

EDA Board Meeting

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

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 7th Board of Directors (December Meeting)

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

B. December 17th Finance Team

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

IV. Review December Financial Statements – EDA Director

- As of December 31st, 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 31st.
- 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 28th

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 25th, 2009

Meeting Minutes

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 28th Board of Directors

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

B. January 21st Finance Team

M/S/P: Jansick, McGraw to approve the January 21st 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 25th. 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

| | |
|-----------------------------|---------------|
| President: | Tim Ulrich |
| Vice President: | Mike McGraw |
| Treasurer: | Steve Jansick |
| Secretary: | HCDC Intern |
| Assistant Treasurer: | 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,
- McLeod County Food Drive.

XVII. Set Next Meeting

The next meeting of the EDA Board of Directors was set for March 25th 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 25th, 2009
Meeting Minutes

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 25th Board of Directors

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

B. February 18th 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 23rd 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

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 29th, 2009

Meeting Minutes

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 25th Board of Directors

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

B. April 14th Special Meeting, EDA Board of Directors

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

C. March 18th Finance Team

M/S/P: Czmowski, Jansick to approve March 18th 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 23rd. 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 1st. 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 12th. 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 27th

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

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

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 29th Board of Directors

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

B. May 12th EDA Special Meeting

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

C. April 15th Finance Team

M/S/P: Ulrich, Gordon to approve April 15th 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 21st. 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 10th at Jay Malone Motors
- Dairy Days will be held Friday, June 12th, 11:00-1:30 PM
- Music in the Park will kick off Monday June 15th

XII. Set Next Meeting – June 24th

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

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

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 27th Board of Directors

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

B. May 20th Finance Team

M/S/P: Vaillancourt, Czmowski to approve May 20th 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 7th.

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 24th, from 4-5 PM.
- The Mankato Area Community Band will be performing at Music in the Park on June 29th.
- Business after Hours will be held at Oakdale Golf Club on Wednesday July 8th.
- Oakdale Golf Club will also be hosting the Hometown Golf Challenge this year on Monday, July 27th.
- RiverSong Music Festival will be July 13-19 in West River Park.

XIV. Set Next Meeting – July 22nd

XV. Adjourn

The meeting was adjourned at 12:44PM.

Respectfully Submitted,

Ryan Miller
EDA Intern

EDA Board Meeting

Main Conference Room – City Center
11:30 AM Wednesday, July 22nd, 2009

Meeting Minutes

Members present in **bold**.

Members

Tim Ulrich

Diane Gordon

Steve Jansick

Marc Vaillancourt

Chad Czmowski

Jim Haugen

Mike McGraw

Staff

Miles Seppelt, EDA Director

Ryan Miller, EDA Assistant

Jeremy Carter, Finance Director

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. June 24th Board of Directors

M/S/P: Vaillancourt, McGraw to approve June 24th Board of Directors' Minutes as written. Passed unanimously.

B. June 17th Finance Team

M/S/P: Jansick, Ulrich to approve June 17th Finance Team Minutes as written. Passed unanimously.

IV. Review of June Financial Statements – Finance Director

- In operations the EDA has \$106,900 in cash available, \$22,736 is reserved (proceeds of Warrior land sale)
- First half taxes have come in, a total of \$72,909. In addition we've had \$500 in rental revenue for the month.
- In the Economic Development Loan Fund we have \$78,445 in cash available.
- In addition we have a receivable of \$32,461 for work done of the Stritesky Property.
- Notes receivable total \$92,225 and all loans are performing as required.
- For the month we've had \$2,258 in loan prepayments.
- In the Downtown Revolving Loan Fund we have \$366,193 in cash, \$732,901 in loans receivable and \$149,999 as a capital asset – that being the four Cenex lots on 3rd Avenue.
- Loan repayments for the month totaled \$9,104.

- In the MIF Loan Fund we have \$118,321 in cash available and outstanding loans totaling \$590,993.
- For the month we have received \$8,553 in loan repayments.

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

V. Director's Report

A. Cenex Redevelopment update

- Staff is aiming for a final closing on the properties by July 31st.

B. Industrial Park Grant

- Still awaiting word from the Federal Government on the status of our \$950,000 grant application.
- The apparent low bid contractor has agreed to hold their bid price until September 15th

C. Atomic Crane Corp.

- The project has a new name: "NuCrane Manufacturing"
- Looks like the project is moving ahead, with site work commencing shortly.

D. County EDA

- The next step will be a workshop with the EDA Exploratory Committee and the McLeod County Board on Tuesday, August 4th.

E. BR & E Project

- EDA staff will be working with Chamber staff to complete the last few business visits in the manufacturer's census project. Once done all survey results will be compiled and a final report put together.

F. Customer Elation Claim (update)

- Braun Intertec has agreed to drop the final invoice to Customer Elation.

G. Wetherell Property (update)

- EDA Staff has obtained three quotes to have the Wetherell house hooked up to the city sewer system. It will be up to the Wetherell's to decide if they want to have the work done at their own expense and continue renting the property.

