The meeting was called to order by Genny Reynolds. Members present were Charles Snustead, Thom Walker, and Jules Zimmer. Staff present were Robert Barbian (Administrator) and Mary Lou DeWitt (Comm. Dev. Assistant).

Absent were Sharon Sandberg and Victoria Hallin.

**AGENDA ADDITIONS / DELETIONS:**
SNUSTEAD MOVED, SECOND BY WALKER, TO APPROVE THE AGENDA. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

**APPROVAL OF MINUTES FROM REGULAR MEETING ON AUGUST 16, 2018**
SNUSTEAD MOVED, SECOND BY WALKER, TO APPROVE THE MINUTES FROM THE REGULAR MEETING ON AUGUST 16, 2018. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

**NEW BUSINESS:**
A. Review Downtown Loan Application
Revolving Loan Fund Application, memo from Robert Barbian, City Administrator

**BACKGROUND**
The City has received an application for a loan from EAT Inc. dba K-Bob Café. The loan proceeds are to complete roof repairs. The application amount is for the total cost of $15,000.00.

There are two buildings currently being occupied for the operations of K-Bob:
111 Rum River Drive, 2,20 square feet, patch and reseal cost: $22,400.
109 Rum River Drive, 1,400 square feet, bid on patch and reseal cost: $15,000. Second bid in process covering a complete tear off and reroof.

**ANALYSIS:**
The task force reviewed the application information to determine the feasibility of the project, the validity of the applicant and determine a recommendation to the EDA. The financials were reviewed and discussed in detail to evaluate and determine an outcome.

The fund being considered to fund the loan is the UDAG fund account. The eligibility terms of retaining jobs, investing to improve the building and related terms are met with the project.

**RECOMMENDATION:**
That an offer of a loan be extended to the applicant for the roof repairs at 109 Rum River Drive South. The proposed terms as follows:
Amount of $7,500 for a patch and repair or up to $15,000 for a complete tear off and replacement. The patch and repair to be amortized over 7 years and a complete tear off and replacement amortized over 15 years with a final payment due the 84th month.

Rate of interest to be fixed at time of closing at 2% for three years, thereafter an additional point added per year equaling a rate of 3% in year 4, 4% in year 5 and so forth until the loan is retired. The loan to carry a first mortgage on 109 Rum River Drive South with personal guarantees of the owners.

The applicant shall cover the legal and filing fees which shall be added to the balance of the loan or paid at closing which shall total no more than $375.00.

The applicant can apply for the renewal of the loan balance after 6.5 years, although an application does not relieve the applicant from any payment obligations including the final loan payoff.

Barbian said that Stephen and Teri Tou, owners of K-Bob Café, 109 Rum River Drive South, are requesting a $7,500 loan from the Revolving Loan Fund for the repair and reseal of the building roof. Tou’s have owned the business since January 1, 1976. There are two different loan funds available, UDAG is a low interest rate loan and the CBDG is used for the Façade Grants. The Tou’s application was reviewed by Steve Jackson, Finance Director, Charles Snustead, EDA Board Member, and himself. They own both the 111 and 109 Rum River Drive South buildings and the 109 address is the larger of the two and has the leak in the back. The size of the roof is 2,200 square feet and they have a bid for a patch and repair. There is another bid that they have not gotten back yet for a total tear off. They will turn that bid in when they receive it. This loan request does meet the UDAG terms and it is the best fund for the dollars to come from. It would be a seven year term for the patch and repair and a 15 year term with a balloon payment for the complete tear off. Barbian is hoping they do the complete tear off and he will know shortly. There is enough in the funds for the full tear off.

Zimmer asked if the City would be in charge of the UDAG loan.

Barbian said yes. We have had these funds to use for ten plus years. If the EDA Board were to approve of the loan, they would make that recommendation to the City Council for final approval.

Reynolds asked if the ECRDC could have funds available if they need more funding.

Barbian does not believe you can use two grant sources.

Walker said a rubber roof would be good.
Barbian said the building on the corner of that block is having a rubber roof put on it and the Tou’s are getting a quote from that company.

Zimmer asked what the maximum is on a UDAG loan.

Barbian said we only have $75,000 for funds, but we do not have to use all of that. Most of what we would fund is $15,000 or 100%, whatever is less. They did review the Tou’s private finances.

