



Madelia Area Economic Development Authority

Madelia City Council Chambers

August 25th, 6:00 PM Agenda

1. Call to Order

2. Approval of Agenda

3. Approval of July 28th, 2025 Board Minutes

4. Financial Reports

4.1 EDA Program Funds Reports

4.2 Outstanding Loans Report

5. Old Business

6. New Business

6.1 Consider Offer for 890 Mill Race Ct

6.2 Coalition of Greater MN Cities Regional Update

6.3 2026 Budget

6.4 EDA Program Fund Balance Projections

7. Staff Report

7.1 EDA Specialist Update

8. Public Comment

9. Upcoming Events

September 22nd, 2025: EDA Meeting

10. Adjournment



Madelia Area Economic Development Authority

Madelia City Council Chambers

July 28th, 2025, 6:00 PM Minutes

The meeting was called to order by Chair Cody Eager at 6:04 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, Jeff Tiedeken, Greg Tiedeken, Wade Johnson, Dustin VanHale, Michelle VanHee, and Jim Petterson.

Eager asked for a motion to approve the agenda with the addition of 5.2 Housing Study Committee and 5.3 MBFFA Madelia Participation. Gappa made a motion to approve the agenda with the two additions. Christensen seconded. The motion was passed unanimously.

A motion was made by Gunderson and seconded by Gappa to approve the minutes from June 23rd. The motion was passed unanimously.

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

Simpson asked that the board skip to 6.1 Tiedeken Loan Forgiveness Request. Simpson informed the board that Mary Tiedeken, a Madelia Small Cities Development Program loan recipient recently passed away. She presented a request to the EDA board from the sons of Mary Tiedeken to forgive the loan balance of \$24,693. Christensen made a motion to approve forgiveness of the loan balance of \$24,693. Gappa seconded the motion. The motion was passed unanimously.

Simpson provided an update on the Riverfront Redevelopment Planning Efforts in Watona Park. A community survey has been launched to gather public input on priorities in Watona Park. The survey will run through the end of August. In September, the board will have a workshop to go over the results.

Simpson presented a request to have Celia Simpson, Chris Fischer, and Andy Gappa represent the City of Madelia in the Watonwan County Housing Study Steering Committee. Gunderson made a motion to approve Celia Simpson, Chris Fischer, and Andy Gappa as representatives for the City of Madelia on the Watonwan County Housing Study Steering Committee. Christensen seconded the motion. The motion was passed unanimously.

Simpson presented an update to the board on Madelia's participation in the Minnesota Businesses Focused on Food and Agriculture Lunch and Learn series from Blue Earth REV. Madelia participated in the June and July workshops. 10 participants representing 8 businesses attended the workshops. One Madelia business was awarded technical assistance after the first workshop. Simpson applied for grant funding in May to cover the cost of food, but was not awarded the funds. Simpson requested that the board provide direction on whether to continue

with this program. Slater made a motion to step away from participating in the MBFFA Lunch and Learn series from Blue Earth REV. Christensen seconded the motion. The motion was passed unanimously.

Simpson presented a proposal from VanHale Properties LLC to enter into a development agreement to build out infrastructure for housing at Parcel 176000410. Project costs are estimated at \$200,000. The developer has 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. Fischer informed the board that some funding for this project could come from Fund 68. Fund 68 has approximately \$44,000 and is funded through Small Cities Assistance, a formula-based road aid to Minnesota cities with populations under 5,000. Additional funding could come from Fund 52. Gappa made a motion to recommend to the City Council that they enter into this development agreement with VanHale Properties LLC. 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 6:33 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 Gappa to adjourn the meeting at 6:33 pm.

Typed this 4th day of August, 2025,

Celia Simpson, CEDA

TO: EDA Board
FROM: Celia Simpson, CEDA
SUBJECT: EDA Program Funds Report
DATE: August 25th, 2025

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

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	\$59,757.34	\$11,524.49	\$99,000	\$75,655.30	\$150,811.16			\$163,968.36
Restricted Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$60,000
Loans Receivable	\$400,675.00	\$0.00	\$56,268.74	\$0.00	\$0.00	\$272,219.82	\$140,063.30			\$156,660.15
Loans Outstanding	14	0	2	0	0	8	1	None	8	2

EDA Outstanding Loans Report (Estimate as of July 31st, 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	Satisfied	\$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		\$400,675.00		
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	\$6,438.57	\$341.67	1%	2/13/2017	03/15/2017
J Henry Properties, LLC	Current	\$49,830.17	\$344.92	1%	5/1/2018	06/01/2018
Total Balance Outstanding		\$56,268.74				
Total Cash Balance in Fund		\$59,757.34				

EDA Outstanding Loans Report (Estimate as of July 31st, 2025)

