**Luce County Economic Development Corporation**

**EDC Office Conference Room**

**Minutes**

**4:00 p.m.**

**December 10, 2019**

**Present**: Joe Villemure, Colleen Duflo, John Waltman, Michelle Clark, Brian LeBeouf, Rose Pann and Paul Burton(4:26pm)

**Absent**: AJ Downey, Cliff Fossitt

The meeting was called to order at 4:02 p.m. by Chairperson Duflo

Reminder that the meeting is being recorded.

**Communication from Public**: None

**Approval of minutes**

The minutes from the regular board meeting held on November 12, 2019 were reviewed and approved as presented. Motion made by Villemure, seconded by M. Clark. All Ayes. Motion passed.

**Approval of Financial Report/Bills**

The regular financial report and bills for November 2019 were reviewed and approved as presented. Motion by LeBeouf seconded by Waltman. All Ayes motion passed.

**Correspondence:** None

**Old Business-**

1. **EDC project update** – Nothing to report. Tammy suggested that we should add this to the finance committee agenda.
2. **EGLE/Pike Lake Grant Update-** In Director’s report.
3. **MEDC Grant Update-** Nothing to report, until closer to spring.
4. **Industrial Park Update-** Executive Committee will be addressing this agenda item.

**New Business**

1. **Member Updates-** John Waltman informed the Board that he should be hearing something about the Co Rd 407 paving application. The Falls Hotel is still listed for sale, and it is not listed on the historical building website. Have heard that Sedar’s Pizza has sold, but the for-sale sign is still up.

**2. Finance Committee Recommendations-Action Required-**Tammy is presenting two loans today.

The first one is for **Robby Stein to purchase Pine Stump Junction CE LLC**

* Robby Stein is a long-time cabin owner and visitor to the Newberry area. He has been interested in investing in our community for quite some time.
* Asking $160,000 from EDC, $210,000 from MBank and $30,000 cash on hand. This is just to purchase Pinestump Junction. Pinestump Cabins will be purchased using only MBank funds.
* $160,000 at 6% for 10 years $1,766.33
* Retain 8 FTE jobs and possible adding 5 FTE for growth.
* MBank is asking Marissa stay on for 6 months to a year to help with transition
* Equity he is bringing to the project. $30,000 cash and approximately $24,900 spent out of pocket for business. Plow truck and plow $18,600, insurance for liquor license $2,000, BBQ cookers $2,800, Liquor License, $1,500 and LLC paperwork $1,000
* Split TWP 69% $112,000 STMP 31% $48,000
* EDC Finance: 12.3.19 unanimous approval

Motion by LeBeouf to accept Finance Committee Recommendations for the loan of Robby Stein to purchase Pine Stump Junction CE LLC, seconded by, Pann. All Ayes. Motion Passed.

 The seconded loan is for **Brian Stoynoff DC**

* The purpose of this loan is for Dr. Stoynoff to open a chiropractor office in Newberry.
* The Loan will be in both Brian and Heather Stoynoff’s names and they will each personally guarantee the loan.
* The business Northern Star Chiropractic PLLC will also guarantee the loan.
* The request is in the amount of $20,000 terms include a 6% interest with the first six months being interest only payments to allow the business to establish in the community. A 5-year loan payment would be interest $100/ month with payments 7-48 in the amount of $526.49
* The loan is to secure working capital to get the business up and running, items include, rent of the office space, billing software subscription, malpractice insurance, phone/internet connection and service, advertising budget and miscellaneous office expenses for ten months. The loan also includes office equipment and systems, computer, printer, wireless router, set up costs for Chirotouch software, QB Pro, Waiting room chairs, furniture for front desk, doctor’s office and procedure room, and signage for office.
* Collateral includes procedure equipment with an FMV of $6,000
* Split would be TWP 69% for $14,000 and STMP 31% for $6,000
* EDC Finance: Approved 12.3.19 unanimous approval
* SBDC Guidelines Recommendation

Motion by M. Clark to accept Finance Committee Recommendations for the loan for Brian Stoynoff DC, seconded by LeBeouf. All Ayes. Motion Passed.

**Directors Report**

Pike Lake Grant Update: received from Mackinac Environmental on 12/3/19

1. The soil boring/monitoring well installation was completed without problems.

    Sand was encountered from surface to termination depth (20 feet).

     Groundwater was encountered at 14 feet +/-.

2. Soil samples are at the laboratory, hoping for results later this week.

3. Groundwater sampling was postponed due to weather and is currently scheduled for this Thursday.

4. Obvious physical evidence of contamination (i.e. discoloration, odor) was not observed.

* Site Readiness Grant on hold until spring
* Spoke to attorney on the Brow matter letter sent
* Accessing side roads from the industrial park: Checked with MDOT they had nothing because they are county roads. Luce County Road Commission has the same thing we do. Only mentions Miller road and site lines due to traffic and clear vision areas.
* I was asked to check with the village on a free audit to help tighten controls. Allison said the village is paying around $20,000 and is not happy with the auditor
* Novi energy called they want my help. They are looking to put a solar farm in the UP want approximately 800 acres near transmission lines.
* Met with Carol from the Newberry News, she is doing an article on the EDC who we are and what we do.
* Checked with other EDC organizations and they all use Anderson Tackman for audits. I will have to do more research.
* Budget on hold till January, will be presented at next meeting

**Information**

October 2019 LMI – Handout

Loan portfolio update – Hand out

RLF Balance – Handout

**Communication from public –** None

**Adjournment** – Motion made to adjourn at 4:31 p.m. by LeBeouf Seconded by Waltman. All Ayes motion passed.

Approved by\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_on\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_2019.

Cliff Fossitt, Secretary/Colleen Duflo, Chairperson