

APPROVED MINUTES OF THE REGULAR MEETING OF THE BOARD MEMBERS OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AUTHORITY (EDA)

A regular meeting of the Board Members of the East Grand Forks Economic Development Authority was held at Noon on July 7, 2020, as a virtual meeting

1. Roll Call:

Meeting was called to order by President Pokrzywinski at 12:00 pm.

EDA Board present at roll, Board President Mike Pokrzywinski, Board Members: Tim Johnson, Justin Hecht, Dale Helms and Daniel Black

Absent: Josh Grinde and Diane Blair

Staff present: Paul Gorte (EDD), Economic Development Director; Brenda Ault (EA), Executive Assistant; Ron Galstad (CA) City Attorney, Karla Anderson (FD) Finance Director.

Also Present: Zoom Barry Wilfahrt and Mark Shill Chamber; Marc Demers, Council Member

Roll Call: President Pokrzywinski determined a quorum was present.

2. Approval of Minutes

a. June 9, 2020 Regular Meeting

A Motion was made to approve the June 9, 2020, Regular Meeting Minutes by Board Member Black, seconded by Board Member Hecht. M/S/P-Black, Hecht; 5-0, mc.

3. Bills and Communications

a. Review of Accounts Payable June 16, 2020

No Questions

b. Approval of Accounts Payable July 7, 2020

Board Member Hecht made the motion, seconded by Board Member Helms, to approve the bill list for July 7, 2020. M/S/P-Hecht, Helms; 6-0, RCV: Johnson Y, Black Y, Pokrzywinski Y, Hecht Y, Helms Y: 5-0, mc.

4. Reports

a. Delinquencies - None

b. Director's Reports – EDD Gorte reported that June was dominated by COVID 19, including the Disaster Loans and conversations with businesses. He also stated that the Northern Valley Career Expo is still on for October.

5. Unfinished Business

None

6. New Business

a. Regional Market Capture presentation – Wilfahrt, Shill

July 7, 2020

MINUTES OF THE REGULAR MEETING OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AUTHORITY (EDA) (continued)

Results of the study state that we need to advertise our quality of life, sustain the tax base and attract more visitors. To increase the visitation, we need to develop new attractions, amenities, etc. The study produced a large amount of information that will be useful in the future.

EDD Gorte thanked Board member Black for participating in the effort.

b. Emergency Loans (New)

i. Valley Golf

EDD Gorte stated that Valley Golf is seeking \$20,000. The Loan Committee recommends approval of the loan.

Board Member Hecht made the motion, seconded by Board Member Black, to approve a 1%, 5 years with no interest or payments for the first 6 months, \$20,000 loan. M/S/P-Hecht, Black; RCV: Johnson Y, Black Y, Pokrzywinski Y, Hecht Y, Helms Y: 5-0, mc.

c. Restaurant Emergency Loans

i. American Legion

EDD Gorte stated that they are seeking \$20,000, the Loan Committee recommends approval of the loan.

Board Member Black made the motion, seconded by Board Member Helms, to approve a 1%, 5 years with no interest or payments for the first 6 months, \$20,000 loan. M/S/P- Black, Helms; RCV: Johnson Y, Black Y, Pokrzywinski Y, Hecht Y, Helms Y: 5-0, mc.

ii. The Boardwalk

EDD Gorte stated that they are seeking \$20,000, the Loan Committee recommends approval of the loan.

Board Member Johnson made the motion, seconded by Board Member Helms, to approve a 1%, 5 years with no interest or payments for the first 6 months, \$20,000 loan. M/S/P-Johnson, Helms; RCV: Johnson Y, Black Y, Pokrzywinski Y, Hecht Y, Helms Y: 5-0, mc.

iii. Little Bangkok

EDD Gorte stated that they are seeking \$20,000, the Loan Committee recommends approval of the loan.

Board Member Helms made the motion, seconded by Board Member Hecht, to approve a 1%, 5 years with no interest or payments for the first 6 months, \$20,000

July 7, 2020

MINUTES OF THE REGULAR MEETING OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AUTHORITY (EDA) (continued)

loan. M/S/P- Helms, Hecht; RCV: Johnson Y, Black Y, Pokrzywinski Y, Hecht Y, Helms Y: 5-0, mc.

iv. Mike's Pizza

EDD Gorte stated that they are seeking \$20,000, the Loan Committee recommends approval of the loan.

