

**ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA
June 21, 2018
8:30 A.M.**

- 1) Call to Order
- 2) Roll Call
- 3) Approval of the May 17th County EDA meeting minutes
- 4) Revolving Loan Fund Application – Jorgenson Homes
- 5) Next Meeting Date – July 19 (County Board Room)
- 6) Adjourn

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

Sherburne County Economic Development Authority
Meeting Minutes
May 17, 2018

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
Marie Pflipsen
Tom Hammer
Bill LaVigne
Tim Dolan

Alternates Present: Hanna Klimmek
Colleen Eddy

Others Present: Lee Hall, Open to Business:

2. Lee Hall provided information about the Open to Business Program. The Open to Business program helps new and early stage businesses access the technical assistance they need to grow and prosper. Currently there are programs in Washington, Scott, Carver, Anoka, Dakota and Hennepin Counties. Staff are housed in the counties and work one on one to provide advice and counseling to anyone who requests assistance. There is no charge for this service. Communities provide retainer funding support.

Staff can assist entrepreneurs identify borrowing needs and accessing financing options. They work with clients to help them find the financing that best meets their own unique needs. They also provide direct financing and loans in partnership with banks and nonprofit lenders.

Members discussed how this program could assist small businesses in Sherburne County and the need for further discussion.

3. Discussion was held regarding regional marketing. Commissioner Dolan noted that currently Sherburne County is a member of both Greater MSP and Greater St. Cloud Development Corporation. These entities showcase more of the metro and St. Cloud areas. Discussed what Sherburne County could do to showcase this area to bring people here. Dan Weber and Commissioner Dolan will work on a plan for further discussion at a future meeting.

4. Dan Weber noted that there has been a revolving loan fund application by Jorgenson Homes to purchase an existing 5,039 sf commercial/office building. CMDC is working on the numbers and will have them available at the June 21st EDA Meeting.
5. Motion by Tom Hammer, second by Steve Pflgebraar to adjourn the meeting at 9:27 a.m. Motion carried.
6. The next Sherburne County EDA meeting is scheduled on June 21, 2018 in the County Board Room at the Sherburne County Government Center.

Amanda Othoudt, EDA Secretary

6/21/18

Jorgenson Homes Inc – City of Elk River
Proposed Revolving Loan Fund Application
Application Review & Summary

Background

- Originally founded in 2003. Owner Jeff Jorgenson has over 25 years of construction experience. They provide general contracting and serve the northwest suburbs of Minneapolis and St. Paul.
- They are looking to purchase the property they are currently leasing at 19449 Evans St NW Suite C in Elk River.
- The business currently employs six full time staff members.
- The project includes the purchase of an existing 5,039 sf commercial/office building at an expected purchase price of \$350,000.
- They are expected to renovate the building following the purchase with an additional cost of \$50,000. The improvements include the reconfiguration of some walls, updated ceilings, new paint and stain, new overhead doors, ramp to rear, etc.

Revolving Loan Fund Request

- \$60,000 - 20 year revolving loan to be used for the purchase and renovation of an existing building located in Elk River.
- The borrower has requested to finance 95% of the project costs with Sherburne State Bank expected to finance 80%. The RLF would provide 15% with 5% equity.
- They plan on adding four additional full time jobs and one part time job within two years.
- The project would allow the business to continue its recent growth pattern and grow into their remodeled facility.

CMDC Review

Key Strengths

- Seasoned business with successful historical financial performance.
- The Sherburne County residential real estate market should continue to be strong based on its geographical location.
- Excellent personal credit histories for the Jorgenson's.

Key Risks

- Down turn in the residential home building and remodeling market.
- Unexpected death of Jeff Jorgenson.

Decision Conclusion

Recommend approval as presented.

RESOLUTION NO. _____

RESOLUTION OF SHERBURNE COUNTY ECONOMIC DEVELOPMENT AUTHORITY APPROVING THE TERMS OF A \$60,000 REVOLVING LOAN FUND LOAN IN CONNECTION WITH JORGENSON HOMES, INC. EXPANSION PROJECT

WHEREAS, the Sherburne County Economic Development Authority administers a Revolving Loan Fund Program (the “RLF”) to provide gap financing to assist local small businesses and to promote economic development within Sherburne County.

WHEREAS, Jorgenson Homes, Inc. has applied to the EDA for a loan in the amount of \$60,000.00 to facilitate the company’s expansion.

WHEREAS, the purpose of the loan is to assist the company in purchasing and renovating a commercial building for the expansion of its business, including the hiring of additional employees (the “Project”).

WHEREAS, the application is consistent with the purposes of the RLF.

WHEREAS, the EDA has received a positive recommendation on the proposed loan from the EDA’s loan underwriter and loan service provider.

NOW THEREFORE, BE IT RESOLVED, by the Sherburne County Economic Development Authority as follows:

1. The RLF loan for this Project is hereby approved
2. The EDA Chair and Executive Director are authorized and directed on behalf of the EDA to execute the necessary loan documents as approved by the County Attorney.

Adopted this 21st day of June, 2018.

Attest:

Ewald Petersen
Chair, Sherburne County EDA

EDA Executive Director