

VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY
THURSDAY, JUNE 4, 2015 – 10:00 A.M.
Council Chambers (Second Floor), Virginia City Hall

Present: Jim Tieberg, Rob Marwick, Julianne Paulsen, John Tourville, Dennis Jorgensen,
Carl Baranzelli, Michael Miskovich

Absent: Kim Culbert-Blaeser

Also Present: Bernie Collins, Gary Carlson, Lois Roskoski, Sherry Erickson

I. Minutes Approval

Moved by Jorgensen and supported by Marwick to approve the minutes from the April 2, 2015, meeting. Motion carried.

II. Finance Reports

Wendy Summers, Accounting Clerk, stated there were not any bills to pay this period. The insurance premium will be due in the near future, at an estimated cost of \$1,000.

Wendy Summers stated Michael Ralston and Aszendrops are delinquent in their payments for the Revolving Storefront Loan Program. She will check with the City Attorney to confirm that letters were sent regarding the non-payment of the loans.

Discussion was held on the future funding of VEDA. City Administrator Tourville stated the City is considering an EDA levy for the year 2016. Funding may also be available from the IRRRB, with matching funds to come from the City. The City would cover any bills for the remainder of this year. Wendy Summers stated no payments have been made to the UMD Center for Economic Development for the 2015.

III. President's Report

President Tieberg welcomed Michael Miskovich to the VEDA Board.

IV. New Business

Discussion was held on revised underwriting guidelines for the USDA Rural Business Enterprise Grant, as prepared by Julianne Paulsen and Jim Tieberg. The following changes were made the guidelines:

- The funds used should retain or create at least one job.
- Strike the language that allows for a quarterly payment. All payments will be made monthly.
- Include the following information for the list of licensed appraisers:
 - Dawn Cole, Cole Appraisals
 - Wayne Edwards, Edwards & Associates
 - Ann Heimbach, F. I. Salter Co.
 - Frank Bigelow, Bigelow Appraisals

- Strike the following language:
 - *See three tiered rate options. The rates can be reviewed by the VEDA board and can be changed. All borrowers are subject to the same set rate, rates will not be increased or decreased based on credit or borrower's equity.
 - Tier Two Deferred Loan Payments, including A. and B.
 - Tier Three Loan Option is eliminated.
- Spell out O & E Policy – Owners & Encumbrances Policy.
- Spell out UCC – Uniform Commercial Code.
- Revise cash flow language from “Less than 1.0” to “At least 1.0 or greater”.
- Add language that it is recommended that the applicant seek business development guidance through the UMD Center for Economic Development.
- All loan applications will be reviewed by the Loan Committee, who will make a recommendation to the VEDA Board.

Dennis Jorgensen volunteered to incorporate the changes for the revisions the guidelines for the USDA Rural Business Enterprise Grant. The changes will be forwarded to the VEDA Board for review. Bernie Collins agreed to include highlights on the USDA Rural Business Enterprise Grant and Revolving Storefront Loan Program in the Chamber newsletter and with the Chamber email news blasts. It was also suggested that information on the loan programs be included in a utility newsletter.

Rob Marwick stated an application was received from John Cochems for the Storefront Loan Program. Dennis Jorgensen will obtain additional information from Mr. Cochems regarding the loan application.

Kris Johnson, Administrative Assistant, provided a list of items that could be included on a website for VEDA. Kris is currently updating the City of Virginia website, which will include a tab for VEDA. VEDA members were asked to provide suggestions for the website. Bernie Collins stated he would include a City of Virginia/VEDA link on the Chamber website. It was recommended that a website committee be formed.

V. Old Business/Updates

Dennis Jorgensen gave an update on VEEDA and stated they are addressing some air conditioning and roof issues with one of the buildings.

City Administrator Tourville provided the following City update:

- Soil corrections have been completed at the former East Range Clinic site and Waschke's are moving forward with the construction of a new building for the Chrysler Corporation.
- The Laborers Union will be constructing a new union hall on Fourth Street North.
- City staff is obtaining appraisals for the remaining buildings on the former Staver Foundry property.
- City will provide some funding to the Virginia Coop Credit Union in 2016 to assist with their new facility. Additional discussions will be held during the budget process on setting an EDA levy.
- Pace Analytical and Northeast Technical Service are considering an expansion project.
- A restaurant may be built on Fourth Street North.
- The commercial property located at 2nd Avenue and 1st Street South has been demolished. White Drug will be relocation to that site.
- The City is working on a hotel feasibility study.
- Applications have been submitted to assist with the Joy Global expansion, as well as preparing the area for potential new businesses.

VI. Information & Other – FYI

Dennis Jorgensen stated discussions are continuing to take place on a site for a joint public works facility, which could include the City, State and County. He also stated the former Trap Club on Silver Lake has been remodeled and is available for rent through the Park/Recreation Department.

Jim Tieberg gave an update on Polymet and stated the preliminary final environmental impact statement should be completed by June 21, 2015. Polymet is still hoping to begin construction this year.

VII. Adjournment to next meeting

Meeting adjourned at 9:28 A.M.