VI. EDA Budget 2010

Staff presented a draft EDA Budget for 2010. Key points included:

- Assumed zero rent
- Levy kept at 1.525% \$165,024
- City wage freeze
- Line Item cuts in:
 - Wages, Temporary employees (intern)
 - Office supplies
 - Professional Services
 - Postage
 - Travel/school/conference
 - Printing & publishing
 - Improvements to land (Gateway)
 - Machinery & Equipment

The budget for Taxes & Assessments was increased slightly to account for actual expenditures in that area.

Staff noted that by keeping the levy amount at 1.525% of the city's tax capacity the EDA would receive \$165,024 for 2010.

M/S/P: McGraw, Vaillancourt to approve the budget as presented and request a levy amount of \$165,024. Passed unanimously.

VII. Cenex Property / Railroad Right-of-Way

Discussion was held on the 3rd Avenue (Cenex) redevelopment project. Staff updated the Board on the progress of the Wright-Property clean-up and upcoming steps.

Staff also reviewed the status of the other properties in the area. The four lots of the Cenex site total 47,521 square feet and the two Wright lots total 8,243 square feet – giving an overall total between the six lots of 55,764 square feet.

The key to successfully redeveloping the site might be the addition of the former railroad right-of-way located between the six lots acquired and the Crow River – this would add another 76,307 square feet.

If combined, the entire site would total 132,071 square feet, approximately 3.03 acres.

The former railroad right-of-way has a gravel portion of Les Kouba Parkway running over it at present. There is no dedicated street right-of-way, and that portion of road serves no purpose.

Another factor to consider is that the area is in a "shore land district" so only 25% of the site can be covered with impervious surfaces (building & parking lot). More than anything, this makes the addition of the railroad right-of-way a critical piece of the redevelopment effort.

M/S/P: McGraw, Czmowski to ratify the recommendation of the Finance Team (Requesting City Council permission to add the railroad right-of-way to the redevelopment site and permission to incorporate gravel removal, site filling & grading and planting of grass into the neighboring Les Kouba Parkway project). The motion passed unanimously.

Further discussion was held on the closing date for the four Cenex Lots and how the taxes should be pro-rated.

M/S/P: Jansick, Haugen to pro-rate the taxes as of May 1st. Passed unanimously.

VIII. Industrial Park Financing

Discussion was held on the status and structure of funding for the industrial park infrastructure project.

The Finance Team has reviewed this and recommended that regardless of the funding structure, there should be no special assessments on the industrial park lots.

After further discussion it was decided that until we know the outcome of the Federal grant application no decisions can be made.

No action was taken.

IX. Grant & Loan Applications

Sign & Awning Grants

CORE Exercise Studio \$2,000
101 Park Place

M/S/P: Vaillancourt, Haugen to approve the grant request. Passed unanimously.

Venus Salon & Spa – Pulkerbek (2006) \$675
47 Main Street North

The applicants had received a Sign & Awning grant of \$1,325 back in 2006. Their sign suffered wind damage however and they are now requesting the balance of the allowable grant to assist them with repairs.

M/S/P: Haugen, Jansick to approve the grant request. Passed unanimously.

X. Other Business – Customer Elation Request to exit the JOBZ Program.

Customer Elation has requested permission to exit from the JOBZ program due to the administrative burden it places on the company. All of their job and wage requirements would remain in place and the property will go back onto the property tax rolls.

M/S/P: Vaillancourt, Haugen to approve the request of Customer Elation to leave the JOBZ program. Passed unanimously.

XI. Chamber Update

- RiverSong was successful.
- The “Hometown Golf Challenge” is scheduled for July 27th.
- There will be two Business After Hours events in August: “Best Buy” and “My Inspiration.”
- The Arts & Crafts festival is scheduled for September 18th & 19th.

XII. Set Next Meeting – August 26th

XIII. Adjourn

The meeting was adjourned at 12:50 PM.

Respectfully Submitted,

Miles R. Seppelt
EDA Director

EDA Board Meeting

Main Conference Room – City Center
11:30 AM Wednesday, August 26th, 2009

Meeting Minutes

Members present in **bold**.

Members

| | | | |
|----------------------|-------------------|----------------------|--------------------------|
| Tim Ulrich | Diane Gordon | Steve Jansick | Marc Vaillancourt |
| Chad Czmowski | Jim Haugen | Mike McGraw | |

Staff

Miles Seppelt, EDA Director
Ryan Miller, EDA Assistant
Jeremy Carter, Finance Director

Liaison

Bill Corby, Chamber President

I. Call to Order

Mr. Ulrich called the meeting to order at 11:38 AM.

II. Approve Agenda

No action.

III. Review Meeting Minutes

A. July 22nd Board of Directors

M/S/P: Jansick, McGraw to approve July 22nd Board of Directors' Minutes as written.
Passed unanimously.

B. July 15th Finance Team

M/S/P: Ulrich, Vaillancourt to approve June 17th Finance Team Minutes as written.
Passed unanimously.

