

AGENDA
ECONOMIC DEVELOPMENT AUTHORITY MEETING
WEDNESDAY, JANUARY 11, 2023, 12:00 P.M.

1. CALL TO ORDER/ROLL CALL

2. ELECTIONS

- A. Officers:
 - a. President
 - b. Vice-President
 - c. Treasurer
- B. 2023 Loan Committee:
 - a. Members (3)
 - b. Alternate (1)

3. APPROVAL OF AGENDA

4. PUBLIC COMMENTS

5. REQUESTS AND PRESENTATIONS

- A. Rural Business Development Grant (nee RBEG) Revolving Loan Fund

6. CONSENT AGENDA

- A. December 4, 2022, Regular Meeting Minutes
- B. Expenditures
- C. 2023 Economic Development Authority meeting dates

7. ACTION AGENDA

8. REPORTS

- A. 513 Elm Avenue West - EDA owned property
- B. Economic Development Recovery Coordinator Grant update
- C. Manufacturing Resource Center update
- D. NW Carbon
- E. GT Express
- F. TPG Steel
- G. Training/workshop updates

9. NEXT MEETING DATE

- A. The next Economic Development Authority meeting to be held, Wednesday February 8, 2023, 12:00 p.m. (noon) in the Waseca City Hall Council Chambers.

10. ADJOURNMENT

[NAME OF APPLICANT]**Revolving Loan Fund Plan**

[NAME OF APPLICANT] has played an active role in the development of rural America. Through its board and staff, **[NAME OF APPLICANT]** has provided not only leadership but financial participation in economic and community development. Now, through the creation of a Revolving Loan Fund (RLF), **[NAME OF APPLICANT]** is seeking to improve the quality of life in rural areas by contributing to the long-term improvement in the economy, including job creation and retention, diversification of the economy, improving the education and skills of the rural workforce, and upgrading the public infrastructure to improve the health, safety, and/or medical care of rural residents.

The **[NAME OF APPLICANT]** (grantee) Revolving Loan Fund (RLF) shall be operated under the guidance of the following Revolving Loan Fund Plan. This Revolving Loan Fund Plan will not be amended or changed without prior written concurrence from Rural Development (grantor), an Agency of the USDA.

POLICY STATEMENTS:

- Grant funds to be received by the grantee through the Rural Business Development Grant program will be used to establish a revolving loan fund (RLF). The RLF will be used to provide financial assistance to third parties within the guidelines of this revolving loan fund plan.
- The Grantee will contribute a cash match to establish the RLF. Verification of these funds is provided with the grant application. These funds will remain in the RLF until the RLF is terminated. Termination will not take place without prior concurrence of the grantor.
- Applicants of the RLF will be required to meet their financial needs from their own resources and commercial financial institutions whenever possible. The RLF will be used to finance applicant needs that cannot be met from the above resources. The RLF may finance 100% of an applicant's needs if other resources are not available.
- The Board of Directors of **[NAME OF APPLICANT]** is the sole authority for approval or denial of loans from the RLF and is responsible for all decisions and actions of the RLF. The RLF will be operated and maintained solely by **[NAME OF APPLICANT]**.
- To avoid potential conflicts of interest, or the appearance of a conflict of interest, an RLF loan will not be made to any board member, officer, general manager, or supervisory employee of **[NAME OF APPLICANT]** or close relative thereof, or to any **[NAME OF APPLICANT]** subsidiary or affiliated organization in which the **[NAME OF APPLICANT]** has a financial interest.
- Amendments to this Rural Development Plan will require the approval of **[NAME OF APPLICANT]** board of directors. However, no action will be taken to amend this plan without the prior written approval of the Rural Business Cooperative Service (RBS), its successors or assigns.
- The **[NAME OF APPLICANT]** RLF is an equal opportunity lender and requires loan recipients to adhere to all equal opportunity laws.
- All information regarding RLF loan requests will at all times be kept confidential by the members of the **[NAME OF APPLICANT]** board, the loan review committee, and **[NAME OF APPLICANT]** staff. If necessary, the RLF may seek the advice and counsel of outside consultants and sources in order to adequately perform due diligence regarding the project.

