



Economic Development Advisory Committee

Minutes of the November 6, 2013 meeting

8 a.m., Chamber Board Room

Committee members present: Pat Cedeno, Brad Hodson, Jim Hoskins, Shane Kannarr and Mark Werner

Others present: Blake Benson, Daron Hall and Henry Menghini

Additions to the agenda: None

Consent calendar: Chairman Kannarr asked for discussion regarding the minutes from the October 2 meeting. Corrections were noted.

MOTION: Kannarr asked for a motion to approve the minutes as presented. Werner so moved. Motion seconded by Hodson. All carried, motion approved.

New business:

SEK Recycling Center forgivable loan:

Dr. Jim Triplett, Board Chairman of the SEK Recycling Center, requested to have the Recycling Center's scheduled \$3,000 annual loan payment postponed. The Recycling Center has made annual payments since 2010, but is now having financial difficulties and requested a twelve-month extension on their 2013 payment. Dr. Triplett said the organization's board is considering various options to address the cash shortfall, including selling property and furthering reducing personnel.

MOTION: Hodson moved that the SEK Recycling Center's 2013 loan payment be delayed until November 1, 2014. Werner seconded. Motion approved.

Kendall Packaging forgivable loan:

Kendall Packaging is in the fourth year of a five year, \$30,000 forgivable loan that helped with a 2009 expansion. In return for loan forgiveness, the company committed to a job creation schedule. This schedule called for eight new employees by June 1, 2013. Kendall Packaging has fallen one employee short of the threshold for this year (eight) but the company plans a facility expansion in early to mid-2014. As a result, Kendall Packaging has asked for more time to reach the agreed-upon employment threshold as the impending expansion is expected to create enough new jobs to help Kendall Packaging hit its committed five-year goal of ten new jobs (since 2009) by June 1, 2014. The EDAC held a lengthy discussion, but ultimately agreed that giving Kendall Packaging a little more time was in the city's best interest.

MOTION: Cedenon motioned giving Kendall Packaging until June 1, 2014, to hit the five-year goal. If that does not occur, Kendall Packaging will be required to make the 2013 and 2014 loan payments back to the Revolving Loan Fund. Hoskins seconded. Motion carried.

Austerman Construction:

Benson relayed that Austerman Construction, located in the northeast industrial park, has grown considerably, adding four new positions in August 2013 and now planning an expansion for spring 2014. This expansion will allow Austerman Construction to add two more employees, but will also enlarge the company's building to the point that it will require the installation of a sprinkler system to comply with city fire codes. This would cost the company an additional \$25,000 on top of their other construction costs (they would do much of the work themselves). Upon recommendation from city inspectors, Mr. Austerman has requested any assistance the city could provide to help defray these additional infrastructure costs. The EDAC agreed the project was a positive one, but discussed what portion of the sprinkler cost to cover. Eventually, it was agreed that the city should help cover sprinkler costs up to \$25,000.

MOTION: Hodson motioned using Revolving Loan Funds to offset sprinkler costs for Austerman Construction up to \$25,000 in return for a commitment that the company's expansion will create at least two new positions by November 1, 2015. Werner seconded. Motion carried.

There being no further business, the meeting adjourned at 9:25 a.m.

Respectfully Submitted,

Blake Benson