

Sleepy Eye Economic Development Authority Meeting Minutes

August 28, 2018

Mission Statement: The mission of the Sleepy Eye Economic Development Authority is to maintain and improve the community through the retention and growth of business, industry and services.

Board Members Present: Gary Windschitl, Kathy Haala, Nate Stevermer, Mike Carr, Joann Schmidt, Mike Schmid, Dan Schmid, Mike Carr

Advisory Board Members Present: Kurk Kramer, Christina Andres, Mark Kober

Special Guest: Wayne Pelzel

Absent: None

- A. **Call to Order:** The meeting was called to order by President Kathy Haala at 12:01pm on August 28, 2018.
- B. **Approval of Agenda:** M/S/C Gary, Mike S.
- C. **Approval of July Minutes:** M/S/C Gary, Mike S.
- D. **Financial Report:**
 1. **RLF Report:** As Written
 2. **DRIP Report:** As Written
 3. **Active EDA Resources Report:** As Written
- E. **Approval of Bills:** NONE
- F. **EDA Coordinator's Report:** As Written; Kurk also included the Downtown Visioning Meeting Results. He informed the Board that he will be putting these results on the City website so the public can view them.
- G. **Chamber Director Report:** As Written; Christina took the time to reiterate the success of the Buttered Corn Days weekend and to hear feedback from any Board members. She informed the Board that they will be having a BBQ meeting on Thursday to bolster the success of the Rib-cook off. Overall the extra promotion, made possible by the Lodging Tax revenue, was evident in the increased numbers this year.
- H. **Old Business:**
 - 1) **Paul Warshauer Renovation Plan Discussion** – Kurk reported that at the August City Council meeting, the proposal by Mr. Warshauer was not accepted by the City Council vote.
 - 2) **Update Status of Mayma's Delinquent Account** – Kurk is waiting to hear back from Alissa on an update.
 - 3) **Update Little Sprouts Learning Center** – see New Business; also the St. Mary's prospective location is no longer an option. DHS requires main floor occupancy when housing infants and toddlers. The St. Mary's location is a second floor setting.
 - 4) **Students & Downtown Revitalization Reps as Advisory EDA Board Members** – Kurk put together a more comprehensive criteria & guidelines agreement based off of the paperwork handed out in August for both Students and a member(s) of the Downtown Revitalization group. Motion to accept the criteria & guidelines paperwork, pending City Attorney's, for both students and a member of the Downtown Revitalization group approval made by Mike. Motion failed for lack of a Second.
Accept the criteria & guidelines paperwork, pending City Attorney's approval, for High School student(s) to sit as an Advisory Member of the EDA Board. **M/S/C Mike C., Dan**
 - 5) **Housing Meeting w/Herzog Reps** –Kurk talked about the Housing meeting with Samuel Herzog and Troy Johnson from Herzog Enterprises. The EDA Board, Mayor Pelzel, Mark, Sara Hornbrook, Brent Kucera, Chad Mathiowetz, Dave Haala and myself. It was a very informative meeting, and afterwards Kurk gave Samuel and Troy a tour of Sleepy Eye and also discussed a few other items with them regarding location and other related information they wanted to know about. He also sent Samuel the Soil Boring Report for the Snow Second Addition and asked him what the procedure was for getting the group of possible investors together to discuss the project.

- 6) **Sign Awning Program Guidelines** – Dean Mathiowetz approached the EDA Board in regards to upgrading the HS State Championship signage on Main St. (Hwy 4 & 14 intersection). He has received a bid cost of \$5349.00 from Sid's Signs on Broadway and has asked if this is something that would fall under the Sign & Awning Program. Kurk sent out the requirements to the Board and after review the Board agrees this would qualify as an S&A project. The motion was made stating that Dean Mathiowetz / the 'Business' will contribute 25% of the funding, which in this case would amount to \$1337.25. The remaining 75% or \$4011.75 would be covered under the Sign & Awning Program for new HS State Championship signage, once the 25% is secured by Mr. Mathiowetz. **M/S/C Mike C., Dan**
- 7) **EDA Assistance/Applications Still Pending**
 - a) **BJ's Salon Application (SPFCU)** – September installation

I. New Business

- 1) **Discussion/Decision on LSLC Loan Application & Structure** – see loan packet; based on the LSLC loan packet information and a lengthy discussion amongst the EDA Finance Committee and Board members, it was the agreement by the Board to: Assist the Little Sprouts Learning Center, LLC. granting up to a \$100,000 line of credit loan (subtracting & considering the \$53,000 already given) available until 6/1/2019 at a 1% interest rate. These funds are to be used for working capital (bills, facility operations, etc.) and any advances must be approved by the EDA and a monthly P&L and Balance sheet must be provided. After 6/1/2019 the incurred loan balance matures to a term-loan with monthly payments of \$400 are to be received from Little Sprouts Learning Center, LLC. **The following is the motion made by Mike Schmid at the meeting: To grant LSLC a \$100,000 line of credit with an interest rate of 1% and a maturity of June 1, 2019. Funds should be advanced to cover the existing payments we have made for LSLC estimated at \$53,000 and working capital. LSLC can request funds from the EDA by providing documentation as required by the Finance Committee. Documentation would typically be monthly Profit and Loss statements, Balances sheet and large bills to be paid. All advances to be approved by the EDA. After maturity the balance of the line of credit would be converted to a term loan at an interest rate of 1% with monthly payments of \$400.00.**
- 2) **Consideration by EDA Board to have a Special Quarterly EDA Meetings** – The Board agreed that with so many issues and projects presently set before the EDA that our monthly meetings weren't allowing for adequate attention to proper discussion. Therefore, the Board has agreed to also begin Quarterly meetings, beginning at 4pm to help cover the various topics and plans moving forward. This is in addition to the monthly meetings already taking place. **1st Quarterly Mtg – Sept 24th @ 4pm (Railway)** This first meeting will also include the topics for the monthly EDA meeting set for Sept 25th. The Blight Committee representatives will also be invited to this meeting.

Adjourned: at 1:20pm.

Next EDA Board Meeting meeting will be **Monday, September 24th** – 4pm @ Railway