MEMBERS PRESENT: Charles Johnson, Sr., Molly Baum, Randy Paulson, Michael Tuohy
MEMBERS ABSENT: Paul Novotny and Russ Smith
OTHERS PRESENT: Mark Thein

I. Call to Order – The Economic Development Authority met in regular session Thursday, May 26, 2005. President Tuohy presided and called the meeting to order at 5:00.

II. Consent Agenda –
   A. Minutes of the Previous Meeting – Paulson entered a motion, with a second by Baum, to approve the minutes from the previous meetings. All ayes, motion carried.

III. Other Business –
   A. Revolving Loan Fund Update – Tuohy referenced Sweet Pedals and the Greg and Lori’s Bakery. Thein stated that both have been working on refinancing options. A reminder letter for payment had gone out to Sweet Pedals. Thein explained that Sweet Pedals are refinancing and the bank would like us to take a second position behind the banks second. Members discussed process of 1st, 2nd and 3rd position. Thein stated we did not have any other additional collateral. However, the EDA would still be behind the bank and would have some security as the bank was only valuing the building at $105,000. Thein stated for future loans we should look at collateralizing loans better and seek personal guarantees. Paulson entered a motion to relinquish the EDA 2nd position to 3rd position, with a second by Baum. All ayes, motion carried.

   B. Image Plus Program Report – Thein referenced the Value Report included with the agenda packet which summarizes the broadcast activity and the associated value that the businesses are receiving. Thein has yet to show reports to area business and hopes to do so in future.

   C. EDA Planning Session – Thein suggested we have a special meeting or keep the agenda light for the next EDA meeting so we could work on the EDA work plan for 2005-2006. This would give Thein some focus and direction. Touhy suggested we keep the agenda light and have the meeting at the next scheduled EDA meeting, which would be on June 23rd at 5pm. Thein distributed a survey and instructed members to complete the survey within one week. The survey will help during the EDA planning session.

   D. Business Development – Thein provided updates regarding the following activities;
      1. Industrial Park Land - Thein explained that there might be a possibility for 25 acres of industrial land in the Hilltop Estates Development. He discussed the need for additional land, zoning concerns and financial concerns. He discussed that he is working with developer and Joel Young to move forward with the project.
      2. Business Assistance – Thein stated he is working with a canoe manufacture that is currently located in his garage. He is looking to make a move into another facility, however before he moves Thein will assist him with a business plan.
      3. Small Business Development Relationship – Thein discussed with the city that he would act as a consultant on the EDA’s behalf and would charge off time for business projects, like the canoe manufacturing company. This relationship would be with SEMDC (Southeastern MN Development Corporation).
      4. Timber Roots, Inc. – Thein stated that Timber Roots, Inc. went to Dover. There will be more in the future. Thein hopes to be part of the REDIE organization from Rochester.

   E. Promotional Activity
      1. Flower Baskets – The baskets are up and being watered.
2. Tourist Center – Mark reported that the pot luck dinner went well and brochures have been collected and are being displayed at the tourism center.

F. Special Requests

1. SEMDC Membership Request – Thein presented board with a request from SEMDC to become a sustaining member. After discussing benefits of the membership; SBDC alliance; grant resource; state connections, the board was in favor of becoming a member at a $250 annual amount.

   Johnson entered a motion to become a sustaining member of the SEMDC for the cost of $250, with a second by Baum. All ayes, motion carried.

IV. Adjourn – Paulson entered a motion, with a second by Novotny, to adjourn at 5:26 p.m. All ayes, motion carried.

Minutes submitted by: _______________________________________________________
EDA President signature: ____________________________________
EDA Administrator signature _____________________________