Fund 45-Commercial

Company Name	Loan Status	Outstanding Balance	Monthly Payment Amount	Interest Rate	Origination Date	Principal Start Date
Madelia Lumber	Current	\$31,167.62	\$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	\$1,570.29	\$175.25	1.00%	04/12/2016	05/20/2016
Lost Sanity Brewing	Current	\$83,740.51	\$597.86	1.00%	09/01/2017	10/01/2017
J Henry Properties	Current	\$19,309.53	\$114.97	1.00%	08/01/2020	09/01/2020
Shellum Properties Management, LLC	Current	\$54,963.22	\$659.89	4.00%	09/01/2023	10/01/2023
Bryngelsson Holdings	Current	\$54,786.04	\$580.59	3.00%	07/15/2024	08/15/2024
Total Balance Outstanding		\$272,219.82				
Total Cash Balance in Fund		\$75,655.30				

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	\$895.38	\$91.18	4.00%	05/09/2016	06/15/2016
Forstner, Michael	Current	\$1,521.60	\$100.00	6.00%	11/15/2016	12/15/2016
Guyer, Ryan	Current	\$1,807.55	\$99.95	6.00%	02/13/2017	03/15/2017
Hogg, Darrell	Current	\$966.72	\$53.05	5.00%	02/13/2017	03/15/2017
Rodriguez, Maricela	Current	\$1,701.58	\$91.19	4.00%	05/01/2017	05/01/2017
Ordoff, Brandon and Sonya	Current	\$3,650.10	\$109.07	8.00%	09/20/2018	10/15/2018
Sandoval, Ismael	Current	\$4,520.37	\$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		\$140,063.30				
Total Cash Balance in Fund		\$150,811.16				

Fund 52- Economic Development

Company Name	Loan Status	Outstanding Balance	Monthly Payment Amount	Interest Rate	Origination Date	Principal Start Date
VanHale Properties	Current	\$135,358.31	\$920.14	1%	5/1/2018	06/15/2018
ProSide LLC	Current	\$21,301.84	\$569.72	1%	8/13/2018	10/01/2018
Total Balance Outstanding		\$156,660.15				
Total Cash Balance in Fund		\$163,968.36				

TO: EDA Board
FROM: Celia Simpson, CEDA
SUBJECT: Consider Offer for 890 Mill Race Ct
DATE: August 25th, 2025



The EDA has received an offer for 890 Mill Race Ct.

The prospective buyer has proposed purchasing the lot for \$8,000. The currently listed price is \$24,750. Our current discounted price is \$14,850.

The buyer plans to build in spring 2026.

Please see the attached letter.

Board Action Requested: Review and take appropriate action on the offer for 890 Mill Race Court.

Dear, City of Madelia Council/Madelia EDA Board

I Traci Henry would like to offer to purchase parcel ID 175800290 or property address 890 Mill Race CT Madelia, MN 56062 for \$8,000.

Construction of my new home will start in spring of 2026 as soon as weather permits.

Let me know if you have any other questions.

Sincerely,

Traci Henry
608 1st ST SW
Madelia, MN 56062

TO: EDA Board
FROM: Celia Simpson, CEDA
SUBJECT: Coalition of Greater MN Cities Regional Update
DATE: August 25th, 2025



Background: The City participates as a member of the Coalition of Greater MN Cities, a nonprofit, nonpartisan advocacy organization representing more than 100 cities outside of the Twin Cities metropolitan area. The Coalition also educates legislators about issues important to Greater Minnesota.

Key Issues:

Local Government Aid and Property Tax Relief

Environment and Energy

Economic Development

Transportation

Annexation and Land Use

Labor & Employee Relations

Emergency Medical Services

Updates from 2025 Legislative Session:

2025 Fall Conference will be November 13th and 14th with sessions on MN Paid Leave, Rural Health Care, and proposed legislative priorities for the 2026 legislative session.

Board Action Requested: No action requested.

TO: EDA Board
 FROM: Celia Simpson, CEDA
 SUBJECT: 2026 Budget
 DATE: August 25th, 2025



Department Budget

Revenues					
Account #	Category/Description	2025 YTD	2025 YE Budget	2026 Proposed	Notes
01-3620-5701	Grants	\$3000.00	\$0.00	\$0.00	\$3000 from ESMC for associated project expenses
01-3620-5703	Misc. Community Development Revenue	\$0.00	\$0.00	\$0.00	
Expenditures					
Account #	Category/Description	2025 YTD	2025 YE Budget	2026 Proposed	
01-4700-6131	Hired Outside Labor	\$51,840.75	\$73,500.00	\$77,175.00	5% increase in CEDA contract
01-4700-6201	Supplies	\$150.00	\$0.00	\$0.00	Survey Gift Cards
01-4700-6409	Marketing	\$0.0	\$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: EDA Program Fund Balance Projections
DATE: August 25th, 2025



Please see the attached annual budget for Funds 41-52.

