 in cash available for operations and a total of \$2,669 in liabilities.
- The EDA has \$56,736 in funds reserved for land and \$34,812 in unreserved funds.
- \$64,886 in taxes were received in the month of December.
- The Economic Development Loan Fund had assets totaling \$220,289.
- The Downtown Loan Fund had assets totaling \$1,029,944 as of December 31<sup>st</sup>.
- The MIF Loan Fund had \$65,502 available and \$578,432 in total assets.

The Board decided to table the approval of the Financial Statements until changes have been made.

**V. Director's Report**

**A. Cenex Project**

In mid-February two of the monitoring wells will be installed onsite. Mr. Seppelt talked to a representative from Braun Intertec and the clean- up portion of the project seems to be completed.

**B. County EDA**

The County Board approved the list of candidates for the exploration committee. The committee should be having their first meeting in about a month.

**C. BR & E Project**

Staff is working with a "Leadership Group" to put together a business retention survey to help identify needs of local businesses. The in-depth survey will eventually be disbursed to 35-40 local businesses.

**D. Incubator Feasibility**

Mr. Seppelt met with a group of MBA students and is working with them to develop an Incubator Feasibility Study. The group will try to determine the feasibility of developing a successful business incubator in our area.

**E. Grant Application**

The DEED grant application has been submitted. Staff should hear back in about a month.

**F. Website**

**1. School & hospital**

"Quality of life" links have been added to the website as requested.

**2. RSS Feed?**

It was determined that further research needs to be done on this topic.

**G. MPR**

Mayor Steve Cook, Miles Seppelt, and Bill Corby were interviewed on MPR for a story based on HTI and how the community is coping after the job losses. It should be aired sometime mid-February.

**H. McLeod County Solid Waste**

Melissa is working on having a six acre parcel of land just east of the Solid Waste Facility annexed to the city.

**I. Company "X"**

Staff has been communicating with a potential company about possibly doing a project in the new industrial park.

**J. Warrior**

Warrior MFG. has expressed an interest in buying some property adjacent to their existing property.

**VI. Industrial Park Development**

**A. Preliminary layout**

Mr. Seppelt showed the Board a preliminary layout of the new industrial park. The Board discussed the proposed layout and was in favor of continued development of the park as presented.

**B. JOBZ Acres**

The Board considered a staff proposal to move existing JOBZ acres to the Hackbarth property and to backfill the Stritesky property at a later time with JOBZ acres obtained from another community.

**M/S/P:** Jansick, McGraw to approve the relocation of JOBZ acres.

**C. Establish price for land**

Setting a sales price for land in the new industrial park was discussed. It was the consensus of the board that the land should be sold on an “at cost” basis.

**VII. Downtown Gateway**

Mr. Seppelt presented the concept for a wall mural that may be developed in the downtown as part of the gateway project on the location of the former Pet Clinic.

The Board discussed the concept and options for funding it. It was the consensus of the Board that another organization might be better suited to spearhead this effort.

**VIII. Grant & Loan Applications – Melissa Reichl**

**Sign & Awning Grant**

**\$1,500**

Physiological Human Performance Systems  
35 Main Street North

**M/S/P:** Jansick, Haugen to approve a \$1,500 grant to Physiologic Human Performance Systems. Passed unanimously.

**Storefront Revitalization Matching Grant**

**\$2,586**

Salon Montage – Bob Schleuter  
135 South Main Street

**M/S/P:** Jansick, Haugen to approve a \$2,586 matching grant to Bob Schleuter. Passed unanimously.

**Commercial Rehabilitation Loan**

**\$8,536**

Salon Montage – Bob Schleuter  
135 South Main Street

**M/S/P:** Jansick, Haugen to approve an \$8,536 commercial loan to Bob Schleuter. Passed unanimously.

**IX. Other Business**

**A. Downtown Grant & Loan Report – Melissa**

Melissa presented a report listing the grant and loan recipients from 2003-2007.

**B. Board vacancy**

Mr. Seppelt, by request of the Board, prepared a letter of clarification to the City Council on their EDA Board recommendation.

**C. Mayor Steve Cook**

The Mayor stopped by briefly to discuss some business with the board.

**X. Chamber Update**

Mr. Corby gave a brief Chamber Update including the Retail Trade Analysis presentation as well as the classes being offered in response to the economy and the HTI worker reduction.

**XI. Set Next Meeting – January 28<sup>th</sup>**

**XII. Adjourn**

With no other business to attend to, the meeting adjourned at 1:33 PM.

Respectfully submitted,

Melissa Reichl  
EDA Assistant

# EDA Board Meeting

## Main Conference Room – City Center

### 12 PM Wednesday February 25<sup>th</sup>, 2009

### Meeting Minutes

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Members present in **bold** print.

