



Madelia Area Economic Development Authority

Madelia City Council Chambers

July 28th, 5:30 PM Agenda

1. Call to Order

2. Approval of Agenda

3. Approval of June 23rd, 2025 Board Minutes

4. Financial Reports

4.1 EDA Program Funds Reports

4.2 Outstanding Loans Report

5. Old Business

5.1 ESMC Project: Riverfront Redevelopment Plan Update

6. New Business

6.1 Tiedeken Loan Forgiveness Request

6.2 Flanders Ave and 2nd Ave SE Development Agreement

7. Staff Report

7.1 EDA Specialist Update

8. Public Comment

9. Upcoming Events

August 25th, 2025: EDA Meeting

10. Adjournment



Madelia Area Economic Development Authority

Madelia City Council Chambers

June 23rd, 2025, 5:30 PM Minutes

The meeting was called to order by Chair Cody Eager at 5:30 pm. Those in attendance were Cody Eager, Matthew Gunderson, Andrew Gappa, Glen Christensen, and Mark Slater. Others present include Chris Fischer, Chief Rob Prescher, Celia Simpson, Heather Utz, Kathy Guyer, Michelle VanHee, and Jim Petterson.

Eager asked for a motion to approve the agenda. Gappa made a motion to approve the agenda. Slater seconded. The motion was passed unanimously.

A motion was made by Christensen and seconded by Gunderson to approve the minutes from April 28th. The motion was passed unanimously.

The board reviewed the program fund reports and outstanding loan reports.

Simpson informed the board that the City's application for funding to support an accredited levee around the wastewater lift station through the FY26 Congressionally Directed Spending (FY26 CDS) has moved forward to the Senate Appropriations Committee. In April, Simpson had informed the board that the FEMA Building Resilient Infrastructure and Communities (BRIC) program had been cut. The understanding at the time was that the loss of this program meant that the City's project no longer had an eligible funding source through FY26 CDS. The project is still eligible to be funded through BRIC's parent program (Pre-Disaster Mitigation Program). Staff will continue to monitor and keep the board informed.

Simpson updated the board on the progress of the Watona Park Riverfront Redevelopment Plan process with University of MN professors and researchers. A site visit and listening session were held on June 11th. A community survey will be launched on July 12th at Park Days.

Simpson brought forward a request for \$1500 from Fund 52 to use towards adding a sidewalk inventory to the City's GIS map. This project is aligned with the Madelia Safe Routes to School Plan. She presented two options from Bolton & Menk: a high-level assessment of the City's sidewalks with an estimated cost of \$1500 and an in-depth assessment with an estimated cost of \$3,000. Following board discussion, Gappa made a motion to approve up to \$1500 from Fund 52 to develop a GIS layer in the City's maps for a sidewalk inventory. Christensen seconded the motion. The motion was passed unanimously.

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

The meeting was opened to public comment at 5:48 pm. No public comment was brought before the EDA board at that time. Public comment was closed.

Eager reviewed the upcoming events.

With no further business before the EDA, a Motion was made by Slater and seconded by Gunderson to adjourn the meeting at 5:49 pm.

Typed this 26th day of June, 2025,

Celia Simpson, CEDA

TO: EDA Board
FROM: Celia Simpson, CEDA
SUBJECT: EDA Program Funds Report
DATE: July 28th, 2025

EDA Program Funds Report (Estimate as of June 30th)

