



CHEDA Board Meeting Minutes
Tuesday, December 22, 2020, 7:00 a.m.

Present: Kurt Heldstab, Craig Bunes, Leon Kremeier, Steve Erickson, Paul Eickhof, Betty Arvidson, and Tom Vedbraatten.

Liaisons to the Board: None

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

Others present: Amy Finch, Jess Bengtson, Rob Silvers, Don Cavalier, Bobby Baird, and Jeff Evers

Online Attendance: Jeremy Olson, May Holz-Clause, Michelle Christopherson, Christine Anderson, and Kay Hegge

Absent: Dale Stainbrook and Angel Weasner

1) President Heldstab called the meeting to order at 7:00 a.m.

2) PUBLIC FORUM – None

3) PUBLIC HEARING – Annual Plan

Heldstab opened the public hearing regarding the Annual Plan for comments, no comments. Heldstab closed the hearing.

4) Approve Agenda

Motion: Member Vedbraaten moved to approve the Agenda as presented, second by Kremeier. Motion carried unanimously.

5) Approve the Minutes- October 20th and December 15th Board Meetings

Motion: Member Erickson moved to approve the October 20th and December 15th, 2020 Minutes as presented, second by Bunes. Motion carried unanimously.

6) Consent Agenda

Member Vedbraaten requested to remove the Revolving Loan Financials from the consent agenda.

Motion: Member Arvidson moved to approve the Consent Agenda with the removal of the Revolving Loan Financials, second by Bunn. Motion carried unanimously.

Vedbraaten asked about the past due loans. Hoiseth reported that Cofe and Cycle of Threads debt was passed on to Jerry Snow. Hoiseth reminded the Board that at the October meeting the Board decided to not pass the debt onto Heroes Rise. Hoiseth stated that the Board will have to decide if they wanted to pursue the debt, however nobody seemed inclined to do so. This will be communicated to Brady Martz. Hoiseth stated that we still maintain a UCC for the Crookston Inn and there will likely be no new activity on it. Hoiseth stated that staff was able to collect some collateral from A+ Mobile Brakes but not all. The court costs and associated legal fees are probably going to amount to as much as the loan debt, but plans are to follow it through. Paul Kezar will have to appear in court again on the 29th of December to disclose where the rest of the collateral is.

Motion: Member Vedbraaten moved to approve the Revolving Loan Financials of the Consent Agenda, second by Kremeier. Motion carried unanimously.

7) Old Business -

a) Colborn Property Infrastructure Update - BDPI

Hoiseth reported that the state has awarded the City of Crookston \$895,000 for infrastructure through the bonding bill for the Colborn property. Hoiseth reported that himself and Administrator Finch have been engaged in how to deploy those resources to build the road from Ingersoll Ave into the Colborn property. Hoiseth stated that the city will not have to pay for the construction of that road however the language submitted did not include design costs. In discussions with Finch, we've concluded that we will have to work to find monies to complete that portion of the work. The cost could reach the \$50,000 neighborhood according to Widseth. Hoiseth suggested that we continue the process of applying for the BDPI grant as there are more needs for infrastructure. Erickson asked if there were any thresholds for a BDPI grant. Hoiseth replied that the state put in 8.2 million of funding so we could put in an application for a million and likely be awarded, but it does require matching leverage dollars. Hoiseth reported that he has been told that our Ag Innovation Campus and Epitome Energy is exciting to DEED and that our application would likely rise to the top. Councilman Baird asked about the

crossing of the ditch from Ingersoll and where it would be located? Hoiseth stated that the Council will be approving selling the land on Monday night, and if approved the likely crossing spot would be on the easterly edge of the AIC property (650 feet from Hwy 75).

b) POHP Update

Hoiseth reported that we will be starting Phase 10 around January 15th. So far, we have deployed just over 1.5 million of the 2.1-million-dollar project. Hoiseth emphasized that a large chunk of this money has been spent locally. The project completion date is around the end of February. Kremeier thanked the staff for their hard work and reminded the Board that they had considered hiring a manager to oversee this project, but CHEDA staff has assumed those responsibilities. Hoiseth then complimented all CHEDA staff on a job well done, and also credited Michael Burns & Associates for the great teamwork to make this into successful project heading towards an on-budget completion even during a very difficult calendar year.