#### Members

**Tim Ulrich**

Diane Gordon

**Steve Jansick**

**Marc Vaillancourt**

**Chad Czmowski**

**Jim Haugen**

**Mike McGraw**

#### Staff

Miles Seppelt, EDA Director

#### Liaison

Bill Corby, Chamber President

Melissa Reichl, EDA Assistant

#### **I. Call to Order**

Mr. Ulrich called the meeting to order at 12:04 PM.

#### **II. Approve Agenda / Introductions**

No action.

#### **III. Review Meeting Minutes**

##### **A. January 28<sup>th</sup> Board of Directors**

**M/S/P:** McGraw, Vaillancourt to approve the January 28<sup>th</sup> EDA Minutes as written. Passed unanimously.

##### **B. January 21<sup>st</sup> Finance Team**

**M/S/P:** Jansick, McGraw to approve the January 21<sup>st</sup> Finance Team minutes. Passed unanimously.

#### **IV. Review of Financial Statements – Finance Director**

##### **A. December / 2008 year-end**

- Cash available for operations is \$109,796 as of December 31, 2008.
- Year to date taxes received are \$134,496.
- Cash available in the Economic Development Loan Fund is \$109,349.
- The Downtown Loan Fund has \$324,140 in cash available and holds mortgages at \$713,067.
- The MIF Loan Fund has \$67,003 in cash available and has assets totaling \$707,337.

**M/S/P:** Vaillancourt, Jansick to approve as presented. Passed unanimously.

##### **B. January**

- Cash available for operations is \$101,124 as of January 31, 2009.
- \$500 in rental income was received from the Wetherell property.
- The Economic Development Loan Fund has \$98,426 in cash available.
- \$11,603 was expended in January in a loan to Ashwill Industries.
- The Downtown Loan Fund has \$333,478 in cash available and holds mortgages at \$713,067.
- \$9,337 in Commercial Loan repayments were received in the month of January.
- The MIF Loan Fund has \$75,556 in cash available.

**M/S/P:** McGraw, Czmowski to approve as presented. Passed unanimously.

**V. Director's Report**

**A. Cenex project**

Mr. Seppelt reported that the clean-up portion of the project is complete. He is waiting for official letters of non-association before ownership of the land can be transferred to the city.

**B. County EDA**

Staff is working on scheduling a meeting time for the "Exploratory Committee."

**C. BR & E project**

The EDA is working in collaboration with the Chamber of Commerce and Ridgewater College to put together an in-depth business census that will be distributed to approximately 40 local businesses.

**D. Incubator feasibility**

A study was conducted by several MBA students to determine the feasibility of an incubator in the Hutchinson area. They reported their findings on Wednesday February 25<sup>th</sup>. Staff is currently evaluating the findings.

**E. BDIA grant application**

Mr. Seppelt completed the grant application and is still waiting to hear back. He should hear back by Friday.

**F. Federal grant application**

Mr. Seppelt completed the Federal grant application and plans on hearing back in 4-5 weeks.

**VI. Administrative Items**

**A. Election of Officers**

<b>President:</b>	Tim Ulrich
<b>Vice President:</b>	Mike McGraw
<b>Treasurer:</b>	Steve Jansick
<b>Secretary:</b>	HCDC Intern
<b>Assistant Treasurer:</b>	Jeremy Carter

**M/S/P:** Vaillancourt, Haugen to elect the slate of officers as nominated. Passed unanimously.

**B. Board member pay**

Mr. Seppelt paid each Director \$1 for their service in 2008.

**VII. Company Prospects (update)**

Mr. Seppelt gave the Board an update on two prospective companies.

Tom Daggett is moving forward with a project on the lot between Hutchinson Manufacturing and the Victorian Inn. Discussion ensued.

**M/S/P:** Jansick, McGraw to authorize the use of JOBZ and the Minnesota Investment Fund (MIF) to provide financial assistance for Tom Daggett's project. Passes unanimously.

**VIII. Industrial Park Infrastructure**

**A. Scope**

Mr. Seppelt reported that the annexation process is more-or-less complete and the project overall is on track. SEH, Inc. is doing some of the engineering work for the project. Mr. Seppelt also presented a tentative project time line.

**B. Project financing**

The board discussed the financing options for the project.

**IX. Sale of Industrial Park Property to Warrior Mfg. – 8.6 acres**

Warrior Mfg. has expressed an interest in purchasing 8.6 acres of the new industrial park. This is comprised of a 1.6 acre lot immediately to the north of their existing property and 7 acres directly to the east.

**M/S/P:** Vaillancourt, Haugen to authorize the sale of land to Warrior Mfg. for \$22,000 an acre, but not less than \$20,000 an acre, plus assessments. Passed unanimously.