REVOLVING LOAN FUND MANAGEMENT:

Administration of the Revolving Loan Fund

Management of the RLF will be

Loan Review Committee

The [NAME OF APPLICANT] Board of Directors has appointed a Loan Review Committee (LRC) to review all RLF loan applications. The LRC will perform necessary credit analysis and due diligence in order to make a written recommendation to the [NAME OF APPLICANT] board of directors, which has final authority regarding all actions of the RLF. The LRC will meet on an as needed basis under the terms of the application procedures listed below.

The Loan Review Committee serves on a volunteer basis. The Loan Committee shall be comprised of no fewer than XX voting members plus the Economic Development Executive Director. The Economic Development Executive Director shall not have voting privileges.

XX persons of the committee shall constitute a quorum necessary for approving or rejecting an application for funding from the RLF. A simple majority (51%) of members voting shall be necessary for approval.

If a member of the LRC has a financial interest in the project being reviewed, he/she will abstain from the loan review/recommendation to the [NAME OF APPLICANT] Board of Directors. Members of the LRC will serve indefinite terms. However, the [NAME OF APPLICANT] board of directors has the right to replace members of the LRC in the event of resignation or other necessary circumstances.

The Loan Review Committee members were chosen, in part, because of their experience with lending and/or economic and community development projects. A current and up to date roster of the members of the LRC will be attached to this Revolving Loan Fund Plan as new members are appointed. These committee appointments do not reflect an amendment to the RLF Plan and therefore do not have to be approved by USDA.

REVOLVING LOAN FUND GUIDELINES:

Loan funds will be used to finance and/or develop small and emerging private business enterprises in rural areas.

Qualifying Projects:

- Project / business to be assisted by the RLF program typically must be physically located within [County]. On a case by case basis, the Loan Committee may waive this requirement and provide loan funds to a business located outside the [County] Area if the committee determines doing so will have a positive economic impact on the community to be assisted with RLF funds. If the business relocates outside of the [County] Area, the Loan Committee may require immediate pay off of the loan.
- Acquisition and development of land, easements, and rights-of-way.
- Construction, conversion, enlargement, repairs or modernization of buildings (including façade repairs), plants, machinery, equipment, access streets and roads, parking areas, utilities, and pollution control and abatement facilities.
- Loans for startup operating cost and working capital.
- Technical assistance for private business enterprises.

- The grantee has a goal of creating or retaining at least one full time job for each \$10,000 loaned from the RLF.

In-Eligible Projects:

- RLF funds will not be used to produce agriculture products through growing, cultivation, and harvesting either directly or through horizontally integrated livestock operations except for commercial nurseries, timber operations, or limited agricultural production related to technical assistance projects.
- RLF funds will not be used to finance comprehensive area-wide type planning. This does not preclude the use of grant funds for planning for a given project.
- RLF funds will not be used to fund a part of a project which is dependent on other funding unless there is a firm commitment of the other funding to ensure completion of the project.
- RLF loan funds will not be used to pay off any previous debt. Refinancing construction financing is an exception to this rule.
- Loans will not be made unless there is a reasonable prospect that the applicant meets the definition of "small and emerging private business enterprises" defined as "any private business that will employ 50 or fewer new employees and has less than \$1 million in projected gross revenues." If the grantor changes its definition of small and emerging business as defined by the Rural Business Development Grant regulations, the grantee reserves the right to utilize the amended definition without further approval from the grantor.
- Applications by members of the loan committee and their immediate family members shall be ineligible for funding.

Minimum / Maximum Loan Amounts:

Loans to be made from the RLF will not exceed the level of available funding in the RLF bank account. Loans made from the RLF typically will not be less than \$5,000. The Loan Committee may authorize loans smaller than the above values on a case by case basis.

Interest Rate:

The interest rate will typically range from xx% and typically will not exceed prime rate by more than xx%. The Loan Committee will determine the rate on the day of loan closing based on the evaluation of the applicant's ability to repay and the necessity of below market financing to advance the project. Interest earned on any RLF loan must stay in the fund for use in making additional RLF loans.

Fees/Closing Costs:

A \$xx application fee shall be submitted with each application. Costs associated with processing the application (e.g. credit report fees, UCC and lien search fees, filing security documents, filing legal documents fees, etc.) shall be the responsibility of the applicant. The Loan Committee may waive or amend this fee structure without further approval from the grantor.

