



CHEDA Board Meeting Minutes
Tuesday, June 16, 2020, 7:00 a.m.

Present: Kurt Heldstab, Craig Morgan, Steve Erickson, Leon Kremeier, and Betty Arvidson

Liaisons to the Board: Dale Stainbrook and Angelica Weasner

CHEDA Staff: Craig Hoiseth, Tiffany Jones, Theresa Tahrán, and Beth DeBoer

Others present: Mike Christopherson, Rob Silvers, Don Cavalier, and Bobby Baird

Absent: Paul Eickhof and Tom Vedbraaten

- 1) President Heldstab called the meeting to order at 7:00 a.m.
- 2) PUBLIC FORUM – None
- 3) **Approve Agenda**
Motion: Member Erickson moved to approve the Agenda as presented, second by Kremeier. Motion carried unanimously.
- 4) **Approve the Minutes-** May 19, 2020 Board Meeting
Motion: Member Heldstab moved to approve the May 19, 2020 Minutes as presented, second by Arvidson. Motion carried unanimously.
- 5) **Consent Agenda**
Motion: Member Erickson moved to approve the Consent Agenda, second by Kremeier. Motion carried unanimously.
- 6) **Old Business -**
 - a) **Cofe' Liquidation**
Hoiseth stated he had met with a possible interested buyer from another community. Evers and Hoiseth met with them and went over price list. The interested party stated the things are a different type of ambience than they were looking for but will consider. Hoiseth stated the caveat might be working

with the interested party to help finance the purchase of Cofe assets. Evers did state he will be looking for a renter of the building more aggressively in the future, which could lead to us having to find new storage for the assets.

b) Colburn Property Bonding Request Update

Hoiseth asked Weasner if she had any new update on the application process of the BDPI application. Weasner stated no update at this time and are waiting to speak to the County regarding valuations.

c) POHP Update

Hoiseth reported that we have reinitiated construction at Oak Court. We will be doing Phase 5 & 6 which includes the Community Room and that entire wing of the building. Arvidson inquired how many rooms this affects and would we have ample space to move tenants to. Hoiseth stated roughly 10-11 will be moved, and we have space to relocate to temporary units.

d) Selkirk on 4th Tour

Hoiseth stated this tour and presentation was valuable in vision casting for a possible development in downtown Crookston. Timing makes it nearly impossible to implement this year, but discussions now can help prepare for 2021. Erickson stated there has been lots of planning and work put into it so far. Hoiseth stated there was a representative from the DCDP at the tour last night and their response was "Let's start it tomorrow!" They have done a lot of homework and had great visuals and budgetary numbers for us. JLG worked on the Downtown Master Plan for Crookston so they are very familiar and they've also worked closely with Community Contractors who just built Agassiz Townhomes here in Crookston. Kremeier stated he liked their idea of using local contractors as much as possible. Weeks ahead will include more communication to Council which is needed to create the necessary community discussion.

7) Main Agenda

a) B3 Grant - Drafts

Hoiseth stated Drafts previously received a B3 Grant last year so their request is for \$3,000 to enhance the dining experience outdoors with fencing, lights, umbrellas and fire pit. They will also repair and expand their seating indoors. Morgan inquired if \$3,000 was the maximum given this being their second B3 grant request. Answer was "yes" as no additional credit is given for schooling.

Motion: Member Kremeier moved to approve \$3,000 B3 Grant for Drafts to enhance their outdoor dining experience and increase indoor seating capacity, second by Erickson. Motion carried unanimously.

b) B3 Grant – Head East Salon

Hoiseth stated that Head East Salon is requesting a B3 Grant in the amount of \$5,000. Ms. Trudeau did graduate from Crookston high schools and Northland Technical College. Storefront or building enhancement and visibility and renovations with minor repairs will be the objectives met for the B3 application. Being on a gateway into Crookston, this facelift is desirable.

Motion: Member Heldstab moved to approve \$5,000 B3 Grant for Head East Salon to enhance their storefront or building and do renovations or minor repairs, second by Arvidson. Motion carried unanimously.

c) B3 Grant – Functionally Fit

Hoiseth stated that on nice weather mornings like today it would be a great fit for outdoor exercise, which is precisely what Vigness will utilize funds for. Functionally Fit will be paving the outside of the building to the northeast to hold outdoor group fitness. There will also be a stepmill purchased and new saddles for the upright bikes.

Motion: Member Morgan moved to approve \$4,000 B3 Grant for Functionally Fit to pave the northeast side of building and purchase stepmill and new saddles for upright bikes, second by Kremeier. Motion carried unanimously.

d) Rev Loan –MJT Properties LLC

MJT Properties has requested a 10 year loan in the amount of \$60,000 with 4.5% interest. MJT Properties is the Real Estate Company for Total Lawn Care – Morgan Terpstra. Hoiseth stated 4.5% interest is closely equivalent to Bremer. Hoiseth did have conversations with Bremer and Terpstra and there will be no balloon payment, just a straight 10 year loan schedule. Terpstra isn't requesting any tax abatement or other incentives. Erickson asked if this was the last piece needed before construction. Hoiseth stated this actually will be the first piece. This allows construction work to initiate quicker, and after completion, we will subordinate our debt to the primary lender. This will help Bremer to get things going this year, assisting the construction loan piece, before ultimately rolling into the mortgage.

Motion: Member Arvidson moved to approve a 10 year loan to MJT Properties in the amount of \$60,000 with 4.5% interest, second by Erickson. Motion carried unanimously.

e) Prairie Skyline Request



Hoiseth stated he has not had an opportunity to be in contact with Hegge since the request was turned in. Hoiseth had heard she had a medical issue. CHEDA is the fiscal agent for the Prairie Skyline Foundation and that is as far as our commitment has went with the Foundation. The City has done their part with water, sewer and street improvement and CHEDA administering the grant funds without any administration fees. Baird stated perhaps there are concerns on whether the building has been inspected and if the building is structurally sound. Hoiseth stated that at the City Council strategy session this spring, there was not any appetite by the elected leaders to contribute more dollars into the building. The Board requested further information, and Hoiseth will invite Heggie to address the CHEDA Board at an upcoming meeting.

8) Other

Epitome Energy – Hoiseth stated Dennis Egan will be in Crookston on Thursday to meet if anyone would like to. People can feel free to contact him directly, or have CHEDA set up a time that works.

There being no further business to come before the board, President Heldstab adjourned the meeting at 7:47 a.m.

These minutes were officially approved on July 21, 2020

Attest:  and .
Board President *Executive Director*