**X. Cenex CO-OP Site Redevelopment**

Staff updated the Board on an inquiry that was received for the site. No action was taken at this time.

**XI. EDA Annual Report – Draft Report**

Staff is still working to complete the 2008 annual report

**XII. Loan Subordination for Citizens Bank – Main Street Pizza**

**M/S/P:** Haugen, Jansick to approve subordination of Main Street Pizza loan.  
Passed unanimously, with Tim Ulrich abstaining.

**XIII. Disposition of Allied Mechanical Loan**

Staff reported that all legal means to collect on the loan have been exhausted.

**M/S/P:** Vaillancourt, McGraw to write-off the Allied Mechanical loan as uncollectable.. Passed unanimously.

**XIV. Grant & Loan Applications – Melissa**

**Downtown Loan Program**

**Richard Peterson – 116 Main Street South**

**\$8,300 @ 3.25% for 15 yrs.**

**M/S/P:** McGraw, Haugen to approve Richard Peterson's loan request of \$8,300 @ 3.25% for 15 years. Passed unanimously.

**Julie Elder – 18 Main Street South**

**\$18,563.26**

**M/S/P:** Jansick, Haugen to approve Julie Elder's loan request of \$18,563.26 subject to all program requirements being met. Passed unanimously, with Mr. Vaillancourt abstaining.

**XV. Other Business**

Staff inquired about changing the monthly meeting time of the EDA Board to 11:30 AM. It was agreed that 11:30 AM worked better with everyone's schedules.

**XVI. Chamber Update**

Mr. Corby gave the Board a brief update on Chamber activities:

- "How to Generate Immediate Income"
- New MN Chamber website – [mnbizconnect.com](http://mnbizconnect.com),
- McLeod County Food Drive.

**XVII. Set Next Meeting**

The next meeting of the EDA Board of Directors was set for March 25<sup>th</sup> at 11:30 AM.

**XVIII. Adjourn**

The meeting adjourned at 1:33 pm.

Respectfully submitted,  
Melissa Reichl  
EDA Assistant

# EDA Board Meeting

Main Conference Room – City Center  
11:30 AM Wednesday March 25<sup>th</sup>, 2009  
Meeting Minutes

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Members present in **bold** print.

## Members

**Tim Ulrich**  
**Chad Czmowski**

Diane Gordon  
**Jim Haugen**

Steve Jansick  
Mike McGraw

**Marc Vaillancourt**

## Staff

**Miles Seppelt, EDA Director**  
**Melissa Reichl, EDA Assistant**

## Liaison

**Bill Corby, Chamber President**

### **I. Call to Order**

Mr. Ulrich called the meeting to order at 11:33 am.

### **II. Approve Agenda**

No action.

### **III. Review Meeting Minutes**

#### **A. February 25<sup>th</sup> Board of Directors**

**M/S/P:** Vaillancourt, Haugen to approve the February 25 EDA Minutes as written. Passed unanimously.

#### **B. February 18<sup>th</sup> Finance Team**

**M/S/P:** Ulrich, Czmowski to approve the February 18 Finance Team Minutes. Passed unanimously.

### **IV. Review of February Financial Statements – EDA Director**

- Cash available for operations is \$117,336.
- The EDA has liabilities totaling \$1301 and a total fund balance of \$115,535.
- The Economic Development Loan Fund has \$58,127 in cash available and assets totaling \$215,298.
- In February, \$11,603 was expended from the Economic Development Loan Fund towards a loan for Ashwill Industries.
- \$8890 was received in loan repayments towards the Downtown Loan Fund.
- The MIF Loan Fund has \$84,108 in cash available.
- The MIF Loan Fund collected \$8553 in loan repayments in February.
- **M/S/P:** Vaillancourt, Haugen to approve financial statements as presented.

### **V. Director's Report**

#### **A. County EDA**

Mr. Seppelt reported that the County EDA project is moving forward. The first meeting of the Exploratory Committee is scheduled to meet April 23<sup>rd</sup> in Glencoe. They committee will then meet once a month for several months to look at various issues related to the proposal.

**B. BR & E project**

The EDA, in collaboration with Ridgewater College and The Chamber of Commerce, are putting together an in-depth business survey to be distributed to approximately 40 local manufacturers. More on this in upcoming months.

**C. BDIA Grant Application**

Mr. Seppelt reported that the \$250,000 grant has been secured. He is now waiting for the paperwork.

**D. Federal Grant Application**

It will be 3-4 weeks before staff hears back regarding the federal grant.

**E. Company Prospects (update)**

Mr. Seppelt presented financing options for a future economic development project involving Tom Dagget.