IV. Review of July Financial Statements – Finance Director

- In operations the EDA has \$96,967 in cash available, \$22,736 is reserved (proceeds of Warrior land sale)
- Year to date property tax revenue totals \$71,924. In addition we've had \$500 in rental revenue for the month.
- In the Economic Development Loan Fund we have \$80,085 in cash available.
- In addition we have a receivable of \$32,461 for work done of the Stritesky Property.
- Notes receivable total \$91,675 and all loans are performing as required.
- For the month we've had \$680 in loan prepayments.
- In the Downtown Revolving Loan Fund we have \$369,373 in cash, \$718,715 in loans receivable and \$149,999 as a capital asset – that being the four Cenex lots on 3rd Avenue.
- Loan repayments for the month totaled \$8,519.

- In the MIF Loan Fund we have \$128,323 in cash available and outstanding loans totaling \$582,754.
- For the month we have received \$8,553 in loan repayments.

M/S/P: Vaillancourt, McGraw to approve the July Financial statements as presented. Passed unanimously.

V. Director's Report

A. Cenex Redevelopment update

- The four lots have been officially transferred to the City's ownership. Final closing costs were \$7,194. The house and trees are now gone with the five large trees being retained. A well on the property still needs to be sealed and surveying still needs to be done. This Les Kouba Riverview Addition will total 132,071 sq. ft. or slightly more than 3 acres in size.

B. NuCrane Crane Manufacturing

- Primary project financing will be in place in the near future. An application for bonding authority from the state will be submitted soon. Once primary project financing is in place, the application for MIF dollars will move forward.
- The MIF Loan for this project may be coming out of the federal pool of dollars, meaning that the EDA will be able to retain the dollars once they are repaid by the company.

C. County EDA

- The next workshop with the County Board will be on October 6th.

D. Customer Elation Claim

- Braun Intertec has agreed to waive their last bill to Customer Elation. The company is satisfied with the outcome.

E. Internship Grant

- A \$1,000 grant from EDAM (Economic Development Association of Minnesota) has been awarded to help the internship expenses.

F. Wetherell Property (update)

- The septic system has been fixed at the owner's expense and has been inspected. The owners will remain on the property as their lease is still valid.

VI. Industrial Park Financing

The Federal Grant has been approved. A pre-construction conference in Chicago will take place in Chicago where federal officials will review all the requirements for administering the grant. Staff reviewed infrastructure costs and financing options with the grant dollars now included. Options were discussed for the structure of project funding, special assessments and how the price of the new industrial park will compare with that of neighboring communities.

M/S/P: Jansick, Vaillancourt to recommend pricing the lots in the industrial park at \$30,000 per acre with no assessments. Passed unanimously.

VII. Grant & Loan Applications

Sign & Awning Grants

“Lillians” – Katie Quast
44 Main Street South

\$2,000

M/S/P: Vaillancourt, McGraw to approve the grant request. Passed unanimously.

VIII. Other Business – Finance Team Board addition.

There was discussion of adding Keith Fischer to the EDA Finance Team. It was agreed that this should be reviewed by the Finance Team themselves.

IX. Chamber Update

- Hutchinson Leadership Institute classes are beginning once again this fall and are looking for participants.
- The Hutchinson Arts and Crafts Festival will be September 18-19th

X. Set Next Meeting – September 23rd

XI. Adjourn

The meeting was adjourned at 12:35 PM.

Respectfully Submitted,

Ryan Miller
EDA Assistant

EDA Board Meeting

Main Conference Room – City Center
11:30 AM Tuesday, September 29th, 2009

Meeting Minutes

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, Finance Director

Liaison

Bill Corby, Chamber President

Guests

Tom Daggett

I. Call to Order

Mr. Ulrich called the meeting to order at 11:44 AM.

II. Approve Agenda

No action.

III. Review Meeting Minutes

A. August 22nd Board of Directors

M/S/P: Jansick, Vaillancourt to approve August 26th Board of Directors' Minutes as written. Passed unanimously.

B. August 15th Finance Team

M/S/P: Jansick, Haugen to approve August 19th Finance Team Minutes as written. Passed unanimously.

IV. Review of August Financial Statements – Finance Director

- In operations the EDA has \$86,772 in cash available, \$22,736 is reserved (proceeds of Warrior land sale)
- Year to date property tax revenue totals \$71,924.
- In the Economic Development Loan Fund we have \$81,817 in cash available.
- In addition we have a receivable of \$32,461 for work done of the Stritesky Property.
- Notes receivable total \$90,446 and all loans are performing as required.
- For the month we've had \$1,732 in loan prepayments.
- In the Downtown Revolving Loan Fund we have \$362,089 in cash, \$713,655 in loans receivable and \$150,000 invested in Capital Assets – 3rd Avenue lots.
- Loan repayments for the month totaled \$9,087 and total assets are \$1,225,744.
- In the MIF Loan Fund we have \$136,876 in cash available and outstanding loans totaling \$574,509.

- For the month we have received \$8,553 in loan repayments.

M/S/P: Haugen, Czmowski to approve the August financial statements as presented. Passed unanimously.

