



Madelia Area Economic Development Authority

Madelia City Council Chambers

August 26th, 2024, 6:00 PM Agenda

1. Call to Order

2. Approval of Agenda

3. Approval of July 22nd, 2024 Board Minutes

4. Financial Reports

4.1 EDA Program Funds Reports

4.2 Outstanding Loans Report

5. Old Business

6. New Business

6.1 SMIF Taylor Rural Improvements Grant Submission: Riverview Heights Playground

6.2 Coalition of Greater MN Cities Regional Discussion Summary

6.3 Review 2025 Community Development Budget Recommendations for General Fund

7. Staff Report

7.1 EDA Specialist Update

8. Public Comment

9. Adjournment



Madelia Area Economic Development Authority

Madelia City Council Chambers

July 22, 2024, 6:00 PM Minutes

The meeting was called to order by Chair Cody Eager at 5:59 pm. Those in attendance were Cody Eager, Andrew Gappa, Glen Christensen, and Phyllis Schickling, and Mark Slater. Others present include Chris Fischer, Celia Simpson, Patrick Casey, Heather Utz, Michelle VanHee, Chief Rob Prescher, Jim Petterson, Kathy Guyer, and Jan Christensen.

Schickling made a motion to approve the agenda. Christensen seconded. The motion was passed unanimously.

A motion was made by Slater and seconded by Gappa to approve the minutes from June 24th. The motion was passed unanimously.

Simpson informed the board that the City had received an award of \$99,000 through the USDA Rural Business Development Grant (RBDG) Program to recapitalize the business revolving loan program. She provided an overview of the eligible uses for the business loans and informed the board that the program would be open to all businesses in Madelia. The board asked about what restrictions were on the funds. Simpson informed the board that the term of loans are limited to seven years, but beyond that, the funds can be used similarly to the City's unrestricted funds in the Business Revolving Loan program.

Simpson shared an update on her projects. Her report is included in the agenda packet.

Simpson shared with the board an overview of the Southern Minnesota Initiative Foundation (SMIF) and its programs.

A copy of the EDA specialist report was provided in the agenda packet.

The meeting was opened to public comment at 6:10 pm. No public comment was brought before the EDA board at that time. Public comment was closed.

With no further business before the EDA, a Motion was made by Schickling and seconded by Gappa to adjourn the meeting at 6:11 pm.

Typed this 24th day of July 2024

Celia Simpson, CEDA

EDA Outstanding Loans Report (Estimate as of July 31st, 2024)

Fund 39-Housing SCDP

Forgivable loan with clawback for early sale or death

Beneficiary	Loan Status	Principal balance	Origination Date	Maturity Date
Valdez, Maria and Angel	Current	\$32,000.00	11/12/2016	11/12/2026
Tiedeken, Mary	Current	\$24,693.00	5/25/2016	5/25/2026
Schmidt, Vicki	Current	\$29,280.00	6/15/2017	6/15/2027
Schwartz, Tara	Current	\$22,502.00	11/7/2016	11/7/2026
Rojas, Delmy	Current	\$31,870.00	1/28/2017	1/28/2027
Rodriguez, Maria	Current	\$23,131.00	4/15/2017	4/15/2027
Moore, Alan and Angela	Current	\$25,750.00	7/31/2017	7/31/2027
Kuennen, Aaron and Carol	Current	\$25,735.00	8/24/2017	8/24/2027
Kilmer, Shari	Current	\$32,000.00	8/1/2017	8/1/2027
Lopez, Josseline and Gomez, Mario	Current	\$32,000.00	11/10/2016	11/10/2026
Coners, Amy	Current	\$28,571.00	12/16/2016	12/16/2026
Balderas, Maria and Niave, Carlos	Current	\$24,900.00	5/25/2016	5/25/2026
Callejas, Benancio and Zeidy	Current	\$30,051.00	10/20/2016	10/20/2026
Gomez, Iris	Current	\$31,885.00	10/6/2017	10/6/2027
Orellana, Gladys	Current	\$31,000.00	11/11/2016	11/11/2026
Total Balance Outstanding		\$425,368.00		
Total Cash Balance in Fund		\$100,251.56		

Fund 40-Commercial SCDP

Note: All installment loans repaid, awaiting maturity date to forgive deferred loans

Company Name	Loan Status	Principal balance	Origination Date	Maturity Date
Lost Sanity Brewing, LLC	Current	\$34,286.00	9/29/2017	9/28/2024
Main Street Property Group	<i>Forgiven-08.01.2024</i>	\$33,500.00	8/1/2017	8/1/2024
Daniel and Deborah McCabe	Current	\$34,286.00	9/5/2017	9/4/2024
Total Balance Outstanding		\$68,572.00		
Total Cash Balance in Fund		\$22,498.45		