**VI. Cenex Project**

**A. Project Update**

Staff is still waiting for the letters on “non-association” before the property title can officially be transferred to the city. Once these are obtained the property can be transferred to the city.

**B. Potential acquisition of Property?**

Mr. Seppelt presented a proposal to the board on the potential acquisition of property near the Cenex redevelopment.

**M/S/P:** Vaillancourt, Haugen to approve the proposal as presented. Funds will come from the funds reserved for land acquisition in the EDA Operations budget. Passed unanimously.

**VII. Industrial Park Development**

**A. Project Update**

Mr. Seppelt presented the board with a schedule for the development of the industrial park.

**B. Lease with Mr. Christensen**

Mr. Seppelt discussed the situation involving Mr. Christensen. It was decided that he harvest where possible until development begins.

**C. Sale of Industrial Park Property**

▪ **Warrior Mfg. – 8.6 acres**

Warrior Mfg. has shown interest in the 7 acres of the East, and 1.6 acres to the North.

▪ **HUC – 3.3 acres**

It was discussed that there is a possibility that Hutchinson Utilities may purchase 3.3 acres adjacent to their property.

▪ **Customer Elation – 1.89 acres**

It was noted that Customer Elation does have an option to buy the 1.89 acres adjacent to their property.

Staff will keep the Board apprised as these possibilities develop.

**VIII. EDA Annual Report**

Mr. Seppelt distributed final drafts of the Annual Report for review.

**IX. Downtown Lon Program**

**A. State Theatre: Request for Interest only for 12 months**

**M/S/P:** Haugen, Vaillancourt to approve request for interest only payments for 12 months. Mr. Ulrich abstained.

**B. Cornerstone Commons: Request for 0% Interest**

(Finance Team recommended Interest only for 12 months)

**M/S/P:** Vaillancourt, Haugen to approve interest only payments for 12 months. Passed unanimously.

**X. Grant & Loan Applications – Melissa**

**Sign & Awning Grant**

**\$290** (below threshold)

Celeste Wherry, All Family Chiropractic – 246 Main St S, Suite 4.

**M/S/P:** Czmowski, Haugen to approve \$290, recognizing that it falls outside of the grant guidelines. Passed unanimously.

**XI. Other Business**

**Resolution of Support – Trunk Hwy 15 Coalition**

**M/S/P:** Haugen, Czmowski to approve resolution of support for the Trunk Hwy 15 Coalition. Passed unanimously.

**XII. Chamber Update**

Mr. Corby reported the following:

- Hutchinson was chosen as the 2009 Best Hometown in Minnesota
- The McLeod County Food Drive is still in affect in Hutchinson, approximately 25 local businesses are participating
- Business After Hours will be held at Outdoor Motion April 16

**XIII. Set Next Meeting – April 22, 2009**

(The meeting was later rescheduled to April 29, 2009)

**XIV. Adjourn**

The meeting adjourned at 12:50 pm.

Respectfully submitted,  
Melissa Reichl  
EDA Assistant

# EDA Board of Directors Special Meeting Minutes

5 PM Tuesday, April 14, 2009

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Members present in **bold** print:

## Members

Tim Ulrich

**Chad Czmowski**

Diane Gordon

**Jim Haugen**

**Steve Jansick**

Mike McGraw

**Marc Vaillancourt**

## Staff

**Miles Seppelt, EDA Director**

**Melissa Reichl, EDA Assistant**

**Jeremy Carter, Finance Director**

**Bruce Kimmel, Ehlers & Associates**

### **I. Call to Order**

Marc Vaillancourt called the meeting to order at 5:03PM

### **II. Approve Agenda**

**M/S/P:** Haugen, Jansick to approve the agenda as presented. Passed unanimously.

### **III. Atomic Crane Corporation**

#### **A. Project Update**

Staff provided an update on the status of the project. HMI and PAR Nuclear are still working out the details of their agreement. Hopefully by the end of next week everything will be signed.

Tom Daggett should know by early to mid next week which financing route he's going to go with. The options are an Industrial Development Bond (IDB) through the EDA or private bank financing.

#### **B. Discussion of Industrial Development Bonds**

Bruce Kimmel of Ehlers & Associates discussed the IDB process. The City and EDA would not be liable in any way if the company defaulted – it's really an agreement between the company and the bondholders, with the EDA only acting as a conduit.

**C. Review of underwrite proposals received**

Bruce Kimmel summarized the results of the Request for Proposals that had been received from the bonding people.

**D. Consider Inducement Resolution**

Bruce reviewed the Inducement Resolution briefly. Passage of the resolution allows for application to the State for tax-exempt status and also an allocation of IDB bonding dollars.

**M/S/P:** Czmowski, Haugen to approve the Inducement Resolution. Passed Unanimously.

The next step will be a public hearing, to be held by the EDA at the end of the month.