V. Director's Report

A. Cenex Redevelopment update

- The EDA's portion of work to be done on the Cenex Site is nearly done. Work still in progress includes the removal of the adjacent Les Kouba Parkway, removal of signs on the former road and resetting the curb flush with 3rd Avenue. The entire lot will be leveled and covered with soil from the industrial park. There are storm drains on the site that will remain the low points on the lot for proper drainage. Monitoring wells will also need to be put in place within the lot.

B. Industrial Park

- The Industrial Park project is at a stand still once again while Mr. Seppelt waits for a letter to proceed from the Federal EDA.. The federal grant is approved but final notice must be given for the work to begin. Contractors are still holding their bids. The land available in the industrial park will start appearing on the EDA's website for marketing efforts. Two lots will be assessed in order to cover the 20% required for bonding authority.
- Pending lot sales:
 - Warrior Manufacturing: 11-12 acres**
 - Hutchinson Utilities: approx. 3 acres**

C. County EDA

- The next workshop with the County Board will be on October 6th. Mr. Seppelt recently attended a township meeting to discuss the County EDA proposal with the townships associations.

VI. NuCrane Manufacturing

A. Project Update

- NuCrane Manufacturing will build large scale cranes which will operate within nuclear power plants. The cranes will be built to their entirety in the Hutchinson facility being built adjacent to Hutchinson Manufacturing. The cranes will be forty one feet off the ground and require a clearance of about 56ft inside the manufacturing facility. Products will be taken apart after completion and shipped worldwide. Mr. Daggett hopes to have operations starting March 1st of next year. NuCrane will initially offer 12-15 jobs with the potential to increase its payroll to nearly 50 within a few years. The jobs will be high-paying and offer benefits. JOBZ will be utilized on this project and possibly the Minnesota Investment Fund and an AG Loan as well.

B. Public Hearing

M/S/P: Viallancourt, Haugen to open public hearing. Passed Unanimously.

No comments were offered.

M/S/P: Haugen, Czmowski to close public hearing. Passed Unanimously.

C. Resolution

M/S/P: Czmowski, Jansick to approve EDA Resolution 2009-2, authorizing bonding up to \$4,845,000 for the Daggett Ventures II project (NuCrane Manufacturing). Passed unanimously. Marc Vaillancourt abstained from the vote.

VII. Grant & Loan Applications

Sign & Awning Grants

Crow River Eyecare Center **\$2,000**
225 Main Street South

M/S/P: Vaillancourt, Czmowski to approve the grant request, subject to the receipt of a second bid. Passed unanimously.

VIII. Other Business

- **Finance Team Addition**

The addition of Mr. Keith Fischer of Wells Fargo Bank to the EDA Finance Team was discussed.

It was agreed that Josh Gehlen of Home State Bank and Jeff Grant from First Minnesota Bank should be invited to join the Finance Team as well. Staff will visit with both individuals to see if they are interested.

M/S/P: Vaillancourt, Haugen to appoint Keith Fischer to the EDA Finance Team. Passed Unanimously.

- **SWIF Event**

The Southwest Initiative Foundation will be hosting an event speaker at the Morton, MN Casino, October 30th.

IX. Chamber Update

- Hutchinson Leadership Institute will start September 24-25. There are 21 participants so far this year.
- Business after Hours will be held Wednesday October 8th at New Century Charter School- New Discoveries Montessori.
- CEO Exchange (name not confirmed) – a business owners/managers roundtable will be kicking off in October.
- Ladies Passport Event will be held on November 6-7.

X. Set Next Meeting – October 28th

XI. Adjourn

The meeting was adjourned at 12:25 PM.

Respectfully Submitted,

Ryan Miller
EDA Assistant

EDA Board Meeting

Main Conference Room – City Center
11:30 AM Tuesday, October 27th, 2009

Meeting Minutes

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, Finance Director

Liaison

Bill Corby, Chamber President

I. Call to Order

Mr. Ulrich called the meeting to order at 11:34 AM.

II. Approve Agenda

No action.

III. Review Meeting Minutes

A. September 29th Board of Directors

M/S/P: Haugen, Vaillancourt to approve September 29th Board of Directors' Minutes as written. Passed unanimously.

B. September 23rd Finance Team

M/S/P: Jansick, Czmowski to approve September 23rd Finance Team Minutes as written. Passed unanimously.

IV. Review of September Financial Statements – Finance Director

- In operations the EDA has \$69,367 in cash available, \$22,736 is reserved (proceeds of Warrior land sale)
- Year to date property tax revenue totals \$71,924.
- In the Economic Development Loan Fund we have \$83,023 in cash available.
- In addition we have a receivable of \$32,461 for work done of the Stritesky Property.
- Notes receivable total \$89,551 and all loans are performing as required.
- For the month we've had \$1,206 in loan prepayments.
- In the Downtown Revolving Loan Fund we have \$367,547 in cash, \$708,872 in loans receivable and \$150,000 invested in Capital Assets – 3rd Avenue lots.
- Loan repayments for the month totaled \$9,087.
- In the MIF Loan Fund we have \$145,429 in cash available and outstanding loans totaling \$566,261.