Fund 41-Commercial USDA

Company Name	Loan Status	Outstanding Balance	Monthly Payment Amount	Interest Rate	Origination Date	Principal Start Date
Dream River Marketing Group, LLC	Current	\$10,452.45	\$341.67	1%	2/13/2017	03/15/2017
J Henry Properties, LLC	Current	\$53,451.27	\$344.92	1%	5/1/2018	06/01/2018
Total Balance Outstanding		\$63,903.72				
Total Cash Balance in Fund		\$51,518.26				

EDA Outstanding Loans Report (Estimate as of July 31st, 2024)

Fund 45-Commercial

Company Name	Loan Status	Outstanding Balance	Monthly Payment Amount	Interest Rate	Origination Date	Principal Start Date
Hope & Faith	PAID OFF	\$0.00	\$160.92	1.00%	2/1/2017	03/01/2017
Madelia Lumber	Current	\$38,456.69	\$636.69	1.00%	7/22/2019	09/01/2019
Madelia Lanes	Current	\$28,967.46	\$251.77	1.00%	12/31/2018	01/31/2019
Sud UR Duds	Current	\$3,646.32	\$175.25	1.00%	04/12/2016	05/20/2016
Lost Sanity Brewing	Current	\$90,043.24	\$597.86	1.00%	09/01/2017	10/01/2017
J Henry Properties	Current	\$20,489.68	\$114.97	1.00%	08/01/2020	09/01/2020
Shellum Properties Management, LLC	Current	\$60,529.19	\$659.89	4.00%	09/01/2023	10/01/2023
Bryngelsson Holdings	Current	\$60,000.00	\$580.59	3.00%	07/15/2024	08/15/2024
Total Balance Outstanding		\$302,132.58				
Total Cash Balance in Fund		\$22,822.85				

Fund 46-Downpayment Assistance/Housing

Beneficiary	Loan Status	Outstanding Balance	Monthly Payment Amount	Interest Rate	Origination Date	Principal Start Date
Biehn, William and Jennifer	In Judgment	\$4,681.53	\$95.46	5.00%	11/28/2012	12/28/2012
Pfeffer, Josh	Current	\$1,255.09	\$100.04	6.00%	12/01/2018	01/01/2019
Eser, Sterling	Current	\$1,931.14	\$91.18	4.00%	05/09/2016	06/15/2016
Forstner, Michael	Current	\$2,595.10	\$100.00	6.00%	11/15/2016	12/15/2016
Guyer, Ryan	Current	\$2,863.85	\$99.95	6.00%	02/13/2017	03/15/2017
Hogg, Darrell	Current	\$1,539.36	\$53.05	5.00%	02/13/2017	03/15/2017
Rodriguez, Maricela	Current	\$2,799.78	\$91.19	4.00%	05/01/2017	05/01/2017
Ordoff, Brandon and Sonya	Current	\$4,624.20	\$109.07	8.00%	09/20/2018	10/15/2018
Sandoval, Ismael	Current	\$5,423.34	\$104.50	7.00%	09/01/2019	10/01/2019
Total Balance Outstanding		\$27,713.39				
Total Cash Balance in Fund		\$216,916.33				

Fund 52- Economic Development

Company Name	Loan Status	Outstanding Balance	Monthly Payment Amount	Interest Rate	Origination Date	Principal Start Date
VanHale Properties	Current	\$144,994.15	\$920.14	1%	5/1/2018	06/15/2018
ProSide LLC	Current	\$27,889.72	\$569.72	1%	8/13/2018	10/01/2018
Total Balance Outstanding		\$172,883.87				
Total Cash Balance in Fund		\$200,610.03				

TO: EDA Board
 FROM: Celia Simpson, CEDA
 SUBJECT: EDA Program Funds Report
 DATE: August 26th, 2024

EDA Program Funds Report (Estimate as of July 31st)