Fund 39: Funded through Small Cities Development Program grant. Restricted to Housing Rehabilitation.

Fund 40: Funded through Small Cities Development Program grant. Restricted to Commercial Rehabilitation.

Fund 41: Funded through USDA Rural Business Enterprise Grant. Restricted to business loans.

Fund 43: Funded through First Children's Finance grant. Restricted to support childcare businesses to expand slots.

Fund 44: Funded through USDA Rural Business Development Grant. *Funds need to be loaned out within the project period to keep the award.*

Fund 45: Seeded through pre-2000 Small Cities Development Program grant. Funds set aside for business loans.

Fund 46: Seeded through pre-2000 Small Cities Development Program grant. Funds set aside for housing. ***Current programs:*** Down Payment Assistance, Multifamily Housing Construction

Fund 52: Funded through property sales and loan repayments.

Board Action Requested: No action requested

Loans Outstanding		
Outstanding Principal	Amount	Notes
Dream Marketing	\$8,784.88	As of January 1, 2025
J Henry Properties	\$51,946.87	As of January 1, 2025
	\$60,731.75	
Revenues		
Source	Amount	Notes
Principal Revenue-New Loans	\$0.00	
Interest Revenue-New Loans	\$0.00	
Principal Revenue-Current Loans	\$7,666.84	Assuming all payments made on time with no early payoffs
Interest Revenue-Current Loans	\$572.24	Assuming all payments made on time with no early payoffs
Miscellaneous-Loan Closing Fees	\$0.00	Applicant Payments
Miscellaneous-Loan Payoff Fees	\$0.00	Applicant Payments
Total Revenue	\$8,239.08	
Expenses		
Expense Category	Amount	Notes
Administration	\$0.00	All salaries are paid out of City and EDA funds
Loans	\$0.00	
Loan Adminstration Costs	\$0.00	Covers Mortgages and UCCs
Total Expenses	\$0.00	
Net Income	\$8,239.08	
Fund Balance		
Fund Balance	Amount (\$)	Notes
Beginning Cash on Hand	\$54,951.21	
Net Income	\$8,239.08	
Ending Cash on Hand	\$63,190.29	

Loans Outstanding		
Outstanding Principal	Amount	Notes
Dream Marketing	\$4,754.24	As of January 1, 2026
J Henry Properties	\$48,310.67	As of January 1, 2026
	\$53,064.91	
Revenues		
Source	Amount	Notes
Principal Revenue-New Loans	\$0.00	
Interest Revenue-New Loans	\$0.00	
Principal Revenue-Current Loans	\$7,743.86	Assuming all payments made on time with no early payoffs
Interest Revenue-Current Loans	\$495.22	Assuming all payments made on time with no early payoffs
Miscellaneous-Loan Closing Fees	\$0.00	Applicant Payments
Miscellaneous-Loan Payoff Fees	\$0.00	Applicant Payments
Total Revenue	\$8,239.08	
Expenses		
Expense Category	Amount	Notes
Administration	\$0.00	All salaries are paid out of City and EDA funds
Loans	\$0.00	
Loan Adminstration Costs	\$0.00	Covers Mortgages and UCCs
Total Expenses	\$0.00	
Net Income	\$8,239.08	
Fund Balance	Amount (\$)	Notes
Beginning Cash on Hand	\$63,190.29	
Net Income	\$8,239.08	
Ending Cash on Hand	\$71,429.37	

Income		
Source	Amount	Notes
USDA-RBDG Grant Funds	\$99,000.00	
Loan Principal Repayments-New Loans	\$4,277.36	Assuming all funds are loaned out at an average rate of 3% interest over 10 years, loaned out by June 2026
Interest Income-New Loans	\$1,458.34	Assuming all funds are loaned out at an average rate of 3% interest over 10 years, loaned out by June 2026
Loan Principal Repayments-Current Loans	\$0.00	
Interest Income-Current Loans	\$0.00	
Loan Closing Fees	\$92.00	Applicant Payments (Assuming 2 loans)
Loan Payoff Fees	\$0.00	None expected
Total Income	\$104,827.70	
Expenditures		
Expense Category	Amount	Notes
Administration	\$0.00	All salaries are paid out of City and EDA funds
Loan Pay Outs	\$99,000.00	
Loan Adminstration Costs	\$184.00	Covers Mortgages and UCCs
Total Expenses	\$99,184.00	
Net Income	\$5,643.70	
Fund Balance	Amount (\$)	Notes
Beginning Fund Balance	\$0.00	
Net Income	\$5,643.70	
Ending Fund Balance	\$5,643.70	

