

# Minutes of the Regular Meeting Wednesday, July 6 • 2016

PINE ISLAND ECONOMIC DEVELOPMENT AUTHORITY  
EDA Office • 106 2<sup>nd</sup> St SW • Pine Island, MN • 5:00 pm



1. **Call to Order:** Lennie Broich called the meeting to order at 5:00 p.m.

**Members Present:** Mike Kaye, Rick Keane, Rod Steele, Leonard Broich, and Joel Knox

**Others Present:** EDA Director Nate Carlson, Barney Nesseth

**Members Absent:**, Jason Andrist and Troy Kuball

**Mr. Barney Nesseth gave a brief introduction of who he is and why he is attending the Pine Island EDA meeting. Mr. Nesseth is seeking election for the Goodhue County Commissioner District 3. He gave a detailed account of the actions he would take if elected commissioner. The Board appreciated his attendance and welcomed further dialogue from Goodhue County.**

2. **Approval of Minutes:**

\*\* **Motion** to approve the regular meeting minutes of June 1, 2016 made by Steele; second Kaye.  
Passed 5-0-0

3. **Financial Report:**

\*\* **Motion** to accept the Financial Reports for June 30, 2016 made by Knox; second Keane.  
Passed 5-0-0

EDA Director Carlson updated the Board on the new Checking account that has a balance of \$7,080.91 as of 6/30/16.

4. **Revolving Loan Report:**

EDA Director Carlson updated the Board that all loans are paid up to date except for 2 loans that need further investigation. Director Carlson will give an update at the August EDA Regular meeting.

\*\* **Motion** to accept the Loan Report dated June 30, 2016 made by Keane; second Knox.  
Passed 5-0-0

5. **EDA Loan Request**

Director Carlson informed the Board that the EDA Loan Committee convened due to a loan application being submitted. The Loan Committee met on June 28th at 2 pm. The following is the recommendation:

**Approval of \$30,000 loan from the City-Wide Development Loan Fund contingent upon the EDA Director following up with Applicant regarding some clarifications requested by the Loan Committee. The Loan will be at an interest rate of 4.5% for a 10-year term with a 5-year balloon. The collateral offered would be 2nd Lien position on the mortgage of the building. Additionally, the loan repayment shall be set up on automatic payments through direct deposit. The business must remain in Pine Island City Limits for the duration of said loan.**

Director Carlson drafted Resolution 16-003 in preparation for possible loan approval by the EDA Board. The detailed credit memo is included in said resolution.

**\*\* Motion** to approve the recommendation from the Loan Committee regarding Mr. Wobig's loan request of \$30,000 for the gap financing needed to purchase a Pine Island Commercial building per the terms described in Resolution 16-003; which authorizes the EDA Executive Director to proceed with processing the loan and the loan documents made by Steele; second Knox. Passed 5-0-0

## **6. EDA Loan Revision**

Director Carlson informed the Board that the EDA Loan Committee convened due to the grace-period for Mr. Mecikalski's loan coming to an end. The Loan Committee met on June 28th at 2 pm. The following is the recommendation to proceed:

- **Mr. Mecikalski has until December 1, 2016 to relocate his business within City Limits; after that time, the EDA shall recall the loan.**
- **Should Mr. Mecikalski fail to make a payment on time during the period of July 6th until December 1st, 2016, the EDA shall recall the loan.**
- **Mr. Mecikalski shall set up an automatic payment through direct deposit into City funds; should any payment fail during the designated time frame, the EDA shall recall the loan.**
- **Should Mr. Mecikalski fail to communicate with EDA Director in a timely manner, the EDA shall recall the loan.**
- **Mr. Mecikalski shall provide a month to month sales receipt for the past 12-months of the business.**

**Mr. Mecikalski's alternative is to pay off the principal of the loan with no added interest.**

**\*\* Motion** to approve the recommendation from the Loan Committee regarding Mr. Mecikalski's outstanding loan made by Steele; second Keane. Passed 5-0-0

## **7. Director's Report:**

EDA Director Carlson briefly discussed the highlights of Pine Island business and economic development activities and answered the Board's questions.

- Additional handouts in the Board's packet:
  - June EDA Activity
  - 6/21/16 EDA Council Report

## **8. Old Business**

- **Downtown Residential Development (DRD) Project** - No update at this time.
- **Proposed Residential Research Project** – No update at this time.
- **Oronoco/Pine Island Joint Wastewater Task Force** - No update at this time.
- **A&W Reuse** - Director Carlson informed the board on the progress of the reuse of the A&W building. There is an interested restaurateur who is interested in the building.

## **9. New Business**

- **Director Carlson Absence 7/13 - 7/18** - Director Carlson will be taking time off for his upcoming wedding.

## **10. Meeting Adjourned – 6:00 p.m.**

*Respectfully submitted: Nate Carlson, EDA Executive Director*