Board Member Hecht made the motion, seconded by Board Member Black, to approve a 1%, 5 years with no interest or payments for the first 6 months, \$20,000 loan. M/S/P- Hecht, Black; RCV: Johnson Y, Black Y, Pokrzywinski Y, Hecht Y, Helms Y: 5-0, mc.

v. Northdale Oil (gas station restaurant)

EDD Gorte stated that they are seeking \$20,000, the Loan Committee recommends approval of the loan.

Board Member Helms made the motion, seconded by Board Member Black, to approve a 1%, 5 years with no interest or payments for the first 6 months, \$20,000 loan. M/S/P- Helms, Black; RCV: Johnson Y, Black Y, Pokrzywinski Y, Hecht Y, Helms Y: 5-0, mc.

vi. The Spud Jr.

EDD Gorte stated that they are seeking \$20,000, the Loan Committee recommends approval of the loan. The Board also needs to make an exception to the policy revision. Recognizing they were operating, but not yet open, on December 31, 2019.

Board Member Helms made the motion, seconded by Board Member Hecht, to make an exception to the policy revision. Recognizing they were operating, but not yet open on December 31, 2019. And to approve a 1%, 5 years with no interest or payments for the first 6 months, \$20,000 loan. M/S/P- Helms, Hecht; RCV: Johnson Y, Black Y, Pokrzywinski Y, Hecht Y, Helms Y: 5-0, mc.

vii. Up North Pizza Pub

EDD Gorte stated that they are seeking \$20,000, the Loan Committee recommends approval of the loan, with the condition that the remaining documents be provided before the funds are transferred to the applicant.

July 7, 2020

MINUTES OF THE REGULAR MEETING OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AUTHORITY (EDA) (continued)

Board Member Helms made the motion, seconded by Board Member Hecht, to approve a 1%, 5 years with no interest or payments for the first 6 months, \$20,000 loan, with the condition that the remaining documents be provided before the funds are transferred to the applicant. M/S/P- Helms, Hecht; RCV: Johnson Y, Black Y, Pokrzywinski Y, Hecht Y, Helms Y: 5-0, mc.

- d. Loan Payment Deferral
 - i. Up North Pizza Pub

EDD stated that Up North Pizza Pub is requesting a loan payment deferral, for 6 months at no interest, commencing with the July payment. Payments will resume with the January 2021 payment.

Board Member Hecht made the motion to approve the deferral; was seconded by Board Member Black. M/S/P- Hecht, Black; RCV: Johnson Y, Black Y, Pokrzywinski Y, Hecht Y, Helms Y: 5-0, mc.

- e. Loan Rate Policy

EDD Gorte state that as we have dealt with the impacts of the shutdowns and restrictions upon local businesses, we have created policies to address those impacts. At this time, it is appropriate to roll those policies into the overall interest rate policies for the EDA. The new policy, which includes additional rules in the last sentence, would read:

Loans to manufacturing businesses which function as primary industries shall be 1% per annum. Loans to firms who combine manufacturing and non-manufacturing and serve a regional or larger market shall be 2.5% per annum. All other eligible loans shall be 4% per annum. The EDA may apply reduced rates to non-manufacturing businesses provided that said businesses are primary or anchor or because of exceptional circumstances, with the reasons for the reduced rate documented and made a part of the file.

Board Member Hecht made the motion to approve the updated Loan Interest Rate Policy; was seconded by Board Member Helms. M/S/P- Hecht, Helms; RCV: Johnson Y, Black N, Pokrzywinski Y, Hecht Y, Helms Y: 4-1, mc.

- f. Uses of CARES Act Economic Development Funds

EDD Gorte explained that aid for individuals and businesses will be available if the City does not need to use all the funds. These grants would be COVID related and the monies would come from the Federal Government through the State of Minnesota. FD Anderson stated that the list of examples will be coming next week and the Board should be thinking of ways to utilize these funds.

July 7, 2020

MINUTES OF THE REGULAR MEETING OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AUTHORITY (EDA) (continued)

CA Galstad left the meeting at 1:05 pm.

g. Infill Building Appraisals

They will be postponed until the spring.

h. Virtual questions for Website & Facebook

EDD Gorte stated that he will be sending the Board questions that they will need to respond to for social media.

7. **Adjournment:**

Motion to adjourn the meeting was made at 1:15 by Board Member Johnson, was seconded by Board Member Black. M/S/P- Johnson, Black; 5-0, mc.

The next regular meeting is **August 4, 2020.**

Respectfully Submitted,
Brenda Ault, Executive Assistant