Loans Outstanding		
Outstanding Principal	Amount	Notes
Madelia Lumber	\$36,641.25	As of Dec. 31st, 2024
Madelia Lanes	\$27,827.41	As of Dec. 31st, 2024
Sud UR Duds	\$2,783.83	As of Dec. 31st, 2024
Lost Sanity Brewing	\$87,424.76	As of Dec. 31st, 2024
J Henry Properties	\$19,999.38	As of Dec. 31st, 2024
Shellum Property Management, LLC	\$58,243.39	As of Dec. 31st, 2024
Bryngelsson Holdings, LLC	\$57,851.22	As of Dec. 31st, 2024
	\$290,771.24	
Revenues		
Source	Amount	Notes
Transfer In	\$0.00	
Principal-Revolving Loan-New Loans	\$0.00	Assuming all payments made on time with no early payoffs
Interest Rev. Revolving Loan-New Loans	\$0.00	Assuming all payments made on time with no early payoffs
Principal-Revolving Loan-Current Loans	\$30,393.41	Assuming all payments made on time with no early payoffs
Interest Rev. Revolving Loan-Current Loans	\$5,582.25	Assuming all payments made on time with no early payoffs
Misc. Revenue-Loan Closing Fees	\$0.00	Applicant Payments
Misc. Revenue-Loan Payoff Fees	\$0.00	None expected
Total Income	\$35,975.66	
Expenses		
Expense Category	Amount	Notes
Revolving Loan Misc.-Filing/Recording Costs	\$0.00	
Revolving Loans Paid Out	\$0.00	
Revolving Loan Legal Fees	\$0.00	
Total Expenses	\$0.00	
Net Income	\$35,975.66	
Fund Balance		
Fund Balance	Amount (\$)	Notes
Beginning Fund Balance	\$53,766.13	Dec 2024 Balance
Net Income	\$35,975.66	
Ending Fund Balance	\$89,741.79	

Loans Outstanding		
Outstanding Principal	Amount	Notes
Madelia Lumber	\$27,495.65	As of Dec. 31st, 2025
Madelia Lanes	\$25,071.85	As of Dec. 31st, 2025
Sud UR Duds	\$699.13	As of Dec. 31st, 2025
Lost Sanity Brewing	\$80,565.43	As of Dec. 31st, 2025
J Henry Properties	\$18,814.31	As of Dec. 31st, 2025
Shellum Property Management, LLC	\$52,582.16	As of Dec. 31st, 2025
Bryngelsson Holdings, LLC	\$52,570.45	As of Dec. 31st, 2025
	\$257,798.98	
Revenues		
Source	Amount	Notes
Transfer In	\$0.00	
Principal-Revolving Loan-New Loans	\$0.00	Assuming all payments made on time with no early payoffs
Interest Rev. Revolving Loan-New Loans	\$0.00	Assuming all payments made on time with no early payoffs
Principal-Revolving Loan-Current Loans	\$29,782.25	Assuming all payments made on time with no early payoffs
Interest Rev. Revolving Loan-Current Loans	\$5,019.99	Assuming all payments made on time with no early payoffs
Misc. Revenue-Loan Closing Fees	\$0.00	Applicant Payments
Misc. Revenue-Loan Payoff Fees	\$20.00	UCC Termination
Total Income	\$34,822.24	
Expenses		
Expense Category	Amount	Notes
Revolving Loan Misc.-Filing/Recording Costs	\$20.00	UCC Termination
Revolving Loans Paid Out	\$0.00	
Revolving Loan Legal Fees	\$0.00	
Total Expenses	\$20.00	
Net Income	\$34,802.24	
Fund Balance		
Fund Balance	Amount (\$)	Notes
Beginning Fund Balance	\$89,741.79	Projected 2025 YE Balance
Net Income	\$34,802.24	
Ending Fund Balance	\$124,544.03	

TO: EDA Board
FROM: Celia Simpson, CEDA
SUBJECT: August Monthly Update
DATE: August 25th, 2025



Campground Saferoom Grant Application: Pre-application submitted. Met with architects and engineers. Full application in progress.

Coalition for Greater MN Cities: Attended Windom Regional meeting on August 14th.

ESMC Riverfront Redevelopment Plan: Community Survey Promotion

Housing Institute: Attended Workshop 2 on funding for housing. Started work on Infill Housing Lot Portfolio for Martin and Watonwan Counties.

Sidewalk Inventory: Continued map analysis of sidewalk network.

Media Segments: KEYC Interview for Madelia Health

MN Paid Leave: Attended New Ulm workshop on August 14th.

Regional Sustainable Development Partnership Watonwan County Visit: Highlighted Riverfront Redevelopment planning project.

Watonwan County Public Health Advisory Committee: Met on August 4th.

Upcoming Out of Office: September 9th-15th