



CHEDA Board Meeting Minutes
Tuesday, October 20, 2020, 7:00 a.m.

Present: Kurt Heldstab, Craig Morgan, Leon Kremeier, Steve Erickson, Paul Eickhof, and Tom Vedbratten.

Liaisons to the Board: Angelica Weasner and Dale Stainbrook

CHEDA Staff: Craig Hoiseth, Tiffany Jones, and Theresa Tahran

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

Absent: Betty Arvidson

- 1) President Heldstab called the meeting to order at 6:59 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-** September 22, 2020 Board Meeting
Motion: Member Vedbraaten moved to approve the September 22, 2020 Minutes as presented, second by Morgan. Motion carried unanimously.
- 5) **Consent Agenda**
Motion: Member Kremeier moved to approve the Consent Agenda, second by Heldstab. Motion carried unanimously.

Councilman Baird asked what the balance was for our B3 account. Hoiseth replied "\$11,500 prior to the business that is on the agenda for today."

6) Old Business -

a) Colborn Property Infrastructure Update - BDPI

Hoiseth reported that the state has passed the bonding bill which included 8.2 million for the BDPI Program. Also included was a direct award to Crookston. Previous discussions with DEED indicated that our BDPI application would rise to the top. The urgency of getting the application completed in is important, particularly with new funding. The application would require a matching amount to install infrastructure into the Colborn property. Mayor Stainbrook said that he has had discussions about funding this first AIC road entirely without bonding or BDPI money, and that might be a better way to go. Kremeier asked if there was an advantage for the city to fund the entire project. Stainbrook said that they could possibly get more funding down the road if they don't ask for this. Hoiseth did not agree and emphasized we should take advantage of state funding if it is available to us. Finch stated she would look into this further.

b) POHP Update

Hoiseth reported that we will be starting phase 9 of 10 tomorrow, Wednesday October 21. The project completion date is around the end of January or February.

c) Preliminary Budget 2021

Heldstab stated that he has not received any questions about the proposed budget. If anybody has any questions or input to please call Craig. The budget will be targeted for approval at the December Board meeting. Heldstab asked the Board if they would rather have the meeting on the 15th instead of the 22nd of December. Vedbraaten stated that he likes the 15th date better. Heldstab said that a notice will go out if the meeting date changes.

7) Main Agenda

a) B3 Grant

i. Real Good Bath and Body

Hoiseth stated owner Carol Simmons would like to purchase a larger press for to increase the volume of the bath bombs which is her top selling item. This equipment will help increase production of the highest selling item.

Motion: Member Vedbraaten moved to approve the B3 grant in the amount of \$3,000 for Real Good Bath and Body, second by Kremeier. Motion carried unanimously.

ii. Crookston Building Center

Hoiseth introduced the request from the Crookston Building Center. They are asking for \$4,000 to go towards the repaving of the parking lot and dressing up the property outside.

Motion: Member Morgan moved to approve the B3 grant in the amount of \$4,000 for the Crookston Building Center, second by Erickson. Motion carried unanimously.

b) CHEDA Jobs Revolving Loan - USDA RBDG: Adams Heating and Cooling

Hoiseth stated that Dean Adams would like to purchase a building in the industrial park to house his heating and cooling business. Hoiseth said that this qualifies for funding under the USDA funds that we recently received. It may require an environmental study in order to use those funds to purchase the building. Hoiseth recommended that this loan be approved through our revolving loan program and when the environmental review is complete, transfer the loan to the CHEDA jobs loan program. Hoiseth mentioned that the interest rates for each program are different. The revolving loan program usually has an interest rate around 4 to 4.25%. The CHEDA jobs program encourages lower interest rates to obtain job growth. This loan would have an interest rate of 3%.

Motion: Member Erickson moved to approve a Loan in the amount of \$70,000 for Adams Heating and Cooling and secured by 1st position on the building, seconded by Vedbraaten. Motion carried unanimously.

c) Cofe' equipment/business opportunity – Heroes Rise

Heldstab mentioned that the Board has previously requested Hoiseth to sell the equipment located at Cofe' and left behind with the departure of Chickadee. Hoiseth stated that Heroes Rise Coffee recently came to Crookston and reported their highest grossing day of the year. Heroes Rise has a location in Bemidji and are looking to expand. They were shown the equipment and space at Cofe' and would like to expand here and even open up later in November and next year would be installing a roasting facility next door. The roasting site alone would employ 3 to 4 new jobs. Because the opportunity was being presented to get a business up and running in the same location again, the Board acknowledged that the remaining debt associated with Chickadee must be removed for Heroes Rise to be successful. Hoiseth stated that they verbally agreed on a price of \$36,000 (which is the depreciated valuation previously supplied to the Board) for the equipment subject to working condition.

