CALL TO ORDER
Chair Johnson called the meeting to order at 7:30 a.m.

PUBLIC COMMENT
There was no public comment.

APPROVAL OF MINUTES OF MAY 5, 2016
MOTION by Gasterland/Holtze to approve the minutes of the May 5, 2016 La Crosse County Economic Development Fund. Motion carried unanimously; Balacek excused.

LA CROSSE DAY CARE CENTERS DELINQUENCY
La Crosse Day Care Centers is going out of business and delinquent on their loan payments. They are in the process of selling the assets to Red Balloon Day Care, and are asking La Crosse County to accept payment of $12,889.28 from the sale proceeds for full settlement of our loan. The loan was originally for $93,000 and they have made approximately $72,000 in principle and interest payments. The County is still owed $42,057. Altra Federal Credit Union has first position on collateral, so they will get the vast majority of the proceeds, along with a credit card payoff to Altra Federal Credit Union in the amount of $7,490.59.

The alternative is that the sale will not go through and they will go into chapter 7 or 11 bankruptcy. This would affect 30-40 jobs of employees currently working at La Crosse Day Care Centers and 100-120 families would be without day care.

Midwest Appraisal appraised the La Crosse Day Care building on Gillette Street on May 21, 2016 at $700,000.

MOTION by O’Malley/Lange to enter into closed session at 8:25 a.m. pursuant to Wis. Stat, s. 19.85(1)(e) for the purpose of deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, to wit: La Crosse Day Care Centers Delinquency. Motion carried unanimously; Balacek excused.

MOTION by Holtze/Nikolay to return into open session at 8:51 a.m. Motion carried unanimously; Balacek excused. There was no action taken in closed session.

MOTION by Lange/Nikolay that the County accept payment of the balance $12,889.28 to satisfy the loan conditioned upon investigating and, if possible, seeking an additional $7,490.59 ahead of the Altra Federal Credit Union credit card debt and using best efforts to obtain that amount of payment. Supervisor Giese offered an amendment that the County...
accept the above proposal on the condition that Red Balloon Day Care makes the County whole. The Chair ruled the motion out of order. **Motion carried;** opposed: Wettstein and Giese; Balacek and Hampson excused.

**CONSIDER DEVELOPMENT AGREEMENT WITH DWM PROPERTIES LLC**
Identity works is in need of an expansion of their existing building in the Lakeview Business Park and has approached La Crosse County about purchasing 2 additional acres. Included in the packets was a copy of a Development Agreement that staff has negotiated and is recommending moving forward with the sale. Staff considered that they had previously purchased 1.11 acres at a price of $38,830 and had purchased a right of first refusal on an additional acre for $5,000 which would be credited toward the sale price if DWM Properties exercised that right. Staff is recommending a sale price of $50,000 for 2 additional acres, and that if they build a minimum of 12,000sf at a minimum value of $600,000 the LCEDF will refund $13,000 to the developer. Considering this purchase and the previous transaction, their overall cost, after the potential refund, would be $80,850 for 3.11 acres or approximately $26,000/acre. The Development Agreement also discusses a few covenant waivers that the LCEDF would accept, as long as the Park Development Review Board also approves. It also provides the business with essentially a 5 year right of first refusal on additional adjacent acreage.

**MOTION** by Wehrs/Holtze to approve the staff recommendation to sell 2 acres in the Lakeview Business Park to DWM Properties. **Motion carried unanimously;** Balacek excused.

**UPDATE ON PEARL STREET BREWERY LOAN & TEMPORARY TRANSFER OF FUNDS FROM FUND 1 TO FUND 2**
Pearl Street Brewery has met the financial benchmarks that were set to be able to draw the second $75,000 from this loan, however we are waiting on the private lending commitment for an additional $200,000 worth of leveraged funds into this project. This loan was approved out of the EDA fund (Fund 2), which currently has just short of $75,000. Staff is recommending to transfer up to $2,000 from the County Fund (Fund 1) so there is enough cash to distribute to Pearl Street Brewery. **MOTION** by Gasterland/Nikolay to approve the transfer of up to $2,000 from Fund 1 to Fund 2. **Motion carried unanimously;** Hampson and Balacek excused.

**CONSIDERATION OF LOAN APPLICATION FROM LOVECHILD RESTAURANT**
Included in packets were documents for a loan request in the amount of $196,000 from Lovechild Restaurant including a Summary, Financials and Business Plan. The request is made out of the CDBG fund which currently has a cash balance of approximately $518,000. Brian Fukuda pointed out that in the Loan Criteria Analysis, the loan size is in our acceptable range; the job creation section they are proposing that 19 FT and 18 PT jobs will be created; the loan ratio they’ve got commitment of a $600,000 SBA Loan through Park Bank and the RLF Loan would be $196,000; for Equity, they are proposing 7% and generally we require 10% on these loans; Use of Funds is equipment & fixtures; Loan Term of 10 years; Interest Rate of 6%; Deferred Payments not requested. Discussion followed regarding concerns regarding Lovechild Restaurant’s lack of equity and about their financials. The committee also thought it would have been helpful if they had been in attendance so questions could have been answered. **MOTION to deny** by Holtze/Wehrs the loan application from Love Child Restaurant. **Motion carries;** Johnson voted no; Hampson and Balacek excused.
UPDATE ON COUNTY PROPERTIES
- International Business Park II – Still moving forward with design and negotiation for the sale of this land.
- Administrative Center/Downtown Campus – Projects are on schedule and moving forward at this point.
- Lakeview Business Park – We have had some additional interest in the park, and continue those discussions.

AGENCY UPDATES – none reported

NEXT MEETING: July 7, 2016

FUTURE AGENDA ITEMS:
- Review of loan closing procedures
- Give staff more direction on the revolving loan fund criteria.

ADJOURN
There being no further business, MOTION by Gasterland/Nikolay to adjourn the meeting at 9:33 a.m. Motion carried unanimously; Hampson and Balacek excused.

APPROVED July 7, 2016 - Terri Pavlic, Recorder