



**CHEDA Annual Board Meeting Minutes  
Tuesday, January 17, 2017, 7:00 a.m. + VTP**

Present: Kurt Heldstab, Craig Morgan, Paul Eickhof, Lee Meier, Steve Erickson, Leon Kremeier, Chris Bates, Amanda Lien and Angelica Weasner,

Absent: Tom Vedbraaten

CHEDA Staff: Craig Hoiseth, Tiffany Jones, Dana Johnson and Theresa Tahrán

Others present: Dale Stainbrook, Shannon Stassen, Mike Christopherson, Kristi Thorfinnson, Ryan Olson

- 1) President Heldstab called the meeting to order at 7:01 a.m.
- 2) PUBLIC FORUM - None
- 3) *Motion: Member Kremeier moved to approve the January 17, 2017 CHEDA Annual Board Meeting Agenda as presented, second by Morgan. Motion carried unanimously.*
- 4) *Motion: Member Heldstab moved to approve the October 18, 2016 Board Meeting Minutes as presented, second by Kremeier. Motion carried unanimously .*
- 5) *Motion: Member Morgan moved to approve the following consent agenda, second by Kremeier. Motion carried unanimously.*
  - a) CHEDA Bills Payable (Check 41681,41807-41889, 41896-42211, 42284-42310, 42314-42318 totaling \$497,978.94)

**6) Oath of Office**

Oath of Office was administered by President Heldstab and recited by new voting board member Erickson, starting a new term member Eickhof and ex-officio members Lien and Bates. Hoiseth reiterated the meaning behind our oath of office, in that supporting the organization of CHEDA and its initiatives and objectives are primary responsibilities of all Board members.

**7) Main Agenda**

- a) **Housing Rehab Loan**-Quarterly follow-ups on all outstanding loans were completed and everything appears to be on track. Pedrick has paid back a portion of the loan and is working to pay off the balance. His house has now been put up for sale, and hopefully upon sale the balance repaid. There is a current balance of \$55,000 available to loan out. Luke Normandin has made a request of \$50,000 for rehab of a house at 702 N. Front. He plans to sell the house when completed. This is his first request for housing rehab loan and he paid cash for the house. Hoiseth has spoke to him and is recommending the loan at \$30,000.

*Motion made by member Morgan to approve the housing rehab loan for \$30,000, second by member Meier. Motion carried unanimously.*

**b) DCDP-**Ryan Olson was present at the meeting and was introduced by Hoiseth. He is the chair of the DCDP board. Lein and Stassen started up the DCDP after one of the Crookston In Motion Destiny Drivers named Downtown Development and the City Council approved proceeding with the Main Street Initiative. Olson stated he wanted to get involved. There is great enthusiasm from this group to get things done and they have a strong volunteer base. The group has now defined the boundaries of their efforts focused on the downtown district and are working on a long term plan. How do we focus on keeping young people here? This group is not primarily focused on recruiting business or filling the open storefronts but more so view this as a strategic component of just using best practices. They will be leaning heavily on CHEDA as the development arm of Crookston to recruit and assist business. Also, it will be necessary for the help of Chamber and the City to make this all work. DCDP is looking for creative ways to help determine what type of downtown businesses focused on an experienced based over-reaching objective. The DCDP has designated 6<sup>th</sup> Street to Loring and Ash to Market St as the "downtown district area". Morgan asked if Olson sees bringing potential projects and ideas to CHEDA and he stated yes and the group needs the experience of CHEDA. They are planning to post the position of a director in the next few days. It will be part-time pay to do a full-time job. Olson stated that he hopes being here and answering questions can alleviate concerns to put them in a good position to move forward. Olson stated that everyone in the room is important to creating the right energy and team effort to make this partnership work. The new director will have to be someone with some grit and tenacity. This person will have to be an ultimate team player. Erickson asked if grant writing will be a component of this new position, as the job description provided does not detail that aspect. Olson stated definitely it will. DCDP will not be targeting or recruiting specific businesses (as that is more of CHEDA's responsibilities) to downtown, rather looking at the types of businesses that would do well, and perhaps even in a particular location, increase foot traffic and have a multiplier effect. Stassen stated that the city is funding DCDP for 3 years, reducing the contribution by \$5K each year, to hopefully be self sufficient at the end of this time frame. Lien stated that the Chamber also just received a \$20K grant to help with the project. Strainbrook stated that the City Council still has mixed feelings that this position and believes any incentives should be run through CHEDA and wants to know what will the DCDP bring that CHEDA does not? Olson stated that the DCDP part time position will primarily be a resource tool to help CHEDA do its job. DCDP recognizes the limited resources and how it is a heavy lift. CHEDA does a great job and is considered to be an essential partner in this. The position is likely a \$36K year annual salary. Olson stated that he doesn't want to be part of a group that duplicates. "We do not want to create redundant efforts, CHEDA is the development group, and we want to support that development effort. Think of it as CHEDA is the heavy artillery and DCDP is a radio man, helping with communication and ideas for strategy".