The RLF may charge loan recipients for loan closing costs, attorney's fees, filing fees, etc., as necessary to complete loan documentation. All loan fees will be addressed in the Loan Agreement between the RLF and the loan recipient.

Loan Terms:

Loans can be amortized over the lesser of seven years or the life of the security. The Loan Committee shall determine the term.

The Loan Review Committee will make a recommendation concerning the term of the loan and payment frequency (monthly, quarterly, etc.) depending upon project need, the expected life of the security, and the applicant's ability to repay. The term of the loan will not exceed the expected life of the asset being used as collateral.

Security / Collateral:

Security shall consist of the best lien available on real estate, equipment, inventory, etc. The discounted value of the security (using typical lender discount rates) shall equal or exceed the value of the loan. The Loan Committee may require personal guarantees and/or co-signors.

[NAME OF APPLICANT] will work with the potential loan recipient to obtain security that is adequate for the term of the loan. The nature of the collateral pledged shall be determined by the loan committee on a project-by-project basis. If the same collateral is used in joint financing, the RLF will seek a parity position with other lenders. Types of security may include:

- Mortgage Lien on Real Property
- Machinery and equipment which have a developed market;
- Letter(s) of credit from acceptable financial institution(s);
- Securities issued by the Federal government or its agencies.
- Accounts receivable and inventory for short-term loans; and

The loan recipient will be required to maintain fire insurance, and flood insurance if necessary, on secured assets. In some cases, credit life or key man insurance will be required with the RLF as loss payee.

APPLICATION PROCEDURES:

Applications for RLF funds will be accepted on a continual basis. All applicants for RLF funding will be required to complete an application form and provide a corresponding business plan with verifiable data which demonstrates that their proposed projects are economically feasible, sustainable, and will provide

benefits to rural areas, either through job creation or infrastructure improvements. A copy of the application which includes a list on supporting information is attached to this plan.

- Applications will be accepted at the [NAME OF APPLICANT] office during normal business hours. The [NAME OF APPLICANT] is located at [ADDRESS].
- Complete applications will be reviewed by the loan review committee. An application is not considered complete until all required information has been submitted to the [NAME OF APPLICANT] staff as listed on the attached application.
- There must be evidence presented by the applicant that indicates the RLF loan is necessary to make the proposed project feasible.
- The Loan Committee may require written feasibility studies, business plans, market studies, etc. as appropriate for the business type.
- The loan review committee will analyze each project and make a written recommendation to the [NAME OF APPLICANT] Board of Directors.
- The [NAME OF APPLICANT] Board of Directors will normally review RLF applications at their scheduled monthly Board Meeting. However, if needed and at the Board's option, the Board may call a special meeting to review a loan application.
- The [NAME OF APPLICANT] Board of Directors shall have final authority to approve or deny RLF loan requests, and to determine appropriate terms and conditions.
- For approved loans, a loan agreement addressing all of the terms and conditions, including monitoring procedures, repayments, delinquencies, defaults and remedies for that project will be prepared by the RLF. In addition, the RLF shall have prepared all notes, mortgages, security agreements, UCC filings and other legal documents necessary to close the loan. The RLF will use appropriate note, mortgage, and other forms which are approved by the State Bar Association.
- Before RLF funds can be disbursed to the loan recipient, all requirements and terms of the loan agreement must be met and supplemental financing must already be contributed or verified ready to contribute to the project.

Review Criteria:

The basis for determining the eligibility/approvability, loan amount, interest rate, and terms and conditions of a revolving loan fund request, and general RLF operational procedures, are as follows:

- The loan review committee and [NAME OF APPLICANT] board will consider the financial need of the project, the probability of success, the security offered, and the overall benefits of the project to rural areas, including the number of jobs to be created or retained, diversification of the economy, the extent of the upgrading of the skills of the rural workforce, the quality of the jobs in terms of pay scale and benefit package, and, for community development projects, improvements to the community infrastructure, facilities, and/or acquisition of equipment that improves the education, health, safety, and/or medical care of rural residents.

- Applicants who choose to apply in times when inadequate funds exist for extending a loan will be informed of the lack of funds. Applications will be reviewed and funded (if eligible) based on the following criteria:
 - Applications with the greatest anticipated economic impact for the community shall receive greatest priority. Criteria to be considered in determining economic impact include number of jobs created or saved, wage scale of employees, benefits paid to employees.
 - Applications of equal economic impact will be funded in date order of application.