Snustead supported the funding.

Zimmer asked if the loan were defaulted, who is responsible for it.

Snustead said they have a personal guarantee.

Both Zimmer and Walker support the granting of the loan to the Tou’s. The Tou’s have contributed to so much in town.

ZIMMER MOVED, SECOND BY WALKER, TO APPROVE THE REVOLVING LOAN FOR STEPHEN AND TERI TOU, OWNERS OF THE K-BOB BUILDING AT 109 RUM RIVER DRIVE SOUTH. THE LOAN WILL BE FOR ROOF REPAIR OF ONE OF THE OPTIONS; $7,500.00 FOR A PATCH AND REPAIR OR UP TO $15,000.00 FOR A COMPLETE TEAR OFF AND REPLACEMENT. THE PATCH AND REPAIR TO BE AMORTIZED OVER SEVEN YEARS AND IF THEY CHOSE THE COMPLETE TEAR OFF AND REPLACEMENT THAT WOULD BE AMORTIZED OVER FIFTEEN YEARS WITH A FINAL PAYMENT DUE THE 84TH MONTH. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

B. Discuss Downtown Façade Proposals
Barbian said this one he was hoping we would be further along on this. There was a meeting with two firms, WSB Engineering and LHB each gave a proposal. They range quite a bit apart. DeWitt tracked down the firm that had done our proposal in 2012 and they were interested in the design guidelines and they would be the third proposal. Eldon Johnson and Sharon Sandberg were at the two meetings. The one proposal was $20,000 and the other was at $50,000, so a third proposal would be good to have. That is the amount for the study. Reynolds would like to be in the group who makes the decision on picking on the winning proposals. Both proposals seems to be good.

Walker commented with the cost difference there must be scope of detail that is different.

Barbian said yes, especially with the $50,000 proposal.
Walker asked if their ideas are better for the downtown.

Barbian said that is why those three would meet and go through all three proposals. Look at what the difference of proposal cost between two.

Zimmer thought $25,000 for this study was brought up at the Study Session.

Barbian agreed. He believes it should take a step further than what was in the book of 2012. What do we want it to look like is the goal.

Zimmer said there are so many studies and it would be interesting to see a city like Princeton and what a possible change could be.

Barbian showed an example of what one firm had brought to the meeting. This would show the business owner on what they could do to their building in design.

Walker said is goal is to market and improve traffic.

**MISCELLANEOUS:**

A. EDA Balance Sheet

There was no Balance Sheet provided.

B. Report

Barbian said the process of interviewing a Planner and Economic person has started. The Planning Commission has completed a site plan for the Dairy Queen and Erdman Automation addition. Erdman’s needed a variance for a zero foot setback for the two links that will join one building to another and would be crossing the property line. They plan on ground work this year and construction in the spring. The lift station in that area needs reconstruction. This goes to Smith System Road and to finance infrastructure it will need a TIF District setup and Barbian is working on that currently in the Industrial Park where it can be used for Erdman’s. Erdman’s manufactures window. There are some issues in establishing a TIF District where you want a balance of how many you have. Barbian likes to use a TIF District for the City cost and not for the companies. If a business needs it to make a project go, then he will do it for the company. This TIF District is only for nine years. The Industrial Park needs to have the infrastructure fixed. The Flight Service Center might lose the tenant except for the DNR. The Flight Service Center has one guy left and their electronic stuff. They are pulling out the fiber and electronic and just have the tower.

Walker said the building could be torn down if need be.
Barbian would like to see it repurposed.

Reynolds asked if anyone has heard the phrase, dark stores. Walmart and Menards are associated with that phrase because where they have stores that have no comparative market are asking the counties to reduce their property tax by $10,000 - $12,000. This Walmart store in Princeton is requesting to pay $28,000 for taxes per year. The County is trying to get some legislation to help with this issue. They want it where what is assessed for if what you are taxed for. The County has to have this agreed upon in October.

C. City Council and Planning Commission Minutes for August, 2018
The EDA Board had no comments.

SNUSTEAD MOVED, SECOND BY WALKER, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 6:53 P.M.

ATTEST:

Genny Reynolds, Vice President  Mary Lou DeWitt, Comm. Dev. Assistant