



213 S. Marquette St. Ironwood, MI 49938
Memorial Building, Conference Room #1, 2nd Floor

Economic Development Corporation Meeting Agenda

1. Call to Order
2. Recording of the Roll
3. Approval of the Minutes of March 4, 2015
4. Approval of the Agenda
5. Citizens wishing to address the Corporation regarding Items on the Agenda (Three-minute limit)
6. Citizens wishing to address the Corporation regarding items not on Agenda Items (Three-minute limit)
7. Items for Discussion and Consideration
 - a. RLF Request – Fighting Yoopers
 - b. RLF Update
8. Project Update
 - a. Xcel Energy
 - b. Comprehensive Plan Implementation Status
 - c. Business Retention Program
 - d. RLF Status (attached)
9. Other Business
10. Next Meeting: June 3, 2015
11. Adjournment



**Proceedings of the Economic Development Corporation Meeting
Wednesday, March 4, 2015**

A Regular Meeting of the Economic Development Corporation (EDC) was held on Wednesday, March 4, 2015 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		
Thorson, Gina	X			
Lemke, Joseph	X			
Korpela, Nancy	X			
Sclafani, Velda	X			
Ramme, Dave	X			
Ruppe, Mark	X			
Schneller, Tom		X		X
Schonberg, Bob		X		X
Wyssling, John	X			
Quorum	7	2	Quorum	

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

3. Approval of the February 4, 2015 Meeting Minutes:

Motion by Ramme to accept the meeting minutes of February 4, 2015. **Second** by Lemke. **Motion Carried 7 to 0.**

4. Approval of the Agenda:

Motion by Ramme to accept the Agenda. **Second** by Thorson. **Motion Carried 7 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. Economic Development Update – Comprehensive Plan Strategy 3.1(a) & 6.2: Director Brown introduced economic development initiative, Comprehensive Zoning Ordinance Update, which will require funding through the City budget.

Motion by Korpela to support the Zoning Ordinance Update. **Second** by Ruppe. **Motion Carried 7 to 0.**

- b. Branding Project: Director Brown introduced economic development initiative, Branding the City, which will require funding through the City budget.

Motion by Thorson to support the Branding Project. **Second** by Ruppe. **Motion Carried 7 to 0.**

- c. Revolving Loan Fund: Director Brown updated the Corporation on the status of the loans.

Motion by Ruppe to continue current collection activities until the State directs the City to engage in more aggressive collection activities. **Second** by Korpela. **Motion Carried 7 to 0.**

8. Project Updates:

- a. Comprehensive Plan Implementation Status: Director Brown updated the Corporation on current projects, such as the Façade Improvement Program and Entrepreneurial Center for Innovation and Design Speaker Series and Surplus Property Policy.
- b. Business Retention Program: Director Brown asked the Corporation about their progress. There was no new business visits at that time.
- c. RLF Status (attached)

9. Other Business: None.

10. Next Meeting: April 1, 2015 at 10:00 a.m.

11. Adjournment. **Motion** by Ruppe to adjourn at 10:40 a.m. **Second** by Ramme. **Motion Carried 7 to 0.**

John Wyssling, President

Tim Erickson
Community Development Assistant



MEMO

To: Chair Wyssling and the Economic Development Corporation

From: Michael J. D. Brown, Community Development Director

Date: April 14, 2015, 2014

Meeting Date: May 6, 2015

Re: MEDC RLF Continuing Activity

Attached is a letter from the Michigan Economic Development Corporation regarding Continuing Activity requirements for the Revolving Loan Fund. The Continuing Activity requires the City successfully fund a loan once a year and no later than January 1, 2016 or the MEDC will recoup the existing funds. I spoke with Christine Whitz of the MEDC and she informed me that this requirement is for all RLF funds regardless of whether a community regionalized or not.

The City actively markets the program through the Community Development office/website as well as Northern Initiatives our regional fund manager. Since the regionalization I have spoken with six (6) potential businesses that showed interest in the program; two (2) of which were on your agendas recently and two (2) more that have recently contacted me in the last month. Northern Initiatives is actively in Ironwood talking with businesses about the program as well. Unfortunately, the City and Northern Initiatives can't make a business apply for a loan.

The MEDC recently removed its interest rate floor of 5.99% in order to provide greater flexibility in marketing the program. Time will tell if this will increase loan opportunities.

If the City isn't able to process a loan by the deadline and the MEDC recoups the funds, the City can still apply for grants through the MEDC for various needs of the business community. Similar requirements will apply such as job creation requirements. So there are still funds the City has access to. I encourage everyone to continue marketing the program to businesses in town that may need financial assistance and also can create jobs in the process.

Further discussion will take place at the May 6, 2015 EDC meeting.



March 16, 2015

Mr. Scott Erickson
City Manager
City of Ironwood
213 South Marquette Street
Ironwood, Michigan 49938

Dear Mr. Erickson:

This letter is being sent to make you aware that on January 16, 2015 the Community Development Block Grant (CDBG) Regional Revolving Loan Fund Managers were notified that they would have until January 1, 2016 in order to meet the State of Michigan's definition of "Continuing Activity", as approved by the Michigan Strategic Fund.

Continuing Activity is defined as the successful funding of a eligible CDBG loan or extension of commercial credit in the preceding twelve months or, in cases in which the Revolving Loan Fund had insufficient funds to advance on a proper loan request, a request for assistance was made of the State CDBG program and a loan/grant was approved, with a loan/grant agreement having been signed.

As such, a CDBG RLF loan or extension of credit must be completed within the geographic boundary, and utilizing the program income generated by the City of Ironwood prior to January 1, 2016.

If the definition of Continuing Activity is not met, the CDBG Regional Revolving Loan Fund Manager will have removed the revolving fund distinction from the CDBG funds. The funds will be reclassified as general CDBG funds, and, per State policy, must be returned to the State as general program income.

Please feel free to contact me at CDBG@michigan.org, if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Christine Whitz".

Christine Whitz
Manager, Community Development Block Grant Program
Michigan Economic Development Corporation

Cc: RLF File

REVOLVING LOAN FUND

Status Update as of 4/29/15

	<u>Top Notch</u>	<u>Spec Bldg</u>	<u>Dr. Toohey</u>	<u>Sears</u>	<u>Black River</u>	<u>Old World Meats</u>	<u>Josephson's</u>	<u>EC</u>	<u>Total</u>
Original Loan Amount	40,000.00	300,000.00	25,000.00	30,000.00	25,000.00	30,000.00	100,000.00	60,000.00	610,000.00
Current Balance	4,762.31	300,000.00	16,460.27	10,748.23	19,160.16	18,640.17	89,279.62	41,556.53	500,607.29
Status	Not Current - Not Making Payments Notice sent	Deferred	Current	Default - Out of Business Notice Sent	Default - Out of Business Notice Sent bankruptcy approved	Default Out of Business Seized Equipment In Process of Selling Equipment Notice Sent	Default - Out of Business Notice Sent	Default - Out of Business Seized Equipment In process of selling equipment Notice Sent	