In accordance with Federal law and U.S. Department of Agriculture policy, the Loan Committee will not discriminate on the basis of race, color, national origin, sex, religion, age, disability, or marital or family status.

LOAN MONITORING:

The Economic Development Executive Director shall be responsible for administrative requirements of the RLF. The Economic Development Executive Director may delegate these responsibilities to other persons.

All RLF loans will be monitored to ensure that loan proceeds are spent as identified in the RLF application, that all other sources of financing have been committed to the project, and that the benefits of the project, such as job creation, are accomplished as stated in the RLF application. The Economic Development Executive Director shall ensure that RLF lien positions and loan collateral are secure

This loan monitoring will require regular reporting by the loan recipient.

- Annual income statements and balance sheets will be collected from the loan recipient. Depending on the nature of the project and security arrangements, **[NAME OF APPLICANT]** reserves the right to require the submission of annual financial reports as audited by a certified public accountant.
- **[NAME OF APPLICANT]** will also conduct annual site visits to meet with the loan recipient, verify collateral and collect any information as required.
- At the option of **[NAME OF APPLICANT]**, periodic management information reports may be required of the loan recipient. Management reports may be required on a semi-annual basis beginning six months after the advance of RLF funds and continuing semi-annually thereafter for a period of 3 years or until completion of the project, whichever is the later period. If requested, management reports will include:
 - information on the number of jobs created or retained during the reporting period;
 - a comparison of accomplishments during the reporting period to the objectives established for the project,
 - a description of any problems, delays, or adverse conditions which will materially affect the attainment of planned project objectives and a statement of action taken or contemplated to resolve the situation.
- **[NAME OF APPLICANT]** reserves the right to require these reports on a more frequent basis if it is determined to be in the best interest of the RLF.

- An annual review and report of the outstanding loans of the RLF, including job creation/retention totals and community benefits, will be compiled by the loan committee for presentation to the **[NAME OF APPLICANT]** Board of Directors.

COLLECTION PROCEDURES:

The Economic Development Executive Director is charged with the responsibility for loan collections and related workouts, collection of charged-off loans, management and disposal of other real estate owned and any other activities related to delinquent accounts.

As part of this responsibility, the Economic Development Executive Director shall have authority to initiate foreclosures, and collection suits after consultation with **[NAME OF APPLICANT]**'s legal counsel. The Economic Development Executive Director will advise the board of such action at their next regular meeting.

- Past due notices will be generated and sent to the loan recipient according to the following schedule:
 - First notice sent on the 10th day after a note or payment is due.
 - Second notice sent on the 20th day after a note or payment is due.
- If the delinquent account becomes 30 days delinquent, the Economic Development Executive Director will make phone contact with the loan recipient to inquire about the situation and arrange appropriate corrective action.
 - As a prudent lender and at the **[NAME OF APPLICANT]**'s sole discretion, a one-time corrective action/workout of a delinquent account is permitted. As part of the workout, loan terms may be modified by deferral, reamortization and/or balloon payments.
- If the delinquent account is not taking steps to cure default and the account becomes 60 days delinquent, a written 30 day Notice to Cure will be issued and sent to the loan recipient via certified, first class mail with a return receipt requested.
- If the delinquent account does not respond to the Notice to Cure by paying the amount stated in the cure notice, the file will be forwarded to **[NAME OF APPLICANT]**'s legal counsel to start foreclosure actions.

FILE RETENTION:

All RLF files will be retained for a period of not less than 3 full years after the loan has been paid in full. After 3 years, the files will be destroyed by shredding or incineration. Files will be secured in a locked, safe place and access will be limited to Intermediary staff with RLF responsibilities. Other security measures will be initiated as needed to protect confidentiality of loan documents.

This Revolving Loan Fund Plan is submitted by the grantee. Upon approval by the grantor, the grantee agrees that no changes will be made to the Revolving Loan Fund Plan without prior written approval by the grantor.

[NAME OF APPLICANT] (GRANTEE)

By: _____, _____ _____
(Signature) (Title) (Date)

This Revolving Loan Fund Plan is hereby approved by USDA - Rural Development.