c) Oakdale Cemetery

Hoiseth stated that he, Erickson, Eickhof, and Finch have met with the cemetery board. The outcome of the meeting was that Oakdale would like to purchase a columbarium to help with the sustainability of the cemetery. In conversations with the Oakdale Board members, the outright purchase of a columbarium will not be easy. While such a purchase could potentially create \$350-400,000 in revenue over time, the up-front cost to purchase and set up is not currently available. Hoiseth suggested that the fundraising model will be exhausted and then perhaps the CHEDA Board could consider a low interest loan to get the purchase process moving forward. There will be a follow up meeting with Oakdale on February 10th, 2021. Erickson stated that Oakdale is a beautiful addition to Crookston and we should consider helping or continue the conversations.

d) Childcare – Gotta Love Kids & Crookston’s Little Pirates

Hoiseth reported that we have issued the loan in the amount of \$15,000 for Gotta Love Kids daycare. The other potential childcare center is still in the engineering phase and there will be more to come in future CHEDA Board meetings.

8) Main Agenda

a) Annual Plan

Heldstab asked the Board if they had any questions regarding the annual plan. This Annual Plan is adopted every year, which is a summary of goals and

performance by the PHA. Last year we passed the Agency Plan, which is accomplished every 5th year.

Motion: Member Arvidson moved to approve the PHA Annual plan, second by Erickson. Motion carried unanimously.

i. Resolution 1-12-2020 Civil Rights Certification

Hoiseth stated that this resolution ensures compliance with the civil rights act which means CHEDA doesn't discriminate to include race, gender, disability, etc. Heldstab mentioned that we do this certification every year.

Motion: Member Vedbraaten moved to Resolution 1-12-2020 Civil Rights Certification, second by Kremeier. Motion carried unanimously.

ii. Resolution 2-12-2020 Compliance with the PHA Plan

Heldstab stated that this was a required document for HUD that assures we are in fact following our Annual Plan.

Motion: Member Bunn moved to approve Resolution 2-12-2020 Compliance with the PHA Plan, second by Vedbraaten. Motion carried unanimously.

b) 2021 CHEDA Budget

Heldstab introduced the budget and asked for comments or questions.

Motion: Member Vedbraaten moved to approve the 2021 CHEDA budget, seconded by Kremeier. Motion carried unanimously.

i. Resolution 3-12-2020 Approving the 2021 Operating Budget

Hoiseth stated now that the Board has approved the CHEDA budget, a housekeeping item needed is to approve the 2021 Operating Budget as this is another HUD specific required document.

Motion: Member Heldstab moved to approve Resolution 3-12-2020 Approving the 2021 Operating Budget, seconded by Vedbraaten. Motion carried unanimously.

c) B3 Program

Hoiseth spoke to the Board about possibly forming a committee to review the program guidelines and perimeters. Hoiseth stated that he feels like the program guidelines may be just a bit too vague and it would be good to see more criteria to specifically encourage business growth and tax base. The Board agreed it was time to review the guidelines and forming a focus committee would be desirable. Hoiseth asked the Board to let him know if any would be interested in joining the committee, and this new focus group would come back to the CHEDA Board with recommendations likely at the January CHEDA Board meeting.

i. Heroes Rise Coffee Company

Heroes Rise would like to use this money for equipment. So far, they have spent \$10,000 on equipment to get up and running. They would like to use this money for staff training, new signage, improved lighting, and also refurbish equipment they are purchasing from CHEDA.

Motion: Member Kremeier moved to approve the B3 grant in the amount of \$5,000 as recommended, seconded by Eickhof. Motion carried unanimously.

ii. KROX

KROX would like to remove and replace the furnace, replace the heat pump, and install an air purifier. The total cost is \$11,189.29.

