

EYOTA ECONOMIC DEVELOPMENT AUTHORITY, MEETING MINUTES

PUBLIC NOTICE:

ADDITIONAL MEETING: The EDA is meeting with Tealwood Management Team at 12:30 p.m. Cathy Enerson, Marlis Knowlton, Tyrel Clark, Don Rademacher, and Tealwood's Jason Swanson, met to discuss the 2017 budget. The EDA did not have a quorum.

The EDA Board MEETING will begin at 5:30 p.m.

DATE: September 22, 2016
TIME: 12:30 and 5:30 p.m.
LOCATION: Arbor Gardens

Call the Meeting to Order: At 5:55 p.m. Dale Heintz the meeting was called to order.

Roll Call: Present: Dale Heintz, Tyrel Clark, Connie Meiners, and Cathy Enerson. Also in attendance, Allan Trogstad, Kolette Schuchard, and Harold and Vel Anderson. Absent: Craig Horan, Ryan Castle, and Darcy Higgins.

Set the Agenda: *Tyrel Clark motioned to set the agenda as written, and Byran Cornell seconded the motion, and motion carried 4/0.*

Arbor Gardens

Financials – emailed, see debt service report

- Director's Report – Don See exhibit A –D. The exhibits are the debt service report, Don's summary of the meeting from earlier that day, the job skills training grant outline, Cathy's notes from earlier that day, and the start of a facilities comparison chart. Tealwood will look into the jobs training grant opportunity, and expects to have the 2017 budget prepared within 30-40 days. A facilities economy of scale was discussed the board would like to know if the senior housing would be more efficient to run if there are 55 homes rather than 34 homes. Arbor Gardens in licensed to deliver service to the home, and given the push to stay at home, is that a better alternative?
- Carla Nelson will visit Arbor Garden's October 14th.
- Accounts relievable was reported at \$21,000, a very good receivables position.
- Facility comparison were not necessarily a good view of like services to like services, more work needs to be done to refine and study what the "going rates" are for this area.

I. Approve the EDA Minutes: August 2016: *Motion by Bryan Cornell, and motion seconded by Connie Meiners to approve the August 2016 EDA minutes, motion carried 4/0.*

II. Budget Status Report - informational, reports emailed: The EDA Director provided the treasurer's report, it was noted that the EDA fund balance has a DNR trails repayment deposit in the account. The funds will be set aside for future trail additions. The additional will likely be from the current trail on highway 42 to the round-about. The amount of the repayment is approximately \$40,000 and it took eight years to get it back from the DNR. The issue was a legal description dispute that the city attorney was resolving. The previously approved Higgins Rochester Area Builders Spot light invoice will be paid, the invoice was presented to the board in their packet as informational.

Economic Development Authority Financial Report Month

220 EDA cash balance checking:	\$ 82,128.45
221 Revolving Loan Fund	\$ 54,415.73(\$10,000 committed)

222 Eyota Investment Fund balance cash	\$ 41,939.25 (\$15,000 committed)
223 Rochester sales tax funds	\$ 201,235.94
655 Arbor Gardens Enterprise Fund August	\$ 103,499.16 (less decks and sidewalk costs)

Old Business:

• **Business Subsidies:**

Business Plan Presentation by Doctor Phillip Perry and his son Isaac: **See attachments: Dr. Perry presented the EDA with a business plan and bank pre-approval letter from his bank to purchase and start up a dental practice in Eyota.** Dr. Perry responded to the promotional materials indicating that Eyota was promoted as a city without a dentist and that the city has incentives to attract a dentist to Eyota. He placed an offer on an existing building in Eyota that was formally used as a dentist office located at: 515 Jefferson avenue SW, the offer to purchase the building is contingent on the start-up costs, and city incentives. Dr. Perry has prepared a business plan that includes the start-up costs, he has met with several equipment suppliers. Dr. Perry stated that he is a full service dentist that can assist the community with **dentistry and orthodontics**. Dr. Perry and his son are currently practicing dentistry in Wabasha, Dr. Phillip Perry began practicing by assisting Eyota's former dentist when he was first out of dental school. Dr. Perry's son is a dentist and his daughter is becoming a dentist. Dr. Perry financials project that he will need \$18,000 a month to cover the start-up cost and run the office. He will start the practice with zero patients. The business plan shows EDA assistance of a \$25,000 loan, and a working capital grant request of \$15,000 which would come from the ½ a percent sales tax which is designated for economic development. Dr. Perry indicated he will continue to try to lease to the massage therapist, and try to create a health care building along highway 42. Dr. Perry plans to use local businesses like the bank as their depository. After the discussion, *motion by Tyrel Clark, and motion seconded by Connie Meiners, to approve a \$10,000 revolving loan at 2% interest for 15 years from the EDA's 221 revolving loan fund account for Dr. Phillip Perry to purchase a building and new equipment to start – up a dentist practice in Eyota, collateral is a second lien position on the building to the bank, and a personal guarantee, motion carried 4/0.* Motion pending City Council approval.

Loan Terms: \$10,000, 2% interest, 15 year amortization, month auto payments.

Motion by Bryan Cornell, and motion seconded by Connie Meiners to approve a \$15,000 revolving loan at 2% interest for 15 years from the EDA's 222 revolving loan fund account for Dr. Phillip Perry to purchase a building and new equipment to start – up a dentist practice in Eyota, collateral is a second lien position to the bank on the building, and a personal guarantee, and motion carried 4/0. Motion pending City Council approval.

Loan Terms: \$15,000, 2% interest, 15 year amortization, month auto payments.

Total loans approved by the EDA pending City Council to assist the start-up of a dental office in Eyota = \$25,000

Use of Rochester Sales Tax account for economic development

Motion by Connie Meiners, and motion seconded by Bryan Cornell, to approve the use of \$15,000 from the Rochester Sales Tax Economic Development Account 223 to be issued as a grant to Dr. Perry for the start-up of a dentist office in Eyota, Dr. Perry will be required to sign a promissory note to repay the City of Eyota \$3,000 a year over the next 5 years, therefore if he is not in practice in Eyota during a period of five years, a

percentage of the grant is paid back to the City of Eyota, motion carried 4/0. Motion pending City Council approval.

Dr. Perry will attend the October 13th 2016 City Council meeting to respond to any questions.

- **Incentive applications, invoices, project designs** - none
- **Request for land subsidy: update Byran/Tyrel:** it was reported that the Council approved that the EDA can sell the 1 acre of land at the second street wetland eleven acres for economic development, with the knowledge that a brewer is interested in purchasing the land.
- **Legion committee design/build project – update:** The Legion has voted to continue its discussions with the committee, one of the several plans for ownership was not chosen by the Legion members.

III. New Business:

- **Business and Building owner meeting:** Cathy will introduce to Eyota businesses and building owners the PACE program, an Olmsted County adopted program that provides a zero net expense of clean energy additions or improvements. The meeting will create and opportunity for Sandy Ihrke to promote the Shop Local radio campaign to local businesses.
- **Informational pieces:** Invitations and area data was presented to the board in their board packets/

IV. Other: Harold and Vel Anderson were in attendance: They would like to speak with the board next month, they will put together a list of questions and concerns in advance for the board members to review. They are interested in a work session between the Council and the EDA, as well as they would like to see time in between meetings prior to introducing the EDA recommendations. They have both Lake Eyota and Brewery questions.
Cathy included in the EDA packet an award letter for a USDA grant that she applied for to assist Burt's Meats. The EDA was pleased with the successful grant assistance for Burt's expansion project. **Cathy presented** the board with the latest Minnesota jobs report.

Next meeting: October 27, 2016

Respectfully submitted,


Cathy Enerson
EDA Director

10/27/16
date


Dale Heintz
EDA Chair

10-27-16
date