

Regular Meeting Agenda

May 4th, 2026, 5:30 pm

EDA Office, 106 2nd St. SW, Pine Island, MN 55963

CALL TO ORDER:

ROLL CALL:

APPROVAL OF AGENDA

CONSENT AGENDA

- Approval of April 6th, 2026, Minutes
- Approval of Financial Report
- Approval of Loan Report

OLD BUSINESS

- Development Plan Updates
- Middle River Investments – Resolution 26-01 Approving the Execution and Delivery of an Agency Agreement

NEW BUSINESS

- Façade Loan Program
- Business After Hours – Request for funds to purchase confections
- Advertising Plan Discussion

REPORTS

- Director's Report

ADJOURN

Meeting Minutes April 6 2026

CALL TO ORDER

Meeting called to order at 5:30pm by Ann Fahy-Gust

APPROVAL OF FEBRUARY MINUTES

Motion made by Ryan Olson to approve minutes, second by Delana Weis Vote 4-0

FINANCIAL REPORT

Mitch informed the board that the auditors requested the city use a different accounting method for tracking SEMMCHRA dollars, which is why there was a \$16,268.14 transfer in and out. Motion to approve made by Brandon Miller, second by Delana Weis. Vote 5-0

REVOLVING LOAN REPORT

Mitch informed the board that the Rachel Douglas loan has been paid in full. Motion to approve the revolving loan report by Delana Weis. Second by David Friese. Vote 5-0

DEVELOPMENT PLAN

Mitch informed the EDA that he has received a loan application from Middle River Tree Service. The loan committee set a date to meet and discuss the application on March 5th.

RESTAURANT INCENTIVE PROGRAM

Mitch presented the new incentive program and mentioned that it needs some minor corrections based on past conversations with the board. Mitch suggested lowering the amount of incentive provided to \$25,000 because it is unlikely that a request to replenish the revolving loan fund in the next couple of years is unlikely as the City looks to keep new costs at a minimum. The Board agreed and asked staff to proceed with sending the program to the city attorney for review.

MIDDLE RIVER LOAN APPLICATION

Mitch presented the application for a \$148,500 loan from Middle River Investments to help purchase property and construct a sign that will be visible from Hwy 52. The Loan Committee has had the opportunity to review the financial projections of Middle River Investments as well as the underlying financials from Middle River Tree Service. The financials indicated a realistic growth trajectory as well as strong profitability from Middle River Tree Service. Some concerns raised by the board is the amount of existing debt as well as being in the third lien position on the building and business assets and equipment. The Loan Committee and staff recommended approval of the loan.

David Friese motioned to approve the \$148,500 loan with a 10 year repayment period at a 2% interest rate with collateral of property, business assets and equipment, and a personal guarantee in the amount of \$148,500. Second by Delana Weis. Vote 5-0

ADVERTISING DISCUSSION

The Board discussed different strategies for advertising in 2026. The Board would like to proceed with a strategy more inline with attracting businesses, rather than tourism and recreation. The Board would like to strategy using social media and google ads rather than KTTC advertising. The Board requested staff to have discussions with companies that can assist with this activity and present a plan at a future meeting.

DIRECTOR'S REPORT

Mitch updated the board on his activities including the status of the community mural, DNR grant, and the childcare appreciation event which has now been canceled. Mitch thanked the board members for completing the BR&E Survey and that he is hoping to get another 10 businesses to complete the survey to gain a better picture of the overall business climate. Mitch provided a brief update on the status of the development agreement with Logic of English and that they plan to begin construction this spring.

ADJOURN MEETING

Motion to adjourn by David Friese, second Delana Weis. Vote 5-0 6:28 pm

Members Present: Ann
Fahy-Gust, Brandon Miller,
Delana Weis, Ryan Olson,
David Friese (5:32)

Guest: Mitch Massman ,
Steven Scheevel

Funds 255- 255

Account	Object	Committed Current Month	Committed YTD	Original Appropriation	Current Appropriation	Available Appropriation	% Comm.
255 Economic Dev Authority							
41590 Economic Development							
201	Office Supplies	0.00	3.19	370.00	370.00	366.81	1%
211	Cleaning Supplies	0.00	0.00	50.00	50.00	50.00	0%
255	Confections	0.00	121.65	300.00	300.00	178.35	41%
290	Cleaning Services	0.00	0.00	650.00	650.00	650.00	0%
300	Professional Svcs (GENER	0.00	0.00	300.00	300.00	300.00	0%
304	Legal Fees	0.00	0.00	3,000.00	3,000.00	3,000.00	0%
308	Consultant Fees	23,927.25	47,854.50	95,711.00	95,711.00	47,856.50	50%
310	Recording Fees	0.00	46.00	300.00	300.00	254.00	15%
321	Telephone	121.49	486.11	2,500.00	2,500.00	2,013.89	19%
322	Postage	0.00	4.38	25.00	25.00	20.62	18%
340	Advertising	0.00	0.00	5,000.00	5,000.00	5,000.00	0%
352	General Notices and Pub I	0.00	0.00	300.00	300.00	300.00	0%
361	General Liability Ins	0.00	94.00	500.00	500.00	406.00	19%
404	Repairs/Maint Machinery/E	0.00	17.98	100.00	100.00	82.02	18%
415	Contracted Services	826.33	826.33	5,000.00	5,000.00	4,173.67	17%
433	Dues and Subscriptions	0.00	3,500.00	4,000.00	4,000.00	500.00	88%
435	Miscellaneous	0.00	0.00	500.00	500.00	500.00	0%
439	Seminar Registration	0.00	225.00	500.00	500.00	275.00	45%
721	EDA Operations	0.00	16,268.14	0.00	0.00	-16,268.14	0%
	Account Total:	24,875.07	69,447.28	119,106.00	119,106.00	49,658.72	58%
	Fund Total:	24,875.07	69,447.28	119,106.00	119,106.00	49,658.72	58%
	Grand Total:	24,875.07	69,447.28	119,106.00	119,106.00	49,658.72	58%