- For the month we have received \$8,553 in loan repayments.

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

V. Director's Report

A. Cenex Redevelopment update

- Monitoring wells have now been installed by Braun Intertec. These wells will be in place for approximately six months, but could be in as long as twelve months. The site has already been given an "all clear" environmentally; these wells will just be in place to track the movement of any remaining underground contaminants. Black dirt from the Industrial Park will be arriving as soon as the weather allows.

B. Industrial Park

- The Industrial Park is now moving full steam ahead. The grant money and notice to proceed have cleared the final hurdle and the only obstacle now is the weather. Once the land is dry enough to move dirt around, work will begin and continue into the winter, again weather permitting.

C. NuCrane

- A sticking point has come up with the JOBZ status at NuCrane Manufacturing due to job creation numbers being significantly lower than what was originally thought. Staff is working with the company, DEED and the Department of Revenue to arrive at a solution.

D. Customer Elation

- Customer Elation has been doing very well and may be adding another 50 jobs in the first half of 2010. If so, Customer Elation may be looking for an equipment loan of about \$100,000.

E. County EDA

- The McLeod County EDA Exploratory Committee met with the County Board on October 6th for a second workshop. Items discussed at this workshop included: enabling legislation, an "opt-out" clause and also funding. The County Board asked the Committee to consider another workshop in December.

F. Stritesky Property

- Staff has been receiving inquiries about leasing out the Stritesky Property for 2010.

VI. Consider Appointment of Additional Finance Team Members

Following an invitation from staff, Jeff Grant of First Minnesota Bank and Josh Gehlen of Home State Bank have both expressed an interest in joining the EDA Finance Team. The Finance Team is recommending them for appointment.

M/S/P: Vaillancourt, Haugen to appoint Jeff Grant and Josh Gehlen to the EDA Finance Team. Passed unanimously.

VII. Industrial Park Land Sale

A. Warrior Manufacturing – 11.6 acres

Warrior Manufacturing will be purchasing 11.6 acres of land just north of their existing facility.

B. Hutchinson Utilities Commission – 3.09 acres

Staff has visited with members of the Hutchinson Utilities Commission to see if they might be interested in purchasing the 3.09 acre parcel immediately to the east of their existing property. HUC is interested in purchasing the property; however they are unwilling to consider paying assessments.

Staff has also visited with McLeod County Solid Waste and they may be interested in purchasing the property as well. Discussion followed. It was agreed to wait and see what McLeod County Solid Waste wanted to do.

VIII. Industrial Park Land Purchase – Hackbarth Property (5.65 acres)

There is a need for storm water drainage from the southeast corner of Energy Park to the County Ditch which lies several hundred feet to the south, across 5th Avenue. Initially it had been planned to acquire a drainage easement from Marvin Hackbarth along the east edge of his 5.65 acre lot. Discussions were underway; however he passed away in mid-summer. The heirs to the property do not wish to have a drainage easement across it, although they are willing to sell the property. Options for locating the drainage easement on the Knife River side of the property were discussed, as was the purchase of the remaining Hackbarth Property. Funding could come from the sale of land to Warrior.

M/S/P: Jansick, _____ to authorize up to \$30,000 per acre for the purchase of the property, on the condition that an immediate drainage easement be granted, and contingent upon City Council approval. Passed Unanimously.

IX. Grant & Loan Applications

Downtown Loan Program

\$14,720.00 10 years at 1.25%

Maria Oman (Dana's Dog Spa / All That Dance)

130 Main Street South – Roof Replacement

M/S/P: Gordon, Haugen to approve loan. Passed unanimously.

X. Other Business

▪ **Charter School**

The Charter School on 5th Avenue had wanted to put in an ice rink on EDA property. Due to legal issues this is not feasible.

▪ **Marc Vaillancourt**

Mr. Vaillancourt has taken a new job and will be resigning from the EDA Board. Similarly, Diane Gordon may be relocating, as also submitted her resignation.

The Board thanked both Ms. Gordon and Mr. Vaillancourt for their years of service to the community.

Discussion of possible nominees to fill the two vacancies ensued. Staff noted that it is necessary to publicly advertise any vacancies.

M/S/P: Jansick, Gordon to direct staff to visit with Daron VanderHeiden and Mike Retterath to see if they have an interest in serving on the EDA Board of Directors. Approved unanimously.

Nominations will be considered at the next regularly scheduled meeting of the EDA Board.

XI. Chamber Update

- November 10 – Chamber Link Luncheon – Kathy Schwantes, at Ridgewater College
- Holiday Sampler – November 12, 5:00 - 7:00 P.M. at the Hutch Event Center
- The third annual Passport to Hutchinson will be held November 6 -7.
- Business Compass will be held on November 4th & 18th.

XII. Set Next Meeting – November 25th

XIII. Adjourn

The meeting was adjourned at 12:50 PM.

Respectfully Submitted,

Ryan Miller
EDA Assistant

EDA Board of Directors

Minutes of Special Meeting 12 PM, Friday, October 30th, 2009

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, Finance Director

I. Call to Order

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

II. Approve Agenda

No action.