**IV. Other Business – None.**

**V. Adjourn**

With no further business to attend to, the meeting adjourned at 5:29 PM

Respectfully Submitted,

Miles Seppelt  
EDA Director

# EDA Board Meeting

Main Conference Room – City Center  
11:30 AM Wednesday, April 29<sup>th</sup>, 2009

## Meeting Minutes

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Members present in **bold**.

### Members

**Tim Ulrich**  
**Chad Czmowski**

**Diane Gordon**  
**Jim Haugen**

**Steve Jansick**  
**Mike McGraw**

Marc Vaillancourt

### Staff

**Miles Seppelt, EDA Director**  
**Melissa Reichl, EDA Assistant**  
**Jeremy Carter, Financial Director**

### Liaison

**Bill Corby, Chamber President**

#### **I. Call to Order**

Mr. Ulrich called the meeting to order at 11:37 am.

#### **II. Approve Agenda**

No action.

#### **III. Review Meeting Minutes**

##### **A. March 25<sup>th</sup> Board of Directors**

**M/S/P:** Haugen, Czmowski to approve March 25<sup>th</sup> Board of Directors' Minutes. Passed unanimously.

##### **B. April 14<sup>th</sup> Special Meeting, EDA Board of Directors**

**M/S/P:** Jansick, Haugen to approve April 24<sup>th</sup> Special Meeting Minutes. Passed unanimously.

##### **C. March 18<sup>th</sup> Finance Team**

**M/S/P:** Czmowski, Jansick to approve March 18<sup>th</sup> Finance Team Minutes. Passed unanimously.

#### **IV. Review of March Financial Statements – Finance Director**

- Cash available for operations is \$102,442.
- The EDA has liabilities totaling \$1,271 and a total fund balance of \$101,171.
- The EDA contributed \$5,000 in March to the Southwest Initiative Foundation.
- The Economic Development Loan Fund has \$51,447 in cash available and assets totaling \$178,771.
- The Energy Loan Fund has \$340,086 in cash available, \$737,665 in loans receivable, and has a total fund balance of \$340,086.
- \$9,258 was received in loan repayments towards the Energy Loan Fund.
- The MIF Loan Fund has \$92,662 in cash available.
- The MIF Loan Fund collected \$8553 in loan repayments in March.

**V. Director's Report**

**A. County EDA**

Mr. Seppelt reported that the first meeting of the McLeod County Economic Development Exploratory Committee was held April 23<sup>rd</sup>. Staff felt that the meeting went well. The Exploratory Committee will be meeting three more times before presenting findings to the County Board.

**B. SONOCO Update**

Staff received word that SONOCO was still holding meetings and that they should be hearing back in the near future.

**C. Cenex Update**

Staff is still waiting for final paperwork before the property can be transferred to the city. In addition, there may be an opportunity to acquire the adjoining two lots.

**D. New Intern**

Ryan Miller was chosen to fill the internship position. He will begin the first week of June.

**VI. Industrial Park Bids**

Eight bids were received for the Industrial Park Project. The bids were slightly higher than expected.

▪ **Federal Grant Status**

Mr. Seppelt reported that he still has not heard the final decision on the federal grant, although Hutchinson was selected for further consideration.

▪ **State Grant Status**

Approved. Now we're waiting for the grant agreement from the state.

**VII. Atomic Crane Corporation**

Atomic Crane is still working through some legal documents. Construction should begin June 1<sup>st</sup>. Staff indicated that a special meeting of the EDA would be needed for a public hearing for the industrial Development Bonds.

**M/S/P:** Gordon, Czmowski to call a special meeting of EDA Board to hold a public hearing for 11:30 AM on Tuesday, May 12<sup>th</sup>. Passed unanimously.

**VIII. Cornerstone Commons – Request for interest rate reset**

The loan to Cornerstone Commons was made when interest rates were rather high and the ownership of the building is requesting that the EDA review the interest rate with an eye towards possibly reducing it. The Finance Team has reviewed this request and is recommending 3.25%

**M/S/P:** Gordon, Jansick to reset the interest rate on the Cornerstone Commons loan to 3.25% for the balance of the loan term. Passed unanimously.

**IX. Wetherell Property Lease**

The Wetherell's have requested a new two-year lease.

**M/S/P:** Gordon, Haugen to approve a new two-year lease with the Wetherell's at \$500 per month. Passed unanimously.

**X. Grow Minnesota Program – Bill Corby**

Mr. Corby briefed the Board on the Grow Minnesota Grant Program. The program is designed to provide supplemental funding to “normally successful” businesses struggling through hard economic times. Application materials are available at the Chamber office.

