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

PUBLIC COMMENT
Vicki Markussen, Executive Director with the La Crosse Chamber of Commerce was present. She distributed and discussed their 2018 Work to Date Report; a 2017-2018 Relocation Guide & Business Director; and also a flyer from their 150th Annual Meeting Celebration.

APPROVAL OF MINUTES OF THE AUGUST 2, 2018 LA CROSSE COUNTY ECONOMIC DEVELOPMENT FUND, INC. MEETING
MOTION by Hampson/Giese to approve the minutes of the August 2, 2018 La Crosse County Economic Development Fund, Inc. meeting. Motion carried unanimously; Weidenbach excused.

REPORT ON RESULTS OF EXPLORE LA CROSSE TOURISM GRANT
There is a $10,000 line item in our budget for “Tourism Projects”. This year we provided those funds to Explore La Crosse to assist in a social media campaign for the Driftless Sports Convergence. Included in the packets was a summary of all of that campaign with links to the blog posts that were written. Brent Hanifl, Director of Media and Marketing for Explore La Crosse, was present to discuss the details. The Driftless Sports Convergence was held May 19th at the Onalaska Omni Center and rebranded to the Driftless Outdoors Show for 2019. There were 2500 attendees; 80 exhibitors; 41% coming from 60+ miles away; 25% of the attendees were outside of La Crosse County. The economic impact was estimated (by Travel Wisconsin) at $175,500 for this one day event. The funds that the EDF provided went towards a Social Influencers Campaign. Social influencers were invited to spend a few days in La Crosse County. These funds allowed the Driftless Outdoors show to increase their original goal of 1-2 social influencers to 12 which maximized the inaugural event while exposing them to the varied attractions and communities of La Crosse County to share with their social following of over 585,506+ followers on Twitter, Facebook, Instagram and Youtube.

ADMINISTRATION OF SMRT BUS PROGRAM
In 2012 the Scenic Mississippi River Transit Program was initiated, and administered by the City of Prairie du Chien. Charlie Handy indicated that in 2015-16 a study was done to potentially expand the SMRT bus routes. The study showed that the route between Tomah and La Crosse would have a good chance of success, so routes were expanded from the VA in Tomah to La Crosse and back. It is not fully functional yet, as there are not enough buses. La Crosse County and Vernon County are both being considered to be the administrator of the SMRT Bus Program. 56% of the riders currently come from Vernon County; Vernon County has tabled the issue at this point. Charlie distributed the SMRT Bus 2018 Estimate Budget. There is always the risk of funding cuts, local sponsors ending their sponsorship, etc. The EDF Committee members opted to wait until Vernon County makes a decision before they vote on this issue. This item will be put back on the October or November EDF agenda once staff discusses again with Vernon County.
CONSIDERATION OF AMENDMENT TO HOLISTIC HOME CARE LOAN TERMS
Last month the La Crosse County Economic Development Fund, Inc. approved the micro loan application for Holistic Home Care for $20,000 with 5% interest over 7 years, with a condition that they not seek other outside financing for the start-up for their business. This loan has not closed yet because after receiving the award letter, Lee Vue, the business owner, consulted with the loan officer at Wisconsin Women’s Business Initiative Corporation (WWBIC) who suggested that Lee may also benefit from having a line of credit with WWBIC. The loan officer is putting together a proposal with justification for why this makes sense for the business. They are offering a $15,000 line of credit with 9¼% interest rate. This will only be used if they absolutely needed the money. From a security standpoint, in terms of collateral, we would take a first position on the general business security agreement; WWBIC would take a 2nd position on the general business security. Included in the packets was the Request for Amended Loan Terms, as well as a Business Cash Flow Analysis. The committee noted that some of the projections were very different than what was previously presented. Brian Fukuda will share the committee’s concerns with Lee Vue and may consider a change in the loan down the road. WWBIC will give some background information on the financials and answer our questions.

REVOLVING LOAN FUND STATUS REPORT
Included in packets were financial reports for all three of our revolving loan funds. Brian Fukuda updated the EDF as follows:

1. State of Wisconsin Community Development Block Grant and La Crosse County Economic Development Fund Revolving Loan: the State is proposing to close this fund (see next agenda item). There is $555,000 in cash in this fund; there are significant job reporting requirements; outstanding loans: Skipperliner $590,000; they are making payments on a monthly basis; the outstanding loans to S & S Cycle and Lovechild are both current and meeting their job creation requirements; River Steel is past due and currently in bankruptcy.