USDA - RURAL DEVELOPMENT

By: _____, _____ _____
(Signature) (Title) (Date)

Revolving Loan Fund Plan

Rural Business Enterprise Grant Application City of Waseca Economic Development Authority

The City of Waseca Economic Development Authority (grantee) Revolving Loan Fund (RLF) shall be operated under the guidance of the following revolving loan fund plan. This Revolving Loan Fund Plan will not be amended or changed without prior written concurrence from Rural Development (grantor), an Agency of the USDA.

1) Use or Grant Funds:

Grant funds to be received by the grantee through the Rural Business Enterprise Grant program will be used to establish a revolving loan fund (RLF). The RLF will be used to provide financial assistance to third parties within the guidelines of this revolving loan fund plan.

2) Sources of all non-grant funds:

The Grantee will contribute a cash match to establish the RLF. Verification of these funds is provided with the grant application. These funds will remain in the RLF until the RLF is terminated. Termination will not take place without prior concurrence of the grantor.

City of Waseca Economic Development Authority (EDA)s of the RLF will be required to meet their financial needs from their own resources and commercial financial institutions whenever possible. The RLF will be used to finance City of Waseca Economic Development Authority (EDA) needs that cannot be met from the above resources. The RLF may finance 100% of an City of Waseca Economic Development Authority (EDA)'s needs if other resources are not available.

3) Amount of technical assistance:

Technical assistance will be available from the grantee on an as-needed basis. The Grantee will also assist City of Waseca Economic Development Authority (EDA)s find other technical assistance resources that can provide the assistance needed by the City of Waseca Economic Development Authority (EDA).

4) Purpose and limitations of the loans made from the RLF:

a) Planned projects to be financed may include but not limited to:

- I. Project / business to be assisted by the RLF program typically must be physically located within the corporate limits of the City of Waseca. On a case by case basis, the Loan Committee may waive this requirement and provide loan funds to a business located outside the corporate limits of the City of Waseca if the committee determines doing so will have a positive economic impact on the community to be assisted with RLF funds.
- II. Acquisition and development of land, easements, and rights-of-way.

- III. Construction, conversion, enlargement, repairs or modernization of buildings (including façade repairs), plants, machinery, equipment, access streets and roads, parking areas, utilities, and pollution control and abatement facilities.
- IV. Loans for startup operating cost and working capital.
- V. Technical assistance for private business enterprises.

b) Limitations on loans from the RLF:

- I. RLF funds will not be used to produce agriculture products through growing, cultivation, and harvesting either directly or through horizontally integrated livestock operations except for commercial nurseries, timber operations, or limited agricultural production related to technical assistance projects.
- II. RLF funds will not be used to finance comprehensive area-wide type planning. This does not preclude the use of grant funds for planning for a given project.
- III. RLF funds will not be used to fund a part of a project which is dependent on other funding unless there is a firm commitment of the other funding to ensure completion of the project.
- IV. Loans will not be made unless there is a reasonable prospect that the City of Waseca Economic Development Authority (EDA) meets the definition of "small and emerging private business enterprises" defined as "any private business that will employ 50 or fewer new employees and has less than \$1 million in projected gross revenues." If the grantor changes its definition of small and emerging business as defined by the Rural Business Enterprise Grant regulations, the grantee reserves the right to utilize the amended definition without further approval from the grantor.
- V. At least 51 percent of the outstanding interest in the City of Waseca Economic Development Authority (EDA) must be owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.
- VI. Applications by members of the loan committee and their immediate family members shall be ineligible for funding.

c) Other Lending criteria:

- I. Loans to be made from the RLF will not exceed the level of available funding in the RLF bank account. Loans made from the RLF typically will not be less than \$5,000. The Loan Committee may authorize loans smaller than the above values on a case by case basis.
- II. Loans can be amortized over the lesser of seven years or the life of the security. The Loan Committee shall determine the term.
- III. The interest rate will typically range from 3-5% and typically will not exceed prime rate by more than 2%. The Loan Committee will determine the rate at the time of each application for assistance. The rate will be based on the current New York prime rate.
- IV. Security shall consist of the best lien available on real estate, equipment, inventory, etc. The discounted value of the security (using typical lender discount rates) shall

equal or exceed the value of the loan. The Loan Committee may require personal guarantees and/or co-signors.