**XI. Grant & Loan Applications – NONE.**

**XII. Other Business**

None.

**XIII. Chamber Update**

- The McLeod County Food Drive was very successful, far surpassing its goal.
- The Minnesota Preservationist Magazine will publish an article about exploring history in Hutchinson in their July/August issue

**XIV. Set Next Meeting – May 27<sup>th</sup>**

**XV. Adjourn**

The meeting adjourned at 12:24PM.

Respectfully Submitted,

Melissa Reichl  
EDA Intern

# \*\*\*SPECIAL MEETING\*\*\*

## EDA Board of Directors

City Council Chambers – City Center  
11:30 AM Tuesday      May 12, 2009

### Minutes

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Members present in **bold** print:

Members

**Tim Ulrich**

**Diane Gordon**

Steve Jansick

Marc Vaillancourt

**Chad Czmowski**

**Jim Haugen**

**Mike McGraw**

Staff

**Miles Seppelt, EDA Director**

**Melissa Reichl, EDA Assistant**

**Bruce Kimmel, Ehlers & Associates**

Guests

**Tom Daggett**

**I. Call to Order**

Mr. Ulrich called the meeting to order at 11:35AM.

**II. Approve Agenda**

No action.

**III. Public Hearing - Daggett Ventures / Atomic Crane Corporation**

**A. Project Presentation – Bruce Kimmel, Ehlers & Associates**

Mr. Kimmel explained that the Public Hearing is a federally required step for the EDA to allow tax-exempt status for the Industrial Development Bonds. Mr. Kimmel added that the bond capacity (maximum amount) had been set at \$7 million.

**B. Receive Public Comments**

Tom Daggett updated the Board on the progress of the project. Daggett and his partners are still working on finalizing the partnership documents, a process they hope to complete in two weeks or so. Mr. Daggett also noted that the name, 'Atomic Crane Corporation' may change.

No other public comments were offered.

**M/S/P:** Gordon, Haugen to close the public hearing. Passed unanimously.

**IV. Other Business**

Staff updated the Board on the status of the Federal EDA grant and the acquisition of property next to the old Cenex Fertilizer Plant site.

**V. Adjourn**

The meeting adjourned at 11:51AM.

Respectfully submitted,  
Melissa Reichl  
EDA Assistant

# EDA Board Meeting

Main Conference Room – City Center  
11:30 AM Wednesday, May 27, 2009

## Meeting Minutes

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Members present in **bold**.

### Members

**Tim Ulrich**

**Chad Czmowski**

**Diane Gordon**

Jim Haugen

Steve Jansick

**Mike McGraw**

**Marc Vaillancourt**

### Staff

**Miles Seppelt, EDA Director**

**Melissa Reichl, EDA Assistant**

**Jeremy Carter, Financial Director**

### Liaison

**Bill Corby, Chamber President**

---

#### **I. Call to Order**

Mr. Ulrich called the meeting to order at 11:37 am.

#### **II. Approve Agenda**

No action.

#### **III. Review Meeting Minutes**

##### **A. April 29<sup>th</sup> Board of Directors**

**M/S/P:** Gordon, McGraw to approve April 29<sup>th</sup> Board of Directors' Minutes. Passed unanimously.

##### **B. May 12<sup>th</sup> EDA Special Meeting**

**M/S/P:** McGraw, Czmowski to approve May 12<sup>th</sup> Special Meeting Minutes. Passed unanimously.

##### **C. April 15<sup>th</sup> Finance Team**

**M/S/P:** Ulrich, Gordon to approve April 15<sup>th</sup> Finance Team Minutes. Passed unanimously.

#### **IV. Review of April Financial Statements – Finance Director**

- Cash available for operations is \$80,347.
- The EDA has liabilities totaling \$1009 and total fund balance of \$79,338.
- In April, the EDA had \$8,048 in revenues and \$29,455 in expenditures.
- The Economic Development Loan Fund had \$75,507 in cash available, liabilities totaling \$126,450, and a total fund balance of \$75,507.
- In April, the Economic Development Loan Fund had \$680 in loan repayments.
- The Energy Loan Fund had \$349,454 in cash available and \$759,489 in Loans Receivable.
- The Energy Loan Fund had \$9635 in Commercial Loan Repayments in April.

- The MIF Loan Fund had \$101,215 in cash available and \$607,458 in total liabilities.

## **V. Director's Report**

### **A. Cenex Update**

Staff is still waiting for final paperwork before the property can be transferred to the city. Mr. Seppelt believes it should be done within a few days.

### **B. Industrial Park**

Mr. Seppelt reported that the City couldn't award the project until he heard back from the Federal EDA.

- **Federal Grant Application**

Mr. Seppelt believes he will be hearing back within the next two weeks.

