

**THE MEETING OF THE EDA BOARD HELD ON SEPTEMBER 15, 2016, AT 6:00 P.M.,  
AT THE CITY HALL COUNCIL CHAMBERS**

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The meeting was called to order at 6:10 P.M., by Thom Walker. Members present were Charles Snustead, Troy Minske, and Victoria Hallin. Staff present were Jolene Foss (Comm. Dev. Director) and Mary Lou DeWitt (Comm. Dev. Assistant).

Absent was Genny Reynolds and Sharon Sandberg.

**AGENDA ADDITIONS / DELETIONS:**

Foss added to New Business, Item B, MN Department of Employment and Economic Development.

HALLIN MOVED, SECOND BY WALKER, TO ADD TO THE AGENDA UNDER NEW BUSINESS, ITEM B, MN DEPARTMENT OF EMPLOYMENT AND ECONOMIC. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

**APPROVAL OF MINUTES FROM REGULAR MEETING ON AUGUST 18, 2016**

HALLIN MOVED, SECOND BY WALKER, TO APPROVE THE MINUTES OF AUGUST 18, 2016. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

**UNFINISHED / OLD BUSINESS:**

**A. Youth Apprenticeship Program**

Foss said she spoke with Julia Espe and Espe said the School District is interested in this program and is having someone from there look into it more and setup a meeting.

Snustead asked what type of apprenticeship it would be for.

Foss said probably health care or manufacturing. Central MN Manufactures Association will be involved.

**B. Ascend Aviation**

Community Development Director Memo:

Jason Erickson, Ascend Aviation, met with City Staff and Airport Engineer to discuss the needs that they have for expansion.

It looks like they would like to build a 100 x 100 square foot hangar for the hands on instruction. This would be located on the Airport property. They also are interested in leasing space at the Flight Service Station Building for classroom instruction.

They told us that they are looking to offer a 1 year Aircraft Maintenance Technician (AMT) School licensure which would be the only one in a five state region.

The program would provide instruction for 30-50 students at a time. The program would attain accreditation after 2 years.

There was a lot of interest on their part and City Staff is eager to work with them to help move this project along.

Jason did have a concern regarding housing for the students. I am reaching out to our local builders and planning to meet with them and discuss more closely options for provision of housing.

\*\*\*\*\*End of Staff Memo\*\*\*\*\*

Foss said this information was not to be let out. Jason Erickson called her after the packets went out and asked her not to share this information. So Foss is asking those present to not mention this outside the meeting either. He is now looking at building a 120 x 120 square foot hangar. Water in the building would be needed in case of a fire. He might have to build two small hangers instead of a large one.

Snustead asked if he will be under the direction of any other facility.

Minske said he would be on his own.

Snustead said it has to be under a University or MNSCU.

Foss said she will ask. Housing is a concern. There is not enough housing in town. She will reach out to Winkelman and Howard to see if they are interested in building an apartment. Erickson said he has not spoken to Maple Lake in regards to leaving their facility.

**NEW BUSINESS:**

**A. Jordan Zeller – East Central Regional Development Commission**

Jordan Zeller introduced himself. He said East Central Regional Development Commission (ECRDC) was founded in 1973. It serves Chisago, Isanti, Kanabec, Mille Lacs & Pine Counties. The Commission is composed of one City, Township, County & Public interest from each County, plus two School Board representatives and Tribal plus cities over 10,000 in population. The departments include transportation, Community Development and Economic Development.

Zeller said he does the Economic Program. He can bring Federal EDA grants to the public. They have brought in 8.9 million for grants. He has worked for several projects in Princeton, but none of them were used. He understands the Industrial Park is in Sherburne County and that is not a problem. The grants can be used for infrastructure, like roads and such. This would have to benefit more than one property owner. There is a lead up time of six months to a year. Some engineering cost can be used.