- V. There must be evidence presented by the City of Waseca Economic Development Authority (EDA) that indicates the RLF loan is necessary to make the proposed project feasible.
- VI. RLF loan funds will not be used to pay off any previous debt. Refinancing construction financing is an exception to this rule.
- VII. If the business relocates outside of the corporate limits of the City of Waseca, the Loan Committee may require immediate pay off of the loan.
- VIII. The proposed project must be presented to the Loan Committee by the prospective business owner or her/his representative.
- IX. The Loan Committee may require written feasibility studies, business plans, market studies, etc. as appropriate for the business type.
- X. A \$100 application fee shall be submitted with each application. Costs associated with processing the application (e.g. credit report fees, UCC and lien search fees, filing security documents, filing legal documents fees, etc.) shall be the responsibility of the City of Waseca Economic Development Authority (EDA). The Loan Committee may waive or amend this fee structure without further approval from the grantor.

5) Number of jobs to be created/saved with each project.

The grantee has a goal of creating or retaining at least one full time job for each \$10,000 loaned from the RLF.

6) Project priority and length of time involved in completion of each project.

Applications for RLF funds will be accepted on a continual basis. City of Waseca Economic Development Authority (EDA)s who choose to apply in times when inadequate funds exist for extending a loan will be informed of the lack of funds. Applications will be reviewed and funded (if eligible) based on the following criteria:

- a) Applications with the greatest anticipated economic impact for the community shall receive greatest priority. Criteria to be considered in determining economic impact include number of jobs created or saved, wage scale of employees, benefits paid to employees.
- b) Applications of equal economic impact will be funded in date order of application.
- c) In accordance with Federal law and U.S. Department of Agriculture policy, the Loan Committee will not discriminate on the basis of race, color, national origin, sex, religion, age, disability, or marital or family status.
- d) The Loan Committee will be responsible for determining priorities of application to be funded. Eligibility of City of Waseca Economic Development Authority (EDA)s will typically be determined within 30 days of receipt of a complete application. An application will be considered complete when all information necessary for the Loan Committee to make a decision has been received.

7) **Other information:**

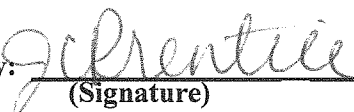
RLF will be administered by a Loan Committee. The Loan Committee shall be comprised of no fewer than five voting members plus the Community Development Director. The Community Development Director shall not have voting privileges.

One committee member shall be a lender from a local lending institution. The remaining four members shall be persons who live within the corporate limits of the City of Waseca or who live outside of the corporate limits of the City of Waseca but have an interest in the economic climate of the City of Waseca Economic Development Authority (EDA) RLF territory. Three persons of the committee shall constitute a quorum necessary for approving or rejecting an application for funding from the RLF. A simple majority (51%) of members voting shall be necessary for approval.

The Chairperson of the City of Waseca Economic Development Authority and/or the Community Development Director shall be responsible for administrative requirements of the RLF. The chairperson may delegate these responsibilities to other persons.

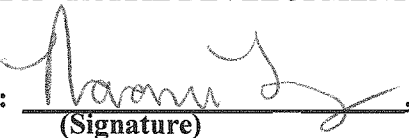
This Revolving Loan Fund Plan is submitted by the grantee. Upon approval by the grantor, the grantee agrees that no changes will be made to the Revolving Loan Fund Plan without prior written approval by the grantor.

City of Waseca Economic Development Authority (Grantee)

By: , EDA Executive Director 4/8/10
(Signature) (Title) (Date)

This Revolving Loan Fund Plan is hereby approved by USDA - Rural Development.

USDA - RURAL DEVELOPMENT

By: , Area Specialist 6/23/10
(Signature) (Title) (Date)

CITY OF WASECA
BALANCE SHEET
SEPTEMBER 30, 2022

RBEG REVOLVING LOAN - EDA

<u>ASSETS</u>			
263-10100-0000	CASH IN BANK	205,558.08	
	TOTAL ASSETS		205,558.08
<u>LIABILITIES AND EQUITY</u>			
<u>FUND EQUITY</u>			
263-25310-0000	FUND BALANCE - DESIGNATED	186,937.92	
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	18,620.16	
	TOTAL FUND EQUITY		205,558.08
	TOTAL LIABILITIES AND EQUITY		205,558.08

**NON-DISCRIMINATION STATEMENT FOR
BORROWERS/RECIPIENTS/CLIENTS**

The nondiscrimination statement shown below shall be posted in all recipient offices, and included, in full, on all materials regarding such recipients' programs that are produced by the recipients for public information, public education or public distribution. The following should be used:

Non-Discrimination Statement

"This institution is an equal opportunity provider and employer."

