



**Proceedings of the Economic Development Corporation Meeting  
Wednesday June 5, 2013**

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A Regular Meeting of the Economic Development Corporation was held on Wednesday, June 5, 2013 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 Wyssling called the meeting to Order at 10:00 a.m. In the audience were Director Brown and Kevin McCauley of Black River Dental.
2. Recording of the Roll

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

3. Approval of the April 3, 2013 Meeting Minutes:

**Motion** by Schonberg to accept the meeting minutes of April 3, 2013. **Second** by Schneller. **Motion Carried 5 to 0.**

4. Approval of the Agenda:

**Motion** by Schneller to accept the Agenda. **Second** by Schonberg. **Motion Carried 5 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: Revolving Loan Fund Updates:

- i) Old World Meats: Both Bessemer and Ironwood locations are closed. The last time that Matt Webber was here, he asked for another month to get things in order, sell his business and pay back the City of Ironwood. Last month he was in a jury trial. Director Brown has tried to contact him many times. He contacted Director Brown a few weeks ago to find out what the procedure is if Old World Meats tries to sell the equipment and pay back the loan. The attorney said he can sell it, but the City of Ironwood would have to give him lien waivers since we have first position on the equipment. The attorney said if we did that we would need a written request from Mr. Webber to do so. This committee would need to send this up to the Commissioners. We would need to have a complete itemized list, sale amounts and other things.

Wyssling said Old World Meats is handcuffing the landlord at the Ironwood location. The landlord is not receiving rent nor can he re-rent the space.

Director Brown said we have the equipment. There are two other parties on the loan documentation; one is deceased (his father), and another one. Schonberg wanted to know what the amount he owes is – Director Brown said \$21,500.

Director Brown said the State may forgive the loan on Old World Meats. Earlier in the year, the State said that if they meet all their requirements and file their paperwork, they may forgive the loan. The City of Ironwood has not heard back from the State on forgiveness of this loan. Once the city budget is approved, we can look at other options such as a lawsuit against Old World Meats. Schonberg wanted to know if we should have the equipment appraised. Wyssling stated that if we hear from Mr. Webber that we want to know what equipment he is selling, and the amount.

Schonberg commented that possibly if the landlord would pay the moving expenses for Old World Meats that might be a help. Director Brown stated that he has a list of equipment, but not all of it has serial numbers on it. It's very difficult to track the equipment.

**Motion** by Schonberg for the City of Ironwood to secure the equipment that was put up as collateral for the loan. **Second by** Schneller. **Motion Carried 5 to 0.**

- ii) Entrée & Companion:

The City of Ironwood did go to bid and did award items. Out of 78 items, 48 of the items had bids and most were higher than the minimum bids. Out of the 48, the bids that came in were more than the original bid amount. Approximately \$13,700.00 was awarded.

Director Brown indicated this is going to be brought back to the City of Ironwood Commission to reduce the rates of reimbursement of the equipment and to put the remaining equipment back up for sale. The current balance is \$56,500, less the approximately \$13,700. Schonberg asked if Entrée had completed the State paperwork, and Director Brown said not at this time he has not. The certified letter with the paperwork has come back and Community Development has not had any contact with the Owner.

Black River Dental:

Kevin McCauley, Black River Dental former Owner was introduced by Chair Wyssling. Director Brown indicated that Mr. McCauley filed bankruptcy and the City of Ironwood was at the first meeting of creditors. A second meeting has been scheduled. Mr. McCauley indicated he filed a medical bankruptcy and that's why his business failed. The woman that worked for him (Amy Kessler) wants to purchase the equipment. Mr. McCauley indicated he wants to make a payment this month to the City of Ironwood. He wants to pay the total amount, in addition to what Amy will be paying him. Mr. McCauley admitted to many mistakes with the business. Then, he became ill. He had five large accounts. Director Brown stated that with Mr. McCauley filing bankruptcy, the City of Ironwood cannot take any action against him. Chair Wyssling asked Mr. McCauley how much the payments would be, and Mr. McCauley indicated that he would be making payments (unknown amount). Director Brown said we were listed as a creditor. Director Brown said he spoke with the Bankruptcy Trustee at the First Meeting of Creditors and then presented a list of questions to the Trustee for Mr. McCauley to answer at the next hearing later this month.

Mr. McCauley indicated that Amy Kessler will come before the Commission and set up a payment plan. Schonberg said that this would be up to the Bankruptcy Court on how we should handle this and we cannot take any action at this time.

7b: Mentoring Program:

Director Brown said that a few months ago, Member Ruppe brought up about what direction this Commission might take. Assist. Coon brought up the mentoring idea, and Bob Jacquart actually does this. If this Commission is interested, the group could begin mentoring local business folks in how to run a business; help them along, and give them the information they need. Director Brown met with Bob Jacquart who mentors a few of these companies in the community. He said he would be able to help be a mentor. Chair Wyssling wants to know if this is a duplication of the IIDC. Director Brown said that this would be a city-wide program, not just the industrial park area. Mr. Jacquart indicated possibly having an introduction session at the college for the community to come and hear about the program.

Schonberg indicated that the biggest problem might be getting people to step forward and receive help. He wanted to know if this would hinder the Revolving Loan Fund involvement? Director Brown said that the mentoring program could go hand-in-hand with the Revolving Loan Fund.

Director Brown said he will send out an email to the group and gather ideas for this program and will work with Bob Jacquart. Wyssling said we should invite Mr. Jacquart to the next Commission meeting and have Mr. Jacquart explain how this program is working and how it could help our community. Director Brown can set up some initial meetings, but someone else will have to take charge and pilot the group.

Schonberg said the college has an entrepreneurship program. Director Brown will talk to Ken Trossler and Beth Steiger who run the program and see what the College might be able to offer the mentoring program.

7c: Site/Building Selection Program:

Director Brown spoke about LOIS, Location 1, which is a web-based search engine, currently on the City of Ironwood's website. It is free software provided by the MEDC for commercial property listings. The program has been provided by a free grant from the MEDC, to be used for advertising commercial listings through the internet. The grant ends at the end of August. If the City of Ironwood wants to use the program past this allotted time, there will be a fee to continue. The State is going to discontinue LOIS at some point and use a program called Zoom Prospector. Director Brown asked the State if the City could get our information out onto the state website for free. The State did some research and said we could put this information out there for free. The advantage to using the State's site, a company looking for a manufacturing facility, will go through the State, so in essence, bypassing the City of Ironwood's website, so we wouldn't be seen there. The state can go through the database and put in the information the clients are looking for and return specific results.

Director Brown does not have the time to go out and look at commercial sites to gather all the information to put on this website. What is needed from this group is if the Commission can go out and find these properties (such as for sale by owners and others) and get these to Director Brown to put onto the web. A realtor will already have this information. A realtor could give this information to Director Brown and he could get it put out onto the State website for free. Chair Wyssling will coordinate with other realtors and provide those properties that are listed by realators.

8. Other Business:

None.

9. Next Meeting:

**Motion** by Sheller to move the next meeting to Tuesday, July 2, 2013 at 10:00 a.m. **Second** by Schonberg. **Motion Carried 5 to 0.**

10. Adjournment. **Motion** by Schneller to Adjourn. **Second** by Schonberg. **Motion Carried 5 to 0** at 11:07 a.m.



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John Wyssling, President



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Kim M. Coon  
Community Development Assistant