

# Minutes

Regular Meeting  
Thursday, March 10, 2005  
3:30 p.m.  
Lower Jury Room, Becker County Court House  
Detroit Lakes, MN

**Meeting called by:** Mike Metelak  
**Type of meeting:** Regular Meeting  
**Attendees:** Harry Salminen, Karen Mulari, Mike Metelak, Gerald Schram, Dan Aune, Terry Johnson  
Staff present: Jon Thomsen, Lana Fralich,  
Others present: Nathan Bowe (Detroit Lakes Newspapers), Tom Klyve (MMCDC), Tim Gordon (Becker County Sheriff)  
**Board Members Absent:** Paul Joyce

## Agenda topics

- 1) **Call Regular Meeting to order:** M Metelak called the meeting to order at 3:30 p.m.
- 2) **Approval of Regular Meeting Agenda: Motion** and second to approve the Agenda with the following change: Move agenda item #7 to #4, (T Johnson, H Salminen), carried.
- 3) **Approval of Minutes from January Regular Meeting: Motion** and second to approve the Meeting Minutes as presented (H Salminen, G Schram), carried.
- 4) **ICWC Work Crew:** Staff and Tim Gordon presented a request by the MN Department of Corrections to contract for the State ICWC Crews to construct housing in Becker County and surrounding areas. The EDA will be responsible for providing a licensed general contractor, obtain all necessary permits, assign all work and coordinate material purchases and delivery, hire and coordinate subcontractors, provide land, provide utilities and equipment for construction to the site, update the State Dept of Corrections of the program. The contract would be a 2-year contract and would generate income to Becker County of approximately \$118,000 that would offset the cost that Becker County is paying for the jail lease. The EDA would be responsible financially should the crews not be used. This cost is estimated at \$102,000. Funds to construct the homes and purchase the land would be paid for through existing and future housing funding applications. Should funds not be available for the construction of homes, the EDA would be expected to loan the needed funds. Discussion followed. **Motion** and second to move forward with the agreement and recommend to the County Board approval of the agreement (H Salminen, G. Schram), carried.
- 5) **Financial Report:**
  - a) **Monthly Report:** Staff presented the financial report. **Motion** and second to accept the report as presented (H Salminen, G Schram), carried.
- 6) **Tom Klyve, Midwest Minnesota Community Development Corporation:**

Tom Klyve presented the New Market Tax Credits program that MMCDC was awarded. MMCDC was awarded \$35 million in Tax Credits (not grant or cash) from CDFI. This program collaborates private investors with private borrowers to create new business in low-income markets. The Investor loans to a Certified Development Entity which then loans to a qualified business who creates jobs in a qualified low-income area. MMCDC is the manager of the loan and provides the servicing of the loan on behalf of the Certified Development Entity. MMCDC certifies to the US Treasury annually on the loans in order for the investor to receive the credit at the end of the year. The loans that are made are typically 1% to 1 ½ % lower than a bank and the term is for 7 years. The \$35 million award has already been fully used. MMCDC is currently waiting approval of their application for an additional \$100 million in New Market Tax Credits. Discussion followed.

7) **Economic Development:**

- a) **Update Report:** Staff updated Board on the MCCF training meeting. Staff reported on a meeting held at the Detroit Lakes city office regarding the City and the County working together on economic development. The meeting was very positive and has resulted in the Becker County EDA taking the lead on having quarterly meetings to help the City of DL meet their economic development goals. Staff passed out a draft of the business summary for Board review
- b) **White Earth Investment Initiative:** Staff presented a letter from Asst. County Attorney, Gretchen Thilmoney, regarding the EDA providing a 0% deferred loan instead of making a contribution to the White Earth Investment Initiative. According to the letter, the EDA can make a deferred loan, however, the EDA should not make 0% interest loans since that can be considered a "de facto" gift. Discussion followed regarding the amount of \$100,000 and if the EDA has enough funds to cover the loan and still have enough funds remaining for future investments. There was additional discussion regarding that the loan would be at 1%, the CDFI funds would be matched 4 to 1, the loan and matching funds must be used entirely within the boundaries of Becker County, the terms of the loan will match the CDFI loan requirements, and that all funds will be used for business loans that are developed on the reservation by all people of Becker County. **Motion** and Second to deny the contribution request and offer a loan to the White Earth Investment Initiative \$100,000 at 1% interest for 30 years with stipulations that the \$100,000 be matched 4-to-1 by the \$750,000 CDFI funds, that the loan and matching funds be used entirely within Becker County, that loans will be made to any qualifying business who is planning to expand, start-up, or expand on the White Earth Reservation, and that the agreement to the loan will mirror the loan of CDFI (D Aune, H Salminen); ~~carried 3-2 with~~ the motion shall not be deemed to be adopted since it was approved by less than a simple majority of all directors present: Aune, Salminen, and Metelak voting yes; Johnson and Schram voting no; and Mulari abstaining due to a conflict of interest;
- c) **Contracted Services:** EDA thanked Stan Thurlow for consulting work performed to date. Staff presented a proposal from Cornerstone Development for consulting services to the Becker County EDA. Discussion followed. **Motion** and Second to contract with Cornerstone Development on a need basis with the elimination of travel time from the office of Cornerstone Development to the Becker County EDA and give Jon Thomsen approval to negotiate the terms of the final contract (H Salminen, G Schram), carried.

8) **Housing**

- a) **Resolution Update:** Staff presented that Resolution #02102005 was reviewed and approved by the County Attorney with two minor word changes.
- b) **FYE 2006 Public Housing Budget/Subsidy:** The Board reviewed the FYE 2006 Public Housing Budget/Subsidy as presented by Staff. **Motion** and Second to approve the FYE 2006 Public Housing Budget/Subsidy (H Salminen, D Aune), carried.
- c) **Public Review of Agency Plan:** Staff presented that the Agency Plan is out for public review.

- 9) **LEC Quit Claim:** The HRA Bond for the jail has been paid off early. The EDA has been asked to quit claim deed the property over to the County. **Motion** and Second to quit claim deed the jail property back to the County (K Mulari, H Salminen), carried.

- 10) **EDA Board – Open Forum:** H Salminen noted that Matt Casey and the Becker County Workshop is looking at a new building and that there has been discussion of the EDA building and renting to the BC Workshop. M Metelak noted that the MN Technology being another resource for economic development and that we need to have Staff check into making sure all EDA Board members are getting their copies of the magazine. Discussion followed.

- 11) **Other:** There being no further business to be brought before the Board,

- 12) **Adjourn:** **Motion** and second to adjourn the meeting at 5:50pm (H Salminen, G Schram), carried.

ATTEST:

Respectfully submitted:

/s/

Jon Thomsen

/s/

Mike Metelak

Housing Director

EDA Board President