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov."

If the material is too small to permit the full statement to be included, the material at a minimum includes the statement in print size no smaller than the text that

"This institution is an equal opportunity provider and employer."

Effective by UL dated Dec 31, 2013

- c. The hotel study that was done in 2017 recommended growth at the “West” and “South” Interchanges.
- d. It is recommended to do a new study post pandemic to see who the needs have changed in Waseca which could be very beneficial.
- e. President Kaelberer requested that staff reach out to local businesses to go in conjunction with the study.
- f. Fitch asked what the “Shelf Life” of the study is and short answer from staff was that it all depends on how the plan is used and what the goals taken from the plan are.
- g. Mansfield supports the idea of the study because it supports the role of the Economic Development Manager and her goals.
- h. Motion was made by Mansfield to go ahead with the study and seconded by fitch. Motion carried 4-0.

REPORTS

7.

- A. Tina Wilson, PCED, Economic Development Manager Report:
 - a. She has been working with a start-up called “Project Coil” or TPG Steel, that was shared in a previous meeting.
 - i. On December 14, 2022, the City received an application for Commercial Tax Abatement
 - ii. Spoke with County Administrator Michael Johnson and he said the County would also be interested in talking with TPG Steel about County abatement. Mr. Johnson was at the meeting to answer questions.
 - 1. Michael Johnson introduced Blair Nelson and Doug Christopherson from Waseca County Planning & Zoning and Waseca County EDA.
 - 2. They were part of the process for abatement at the Conagra site.
 - iii. TPG Steel is looking to add 50 jobs with an average pay of \$45/hr.
 - iv. They will be producing large steel girders to raise ceilings.
 - v. They were a lead from the Community Venture Network and are a start-up, although their group does have 30+ years experience.
 - vi. They have been working with Jeremy Brown about their needs and the process for the Quad Graphics building.
 - vii. Michael Johnson spoke saying there is a price limit that if exceeded it would go to a different plan and a Business Subsidy Act would be used if the price exceeds the threshold per statute.
 - 1. With the uniqueness of the space this would be a great opportunity for the community.
 - viii. The intended renovations include raising the roof of the building, improve the rail spur and renovate the building interior.
 - ix. They are looking to bring material to the building by rail, produce their product and send it out again via rail.
 - x. They are looking at 375,000 sq/ft and keeping the two businesses in the building, while using the rest for steel storage.
 - xi. Not looking at infrastructure improvements (water or sewer) unless there is a safety issue.
 - xii. The abatement for Conagra was given to offset the water usage and that is not needed with this project.
 - xiii. Fire suppression may need to be updated which would lead to a water update. (She) Ms. Wilson would like input from the EDA if it comes to this.