### **C. Atomic Crane Co.**

The final paperwork still needs to be signed before the project can begin. All of the other details have been worked out: JOBZ, IRB's, SWIF Loan Approval, and still waiting to hear back about MIF and AG Board.

### **D. Warrior**

Warrior MFG. has had some interest in buying a portion of the lot to the North of its existing lot.

### **E. County EDA**

Mr. Seppelt reported that the second meeting of the McLeod County Economic Development Exploratory Committee was held May 21<sup>st</sup>. Staff felt that the meeting went well. The Exploratory Committee will be meeting a few more times before presenting findings to the County Board.

### **F. SONOCO Update**

Mr. Seppelt reported that SONOCO is in an indefinite holding pattern.

### **G. BR & E Update**

The group working on the business census has made 11 visits to date. They sent out 37 and are hoping to be able to make as many visits as possible.

## **VI. Cenex Site Redevelopment**

The City Council approved the purchase of the Wright Property. Mr. Seppelt will be gathering bids for the possible redevelopment of the lot.

## **VII. SBDC Satellite Office**

Ridgewater College has announced that they will be discontinuing their Small Business Management program. There has been discussion to design a similar project for the Hutchinson area. Mr. Seppelt approached the Board as to if it were to become a possibility, if the EDA would like to be a part of implementing it. The consensus was "yes."

## **VIII. Ashwill Industries Loan**

Mr. Seppelt met with Ashwill Industries asking for a "plan of action" as to getting back on track with loan payments. Ashwill Industries is planning on being up to date on their loan by the end of June.

## **IX. Grant & Loan Applications – NONE.**

**X. Other Business**

▪ **Wetherell Septic System**

Mr. Seppelt reported that there could be some necessary clean up near the septic system being utilized by the Wetherells.

**XI. Chamber Update**

- BAH will be held June 10<sup>th</sup> at Jay Malone Motors
- Dairy Days will be held Friday, June 12<sup>th</sup>, 11:00-1:30 PM
- Music in the Park will kick off Monday June 15<sup>th</sup>

**XII. Set Next Meeting – June 24<sup>th</sup>**

**XIII. Adjourn**

The meeting adjourned at 12:14PM.

Respectfully Submitted,

Melissa Reichl  
EDA Intern

# EDA Board Meeting

Main Conference Room – City Center  
11:30 AM Wednesday, June 24, 2009

## Meeting Minutes

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Members present in **bold**.

### Members

**Tim Ulrich**  
**Chad Czmowski**

**Diane Gordon**  
**Jim Haugen**

Steve Jansick  
**Mike McGraw**

**Marc Vaillancourt**

### Staff

**Miles Seppelt, EDA Director**  
**Ryan Miller, EDA Assistant**  
**Jeremy Carter, Financial Director**

### Liaison

**Bill Corby, Chamber President**

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#### **I. Call to Order**

Mr. McGraw called the meeting to order at 11:36 AM.

#### **II. Approve Agenda**

No action.

#### **III. Review Meeting Minutes**

##### **A. May 27<sup>th</sup> Board of Directors**

**M/S/P:** Vaillancourt, Haugen to approve May 27<sup>th</sup> Board of Directors' Minutes. Passed unanimously.

##### **B. May 20<sup>th</sup> Finance Team**

**M/S/P:** Vaillancourt, Czmowski to approve May 20<sup>th</sup> Finance Team Minutes. Passed unanimously.

#### **IV. Review of May Financial Statements – Finance Director**

- Cash available for operations is \$44,690.
- The EDA has current liabilities totaling \$1,241 and total fund balance of \$43,449.
- In May, the EDA had \$9,207 in rent revenues and \$45,096 in expenditures.
- The Economic Development Loan Fund had \$76,187 in cash available, liabilities totaling \$125,902, and a total fund balance of \$76,187.
- In May, the Economic Development Loan Fund had \$680 in loan repayments.
- The Energy Loan Fund had \$357,090 in cash available and \$732,901 in Loans Receivable.
- The Energy Loan Fund had \$7,635 in Commercial Loan Repayments in May.
- The MIF Loan Fund had \$109,768 in cash available and \$599,288 in total liabilities.

**V. Director's Report**

**A. Industrial Park**

Mr. Seppelt stated that the Industrial Park project is in a holding pattern until the results are back from the federal grant application. Mr. Seppelt has heard back from the Army Corps of Engineers which is the last step before the application goes to Washington. The contractor providing the low bid will hold that number until September 15.

**B. Atomic Crane Co.**

Mr. Seppelt informed the board that Mr. Daggett is close to finalizing agreements.

**C. County EDA**

Mr. Seppelt reported that the County EDA Exploratory Committee had its third meeting which focused on funding. The next step will be a meeting with the county board. A workshop with the county commissioners is scheduled for Tuesday July 7<sup>th</sup>.