Fund Name	Fund 39	Fund 40	Fund 41	Fund 43	Fund 44	Fund 45	Fund 46			Fund 52
Fund Purpose	Housing	Commercial	Commercial: Small and Emerging	Child Care	Commercial: Small and Emerging	Commercial	Housing - MF Construction	Housing- Rehabilitati on	Housing- Down Payment Assistance	Development Fund
Fund Source	SCDP	SCDP	USDA and City (SCDP)	First Children's Finance	USDA	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	Business Assistance Program	Multifamily Housing Loan Program	<i>In Developm ent</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	Low-interest loans	Low-interest loans	<i>In Developm ent</i>	Low-interest loans	Loans
Cash on Hand	\$52,478.00	\$3,457.34	\$59,070.75	\$11,524.49	\$99,000	\$69,706.51	\$149,845.19			\$162,478.50
Loans Receivable	\$425,368.00	\$0.00	\$56,907.90	\$0.00	\$0.00	\$275,766.78	\$140,637.30			\$158,018.33
Loans Outstanding	15	0	2	0	0	8	1	None	8	2

EDA Outstanding Loans Report (Estimate as of June 30th, 2025)

*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	Delinquent	\$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		\$52,478.00		

Fund 40-Commercial SCDP

Company Name	Loan Status	Principal balance	Origination Date	Maturity Date
Total Balance Outstanding		\$0.00		
Total Cash Balance in Fund		\$3,457.34		

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	\$6,774.59	\$341.67	1%	2/13/2017	03/15/2017
J Henry Properties, LLC	Current	\$50,133.31	\$344.92	1%	5/1/2018	06/01/2018
Total Balance Outstanding		\$56,907.90				
Total Cash Balance in Fund		\$59,070.75				

EDA Outstanding Loans Report (Estimate as of June 30th, 2025)

Fund 45-Commercial

Company Name	Loan Status	Outstanding Balance	Monthly Payment Amount	Interest Rate	Origination Date	Principal Start Date
Madelia Lumber	Current	\$32,996.72	\$636.69	1.00%	7/22/2019	09/01/2019
Madelia Lanes	Delinquent	\$26,682.61	\$251.77	1.00%	12/31/2018	01/31/2019
Sud UR Duds	Current	\$1,744.09	\$175.25	1.00%	04/12/2016	05/20/2016
Lost Sanity Brewing	Current	\$84,268.15	\$597.86	1.00%	09/01/2017	10/01/2017
J Henry Properties	Current	\$19,408.33	\$114.97	1.00%	08/01/2020	09/01/2020
Shellum Properties Management, LLC	Current	\$55,438.32	\$659.89	4.00%	09/01/2023	10/01/2023
Bryngelsson Holdings	Current	\$55,228.56	\$580.59	3.00%	07/15/2024	08/15/2024
Total Balance Outstanding		\$275,766.78				
Total Cash Balance in Fund		\$69,706.51				

Fund 46-Downpayment Assistance/Housing

Beneficiary	Loan Status	Outstanding Balance	Monthly Payment Amount	Interest Rate	Origination Date	Principal Start Date
Biehn, William and Jennifer	Paid in Full	\$0.00	\$95.46	5.00%	11/28/2012	12/28/2012
Eser, Sterling	Current	\$983.28	\$91.18	4.00%	05/09/2016	06/15/2016
Forstner, Michael	Current	\$1,613.53	\$100.00	6.00%	11/15/2016	12/15/2016
Guyer, Ryan	Current	\$1,898.01	\$99.95	6.00%	02/13/2017	03/15/2017
Hogg, Darrell	Current	\$1,015.54	\$53.05	5.00%	02/13/2017	03/15/2017
Rodriguez, Maricela	Current	\$1,794.62	\$91.19	4.00%	05/01/2017	05/01/2017
Ordoff, Brandon and Sonya	Current	\$3,734.27	\$109.07	8.00%	09/20/2018	10/15/2018
Sandoval, Ismael	Current	\$4,598.05	\$104.50	7.00%	09/01/2019	10/01/2019
J Henry 115 LLC	Current	\$125,000.00	\$693.25	3.00%	04/01/2025	10/15/2025
Total Balance Outstanding		\$140,637.30				
Total Cash Balance in Fund		\$149,845.19				

