

EDA Loan Sub-Committee

Meeting Minutes

June 14, 2017

I. Call to order

Nate Carlson called to order the meeting of the EDA Loan Sub-Committee at 11:00 am on June 14, 2017 at Northfield City Hall offices.

II. Roll call

Nate Carlson conducted a roll call. The following persons were present: Councilmember Jessica Peterson-White, Andrew Ehrmann, Chris Heineman, Brent Nystrom and Brett Reese

III. New business

a) Review of EDA Revolving Loan Application

EDA Loan Committee members reviewed an EDA Revolving Loan Application from Northfield Hotel Properties, LLC in the principal amount of \$250,000.

Community Development Director, Chris Heineman, presented the historical context of the Hotel project. Chris also reviewed the executed contract of development dated May 17, 2016. The EDA took action on April 28, 2016 to offer this loan to the developer of the project. Representatives of Northfield Hotel Properties, LLC, Brett Reese and Brent Nystrom, provide further context of the project and demonstrated the need for the EDA Revolving Loan.

Following staff presentation, the Loan Committee discussed the draft terms of the loan. The EDA Loan Sub-Committee arrived at the following EDA Board recommendation:

The EDA Loan Sub-Committee recommends Board approval of a \$250,000 EDA Revolving loan for Northfield Hotel Properties, LLC and execute the required documentation with the following terms:

- **1% interest-only monthly payments for first 5 years on principal amount**
- **After 5 years, increased interest rate to Wall Street Journal Prime Rate at that time of the principal amount; initiating monthly principal and interest payments**
- **Following the first 5 years, the principal amount will be amortized for 20 years**
- **The loan will balloon at year 10 from the date of loan closing and remaining principal balance will become due**

IV. Adjournment

Nate Carlson adjourned the meeting at 12:30 pm.

Minutes submitted by: Nate Carlson