



CHEDA Board Meeting Minutes
Tuesday, July 24, 2018, 7:00 a.m. + VTP

Present: Kurt Heldstab, Craig Morgan, Paul Eickhof, Steve Erickson, Leon Kremeier, Tom Vedbraaten and Lee Meier

Liaisons to the Board: Angelica Weasner and Dale Stainbrook

CHEDA Staff: Craig Hoiseth, Tiffany Jones and Theresa Tahrán

Others present: Wayne Melbye, Jessica Bengston, Chris Fee, Terri Heggie, Shannon Stassen, Bob Quanrud, Clayton Briggs, Jeremy Olson, Christine Anderson, Mary Holz-Clause, Bobbie Baird, Carol Simmons, and Matt Simmons.

Absent:

- 1) President Heldstab called the meeting to order at 7:05 a.m.
- 2) PUBLIC FORUM - None
- 3) *Motion: Member Vedbraaten moved to approve the July 24, 2018 CHEDA Board Meeting Agenda as presented, second by Kremeier. Motion carried unanimously.*
- 4) *Motion: Member Erickson moved to approve the May 15th, 2018 Board Meeting Minutes as presented, second by Morgan. Motion carried unanimously.*

5) Consent Agenda

Motion: Member Kremeier moved to approve the consent agenda, second by Erickson. Motion carried unanimously.

- a) CHEDA Bills Payable (Check 44363-44639 and 44720-44739, Totaling \$381,048.21)

6) Main Agenda

- a) **Real Good Bath and Body Revolving loan request-** Matt and Carol Simmons are requesting a revolving loan (\$75,000) to purchase the old Berry Burst building. The main floor at street level would be used for manufacturing and retail with additional funds to rehabilitate the upstairs of the building into three apartments. Carol presented a PowerPoint on their business and Matt reviewed their potential financials to the board. Bremer Bank will hold the 1st position and CHEDA would hold the 2nd position.

Hoiseth informed the Board that Carol was one of this year's winners of the IDEA competition. Her products are sold around the world, with a large market emerging in China. These outside dollars being brought into Crookston are so important to our local economy.

Crookston is fortunate to have such entrepreneurial operations in Crookston and Carol is quick to give back by making philanthropic contributions with portions of total sales.

Motion: Moved by Erickson to provide gap financing from the CHEDA revolving loan fund for \$75,000.00 at 4.25% for 15 years to be reviewed in 5 years, second by Morgan. Motion Carried Unanimously.

- b) Resolution 1-7-2018 - Revised Procurement Policy-** *Motion made by Meier, second by Kremeier. Motion Carried Unanimously.*
- c) Resolution 2-7-2018 – Revised Policy of the Housing Choice Voucher Admin Plan-** *Motion made by Vedbraaten, second by Eickhof. Motion Carried Unanimously.*
- d) Resolution 3-7-2018 – Revised Policy of the Public Housing Admissions and Continued Occupancy Policy -** *Motion made by Kremeier second by Heldstab. Motion Carried Unanimously.*
- e) Resolution 4-7-2018 – Accept HUD Capital Funds Grant \$75,444 -** *Motion made by Meier second by Morgan. Motion Carried Unanimously.*
- f) Resolution 5-7-2018 – Accept 5 Year Capital Funds Agency Plan -** *Motion made by Kremeier second by Morgan. Motion Carried Unanimously.*
- g) Resolution 6-7-2018 – Civil Rights Certification -** *Motion made by Morgan second by Erickson. Motion Carried Unanimously.*
- h) Resolution 7-7-2018 – Streamlined PHA Plan -** *Motion made by Eickhof second by Morgan. Motion Carried Unanimously.*
- i) Publicly Owned Housing Program (POHP) –** An update on the POHP Funds was discussed. Hoiseth stated that the process will take much of his time and if the board would like consider hiring a temporary employee to help.
- j) 2017 Audit –** The audit has been completed. This year the auditors reported zero findings.
- k) Business Improvement Program (B3 - Building Better Business) –** Hoiseth asked the Board, Council or Staff for any more input before he moves forward with the program. He would like to give it to the attorney for review sometime in August, with action likely in September.
- l) Humanity Earth Rehab Loan –** Mark Dietz with Humanity Earth is requesting \$40,000 to assist in rehabbing 409 Houston. Dietz plans to sell the house by the end of the summer. Hoiseth stated that due to the rehab loans being paid off timely, there is \$50,000 available in the fund.

Motion: *Moved by Vedbraaten to provide a \$40,000 loan to Mark Dietz for a period not to exceed one year at 2% interest. Second by Kremeier, motion passed unanimously.*

- m) 2018 Stipend Request and Preliminary Budget** – Hoiseth asked the Board to discuss the stipend request. Angel has requested an amount requested from CHEDA for the City budgeting process. Hoiseth stated that for the past few years the stipend has remained the same (\$130,000) as the Board continues to send a message of trying to control any local tax increases. Vedbraaten stated that costs go up everywhere else, and there should be an increase. Kremeier stated that at a 3% increase would bring it up by \$3,900 annually, so perhaps we should be looking at \$142,000 this year. Hoiseth said that other EDA's utilize a levy to assist the funding of the Economic Development Authority.

Motion: *Moved by Heldstab to input a request of a \$140,000 stipend for 2019. Second by Vedbraaten. Motion passed unanimously.*

- n) Construction Trades Program** – Hoiseth stated that the current house is in the final stages and should be wrapped up by the end of August with the anticipated closing at that time. The preliminary design for the next house has been determined and was available for review. Travis Oliver, the Construction Trades instructor, will be student teaching the second semester so the students will only have one semester to work on the house. We are planning on building on one of the three Hoven Lane lots.

7) Other Business

None

Board Reports

Terri Heggie (Chamber Director) reported that their office is moving to a new location. Their office will be located on the main floor of the Eagles building.

Mary Holz-Clause (Chancellor) reported that they are in the process of hiring for the new University of MN Crookston EDA Center Director.

Christine Anderson (SBDC) thanked the board for the support that she receives from CHEDA and is actively trying to assist new and smaller businesses.

Paul Eickhof (Eickhof Columbarium) reported that business is very busy and they are in the process of hiring staff to accommodate the increase in sales.

There being no further business to come before the Board, President Heldstab adjourned the meeting at 8:14 a.m.

These minutes were officially approved on Sept. 18, 2018

Attest: Kurt Heldstab and Cory Hovet
Board President Executive Director