They also have the ECRDC Revolving Loan Fund. These loans are used to create or retain permanent, private sector full-time jobs in the region. Eligible costs to use the loan funds would be acquisition and improvements of land, buildings, plant, and equipment. It can be used for new construction or renovation of existing facilities, demolition and site preparation, and machinery purpose. Cost that would not be eligible would be professional fees, acquisition or improvements of real property for subsequent leasing. The participation criteria is where the traditional financing opportunities have been exhausted, leverage new investment by a local lender, borrower's equity contribution of at least 10% of the total project costs, and the goal is to create or save one full time job for every \$10,000 in Loan Fund dollars. The average loan is 3-5 years and the maximum loan is no more than 49% of the costs of a project that does include local bank participation.

Zeller said they have \$100,000 in cash. They did partner with the City of Princeton for a loan that was approximately \$125,000 and that loan went bad. So the lending limit is \$60,000 now. They do GAP financing. Interest rates will be close to market 5.5%. They have the dollars to lend. Brian Anderson at Princeton Bremer Bank is on their loan board. If there is a project trying to get financing, give him a call and see if they can help. The bank does need buy-in on the loan.

Foss told Zeller that we have a small Revolving Loan Fund. We have had a couple that have defaulted and one of the EDA Board members had brought up that we may want to have more experienced people looking at our loan packages that are being requested.

Zeller said he would be happy to help with a better loan procedure.

Walker said a checklist would be good. Walker mentioned that we are in need of apartments in the city and wondered if on a loan application if they included a form that there is a guaranteed leases wanted from employers in the area needed for their workers, if that would help with a loan process.

Zeller said there is a lot of different type of loans.

Foss said we were turned down for a low housing loan, we did not have enough points on the application.

Zeller said there is a market place site to get developers to come in and build. He will give more information to Foss on that.

The EDA Board thanked Zeller for the information he presented.

### **B. MN Department of Employment and Economic Development**

MN Department of Employment and Economic Development sent an email to Foss asking if the EDA Board would support the North Central Economic Development Association (NCEDA) an affiliate organization of Region Five Development Commission proposal submitted to DEED for the MN Emerging Entrepreneur Program (MEEP). NCEDA/Region Five is applying for this program on behalf of the 10 counties served by Region 5 and 7E. These include Cass, Crow Wing, Morrison, Todd, Wadena, Pine, Kanabec, Mille Lacs, Chisago and Isanti Counties.

NCEDA provides vital technical and financial support as a key economic development partner to help promote entrepreneurialism. Technical and financial assistance for start-ups, new product development, including value added agriculture, and expansion is important to the economic vitality of our region. Many of these new and emerging businesses start on a very small scale and grow as opportunities present themselves. NCEDA supports micro-lending as a tool that levels the playing field and allows entrepreneurs to develop their ideas. Entrepreneurs who may not otherwise qualify for funding or technical assistance, such as those owned by minorities, low-income persons, women, veterans, and the disabled.

SNUSTEAD MOVED, SECOND BY HALLIN, TO HAVE STAFF SUBMIT A LETTER OF SUPPORT FOR NORTH CENTRAL ECONOMIC DEVELOPMENT ASSOCIATION'S PROPOSAL SUBMITTED TO DEED FOR THE MN EMERGING ENTREPRENEUR PROGRAM. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

### **MISCELLANEOUS:**

#### **A. EDA Balance Sheet**

There was no Balance Sheet provided.

#### **B. Verbal Report**

Foss said there is a Lakes and Pines 52<sup>nd</sup> annual meeting on October 3<sup>rd</sup> and if anyone from the EDA Board would like to attend they can.

Hallin said she will attend.

Central MN Manufactures meeting will be held on September 22<sup>nd</sup> in Albany, if anyone from the EDA Board would like to attend.

**C. City Council and Planning Commission Minutes for August, 2016**

The EDA Board had no comments.

MINSKE MOVED, SECOND BY HALLIN, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. THE MEETING ADJOURNED AT 6:40 P.M.

ATTEST:

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Thom Walker, President

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Mary Lou DeWitt, Comm. Dev. Assistant