



**ECONOMIC DEVELOPMENT AUTHORITY  
MEETING MINUTES  
APRIL 26, 2011**

The meeting was called to order by President Lundstrom at 6:00 pm.

Members Present: President Lundstrom, Nuesse, Sorenson, Thomes, Councilmember Pichelmann, Councilmember Ruehling

Member Absent: Krueger

Also Present: EDA Director Smith-Strack, Leah Prah

Motion by Ruehling, seconded by Pichelmann, and passed by unanimous vote to approve the agenda as presented.

Motion by Thomes, seconded by Sorenson, and passed by unanimous vote to approve the minutes from the March 22<sup>nd</sup> meetings as presented.

The March Financial Reports were reviewed.

Motion by Thomes, seconded by Ruehling, and passed by unanimous vote to approve the March Financial Reports as presented.

Leah Prah was present to answer the EDA's questions regarding her request for financial assistance (Revolving Loan & Restoration/Renewal/Rehabilitation Loan) for lot acquisition and remodeling of 425 West Main Street for her business. She presented estimates for the remodel project (roof, siding, windows, electrical, plumbing, etc.), which totaled \$53,366, plus lot/property acquisition of \$45,000. It was noted that Prah was only seeking financial assistance from the EDA and no other lending institution, as the property was a foreclosure and she thought this was the easiest route. Sorenson expressed his concerns that the EDA is not intended to be a primary lender, but rather a gap financing lender. He added that low interest loans should be reserved for those who need it. Prah noted that she could obtain additional financing; however she thought that the cash only feature would be more attractive to the EDA. Lundstrom commented that he is more comfortable when a bank is involved, as they can review things. He suggested rolling the project into one complete one (acquisition and remodel) versus individually and then consider a larger loan from the RLF only. Sorenson commented that if the projects were kept separate, the financial breakdown should be: \$50,000 bank loan, \$10,000 cash/equity, \$30,000 RLF, \$10,000 RRR. No action was taken; discussion was tabled until the next regular meeting so more information can be obtained.

Brief discussion was held on the EDA as a lender and the process for applying/receiving loans. Thomes commented that SEDCO has 3 different loans available also. Sorenson expressed concern that at some point the EDA could run out of money to loan out. It was noted that a month ago a business had approached the EDA about the RLF, at which time they had asked the Council to move some funds around to accommodate said loan. It was noted that the business has since changed their mind and it was suggested to leave the funds in the account and use it for the Prah project (above).

Motion by Sorenson, seconded by Lundstrom, and passed by unanimous vote to request the Council to allow the EDA to retain the \$30,000 previously transferred into the RLF for a specific project, but now be used for 425 W. Main Street project.

Discussion was held on a Mission Statement and Goal setting for the EDA. Smith-Strack presented a list of potential goals or work items (that had been put together based on discussion held at the previous meeting) for the EDA to review. The EDA members were asked to rate the importance of the items on the list. Smith-Strack will review the ratings and report back at the next meeting with the intent being setting some priorities for the EDA.

Motion by Lundstrom, seconded by Sorenson, and passed by unanimous vote to adjourn the meeting.

---

President, Mark Lundstrom

---

Director, Cynthia Smith-Strack