**D. BR & E Census Update**

Mr. Corby reported that 14 of the 37 target visits have been completed and all 14 have returned their survey census. Second calls will start going out in order to complete the census.

**E. Ashwill Industries Update.**

Mr. Seppelt confirmed that Ashwill Industries' loan is now current through June.

**VI. Cenex Site Redevelopment**

The two lots of the Wright property have been purchased and demolitions will begin soon. Quotes are in for the site survey, cleanup, house demolition and tree removal and these steps would start in early July. Final site preparation will include bringing soil to the site from the industrial park and then grading and re-platting the lots into one lot approximately 3.02 acres.

**Quotes**

Site Survey	\$2,900	Pellinan Land Surveying
Hazardous Materials Inspection	\$510 (approx)	Assessco Environmental Services
Tree & Brush removal	\$2,700	Sargent's Tree Service
House Demolition	\$1,200	Luedtke Contracting
Hazardous Materials Removal	variable	(depends on findings)

**TOTAL            \$7,310 + / -**

It was proposed that the funding for this work come out of the Downtown Revolving Loan fund, to be repaid once the lot(s) are sold for redevelopment.

**M/S/P:** McGraw, Vaillancourt to approve the plan for the Cenex site redevelopment as presented. Passed unanimously.

**VII. Wetherell Property Redevelopment**

The septic system on the Wetherell property is dysfunctional. The septic tank was pumped out once already but failed to improve the situation. Cost of the repairs could total \$5,900 to connect to the city sewer system. The city has the option to pull the lease from the current tenants and have the property vacant within 90 days or ask the tenants to pay the cost of repairs.

**M/S/P:** Gordon, Haugen to give the Wetherell's 90 days notice that their lease will be terminated; giving the Wetherell's the option of repairing the septic system on their own and continuing to rent the property if they wish. Passed unanimously.

**VIII. Request for Loan Subordination (Land Write-down – Dick McClure)**

Citizen's Bank has refinanced a loan for Mr. Dick McClure. Because of this we need to re-subordinate its loan to that of the bank.

**M/S/P:** Gordon, McGraw to approve re-subordination of the McClure loan for Citizen's Bank. Tim Ulrich abstained. Passed unanimously.

**IX. Customer Elation Claim – \$1,608.27**

During the course of the Customer Elation building project, the need for some additional soil corrections in the parking lot came to light. Customer Elation has paid for these corrections and is requesting that the City of Hutchinson pay the invoice for the related soils testing by Braun Intertec. Customer Elation feels that city is partly responsible and should accept some of the cost.

**M/S/P:** Vaillancourt, Gordon to request that Braun Intertec write-off the invoice; if that cannot be done, to attempt to negotiate a reduced amount to be split between Braun Intertec and the EDA – with the EDA covering up to 100% of the invoice amount if absolutely necessary; purely as a “good will” gesture to Customer Elation, as the EDA denies all responsibility. Passed unanimously.

**X. Support for Southwest Initiative Foundation - \$5,000**

The Southwest Initiative Foundation is seeking confirmation of the EDA's annual support for purposes of their fiscal planning. The EDA has been providing support of \$5,000 annually.

**M/S/P:** Gordon, Czmowski authorize \$5,000 in support of the Southwest Initiative Foundation for the 2010 budget year. Passed unanimously. Mr. Vaillancourt abstained.

**XI. Grant and Loan Applications**

Bob Schleuter was originally approved for \$8,536 for a commercial rehab loan. Project invoices totaled \$9,226.09 and Mr. Schleuter is requesting the loan amount be adjusted accordingly. The Finance Team recommended approving the loan for the new total of the estimates, an increase of \$690.09.

**M/S/P:** Czmowski, Vaillancourt to approve loan adjustment. Passed unanimously.

**XII. Other Business**

None.

**XIII. Chamber Update**

- Pohlad / MN Chamber Grant and Loan Program will be complete soon.
- The Minnesota Wild Road Tour will be in Library Square Wednesday June 24<sup>th</sup>, from 4-5 PM.
- The Mankato Area Community Band will be performing at Music in the Park on June 29<sup>th</sup>.
- Business after Hours will be held at Oakdale Golf Club on Wednesday July 8<sup>th</sup>.
- Oakdale Golf Club will also be hosting the Hometown Golf Challenge this year on Monday, July 27<sup>th</sup>.
- RiverSong Music Festival will be July 13-19 in West River Park.

**XIV. Set Next Meeting – July 22<sup>nd</sup>**

**XV. Adjourn**

The meeting was adjourned at 12:44PM.

Respectfully Submitted,

Ryan Miller  
EDA Intern