Motion: Member Vedbraaten moved to approve the B3 grant in the amount of \$4,000 as recommended contingent on the City Council approving funding, seconded by Bunness. Motion carried unanimously.

iii. The Holding Company – Golf Terrace Motel

Golf Terrace Motel would like to make renovations to most of their rooms to include windows, toilets, faucets, tub/showers, and paint. The total project cost is \$29,850.00.

Motion: Member Erickson moved to approve the B3 grant in the amount of \$5,000 as recommended contingent on the City Council approving funding, seconded by Arvidson. Motion carried unanimously.

iv. Hemrick Construction

Hemrick Construction is asking for funds for a trailer, signage, and building updates. The total cost is \$11,000. This will be a welcome addition to our industrial park and provide another nice service to the community.

Motion: Member Vedbraaten moved to approve the B3 grant in the amount of \$5,000 as recommended contingent on the City Council approving funding, seconded by Arvidson. Erickson abstained from voting. Motion carried unanimously.

v. Thrivent Financial

Thrivent Financial has been incubated at the Valley Technology Park and is now moving to a permanent spot downtown. Garrett Kollin is asking for funding for new paint, signage, and office furniture. The total cost is \$12,265.00

Motion: Member Vedbraaten moved to approve the B3 grant in the amount of \$3,000 as recommended contingent on the City Council approving funding, seconded by Kremeier. Motion carried unanimously.

d) Prairie Skyline Loan

Hoiseth stated that Prairie's loan has been fully disbursed. Kay Hegge states that the first 3 milestones are complete and PSF has received the first two installments for the first 2 milestones in the amount of \$41,322 and that amount has been paid back on the loan. PSF and expects another check by the year end in the amount of \$20,661 for the 3rd milestone. Hoiseth reported that construction stalled due to some color matching but it should start again in the spring. Due to those unforeseen circumstances, the last installment will be delayed. When CHEDA is paid the third installment, that would leave just under \$20,000 of the loan. Hoiseth asked the Board if they would consider extending the loan until March, when the next milestone can be attained and reimbursed.

Motion: Member Kremeier moved to amend the previous motion for the Prairie Skyline loan to change the terms from December 31, 2020 to March 31, 2021, seconded by Bunn. Motion carried unanimously.

e) Jeff Evers

Hoiseth stated that Jeff Evers has asked the Board to consider another loan for some new space located in the Fournet Building downtown and to assist with build out of the Broadway storefronts. Recently during demolition, Jeff discovered a vaulted ceiling in the ballroom of the Fournet. With some suggestions from community members, he thought the space could be used as an event center to hold weddings, meetings, and other events. The loan would also assist in completing the glass storefronts and also incorporate the steel structure for the sky light. His primary lender is Bremer Bank who is funding

the majority of this project (roughly 80%) which totals over \$458,000. He has asked CHEDA to fill in the gap.

Motion: Member Erickson moved to approve a \$100,000 loan for 15 years at 4% interest, seconded by Bunes. Motion carried unanimously.

f) Nature View

Hoiseth reported that the closing took place last week on the construction trades lot for next year located at Nature View Estates. Also, Hoiseth informed the public of the details that occurred at the closed meeting that was held December 15, 2020. At this closed meeting the Board discussed the purchase of the 60 acres remaining at Nature View.

g) CHEDA Schedule of Meetings 2021

Heldstab asked the Board if they had any comments or thoughts on the 2021 regularly scheduled CHEDA Board meetings. Erickson suggested that if an upcoming meeting is lengthy that we consider holding two meetings to cover the content. The Board consented that the regularly scheduled meetings planned for 2021 (twice per quarter) are acceptable.

9) Other – NONE

Reports -

- Kremeier wished the Board a Merry Christmas.
- Eickhof informed the Board that he is still looking for a finance director to join his team.
- Bobby Baird wished everybody a Merry Christmas and stay safe.
- Hoiseth mentioned that the City or perhaps the CHEDA Board should be do more to help the dire need of our businesses that have been affected by the Governors' shut down due to Covid. Hoiseth pleaded for people to patronize these struggling businesses and indicated we must send the message to St. Paul that Walz' mandates are crippling our local businesses.

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 January 19, 2021
Attest: [Signature] and [Signature]
Board President Executive Director