Fund 52- Economic Development

Company Name	Loan Status	Outstanding Balance	Monthly Payment Amount	Interest Rate	Origination Date	Principal Start Date
VanHale Properties	Current	\$136,164.98	\$920.14	1%	5/1/2018	06/15/2018
ProSide LLC	Current	\$21,853.35	\$569.72	1%	8/13/2018	10/01/2018
Total Balance Outstanding		\$158,018.33				
Total Cash Balance in Fund		\$162,478.50				

TO: EDA Board
FROM: Celia Simpson, CEDA
SUBJECT: ESMC Project: Riverfront Redevelopment Plan
Update
DATE: July 28th, 2025



Background: In November, staff applied for an Empowering Small Minnesota Communities technical assistance award to develop a Watona Park Riverfront Redevelopment Plan and position ourselves for federal, state, or local funding for implementation. As part of this plan, we have requested research on flood-resistant landscaping, erosion control, and sustainable infrastructure strategies to protect Watona park from recurring flood damage. We have asked the University to assist with site analysis, recommendations for native plantings, permeable surface design, and flood-tolerant recreational features.

Update: A community survey has been launched and will remain open throughout August. Survey responders who submit their contact information will be added to a drawing for gift cards to local businesses (CF Detailing, Hope & Faith, Sweet! Indeed, and Plaza Fiesta).

The survey can be found on the City's website at
www.madeliamn.com/watona-park-master-plan/

A workshop will be held in September to go over the survey results.

Board Action Requested: No action requested.

TO: EDA Board
FROM: Celia Simpson, CEDA
SUBJECT: Tiedeken Loan Forgiveness Request
DATE: July 28th, 2025



Background: On May 25th, 2016, Mary Tiedeken received a Small Cities Development Program loan through the City of Madelia for \$24,693 to support rehabilitation of her home at 325 1st St NE. This loan was provided as a 0% interest, deferred, forgivable loan. Her loan would have been fully forgiven on May 25th, 2026.

Update: Mary Tiedeken has unfortunately passed away in recent weeks. Her family is present to request forgiveness for the balance of her loan.

The loan agreement states, "That if the owner sells, transfers or otherwise conveys real estate hereinafter described....within a period of ten (10) years from the date of the loan...they shall repay to Lender a sum equal to the full amount of the loans set forth above or **as negotiated and approved by the SCDP project approval committee.**"

When the program was established, the City administrator and Piettepiece and Associates acted as the SCDP project approval committee. Once the funds were all loaned out, the City Council took over the role of SCDP project approval committee.

The EDA can recommend to the City Council one of the following actions:

1. Fully forgive the balance on Mary Tiedeken's loan (\$24,693)
2. Forgive a portion of the balance on Mary Tiedeken's loan
 - a. Example: Forgive 90% of the balance (\$22,223.70)
3. Require repayment in full of the loan balance
4. Take no action in regards to the delinquent loan

Board Action Requested: Take appropriate action on the request for forgiveness of Mary Tiedeken's SCDP loan.

TO: EDA Board
FROM: Celia Simpson, CEDA
SUBJECT: Flanders Ave and 2nd Ave SE Development
Agreement
DATE: July 28th 2025



The City has been approached by VanHale Properties LLC to enter into a development agreement to build out infrastructure for housing at Parcel 176000410.

This parcel has a plat in place. The developer estimates that the project will cost approximately \$200,000. They have requested that the City enter into an agreement to cover half of the development costs up to a maximum of \$100,000 contributed in cash or in kind labor or materials.

This project aligns with the Madelia Comprehensive Plan: *H.5.a: New housing developments should locate where infrastructure either exists or where infrastructure could be extended in a cost-effective manner.*

Board Action Requested: Review and take appropriate action on the request to enter into a development agreement with VanHale Properties LLC

**AGREEMENT BETWEEN
CITY OF MADELIA AND VANHALE PROPERTIES LLC**

This Agreement is between the City of Madelia, a Minnesota municipal corporation (CITY), and VanHale Properties LLC, a Minnesota limited liability company (DEVELOPER).

