



**Proceedings of the Economic Development Corporation Meeting
Wednesday September 3, 2014**

A Regular Meeting of the Economic Development Corporation was held on Wednesday, September 3, 2014 at 10:00 A.M. in the Conference Room #1, Second Floor of the Municipal Memorial Building in the City of Ironwood, Michigan.

1. Chair John Wyssling called the meeting to Order at 10:00 a.m.
2. Recording of the Roll

MEMBER	Present		EXCUSED	NOT EXCUSED
	YES	NO		
Cayer, Joseph F.	X			
Lemke, Joseph	X			
Kobylinski, Devon	X			
Peterson, Jim		X		X
Ramme, Dave	X			
Ruppe, Mark		X	X	
Schneller, Tom		X	X	
Schonberg, Bob	X			
Wyssling, John	X			
Quorum	6	3	Quorum	

Also Present: Community Development Director Michael J. D. Brown.

3. Approval of the August 6, 2014 Meeting Minutes:

Motion by Cayer to accept the meeting minutes of August 6, 2014. **Second** by Kobylinski. **Motion Carried 6 to 0.**

4. Approval of the Agenda:

Motion by Cayer to accept the Agenda. **Second** by Ramme. **Motion Carried 6 to 0.**

5. Citizens wishing to address the Commission regarding Items on the Agenda (Three-minute limit)

None.

6. Citizens wishing to address the Commission regarding Items Not on the Agenda (three-minute limit).

None.

7. Items for Discussion and Consideration:

- a. RLF Funding Request from Bruce Vuorenmaa: Bruce Vuorenmaa presented his business proposal about his startup business, Ironwood Brewing Company, which will be located in the second floor of Brewster's. Vuorenmaa stated that he isn't building a new building, but he is renovating an existing building. He has already taken the initiative of stripping the walls and flooring and removing the old heating system. The money will cover roof, electrical, HVAC, Coolers, Tap System, Floor, Tables and Chairs, Till & Brewing System. Ironwood Brewing Company will be a micro-brewery, with a capacity of 31 gallons. The cost of the project is estimated at \$178,000, not to exceed. He will also be replacing windows and redoing the façade. Director Brown stated that the City has around \$140,000 left in the RLF. Once that money is used then the money will become defederalized. He also stated that Bruce is already working with Northern Initiatives on a separate project. Cayer was concerned with people with disabilities and asked whether that was considered. Chair Wyssling asked how much the brewing equipment cost? Vuorenmaa replied with \$15,000. Chair Wyssling then stated that most of the cost will be for renovating the building. Vuorenmaa stated that his building isn't insulated and it also needs a new roof. Since these are major factors, these projects will need to be done as well, said Vuorenmaa. Kobylinski asked if Ironwood has the market to support a micro-brewery. Director Brown has done research on craft beers selling in the area. One business owner that Director Brown met with, stated that craft beer sales are up and domestics are down, and half of the clients are local. Kobylinski asked for Vuorenmaa to present the profit projected, and Chair Wyssling stated that the Corporation needs to know, that this project won't fold the business. Director Brown stated that there needs to be 1 full time job per \$20,000 given, and that 51% of new employees need to be low – moderate income wages. Director Brown suggested that the EDC help fund a portion of the project and partner with Northern Initiatives to fund the rest of the project. Cayer would like a business plan with better numbers for the next meeting. Director Brown suggested to Vuorenmaa to contact the SBDC to create a business plan. The question was asked whether Vuorenmaa could go directly to Northern Initiatives. Director Brown stated that Northern Initiatives needs the EDC to approve for funding. Northern Initiatives then makes a recommendation that comes back to the EDC to give a blessing to move forward. Much discussion about the loan process ensued.

Motion by Cayer to have Vuorenmaa bring back concrete numbers and a business plan, to present to the Corporation. **Second** by Schonberg. **Motion Carried 6 to 0**

Mr. Cayer is excused at 10:39am

8. Project Updates:

- a. Comprehensive Plan Implementation Status: Director Brown updated the Corporation. He had a conversation with the City Commission and noted that they are aware of the priority action items the EDC decided on for the first year.
 - i. The concept that we are focusing on is branding and marketing the community. Staff has a meeting set up at the end of the month with a branding company.
 - ii. A meeting was set up with the mentoring initiative.
- b. Business Retention Program: Brown asked if anyone has had a chance to visit any businesses. Lemke asked if there was a date that this needed to be completed. Director Brown stated that this is an ongoing task. Chair Wyssling stated that this program is used to help our business community succeed.

The following table identifies Business Retention activities from the past month.


MEMBER	# of Business Visits	Drove around zone to identify new and out of business businesses and available properties
Cayer, Joseph F.	0	No
Lemke, Joseph	0	No
Kobylinski, Devon	0	No
Peterson, Jim	0	No
Ramme, Dave	0	No
Ruppe, Mark	0	No
Schneller, Tom	0	No
Schonberg, Bob	0	No
Wyssling, John	0	No
TOTAL	0	

c. RLF Status: Director Brown stated that the only one paying on the project is Dr. Toohey. They did sell some of the equipment for Old World Meats. There is about \$500,000 left to be paid back. \$300,000 is from the Spec Building in the industrial park. Chair Wyssling stated that the IIDC should have some responsibility for this debt. Director Brown indicated that he has had many inquiries on the building, but no one has committed. Director Brown has been asking businesses to make an offer. He will then submit to the State for them to approve. Director Brown needs to know from the state whether the \$300,000 will be forgiven or if they will have to pay it back.

9. Other Business: None

10. Next Meeting: October 1, 2014 at 10:00 a.m.

11. Adjournment. **Motion** by Ramme to adjourn at 10:54 a.m. **Second** Ramme. **Motion Carried 5 to 0.**



 John Wyssling, President



 Tim Erickson
 Community Development Assistant