III. Hackbarth Land Purchase

The Hackbarth's have indicated a willingness sell the remaining 5.65 acres of their property.

The Board discussed the situation; key points included:

- The need for the property for the Energy Park project (for a storm water outlet)
- Costs for an alternative solution would be in the range of \$46,000 to \$66,000
- The EDA can utilize funds from the pending land sale to Warrior Mfg.
- Ultimately the property will be resold and the investment recovered.

M/S/P: McGraw, Czmowski to authorize up to \$30,000 per acre for the purchase of the remaining Hackbarth Property, contingent upon being granted an immediate construction easement for the Energy Park project and contingent upon City Council approval. Passed unanimously.

IV. Other Business

A. Director's Update

- **NuCrane Manufacturing**
 - EDA staff has discussed the JOBZ situation with both Tom Daggett & Sherie Landrud. A new JOBZ agreement should be in place within a couple of days.
 - The city's MIF application for \$500,000 on behalf of NuCrane should be decided by DEED within a few days.
 - Staff is currently putting together a loan application to the Mid-Minnesota Development Commission on behalf of the NuCrane project.

- **SONOCO**
 - Staff has received an inquiry about finding 10,000 – 15,000 square feet of manufacturing space for SONOCO. Plans would be to lease space initially and potentially do a building project next year.
- **Cenex Site Redevelopment**
 - Topsoil is being placed on the Cenex site but wet weather is slowing down the process.

B. EDA Board Vacancies

Staff reported that letters of resignation have been received from both Marc Vaillancourt and Diane Gordon. Marc has taken a new position in St. Cloud and Diane may shortly be relocating to Colorado.

The process to fill vacancies is to publically advertise, after which the EDA Board will make recommendations to the Mayor for official action. The City Council confirms appointments.

M/S/P: Jansick, McGraw to accept the resignations of Marc Vaillancourt and Diane Gordon from the EDA Board of Directors. Passed unanimously.

V. Adjourn

With no further business to attend to, the meeting was adjourned at 12:34 PM.

Respectfully Submitted,

Miles R. Seppelt
EDA Director

EDA Board Meeting

Main Conference Room – City Center
11:30 AM Wednesday, November 25th, 2009

Meeting Notes

Members present in **bold**.

Members

Tim Ulrich

Chad Czmowski

Steve Jansick

Jim Haugen

Mike McGraw

Staff

Miles Seppelt, EDA Director

Ryan Miller, EDA Assistant

Jeremy Carter, Finance Director

Liaison

Bill Corby, Chamber President

- I. Call to Order
Note: Due to the lack of a quorum, no official meeting took place. Staff provided updates.
- II. Approve Agenda
No action.
- III. Review Meeting Minutes
 - A. October 27th Board of Directors
 - B. October 30th Board of Directors (Special Meeting – Hackbarth Land Purchase)
 - C. October 21st Finance Team
- IV. Review of October Financial Statements – Finance Director
 - Cash available for operations is \$65,968
 - The Economic Development Loan Fund has \$83,703 in cash available and assets totaling \$205,159.
 - The Energy Loan Fund has \$379,818 in cash available, \$698,349 in loans receivable and has assets totaling \$1,228,167.
 - \$12,421 was received in loan payments towards the Energy Loan Fund.
 - The MIF Loan Fund has \$153,962 in cash available, \$500,000 in grants receivable and \$558,007 in loans receivable. Total assets are \$1,211,969.
 - The MIF Loan Fund collected \$8,553 in loan repayments in November.
- V. Director's Report
 - A. Cenex Site Redevelopment – DONE
All site work is complete. A final plat combining all the lots into one is being finalized.
 - B. Industrial Park
The good weather in November has allowed dramatic progress to be made in construction. Most of the underground pipes are in and four of the five storm water

ponds have been dug. Construction for this season should be complete by mid-December. Starting about May 1st there will be about 90 days of road construction and the entire project should be complete by August 1, 2010.

C. Company "X"

Staff has provided the company with additional information about the industrial park. It looks like the project is on the "front burner" again.

D. NuCrane

The JOBZ issue has been resolved and NuCrane can go forward on the basis of 20 jobs being created over the next two years. Building construction is moving ahead rapidly and the company is on schedule for a late spring start of production.

E. County EDA

Staff has prepared a draft enabling resolution, job description for the county EDA director and a potential list of projects the county EDA would work on. If possible, another workshop will be held with the EDA exploratory committee in December.

F. Real Estate Transactions

- Warrior – closing on the property sale should take place in a week or two.
- Purchase of remaining Hackbarth property – Purchase agreement is signed.
- McLeod County Solid Waste – may be interested in purchasing the 3.09 acre lot.

VI. EDA Board Membership

~~**A. Recommendations to fill vacant seats (2)**~~

The City Council appointed Mike Retterath and Daron Vanderheiden to the EDA Board at its meeting last evening. A recommendation from the EDA Board is therefore unnecessary.

B. Recommend reappointment of Steve Jansick (1st full 6-year term)

Mr. Jansick is at the end of his term and will have to be reappointed by the City Council.