RECITALS

1. VanHale Properties LLC owns Parcel 176000410 (DEVELOPMENT PROPERTY).
2. VanHale Properties LLC approached the City with interest in partnering on a project to build out infrastructure for new housing at Parcel 176000410.
3. The estimated total project costs to cover the build-out of infrastructure to facilitate new housing is \$200,000.
4. This development aligns with the housing goals in the 2018 Madelia Comprehensive Plan.
5. The Madelia Economic Development Authority voted on MONTH DAY, 2025 to set aside funding through the Economic Development fund to support this project.
6. The City Council of Madelia voted on MONTH DAY, 2025 to approve the development agreement with VanHale Properties LLC on the terms and conditions set forth herein.

DEVELOPMENT AGREEMENT

1. Terms of the Agreement

- 1.1. **Effective date:** MONTH DAY, 2025, or the date all required signatures are received.
- 1.2. **Expiration date:** December 31st, 2026 or until all obligations have been satisfactorily fulfilled, whichever occurs first.
- 1.3. **Survival of Terms.** The following clauses survive the expiration or cancellation of this loan agreement: 9. Liability; 10. Audits; and 11. Record Retention

2. CITY's Duties and Deliverables

The CITY agrees to the following:

- 2.1. The CITY agrees to pay for 50% of the eligible infrastructure costs associated with the development, up to a maximum of \$100,000. This contribution may be provided in the form of cash, in-kind labor, or materials, at the CITY's discretion. There will be no additional funding provided by the CITY for this project, although the DEVELOPER is free to pursue supplemental funding elsewhere.
- 2.2. The CITY agrees to not assess the costs of this development project to the DEVELOPMENT PROPERTY.
- 2.3. The CITY shall maintain detailed records of all costs incurred related to this project, including both cash payments and the fair market value of any in-kind labor, materials, or services provided. These records shall be made available to the DEVELOPER upon request for review and verification.

3. DEVELOPER's Duties and Deliverables

The DEVELOPER agrees to the following:

- 3.1. The DEVELOPER is responsible for 50% of eligible infrastructure costs up to a total project cost of \$200,000. Should the development project costs exceed \$200,000, all additional costs are the responsibility of the DEVELOPER.
- 3.2. DEVELOPER agrees to use the funds exclusively for the purpose of completing the build-out of infrastructure for new housing at the DEVELOPMENT PROPERTY.

- 3.3. DEVELOPER agrees to comply with all applicable state and local building codes and regulations in the build-out of the housing infrastructure.
- 3.4. DEVELOPER certifies that it will proceed with construction of the development project in a timely and diligent manner and will complete construction no later than December 31, 2026.
- 3.5. DEVELOPER agrees to keep all property taxes and special assessments on the DEVELOPMENT PROPERTY current and paid in full throughout the term of this agreement.

4. Payment Obligation and Terms.

- 4.1. Total Obligation. The CITY agrees to reimburse the DEVELOPER for eligible infrastructure costs incurred in connection with the development, up to a maximum combined value of **\$100,000**, whether provided in cash, labor, or materials.
- 4.2. Payment Requests and Reimbursements. The DEVELOPER may submit payment invoices. The CITY shall review each invoice and verify that the total cumulative reimbursement, including any prior cash or in-kind contributions, does not exceed the \$100,000 cap before approving payment or providing additional in-kind contributions.

5. Default

The occurrence of any of the following events shall constitute an Event of Default under this Loan Agreement:

- Failure of the DEVELOPER to perform any of the duties and deliverables identified in Section Three;
- The insolvency, bankruptcy, dissolution, liquidation, merger, or consolidation of the DEVELOPER, or the commencement of any proceeding by or against the DEVELOPER seeking to effect any of the foregoing, unless approved in writing by the CITY;

6. Default Remedy

Upon the occurrence of any Event(s) of Default and at any time thereafter, the CITY may, at its sole discretion, take one or more of the following actions:

- Terminate this Agreement immediately upon written notice to the DEVELOPER;
- Suspend or withhold any further disbursement of CITY funds or in-kind contributions;
- Demand repayment of any funds or the fair market value of in-kind assistance already provided, which shall be due no later than thirty (30) days following written notice by the CITY.

