

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD (OB)
FINANCE COMMITTEE
MINUTES
June 10, 2014
EDC Board Room, Willmar

Present: Matt Behm, Nick Dalton, Gary Gilman, Les Nelson, Bruce Peterson, Justin Schnichels, Jim Vrchota, Russ Weeks and Randy Zinda

Guest: Karen Baalson

Staff: Jean Spaulding, Assistant Director

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc. (LAA)

Jean Spaulding called the meeting to order at approximately 12:06 p.m. The agenda was taken out of order.

NEW BUSINESS

Loan application. Spaulding provided information on the loan application by Karen Baalson through United Minnesota Bank.

[Jim Vrchota joined the meeting.]

The bank portion of the loan package is \$49,972 and owner equity is \$10,657.

[Nick Dalton and Karen Baalson joined the meeting.]

Nick Dalton informed the committee that Baalson met with Spaulding approximately one year ago on opening a Christian retail store and contacted him in March for funding. RuthAnn Karty of the Small Business Development Center has assisted Baalson with the financial projections. Dalton noted the loan application is being presented because of the collateral shortfall. Baalson provided information on her business plan and research for her proposed business.

[Russ Weeks joined the meeting.]

Baalson has two market trips planned in the next two months. The store will be located in Midtown Plaza (former Big Store building) in New London. The proposed lease is for one year with automatic annual renewals with 60 days notice by either party. Plans are to include a children's corner and coffee corner where book and Bible studies could be done. Baalson has 13 plus years of retail experience and is currently employed as an office manager where she does the company's bookkeeping. If the loan is approved, the new store will be her only employment. Spaulding noted Baalson has done extensive market research.

[Baalson was excused from the meeting.]

Peterson asked if a legal opinion is required as to whether the EDC can fund a religious-based business. Committee members did not feel EDC funding of this business is an issue as it is a for profit retail store with a market niche. Dalton stated Baalson plans to open the store in mid-September. United Minnesota Bank has approved the loan subject to approval of the guarantee by the EDC. Baalson joined the New London Merchant's Group and is its treasurer.

IT WAS MOVED BY Jim Vrchota, SECONDED BY Les Nelson, to recommend to the Kandiyohi County and City of Willmar Economic Development Commission's Joint Operations Board that subject to legal opinion, it approve a five-year \$50,000 loan guarantee with United Minnesota Bank to Karen Baalson, doing business as Inspirations Books & Gifts, LLC, under the Entrepreneurs' Loan Guarantee Program. MOTION CARRIED with Nick Dalton abstaining.

MINUTES—

IT WAS MOVED BY Bruce Peterson, SECONDED BY Les Nelson, to approve the minutes of the April 8, 2014 meeting as emailed. MOTION CARRIED.

Justin Schnichels informed the committee the city of Alexandria recently approved a ten-year tax abatement for a retail business North American State Bank is funding. Schnichels also may have an individual looking for angel funds. Spaulding stated Gopher Angels is interested in making a presentation in this area.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 1:11 p.m.

NEXT MEETING—The next committee meeting is 12:00 p.m., Tuesday, July 8, 2014 at the EDC Office, 333 Litchfield Avenue SW, Suite 100, Willmar.