Discussion was had about a deposit and/or interest while waiting for equipment payment to be finalized.

Motion: Member Vedbraaten moved to approve the sale of the equipment with 10% down and final payment due on July 1st, seconded by Eickhof. Motion died with four nays (Morgan, Heldstab, Kremeier, and Erickson) and two ayes (Vedbraaten and Eickhof).

Discussion was had regarding the purchase agreement. Member Morgan stated that the Board has already provided enough general direction on perimeters of the equipment sale, and we should simply allow the Executive Director to do that job, knowing he will make the best deal possible in selling that equipment.

d) Resolution 1-10-2020 – Land Purchase 1410 Eickhof Blvd.

Hoiseh stated that lots in the new Herkenhof development along the new built road are for sale for \$25,000 each on the east side of the street. Hoiseh negotiated with Mr. Herkenhof and they settled for half price as Herkenhof wanted to participate in the CT Program as a partner. This lot would likely become the location of next year's construction trades house.

Motion: Member Vedbraaten moved to approve Resolution 1-10-2020 Land Purchase 1410 Eickhof Blvd, seconded by Kremeier. Motion carried unanimously.

Erickson thanked Bob Herkenhoff for working with us on the development of another CT house.

e) Childcare

i. "Gotta Love Kids" Loan

Janelle Berhow has asked CHEDA to fill in the financing gap to purchase a building to house her daycare. Her financial institution is willing to give \$60,000 of the \$75,000 asking price. Hoiseh mentioned that the Board has \$50,000 of the community investment fund that was previously allocated for childcare, and this loan would come from that funding source.

Motion: Member Kremeier moved to approve a loan in the amount of \$15,000 at 2% interest for seven years to Janelle Berhow, seconded by Morgan. Motion carried unanimously.

ii. Crookston's Little Pirates Co.

Crookston's Little Pirates Co. formerly known as Regal Academy is requesting that CHEDA pay the engineering fees for the proposed location for the childcare center. First Children's Finance Fund is coming out with a program to help with costs associated to this type of endeavor but it's not quite ready yet. Little Pirates are ready to move ahead and have need for the engineering studies completed. The first phase is \$3,500 and the remainder is \$12,500. Hoiseth is hopeful that the FCFF will cover the costs of the second phase once their new grant program is put into place. In the event that does not happen, the funding source would be from the same \$50K allocation from the community investment fund.

Motion: Member Morgan moved to approve to pay up to \$16,000 for the engineering fees for Crookston's Little Pirate Co. Childcare Center, seconded by Erickson. Motion carried unanimously.

8) Other –

a) Executive Director Vacation Accrual

Heldstab reported that Hoiseth has accrued excess vacation time that the Board has been authorizing over the past few years. The Board met last month at the closed meeting and discussed various options before determining to pay out Hoiseth 540 hours of vacation time in the next 6-8 months.

Motion: Member Kremeier moved to approve to pay Hoiseth 540 hours of excess vacation hours over the next 6 to 8 months, seconded by Morgan. Motion carried unanimously.

b) Epitome Energy Invoice

Heldstab presented a bill for Wenke Associates for air permitting for Epitome Energy. Heldstab mentioned that he formed a committee last July to oversee Epitome Energy business. That committee was in place for one year and Heldstab let that dissolve as activity has slowed down. Dennis Egan has requested that CHEDA pay this invoice using the forgivable loan that was provided to Epitome last year. This action will greatly expedite the air permitting process, with the hope to get the application in this winter.

Motion: Member Morgan moved to approve to pay the Wenke Invoice using the forgivable loan funds awarded to Epitome Energy as requested in two installments, seconded by Kremeier. Motion carried unanimously.

Reports -



Hoiseth announced the ground breaking ceremony for the Soy Ag Innovation Center to be held October 28, 2020 at 1:00 p.m. There will be many invited guests and it is likely to have Governor Walz in attendance.

Hoiseth mentioned that Crookston's Oakdale Cemetery is having some operational and financial issues. Hoiseth asked Commissioner Eickhof to elaborate. Eickhof stated that there has been a rise in cremation across the country which has been the preferred form of disposition for a few years. This has created a decline in traditional burials and has put some cemeteries in financial crisis. Eickhof is working with the Oakdale Board on creating a crematorium site in the cemetery to continue to be a viable selling operation. Hoiseth asked that a small committee be established to hear these concerns first hand and try and offer some potential solutions. Commissioner Erickson agreed to serve on that committee alongside Hoiseth and Eickhof.

Council Member Don Cavalier stated it was a great meeting and lots of good things discussed and acted upon.

There being no further business to come before the board, President Heldstab adjourned the meeting at 8:18 a.m.

These minutes were officially approved on December 22, 2020

Attest:  and .
Board President *Executive Director*