Fund Name	Fund 39	Fund 40	Fund 41	Fund 43	Fund 45	Fund 46		Fund 52
Fund Purpose	Housing	Commercial	Commercial: Small and Emerging	Child Care	Commercial	Housing- Rehabilitation	Housing-Down Payment Assistance	Development Fund
Fund Source	SCDP	SCDP	USDA and City (SCDP)	First Children's Finance	SCDP	SCDP		Riverview Heights Lot Sales and Loan Repayments
Program Policy	2015 SCDP Housing	2015 SCDP Commercial	Business Assistance Program	Madelia Child Care Start-Up / Expansion Grant	Business Assistance Program	<i>In Development</i>	Down Payment Assistance Program - CLOSED	Loans: Business Assistance Program
Current Structure	Forgivable Loan	Forgivable Loan + Installment Loan	Low-interest loans	Grants	Low-interest loans	<i>In Development</i>	Low-interest loans	Loans
Cash on Hand	\$100,251.56	\$22,498.45	\$51,518.26	\$11,524.49	\$22,822.85	\$216,916.33		\$200,610.03
Loans Receivable	\$425,368.00	\$68,572.00	\$63,903.72	\$0.00	\$302,132.58	\$27,713.39		\$172,883.87
Loans Outstanding	15	2	2	0	7	None	9	2

TO: EDA Board
FROM: Celia Simpson, CEDA
SUBJECT: SMIF Taylor Rural Improvements Grant Submission:
Riverview Heights Park
DATE: August 26th, 2024



On August 1st, the Southern Minnesota Initiative Foundation launched the pilot Taylor Rural Improvements Grant Program for CEDA communities only. This grant program provides up to \$25,000, with a minimum 25% match. The Taylor Rural Improvements Grant Program seeks to support capital projects that can make a big impact in the vibrancy of small towns. Limited to towns under 10,000. Applications are due August 29th, 2024.

Based on past discussion, staff has written a grant proposal to construct a small park on Outlot A in Riverview Heights.

See the attached budget for the park construction.

Board Action Requested: Review and approve the proposed project submission for the Southern Minnesota Initiative Foundation Taylor Rural Improvements Grant Submission.

TO: EDA Board
FROM: Celia Simpson, CEDA
SUBJECT: Coalition of Greater MN Cities Regional Discussion
Summary
DATE: August 26th, 2024



On August 15th, Simpson attended the Regional Discussion in Mankato hosted by the Coalition of Greater MN Cities (CGMC) to hear a legislative recap of their work during the 2024 session and their goals for 2025.

Please see the provided materials.

Please note that the CGMC is piloting regional discussions this year due to their growing membership and limited capacity to attend Council meetings across the state. If you would like to get in contact with them further to provide your feedback on priorities for Madelia, please see the contact information in the provided materials.

Board Action Requested: None at this time.

TO: EDA Board
 FROM: Celia Simpson, CEDA
 SUBJECT: Review 2025 Community Development Budget
 Recommendations for General Fund
 DATE: August 26th, 2024



To prepare for city budgeting, staff has prepared the following budget recommendations.

Department Budget

Revenues					
Account #	Category/Description	2024 YTD	2024 YE Budget	2025 Proposed	Notes
01-3620-5702	Legal Fees	\$0.00	\$0.00	\$0.00	
01-3620-5701	Grants	\$0.00	\$0.00	\$25,000.00	
01-3620-5703	Misc. Community Development Revenue	\$0.00	\$0.00	\$0.00	
Expenditures					
Account #	Category/Description	2024 YTD	2024 YE Budgeted	2025 Proposed	Notes
01-4700-6131	Hired Outside Labor		\$70,000.00	\$83,500.00	5% increase in CEDA contract + \$10,000 for a Housing Study
01-4700-6201	Supplies		\$0.00	\$0.00	
01-4700-6409	Marketing	\$0.00	\$0.00	\$0.00	

Board Action Requested: Please review and recommend approval of the proposed Community Development Department budget.

TO: EDA Board
FROM: Celia Simpson, CEDA
SUBJECT: August Monthly Update
DATE: July 22nd, 2024



Business Retention and Expansion Survey: Began outreach and early conversations

Grant Assistance:

- Supported Madelia Arts Collaboratives Small Town Grant application
- Provided grant writing support to Madelia Municipal Light and Power's *Strengthening Grid Resiliency Grant* application

Madelia Mobile Village: Connected with the Madelia Mobile Village on Emerald Ash Borer mitigation resources and Community Redevelopment Program

Madelia Public Health Advisory Committee: Attended Q3 meeting to learn about SHIP updates, upcoming Community Health Assessment and Community Health Improvement Plan creation

Safe Routes to School:

- Contacted several additional partners to get feedback on priorities
- Facilitated conversation regarding crosswalks and pedestrian corridors on Benzel Ave

Watonwan County Housing Forum: Attended housing forums in St James to stay updated on progress of Countywide housing programs and additional community resources in St James