7. Authorized Representative

The CITY's Authorized Representative is the Madelia City Administrator Christine Fischer, 18 Drew Ave NE, Madelia, MN 56031, or her successor.

The DEVELOPER's Authorized Representative is Dustin VanHale, President of VanHale Properties, LLC, 660 Haynes Ave NE, Madelia, MN 56062, or his successor.

8. Assignment, Amendments, Waiver, and Grant Agreement Complete

- 8.1. Assignment. The DEVELOPER shall neither assign nor transfer any rights or obligations under this development agreement without the prior written consent of the City, approved by the same parties who executed and approved this agreement, or their successors in the office.
- 8.2. Amendments. Any amendments to this development agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in the office.
- 8.3. Waiver. If the CITY fails to enforce any provisions of this agreement, that failure does not waive the provision or the CITY's right to enforce it.
- 8.4. Development Agreement Complete. This agreement contains all negotiations and agreements between the CITY and the DEVELOPER. No other understanding regarding this development agreement, whether written or oral, may be used to bind either party.

9. Liability

The DEVELOPER shall save and keep harmless and indemnify the CITY against all liability, claims, and costs of whatsoever kind and nature for injury to or death of any person or persons and for loss or damage to any property occurring in connection with or in any incident to or arising out of occupancy, use, service, operations or performance of work in connection with the contract, resulting in whole or in part from the negligent acts or omissions of the DEVELOPER.

10. Audits

Under Minn. Stat. § 16C.05, Subd.5, the DEVELOPER's books, records, documents, and accounting procedures and practices of the DEVELOPER or other party relevant to this agreement or transaction are subject to examination by the City and/or the State Auditor as appropriate for six years following the signing of this development agreement.

11. Record Retention

The CITY and DEVELOPER will maintain all related records and files for ten years after expiration of this development agreement.

Certification Statement: By signing this Development Agreement, all parties agree to be bound by all of the conditions, provisions, and requirements as established or otherwise provided herein.

IN WITNESS WHEREOF, the parties have executed this Development Agreement as of the ____ day of _____, 2025.

DEVELOPER:

VanHale Properties, LLC.

By: Dustin VanHale

Its: President

STATE OF MINNESOTA)
)SS.
COUNTY OF WATONWAN)

This foregoing instrument was acknowledged before me this ____ day of _____, 2025, by **Dustin VanHale**, the **President** for **VanHale Properties, LLC**.

(Stamp)

(Signature of notarial officer)

CITY OF MADELIA:

By: Christine Fischer
Its: City Administrator

By: Cody Eager
Its: Mayor

STATE OF MINNESOTA)
)SS.
COUNTY OF WATONWAN)

This instrument was acknowledged before me this ____ day of _____, 2025 by **Christine Fischer** as **City Administrator** and by **Cody Eager** as **Mayor** of **City of Madelia**.

(Stamp)

(Signature of notarial officer)

THIS INSTRUMENT DRAFTED BY:
Celia Simpson, CEDA
1500 South Highway 52, PO Box 483
Chatfield, MN 55923

TO: EDA Board
FROM: Celia Simpson, CEDA
SUBJECT: July Monthly Update
DATE: July 28th, 2024



ESMC Riverfront Redevelopment Plan: Launched community survey

Digital Marketing Lunch and Learn: Event planning and promotion

Sidewalk Inventory: Started map analysis of sidewalk network

SMIF Visit to Madelia: Planning and Coordination

Media Segments: Splash Pad Interview with KEYC and WCCO Interview re: Madelia Health

Zoning Code: Drafted updates for Sign ordinance