2. Fund 1 – Micro Loan Fund: Currently $172,000 in cash in this fund; good capacity since loans are made at $20,000 at a time; Loan balances: 4 Sisters Catering $17,000 and current; Craft and Vendor Marketplace $15,000 and current; Urban Connections paid off their loan in full earlier this year; That Foreign Place just under $18,000 is current; River Steel is delinquent in this fund as well.

3. Fund 2 – Mississippi River Regional Planning Commission administers this for us and is funded through the US Dept of Commerce – EDA. This has $43,000 cash; Approximately $117,000 was loaned out to Pearl Street Brewery project, and is current; there is also a River Steel component also in the amount of $41,221.

CDBG-CLOSE UPDATE
Brian Fukuda distributed an updated (red lined) handout of the La Crosse County Economic Development Fund CDBG-Funded Revolving Loan Fund Closeout Summary after a meeting held yesterday. The WI DOA was in town to provide an overview of this proposal that they have made to HUD, which will essentially convert all loan funds into grant funds for CDBG-eligible projects and discontinue the operation of CDBG-funded RLFs throughout the State. They are proposing this starts October 1st. At one time we will have to pay back our cash on hand to the State, currently $550,000.00, and close out our fund. All of these funds will be put into a designated fund that we can apply for community development block grants. This would be designated for us for a 2 year period. We would need to have eligible projects ready to apply so that we are able to get this money back. The big decision we need to make is if we want to buy out our receivables. If so, we would need to come up with the cash. This does need to be all or nothing. Staff also learned that they will not subtract out any losses for failed loans in
the past. We have loan losses of approximately $110,000 over the life of this fund, but would not need to subtract this off of our CLOSE balance. Depending on what happens with River Steel, we are looking at approximately $700,000 in CDB CLOSE without buying out our receivables. We would get another $700,000 receivables for a total potential CLOSE balance of $1.42M. We can’t use any of these funds within the City of La Crosse since it is an entitlement community and gets their own community development block grants. It would need to meet HUD’s national objective of serving low to moderate income populations. These grants would be non-competitive and require no matching funds. Staff will begin work on identifying potential projects.

**DISCUSSION OF MEMBERSHIPS/CONTRIBUTIONS TO PARTNER ORGANIZATIONS**

The full economic development budget will be brought to the EDF next month. This agenda item was put on for discussion in preparation of that. Last year a shift was made instead of having individual line items in our budget for membership dues to combine them into one line item entitled “memberships” in the amount of $50,000. This year it was broken down as follows:

- $3,275 – Chamber of Commerce
- $3,000 – Downtown Mainstreet
- $5,250 – 7 Rivers
- $34,462 – LADCO
- $3,000 – Mississippi River Parkway Commission

Brian noted that a line item was added last year, and again this year, into the budget for workforce projects in the amount of $10,000. The Synergy discussions have been ongoing for the last few years. Brian asked LCEDF members what specific information they would like from these organizations. The committee would like more information from LADCO regarding what specifically we get for being a member. The committee would also like to learn what the decision making process was that lead to the hiring of a new Executive Director of LADCO, after the retirement of the Executive Director. Brian will update the list of the other agencies involved with economic development. Any other questions that would help inform decisions about the economic development budget, please get these to Brian prior to the October meeting.

**AGENCY UPDATES:**

- WEDC has contacted Greg Flogstad and other regional planning commissions around the state that were impacted by the recent flooding. They are looking at setting up a micro loan program (up to $10,000) for any businesses that were damaged by flooding; 93 business already identified

- LADCO is in the process of hiring an Executive Director; Sam Bachmeier was hired full time as a coordinator.

**FUTURE AGENDA ITEMS:** None noted.

**NEXT MEETING:** October 4, 2018

**ADJOURN**

There being no further business, **MOTION** by DeVore/Miller to adjourn the meeting at 9:16 a.m. **Motion carried unanimously;** Kruse and Weidebach excused.

**APPROVED October 4, 2018 - Terri Pavlic, Recorder**