

## Harmony EDA Minutes

December 15, 2016  
7:30 AM

Council Room  
Community Center

Present: Chris Skaalen, Steve Donney, Deb Swenson, and Kerry Kingsley

Also Present: Jerome Illg and Chris Giesen

The special meeting was called to order at 7:32 AM by Chris Skaalen.

### **Monster Bash Loan Review**

Giesen presented a request for clarification on the Monster Bash loan that was made by the borrower. The borrower had the understanding that a personal guarantee was not required under the terms of the loan approval. Giesen reviewed the loan request and minutes of the meetings with the board members. He said that according to the record, the loan was originally approved in October 2016 with only a personal guarantee because a mortgage or other security would not be feasible because of potential involvement in the project by the school district. Since the original approval, the terms of the project changed where the school would no longer be involved and the entity purchasing the property would now be a nonprofit corporation. At the November 2016 meeting, because of these changes to the project, the loan committee recommended that in addition to the already approved terms, a first mortgage should also be required as security. The EDA agreed and approved this committee recommendation. The borrower was requesting clarification because their understanding was different.

The loan committee had reviewed the question and recommended that it be discussed as a full board. The question was discussed, and consensus was that this application was not like any other loan application previously received: it wasn't a traditional for-profit business and was instead a nonprofit 501 (c) (3), it was made up of volunteer board members, it was providing a valuable service to the community and school, and a first mortgage on the real estate financed was offered. Because of these reasons, Swenson entered a motion seconded by Kingsley to amend the Monster Bash loan to remove the personal guarantee requirement. Motion carried unanimously.

Kingsley entered the meeting at 7:38 AM.

Motion by Swenson, second by Kingsley to approve the loan modification as requested. Motion carried unanimously.

### **Adjournment**

Hearing no objection, Skaalen adjourned the meeting at 7:39 AM.