

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD (OB)
FINANCE COMMITTEE
MINUTES
August 9, 2011
EDC Board Room, Willmar**

Present: Matt Behm, Brian Borgerding, Nick Dalton, Les Nelson and Russ Weeks

Excused: Bruce Peterson, Kevin Rueckert and Randy Zinda

Guest: Laura Warne, Home State Bank

Staff: Jean Spaulding, Assistant Director

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

Chairperson Nick Dalton called the meeting to order at approximately 12:00 p.m.

MINUTES—

IT WAS MOVED BY Russ Weeks, SECONDED BY Les Nelson, to approve the minutes of the July 12, 2011 meeting as emailed. MOTION CARRIED.

UNFINISHED BUSINESS

Jean Spaulding reported visiting the Kandi Quick Stop, but the convenience store was not yet open. They informed her they averaged over \$800 each day in gas sales for the first two days the pumps were open. Jim Strouth informed Spaulding that the convenience store opened last Monday. Strouth is meeting with Ryan and Tonya Inselman frequently and is keeping a close working relationship with them.

NEW BUSINESS

[Laura Warne joined the meeting.]

Heffron Properties, LLC loan extension. Laura Warne of Home State Bank presented a request to have the Heffron Properties, LLC loan under the Entrepreneurs' Guarantee Loan Program extended from June 27, 2013 to April 25, 2016 (see copy on file). Spaulding reported that generally the EDC's and the bank's loan terms coincide; however, with this loan, the EDC's loan was for five years and the bank's loan ballooned in three years. A loan extension would clear this difference. The loan with the EDC is current and there remains a balance due of \$16,973.32 as of the end of June 2011. Les Nelson reported Heffron's loan with Mid-Minnesota Development Commission is also current.

[Warne was excused from the meeting.]

Matt Behm informed the committee that Home State Bank has first lien on property. Following discussion,

IT WAS MOVED BY Russ Weeks, SECONDED BY Brian Borgerding, that the Kandiyohi County and City of Willmar Economic Development Commission's Finance Committee will wait to address any loan extension on the Entrepreneurs' Loan Guarantee Program loan to Heffron Properties, LLC, until the loan matures on June 27, 2013. MOTION CARRIED. Matt Behm abstained.

Feedlogic Corporation loan. Spaulding presented a request by Feedlogic Corporation to make interest-only payments for six months on its Revolving Loan Fund loan (see copy on file). The company is launching a new product line and is needing to manage its equity resources. Nelson informed the committee that Mid-Minnesota Development Corporation agreed to a six-month loan forbearance at Feedlogic Corporation's request. Spaulding reported Southwest Initiative Foundation agreed to six months of interest-only payments starting in August 2011.

IT WAS MOVED BY Les Nelson, SECONDED BY Russ Weeks, to recommend to the Kandiyohi County and City of Willmar Economic Development Commission Joint Operations Board that it allow Feedlogic Corporation to make interest-only payments for six months beginning August 2011 on its Revolving Loan Fund loan. MOTION CARRIED.

Loan application. Spaulding reported there is not a loan application to be reviewed today, but there may be two in September, one for a Willmar business expansion and another for an Atwater business. Spaulding provided information on the Atwater business that would expand to include a hardware store. In addition to possibly submitting applications for both the EDC's Entrepreneurs' Loan Guarantee Program and the Revolving Loan Fund, the Atwater business will seek funding from other sources, including the Atwater EDA and Southwest Initiative Foundation.

Next meeting. Because the next committee meeting falls after the next EDCOB meeting, the committee agreed to move its September 13 meeting to August 30, 2011 to review the pending loan applications.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 1:00 p.m.

NEXT MEETING—The next committee meeting is **noon, Tuesday, August 30, 2011** at the EDC Office, 333 Litchfield Avenue SW, Suite 100, Willmar.