VII. Lease of Stritesky Property (accept high bid)

One bid was received for the lease of the Stritesky Property in the amount of \$227.20 per acre from Mr. Randy Luthens. This will provide the EDA with \$16,670 of rental income for 2010.

VIII. MIF Loan for NuCrane Manufacturing (set terms)

The Finance Team is recommending an interest rate of 2% for the equipment loan of \$500,000 to NuCrane, with the option of a seven or eight year loan term.

IX. Additional Infrastructure for Industrial Park

Due primarily to the acquisition of the remaining 5.65 acre Hackbarth parcel it will be necessary to build additional infrastructure to service that lot and the one immediately to the north of it. Staff is proposing to pay for this additional infrastructure with proceeds from the lot sale to Warrior Manufacturing. The "per acre" price of both lots would then be set at \$35,000 (with no assessments) so as to recoup this cost.

X. Grant & Loan Applications

Sign & Awning Grant Program

Corey Ninneman – Complete Self Defense \$1,300
126 Main Street South

XI. **Other Business** – None.

XII. **Chamber Update**

Bill Corby, Chamber President, provided an update on current Chamber activities.

XIII. **Set Next Meeting – December 23rd**

XIV. **Adjourn**

Respectfully Submitted,

Miles R. Seppelt
EDA Director

EDA Board Meeting

Main Conference Room – City Center
11:30 AM Wednesday, December 23rd, 2009

Meeting Minutes

Members present in **bold**.

Members

Tim Ulrich
Chad Czmowski

Steve Jansick
Jim Haugen

Mike Retterath
Mike McGraw

Daron Vanderheiden

Staff

Miles Seppelt, EDA Director
Ryan Miller, EDA Assistant
Patrick Brama, EDA Assistant
Steve Heintz, Assistant Finance Director

Liaison

Bill Corby, Chamber President

I. Call to Order

Tim Ulrich called the meeting to order at 11:37AM.

II. Introductions

- A. New Board Members**
 - Mike Retterath
 - Daron Vanderheiden
- B. New Intern – Patrick Brama**

Introductions were made of the new EDA Board members as well as the new EDA intern. The Board thanked Ryan Miller, the outgoing intern, for all his good work and wished him well.

III. Approve Agenda – No action.

IV. Review Meeting Minutes

A. October 27th EDA Board of Directors

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

B. October 30th EDA Board of Directors (Special Meeting – Hackbarth Land Purchase)

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

C. October 21st Finance Team

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

D. November 25th EDA Board of Directors (notes only)

M/S/P: Jansick, Haugen to accept the notes as presented. Passed unanimously.

E. November 18th Finance Team

M/S/P: Czmowski, Retterath to approve the minutes as written. Passed unanimously.

V. Review of November Financial Statements – Finance Director

Assistant Finance Director Steve Heintz presented the November EDA financials:

- Operations had a total of \$62,137 in cash available. \$33,008 was unreserved and \$22,736 was reserved for future land purchases, being proceeds from the sale of land to Warrior Mfg. in 2005.
- For the month, \$5,730 in revenue was received and expenditures totaled \$10,114 – primarily salary expense.
- The Economic Development loan fund has \$85,435 in cash available, loans receivable totaling \$62,747 and \$25,000 on deposit with MCCF. Loan repayments totaled \$1,732 for the month.
- The Downtown Loan Fund has \$387,644 in cash available and loans receivable totaling \$691,786. Loan repayments totaled \$8,175 for the month.
- The MIF loan fund has \$162,535 in cash available and loans receivable totaling \$549,748. Loan repayments totaled \$8,553 for the month.

M/S/P: Retterath, Haugen to accept the financial report as presented. Passed unanimously.

VI. Director's Report

Staff provided an update on the status of current projects:

A. Industrial Park – nearly DONE

- Fall construction on the new industrial park is essentially complete.
- The only remaining item is to complete the storm water connection beneath 5th Avenue.
- Construction should pick up again approximately May 1st with about 90 days of street construction.
- The entire industrial park should be completed by August 1st, 2010.

B. Warrior Mfg. Land Sale – DONE

- The sale of industrial park land to Warrior Mfg. has been completed.

C. Hackbarth Property – closed 12/18

- The purchase of 5.65 acres from the Hackbarth's was completed on December 18th.

D. NuCrane Manufacturing

- Construction on NuCrane's 51,000 sf building is about a month ahead of schedule.
- The company is in the process of ordering equipment.
- NuCrane hopes to begin manufacturing operations by late spring, 2010.

E. County EDA

- Currently a January meeting of the County EDA exploratory committee is planned to begin reviewing several items as requested by the County Board.
- A draft enabling resolution, budget, project list & staff job description has been prepared.

F. Company "X"

- Staff has not received any update from the company.
- Mike Retterath indicated that meetings between the company and 3M were continuing and that there should be some activity in January.

G. Board of Directors Compensation

- Board member annual compensation was distributed.

