

**THE MEETEING OF THE PRINCETON EDA BOARD HELD ON APRIL 21, 2011, AT 6:00 P.M.,
AT THE CITY HALL COUNCIL CHAMBERS**

Paul Whitcomb called the meeting to order at 6:03 P.M. Members present were Thom Walker, Grady Clark, Ben Hanson, Cindy Riddle, Victoria Hallin, and Charles Snustead. Staff present were Mark Karnowski and Mary Lou DeWitt.

APPROVAL OF MINUTES FROM THE REGULAR MEETING ON MARCH 17, 2011

RIDDLE MOVED, SECOND BY HALLIN TO APPROVE THE MINUTES FROM THE REGULAR MEETING ON MARCH 17, 2011. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED BUSINESS: None

NEW BUSINESS:

A. Hy-Tech Automotive Revolving Loan Application

Wayne Nelson, owner of Hy-Tech Automotive is present to ask the EDA Board to review his request for funding from the City of Princeton Revolving Loan Fund. Nelson would like to purchase equipment for the shop that would total \$24,005.94.

There is approximately \$94,000 in the Revolving Loan Fund. At the February 17, 2011, EDA Board meeting, Heide Burns owner of Madre Loca Restaurant requested \$24,187.60 to purchase equipment and a security system. The EDA Board approved the loan request, and has forward it on to the City Council for approval. The paperwork is with the City Attorney and has not been reviewed by the City Council as of yet. If the Council approves the loan it would bring the remaining funds to approximately 69,812.40.

Nelson told the EDA Board that he has a partner who runs their Milaca shop and he oversees the Princeton shop. They have had the Princeton location since 1998. The business has grown and they need to modernize the equipment. Nelson explained the itemized list he presented to the EDA Board. The tire changer would help expand their business and allow them to do a 24 inch rim. That is the largest purchase on the list. The hoist is used to lift vehicles up in the air so the mechanic can work underneath the vehicle. The two they have in the shop are 15-20 years old and he would like to replace those with new ones that are OSHA compliant. Trucks are very difficult to lift. The adaptor kit lifts the big trucks. The welder is for fabrication on exhaust systems. The one they are using is 14 years old. The engine hoist lifts engines out. The one they are using now Nelson built in high school. The hose reels are for safety and efficiency. Spin Jack is also helpful with safety and efficiency. The big fan would help with cooling the shop in the summer. The drill press is used for fabrication and ease of metal. The garage door openers they have now do not have eyes where they would not stop if someone were to walk under the door coming down.. They would replace all four. The Snap On Solus Pro is a scan tool. The one they have now is very hard to use and this one all employees would be able to use it. Only one employee is able to use the current one.

Hallin asked if they would be increasing their hours of being open.

Nelson said yes, they would like to stay open one evening a week and be open on Saturdays. He currently is not open any evenings or on Saturdays and he would like to give that service to his customers. He is looking for someone to manage their office now and that person would work on the Saturdays.

Walker asked Nelson to explain not currently being OSHA compliant at the shop.

Nelson said the hoist is not safety compliant. He has not had OSHA in his shop and hopes never too, but he would like to be in compliance with OSHA. They are very fussy with cords on floor where people could trip over. The hoist is the biggest problem with no safety locks on it. The fans are for comfort. They have ventilation for the fumes, but the fan would be for comfort.

Walker asked how committed he would be on the new job positions.

Nelson said an office person will be hired. The tire position he would like to make a full time position. Currently that is a part-time position. If he opened on Saturday there would be one or two working with office manager. He would like to put a detail shop in one service stall. If he were to do that he would hire another person. He has nine employees. He heats the building by used oil which is MPCA approved. That has been a big savings.

Clark asked what would happen to old hoist.

Nelson would take one to his shop at home and the other sell. The tire replacement he would keep just as a backup.

Riddle asked on their business financials.

Nelson had last years with him. He would be open to a 15-20 year amortization loan.

Snustead suggest a five year loan.

Walker commented the larger items could be security on the loan, but not the smaller stuff.

Whitcomb mentioned that Madre Loca being a new business could be a little more of a risk then this one. Hy-Tech has been in business quite some time.

Nelson will bring the application for the Revolving Loan Fund along with the gross margins that were asked for to City Hall for the May EDA Board meeting. Nelson was asked on the MPCA requirements with the used oil and other fluids that are discarded cause any issues. Nelson said the State does not require any special permits for day to day operations. He has not needed any permits for waste in the past ten years. All of their waste is disposed of properly. He will bring in paperwork that shows they dispose of their waste per requirements.

The EDA Board thanked Nelson for going over his operation with them and will see him next month to review his Revolving Loan Application.

After Nelson left the EDA Board discussed the Revolving Loan more. Hanson said with the Revolving Loan Fund that there should be conditions on a time period of when the loan should be closed so we do not have it hanging out there where someone else could have gotten the

loan instead. One more loan and we may cap the fund out so how about loaning a third of what is left so it is not empty.

Walker suggested setting a cap at \$25,000 for loaning amount. Hallin liked that suggestion.

Some of the EDA Board members said not to set a cap and wait on the situations that come for a loan.

Riddle likes the 60 -90 days closing period on a loan.

Hallin said the agreement with Hy-Tech has to state that the equipment stays here. Not to go to their Milaca shop.

Hanson asked what if he moved his business to another area, would the loan come due. EDA Board agrees that it should come due. Hanson just wants more wording in the agreement that protects the funds that the City gave.

Karnowski will ask the City Attorney where he is at with the Agreement with Madre Loca. He will also ask if there could be wording in the Revolving Loan Agreement that they have to keep the items purchased with the loan at their business in the City of Princeton.

OLD BUSINESS: None

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comment.

B. Verbal Report

Karnowski said they will start the interview process for the Community Development position.

C. City Council and Planning Commission Minutes for March, 2011

The EDA Board had no comments.

SNUSTEAD MOVED, SECOND BY HANSON TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 7:25 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assistant