Stassen talked about the traffic lanes downtown and working with Public Health on green steps with making a bike lane and how this aligns with what DCDP is trying to do. Slowing traffic down to allow people to see what we have to offer is a key to the downtown success. Olson stated that we can get a lot of work done by coordinating properly. Kremeier stated that communication is a must and CHEDA must be kept in the loop all the time and Olson agreed saying this director position must be a communication champion. Hoiseth stated that we could house such a person in a cube at VTP but the group would like to see this person physically in space downtown. If we are willing to subsidize this office space at VTP then it could seem very logical that we also are willing to fund part of the expenses downtown to help build this partnership and allow their resources to be put on other uses. CHEDA wants to participate in any and all productive development activity to include the success of the DCDP. Stainbrook stated that this new director, Hoiseth and Stassen should be meeting very regularly.

**c) Resolution 1-1-2017 Forgiveness of Promissory Note for Crookston Civic Arena, LLC** –This is a housekeeping item that the auditors stated needed to be completed for the final unwinding of the arena debt.

*Motion made by member Morgan for Heldstab to sign off on this, seconded by member Kremeier. Motion carried unanimously.*

**8) Election of Officers**

President – Heldstab  
Vice President – Morgan  
Secretary –Kremeier  
Treasurer –Eickhof

*Motion: Member Meier made a motion to approve the full slate Election of Officers, second by Morgan. Motion carried unanimously.*

**9) Other**

Hoiseth thanked the Board for their time, consideration and input obtained from his annual performance review that was completed in December. He also stated that the budget still does not include any salary increases for staff. We are waiting on the City contracts to settle and then will readdress this issue probably at the next regularly scheduled meeting in March.

The board has previously approved a contribution of \$17,500 to the Agassiz Townhomes project to Tri-Valley upon obtaining the tax credits. Hoiseth wanted to communicate to the Board that check will be given to them this month, as pre-development bills are coming in. They are now collecting the pledges from businesses and it is now necessary we make our contribution at this time. There will be an Agassiz Townhomes tax credit update with Chris Flood at City Hall on January 26, 2017 at 7:00 am.

Cycle of Threads is for sale. Dawn is looking for someone to take this business over so she can concentrate on Cofe'. If nothing happens it will very likely be closing in March. We have a loan out for both businesses, and we should be trying to assist them in whatever way we can. How do we keep them going? Eickhoff stated that it is beautiful store, and a shame to sit idle and watch it close. Dawn has worked very hard but the reality is that it is hard to make it go in Crookston. Morgan stated that any business that carries much debt load at all has a difficult time making it. We need to be finding ways to reduce debt service for business and fully communicate this reality to businesses wanting to come to Crookston. Bates stated that if the business was in Fargo it would do great. Simply put, the volume of sales (traffic) is simply not great enough here. Hoiseth stated that the rent is high and she has fallen behind on this with the landlord. Realistically, we are currently the only ones that can do anything to help and when we froze the loan last year, it did help.

Hoiseth stated that Dawn has some frustration with marketing and not being able to put up any flyers anywhere at the arena. Morgan stated that he is willing to interface with the BLC. Erickson stated that the CSC is a huge marketing loss for downtown and all of Crookston. They need something economical and the CSC should be a selling point for the community as a whole. Morgan stated that a lot of the entities involved at the CSC could each give a little bit and make it work. Stassen stated that Park & Rec is talking with the CVB and there will be some money put into sports tourism for marketing.

*Motion was made by Morgan to freeze both Cofe and Cycle of Threads loans to October 1, 2017 with no payments of principle or interest and then re-evaluate it at the October meeting. Motion was seconded by member Bates. Motion carried unanimously.*

Hoiseth will be attending the Economic Development of MN Association meeting in the cities on Thursday and Friday of this week. Any Board member interested in attending, please let him know. Hoiseth also invited any interested parties in attending the Housing Institute being developed by MN Housing Partnership to let him know. They will meet 4-5 times and could possibly put a team from Crookston and the NW MN region together.

**Board Reports**


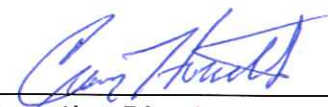
Stassen reported that the City is working with the Chamber on a marketing plan for Crookston, "Belong in Crookston". Channel 3 is now streaming and will have a launch event in February.

Meier asked if anyone knows what the occupancy date is for the new apartments by Drafts and if there is any information on this? Staff has an email that has been advertised and will forward this information to Meier.

Lien thanked CHEDA for all that they do in helping businesses in Crookston.

**There being no further business to come before the board, President Heldstab adjourned the meeting at 8:26 a.m.**

*These minutes were officially approved on March 21, 2017*

Attest:  and .  
Board President Executive Director