- xiv. Purchase of the building is projected for February 2023.
- xv. Per Mr. Scott for the Business Subsidy there will need to be a public hearing.
- xvi. The projected tally was based on 8 million to 30 million. Current value is \$6,053,100 + \$8,000,000 would give the proposed value of \$14,000,000 per Mr. Nelson with the County.
- xvii. If the value does come to \$32,000,000 as stated in the proposal Staff would like a breakdown of what the total amount covers.
- xviii. Abatement would be on the new added value, there would be no change to the current tax on the property,
- xix. Value (rental value does not always equal market value) where a special use property can change the value. Conagra proved that once renovation is complete a better value is known.
- xx. Lenders from California/Nevada/Florida. The principles are out of Iowa,
- xxi. They want to move fast, the site with the rail is minimal for availability.
- xxii. Their 1st request was to use the City as a lease guarantee for \$1,500,000. The conversation was moved from that to Commercial Tax Abatement.
- xxiii. The perceived delays by Staff are unfounded, as the Economic Development Manager and Interim City Manager would like to keep this project moving.
 - 1. Staff handed out a timeline of correspondence between staff and all the members of the project team.
- xxiv. Chair Kaelberer thinks it would be a good use of the space.
- xxv. Board agreed to keep Mr. Scott in the loop to ensure the project is vetted completely.
- xxvi. Mansfield confirmed with Mr. Johnson that indeed the county is on board: Mr. Johnson said yes with the understanding that the “ask” is not completely known and that the business will have to provide updates regularly to continue the program.
- xxvii. Mansfield would like to see the opportunity come to Waseca. Because it is proposed 13 employees at start then to 50 employees and within 2 years they are looking at 150.
- xxviii. Mayor Srp stated that after several conversations he believes this is a positive project for Waseca.
- xxix. Mansfield made a motion to move the information to council, motion seconded by Fitch. Motion carried 4-0.
- c. Tina Wilson reported that Paul Snook did attend the Community Venture Network on December 2nd. There were two projects that are being looked into after that meeting:
 - 1. Northwest Carbon which is a consultant on how to be a bio char operator. Bio char takes crop waste and other waste and compresses it for energy/fuel.
 - 2. Maze Animal Health. They produce food-based medicine so there is no need for animal injections. They are out of Iowa.
 - 3. Staff will be having continued conversation with both companies.
- d. The Recovery Coordinator Grants fund extension has been signed and payment is expected by the end of the year. The personnel portion expires the end of December but there are still obligations that need to be met to meet the requirements for the grant.
 - 1. Paul Snook has been transferring his duties to Staff.
- e. Earlier this summer, the city received the last principal payment from the bankruptcy of the Cochran company. The current fund balance of the Revolving Loan program is \$205,000 and USDA has confirmed that Waseca is in compliance and can reloan out the monies. Staff

Would like for the EDA at a later meeting to review the lending policy because the criteria has changed.

- f. GT Express grant is currently being scored and ranked and they should hear an answer about the grant award soon.
- g. Economic Development Manager would like to attend the site selector training in 2023. A memo was attached to agenda. Recovery grant should be able to cover the cost.
 - i. Chair Kaelberer confirmed that the MN Conferences will still be attended as Gary and Paul did.
 - ii. With this meeting being national Chair Kaelberer wanted to know how it would work for the City of Waseca.
 - 1. Site Selectors will know the Contact and what the City has to offer.
 - 2. Site Selectors explain what they look for when selecting sites.
 - 3. Can learn what other communities have to offer.
 - 4. It brings benefits for the City's long game.Discussion moved to the January meeting.
- h. MNDot denied access to Hwy 13 for the coffee shop. City Engineer is working with property owner and encouraged them to talk to the property owner to the north.
- i. Cedar Crates Farms is looking to delay their project for at least a year as they work through the process to ensure it is done right.

NEXT MEETING DATE

- 8. The next Economic Development Authority meeting to be held, Wednesday January 11, 2023, 12:00 p.m. (noon) in the Waseca City Hall Council Chambers.

ADJOURNMENT

- 9. It was moved by Fitch, seconded by Kaelberer to adjourn the meeting at 1:00 p.m. Motion carried 4-0.

Respectfully Submitted,

Julia Hall
City Clerk

Micah Fischer 6B

LIST OF EXPENDITURES

January 11, 2023



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Econ Development	<u>5,958.60</u>	
Total Gross Payroll	5,958.60	
*Less- Payroll Deductions	<u>(2,573.61)</u>	
Net Payroll Cost		\$ 3,384.99

*These costs are included in Accounts Payable totals below

Accounts Payable

Expenditures dated: December 2, 2022-January 5, 2023		
Bank ACH Withdrawals.....		<u>8,272.00</u>
GRAND TOTAL EXPENDITURES		<u>\$ 11,656.99</u>

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Economic Development-General f					
12/29/2022	158797	Cardinal Geographics	Retail/Lodging Study - 50% downpayment	261-46700-3100	4,420.00
12/29/2022	158805	DownHome Solutions LLC	Setup and Training of New Loan Software	261-46700-3100	1,800.00
Total 261467003100:					6,220.00
12/29/2022	158805	DownHome Solutions LLC	Loan Software	261-46700-4330	2,052.00
Total 261467004330:					2,052.00
Total Economic Development-General f:					8,272.00
Grand Totals:					8,272.00

2023
ECONOMIC DEVELOPMENT AUTHORITY MEETING DATES

The following regular meetings are scheduled for the 2nd Wednesday of each month at 12:00 noon, unless otherwise noted.

January 11
February 8
March 8
April 12
May 10
June 14
July 12
August 9
September 13
October 11
November 8
December 13