VII. Ratify November Agenda Items

Because there was no quorum, and hence no official meeting in November, several actions were made official by a vote of the full EDA Board. Staff provided a very brief explanation of each item:

A. Lease of Stritesky Property (accept high bid)

M/S/P: Jansick, Haugen to accept a bid of \$227.20 per acre (totaling \$16,669.66) from Randy Luthens for the rental of the Stritesky Property. Passed unanimously.

B. MIF Loan for NuCrane Manufacturing (set terms)

M/S/P: McGraw, Czmowski to set the loan terms for the \$500,000 MIF loan to NuCrane Manufacturing at 2% for 8 years, per the recommendation of the EDA Finance Team. Passed unanimously.

C. Additional Infrastructure for Industrial Park

M/S/P: Haugen, McGraw to approve utilizing proceeds from the sale of land to Warrior Mfg. to pay for additional infrastructure in the industrial park and to recoup the investment by setting the price of the two industrial lots fronting 5th Avenue at \$35,000 per acre. Passed unanimously.

D. Grant Application (Sign grant: Complete Self Defense / 126 Main Street South / \$1,300)

M/S/P: McGraw, Retterath to approve the sign grant. Passed unanimously.

VIII. EDA Board Membership – Recommend reappointment of Steve Jansick (1st full 6-year term)

Steve Jansick's term on the EDA Board is up at the end of the year and he will need to be reappointed by the City Council.

M/S/P: McGraw, Haugen to recommend that the City Council reappoint Mr. Jansick to a new 6-year term. Passed unanimously.

IX. Land sale to McLeod County Solid Waste

The sale of 3.09 acres in the industrial park to McLeod County Solid Waste was discussed. They have concerns over the EDA's asking price for the lot.

The development potential of the lot was also discussed. Even with the gas pipeline easement that is present, there is sufficient room for a 20,000 + sf building on the site.

It was agreed that this topic will be revisited at a future EDA meeting.

X. Economic Development Loan Fund – Loan Application

An early stage company called NEW EDGE is seeking funding for working capital / inventory. The company has developed a new type of lawn mower blade that features replaceable plastic edges. It is proposed that the actual manufacture of the blades & tips be done in China, due to lower costs. The total project is \$105,000; with \$35,000 being requested from the EDA. Home State Bank and the Southwest Initiative Foundation are the other projected funding partners. They have each approved their loans to the company.

Job creation in the US would consist of the owner and potentially some warehouse / shipping help. It was noted that there is no apparent patent protection for the product. There was no collateral available for the EDA loan.

After discussion, the Board took no action – the loan request was not approved.

XI. Cenex Site Redevelopment – Final Report / Next Steps

Staff provided a final report on the costs incurred in the acquisition and clean-up of the Cenex and Wright properties on 3rd Avenue NW. To date, the EDA has \$194,008.56 invested in the site from the downtown revolving loan fund, and the city has \$150,000 invested from its Community Improvement Fund.

One item to be resolved is the amount of compensation due to the McLeod County Rail Authority for the 1.75 acres of former railroad right-of-way that is to be included in the final plat of the site. The city purchased all of the railroad right-of-way within city limits from the McLeod County Rail Authority on a contract-for-deed back in 2004 and is making \$30,000 annual payments for 19 years. Thus far, five years have been paid with 14 remaining.

To complete the re-platting of the site, it will be necessary to obtain a partial mortgage release from the Railroad Authority.

Based upon the purchase price and the number of acres acquired by the city, it was determined that the price for the railroad right-of-way was \$32,967 per acre. This works out to \$57,692 for the 1.75 acres the EDA desires to add to the redevelopment site. Payment would be due to the rail authority at the time the property was sold.

Discussion followed about the desirability of having the area replatted into one lot so as to have the property as ready as possible for sale and redevelopment.

Further discussion will take place at a future meeting of the Board.

XII. Disposition of TIF District 4-15 (former Goebel Property)

Several years ago steps were taken to establish TIF district 4-15 on the former Goebel property to provide part of the financing for a joint EDA / Nordic Components building project.

Ultimately, the project did not move forward. No projects are currently planned for the site, and the TIF District is not serving any useful purpose.

M/S/P: Jansick, Haugen to take down TIF District 4-15. Passed unanimously.

XIII. Discussion of potential 2010 projects

Proposed 2010 EDA projects were discussed. Board members were asked to notify staff if they wanted any changes or additions made to the proposed program of work.

XIV. Grant & Loan Applications

Sign & Awning Grant

State Farm Insurance – Kim Kotzer
132 Main Street South

\$2,000

M/S/P: Haugen, Czmowski to approve the grant request, subject to the required second bid being obtained. Passed unanimously.

Storefront Revitalization Matching Grant

Dostel Electronics – Larry Dostel
147 Main Street South

\$1,050

M/S/P: Jansick, Retterath to approve the grant request. Passed unanimously.

XV. Other Business

- Miles will be on vacation January 1st – 10th

XVI. Chamber Update

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

XVII. Set Next Meeting – January 27th

XVIII. Adjourn

With no further business to attend to, the meeting was adjourned at 12:56 PM.

Respectfully Submitted,

Miles R. Seppelt
EDA Director