

**MINUTES  
CITY OF LONSDALE  
SPECIAL ECONOMIC DEVELOPMENT AUTHORITY MEETING  
JULY 12, 2016**

**1. CALL TO ORDER**

Prigge called the meeting to order at 7:11 am in the City Council Chambers, 415 Central St. W.

**MEMBERS PRESENT:**

Prigge, Furrer, Rivers and Daleiden

**MEMBERS ABSENT:**

Duban, Zellner and Ruppert

**STAFF PRESENT:**

City Administrator Joel Erickson

**OTHERS PRESENT:**

Wendy Whitney – The Pet Shop

**2. AGENDA**

Prigge said the agenda went through 7A and asked if there were any additions, deletions or corrections to the agenda. A motion was made by Furrer and seconded by Daleiden to approve the agenda as presented. Vote for: Prigge, Furrer, Rivers and Daleiden. Against: None Vote 4-0. Motion carried.

**3. APPROVAL OF THE MINUTES**

None

**4. CONSIDER APPROVAL OF THE TREASURER'S REPORT AND MONTHLY BILL(S)**

None

**5. OLD BUSINESS**

a. Review and Consider Approval of a Revolving Loan Fund Application Submitted by Pet Shop

Erickson provided a summary of the RLF application submitted by The Pet Shop and discussion from the last EDA meeting. Rivers asked if the SBA financing is in place. Whitney said the application has been submitted and that she should hear any day. She said she has been told it will not be a problem. Rivers asked what would happen if the SBA loan application was denied. Whitney said she already has \$50,000 into the project and it would probably result in a delay while she looked at other financing options. Rivers asked if the RLF had a term of 10 years. Erickson replied yes. Daleiden said it looks like Whitney has done her homework and asked if she had any additional information she wanted to provide. Furrer asked what type of heat source would heat the building. Whitney said a

typical commercial roof top unit but it will be installed on the side of the building. Rivers said the rent payment in August of 2017 does not match the expense. Whitney said she believes that at that time, she will no longer have to subsidize the rent payment. Rivers asked if the rent included taxes, etc. Whitney said she has accounted for the special assessment and property taxes. Daleiden said based on the projections, the business will breakeven in 2018. Whitney said she is working with her financial advisor to see if it is more beneficial to pay more rent or to take more of a salary. Daleiden asked if these projections are all that was submitted for the SBA loan. Whitney said yes. Furrer asked if the loan request was \$60,000. Erickson replied yes. Rivers said based on the information provided, the project does cash flow, while taking into account the EDA's RLF payment. Erickson said if approved today, a recommendation would be made to the City Council for final approval at their July 28, 2016 meeting. A motion was made by Furrer and seconded by Rivers to approve the EDA RLF application submitted by The Pet Shop for \$60,000.00 with an interest rate of 2% for a term of 10 years. Vote for: Prigge, Furrer, Rivers and Daleiden. Against: None Vote 4-0. Motion carried.

## **6. NEW BUSINESS**

### **a. Review and Discuss Applications Submitted for the Lonsdale Economic Development Authority Rehabilitation Grant Program**

Erickson said interest in the program was low. He said he received one essentially completed application and one application form only. Erickson said he did have two policy questions for the Board: (1) would the program deadline be extended and (2) would the Board consider providing more than \$10,000 to a project. The Board discussed these two questions and decided to not extend the program and to keep the per project funding at \$10,000. After reviewing the applications, the Board requested Fredrickson Properties, Inc. provide bids for their proposed project. Also, the Board requested staff to work with Gerald Zabinski to obtain a complete application. Erickson said he did not expect a decision to be made at the meeting. Rather this was just to review the applications and request additional information as necessary so a decision can be made at the July 21, 2016 Regular EDA meeting.

## **7. OTHER BUSINESS**

### **a. None**

## **8. ADJOURNMENT**

A motion was made by Rivers and seconded by Daleiden to adjourn the meeting at 7:43 am. Vote for: Prigge, Furrer, Rivers and Daleiden. Against: None Vote 4-0. Motion carried.

Respectfully Submitted:

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Joel A. Erickson, City Administrator