

**ECONOMIC DEVELOPMENT AUTHORITY
ANNUAL MEETING AGENDA
JANUARY 25, 2018
8:30 A.M.**

1. Call to Order
2. Roll Call
3. Confirmation and recognition of new Commissioners
4. Election of Officers and establishment of terms
5. Designate Alternates
6. Appointment of Executive Director
7. Approval of Meeting Agenda
8. Consideration to approve the Meeting Minutes of December 20, 2017
9. Designation of committee assignments
10. Determination of new committees and assignments
11. Consideration of staff assignments
12. Approval of official newspaper
13. Approval of official depository
14. Reports by various officers and subcommittees
15. Designation of place of meeting during the calendar year
16. Determination of dates of meeting during the calendar year (3rd Thursday of every month)
17. Discussion of any modifications or amendments to the Statute or the Enabling Resolution
18. Revolving Loan Financial and Project Update
19. Trade Show Update – Colleen Eddy
20. Adjourn

The meeting will be held in the Pine Room at the Sherburne County Government Center, 13880 Business Center Dr. NW, Elk River, MN 55330

Sherburne County Economic Development Authority
Meeting Minutes
December 20, 2017

At 8:30 a.m. the meeting was called to order by Ewald Petersen, Chairperson.

1. Roll Call:

Members Present: Ewald Petersen
Dan Weber
Steve Pflighaar
Jared Johnson
Tim Sime
Marie Pflipsen
Tom Hammer
Sheldon Poole
Bill LaVigne
Amanda Othoudt
Tim Dolan

Alternates Present: Hanna Klimmek

Others Present: Kevin Weeres, CMDC
Clay Wilfahrt, City of Big Lake
Annie Deckert, Decklan Group
Jeff Zierdt, Lupulin Brewing

1. Motion by Marie Pflipsen to approve the EDA meeting Minutes of September 25, 2017 as presented. Motion seconded by Jared Johnson. Motion carried unanimously.
2. Tim Dolan stated that he will abstain from voting today due to a conflict of interest.
3. Jeff Zierdt, owner of Lupulin Brewing, provided information about this family owned craft brewery. He and Matt Schiller are the co-founders and opened the brewery in Big Lake in 2014. The building had been vacant since 2011. The business has experienced rapid growth. They began distributing to MN restaurants almost immediately with bottling distribution to MN liquor stores following in the first quarter of 2016. They have won several local honors as well as national. Lupulin is a strong community supporter hosting a wide range of events. They draw visitors to the community from across Minnesota and nationwide. They currently employ nine full-time and 20 part-time employees.

Kevin Weeres, CMDC, provided information on the credit analysis. The request is for a \$48,175 – 20 year revolving loan to be used for the purchase of an existing building and equipment. Pioneer Bank, the SBA, and the Initiative Foundation will also be issuing

small business loans to facilitate the project. Lupulin plans to add ten full-time and five part-time employees in the first year of occupancy and an additional seven full time and five part-time employees in year two. Average full time wage of the new positions are expected to be \$15.47 per hour. Kevin reviewed strengths and risks. If approved, the County would enter into an intercreditor agreement with the Initiative Foundation sharing the third security position. The applicant's majority owner has offered to provide a second mortgage on his personal residence as additional collateral for the loan.

Clay Wilfahrt, Big Lake City Administrator, provided comments on the request. He noted the strong community impact the business has in Big Lake. They have sponsored many events and it brings outside people to the city. The business induces other employment and helps the economy grow.

Motion by Bill LaVigne to approve Resolution #6 approving the request for a \$48,172.00 Revolving Loan to Lupulin Brewing contingent on the lien in third position on the principal's personal residence. Jared Johnson seconded the motion. Motion carried.

4. Discussion was held regarding scheduling monthly meetings in 2018. Monthly meetings will be set up, but canceled if not needed.
5. The annual Economic Development Authority meeting is scheduled on January 25, 2018 at 8:30 a.m. in the Pine Room.
6. Motion by Marie Pflipsen to adjourn the meeting at 9:25 a.m. Motion seconded by Bill LaVigne. Motion carried.

Amanda Othoudt, EDA Secretary

Sherburne County EDA RLF Update

January 25, 2018



2016 RLF Summary

- Total of \$198,000 to three loan commitments
- \$5,026,800 in total project costs
 - 25 to 1 investment ratio
- Retained 44 jobs
- Projected addition of 28 new jobs over the next two years
- \$412,300 increase in taxable value
- Approximate additional \$16,500 in property taxes generated annually from these projects
- Filled two buildings that had been sitting vacant





2017 Loan Approvals

Hubbard Electric



- \$64,925 – 20 Year Loan
- Purchased a 7,205 sf facility in Becker
- Doubled their existing square footage
- \$371,500 total project cost
- \$65,000 taxable value increase following sale
- Retain 16 jobs and will create an additional 11 jobs over the next two years



New Creations Child Care



- \$41,500 – 10 Year Loan
- Purchased an existing 6,666 sf facility in Big Lake
- \$834,000 total project cost
- The project will retain 12 full time jobs and 8 part time jobs.
- The project will add an additional 6 full time and 4 part time employees over the next two years





Lupulin Brewing, LLC

- \$48,175 – 20 Year Loan
- Purchased an existing 22,500 sf facility in Big Lake for expansion that will more than triple their existing space
- \$1,308,175 total project cost
- \$475,000 taxable value increase following the planned remodel.
- The project will retain 9 full time jobs and 20 part time jobs.
- The project will add an additional 10 full time and 5 part time employees over the next two years



2017 RLF Summary

- Total of \$154,600 to three loan commitments
- \$2,513,675 in total project costs
 - 16 to 1 investment ratio
- Retained 37 existing full time jobs
- Projected addition of 26 new full time jobs over the next two years
- \$540,000 increase in taxable value
- Approximate additional \$21,600 in property taxes generated annually from these projects



Total RLF Impact

- \$352,600 in committed loans
- \$7,540,475 in total project costs
- Expected to create 54 new full time jobs (+24 part time jobs)
- \$952,300 increase in taxable value
- Remaining RLF Balance = \$115,000
 - Additional \$50,000 budgeted to be transferred in 2018

