



**CHEDA Special Board Meeting Minutes
Tuesday, August 27, 2019, 7:00 a.m. + VTP**

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

Liaisons to the Board: Dale Stainbrook and Angel Weasner

CHEDA Staff: Craig Hoiseth, Tiffany Jones and Beth DeBoer

Others present: Rob Silvers, Mike Christopherson, Jake Fee, Bobbie Baird, Shannon Stassen, and Don Cavalier

Absent: None

- 1) **Call Meeting to Order** – *President Heldstab called meeting to order.*
- 2) **Public Hearing Epitome Energy Business Subsidy** – No one from public was present to speak nor had submitted questions. Heldstab closed the Public Hearing.
- 3) **Epitome Energy Business Subsidy** – Hoiseth discussed the loan documents that were drafted by Kennedy and Graven Law Firm in Minneapolis. We have been going back and forth with them on the various details and language for the past couple of weeks. This loan agreement mirrors what the Advisory Committee had reviewed in terms and conditions of this initial business subsidy agreement being offered to Epitome. This document would provide Epitome a \$250,000 forgivable loan. This loan also secures an agreed upon sales price for the land being proposed for the project. This sales price returns the loan principle amount with interest. The loan would be forgiven only if the conditions listed in the agreement are fulfilled.

The second document presented would provide authorization to continue with the incentive by resolution if approved. Heldstab verified that we needed resolution. The resolution contains language regarding a personal guarantee however this has been removed from the loan agreement entirely. Members of the Advisory Committee are up to date with all information. Hoiseth noted that the majority of CHEDA Board, City Council, and staff have been present at the Advisory Committee meetings, which has been terrific! If anyone has questions please ask. Our goal is to be transparent and answer any questions or concerns.

agreement. Hoiseth stated Kennedy and Graven were the lead attorneys, our city attorney, Baker Tilly, and staff. There might be need for a little latitude for small edits as the language was still coming together, but any changes would be of no significance to the content or terms of the agreement. Epitome has agreed to this loan agreement verbally to include a review of Epitome's legal counsel. The next step would be to execute the loan agreement which includes the business subsidy, then move the business subsidy forward for final City Council blessing. Details of any fund distribution continue to be discussed in conjunction with Department of Ag funds, but will adhere to this agreement. The ratification of this resolution will allow Hoiseth the liberty to move forward with the loan execution. Heldstab asked about the indemnification provisions and about CHEDA Board members investing in Epitome. Hoiseth stated if a Board member chooses to invest, they would simply need to disclose to the Board of this intent.

Hoiseth stated he would be going to Thief River Falls tomorrow and stated if anyone's schedule is conducive to allow them to go along that would be welcomed. The more ears the better. The meeting will be with the Mayor of T.R.F. about strategy and information regarding the bonding process. Also Sen. Mark Johnson and Rep. Deb Kiel recommended talking to Rick Trontvet who worked at Digi Key. Hoiseth has done so and Rick was very knowledgeable and insightful.

Remember also that we have the afternoon of September 5th blocked off for an Epitome Energy Open House at VTP and the Commissioner of Agriculture Thom Peterson will be here.

Heldstab stated we need a motion to approve resolution 1-8-2019 RESOLUTION APPROVING A LOAN AGREEMENT BETWEEN THE CROOKSTON HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY AND EPITOME ENERGY, LLC, INCLUDING A BUSINESS SUBSIDY.

Motion: Member Arvidson moved to Resolution 1-8-2019 Resolution Approving the Loan Agreement between the Crookston Housing and Economic Development Authority and Epitome Energy, LLC, including a Business Subsidy. Second by Kremeier. Motion carried unanimously.

4) Close Session (MN Statue 13D.05 Subd.3)

There being no further business to come before the Board, President Heldstab adjourned the meeting at 7:55 a.m.

These minutes were officially approved on September 17, 2019

Attest:  and .
Board President Executive Director