255 Economic Dev Authority

		Opening Balance	Change	Closing Balance
Assets				
255.10100	Cash - Frandsen Bank & Trust	220,609.00 (	24,875.07)	195,733.93
255.10400	Investments	7,199.48		7,199.48
Total Assets		227,808.48 (	24,875.07)	202,933.41
Liabilities and Fund Equity				
255.25300	Unreserved Fund Balance	137,106.55		137,106.55
255.28999	Net Income Current Year	90,701.93 (	24,875.07)	65,826.86
Total Liabilities and Fund Equity		227,808.48 (	24,875.07)	202,933.41
Revenue				
255.32183	Reimbursements-Direct Costs	16,268.14		16,268.14
255.39202	Transfers In	119,006.00		119,006.00
Total Revenue		135,274.14		135,274.14
Expenditures				
255.41590.201	Office Supplies	3.19		3.19
255.41590.255	Confections	121.65		121.65
255.41590.308	Consultant Fees	23,927.25	23,927.25	47,854.50
255.41590.310	Recording Fees	46.00		46.00

255 Economic Dev Authority

		Opening Balance	Change	Closing Balance
255.41590.321	Telephone	364.62	121.49	486.11
255.41590.322	Postage	4.38		4.38
255.41590.361	General Liability Ins	94.00		94.00
255.41590.404	Repairs/Maint Machinery/E	17.98		17.98
255.41590.415	Contracted Services		826.33	826.33
255.41590.433	Dues and Subscriptions	3,500.00		3,500.00
255.41590.439	Seminar Registration	225.00		225.00
255.41590.721	EDA Operations	16,268.14		16,268.14
	Total Economic Development	44,572.21	24,875.07	69,447.28
	Total Expenditures	44,572.21	24,875.07	69,447.28

260 PI Revolving Loan Fund

		Opening Balance	Change	Closing Balance
Assets				
260.10100	Cash - Frandsen Bank & Trust	99,158.39	556.70	99,715.09
260.10430	CD-T Kuball Spruce Up Program	32,110.57		32,110.57
260.11728	Olde Pine Theatre Facade Loan	1,000.00		1,000.00
260.11730	Great American Investments Facade Loan	1,500.00		1,500.00
260.11731	Nicole Mills Facade Loan	2,000.00		2,000.00
260.11740	Note Receivable-Nora Kramer	25,988.52 (	457.02)	25,531.50
Total Assets		161,757.48	99.68	161,857.16
Liabilities and Fund Equity				
260.25300	Unreserved Fund Balance	161,954.17		161,954.17
260.28999	Net Income Current Year	(196.69)	99.68 (	97.01)
Total Liabilities and Fund Equity		161,757.48	99.68	161,857.16
Revenue				
260.36210	Interest Earnings	303.31	99.68	402.99
Total Revenue		303.31	99.68	402.99

05/01/26
09:55:13

CITY OF PINE ISLAND
Trial Balance with Revenues and Expenditures
For the Accounting Period: 4 / 26

Page: 4
Report ID: LB200

260 PI Revolving Loan Fund

		Opening Balance	Change	Closing Balance
<hr/>				
Expenditures				
260.41000.501	Facade Loan Forgiveness	500.00		500.00
	Total General Government	500.00		500.00
	Total Expenditures	500.00		500.00

EDA Revolving Loan Funds Report for 5-1-2026

	Act No.	Payments Remaining	Payment Date	Payment Amount	Loan Amount	Balance Due	Comments	Rate	Term	Initiation Date	Balloon Term	Balloon Date	Final Payment
Renken	261	26	4/24/26	\$249.54	\$35,000	\$9,009.21	Current	5.00%	10 yr	6/21/18			6/21/28
Nora Kramer	260	51	4/1/26	\$556.70	\$29,500	\$25,531.50	Current	5.00%	5	7/1/25			6/1/30
Hardware Hank	260					\$31,971.82	Current						
Olde Pine	260	5				\$1,000.00	Current						
Great American I	260	5				\$1,500.00	Current						
Nicole Mills	260	5				\$2,000.00	Current						
TOTALS					\$64,500	\$34,540.71							
Acct 260 Balance-Cash on hand/ PI City-Wide Dev.							\$99,715.09						
Spruce Up CD's - Acct 260							\$32,110.57						
Façade Forgiveable Loan - Acct 260							\$7,500.00						
Acct 261 Balance-Cash on hand/ Microenter. Dev.							\$320,228.60						
Pine Island Telephone Co Fund Balance							\$333,531.19						

PINE ISLAND ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. 26-01

RESOLUTION APPROVING THE EXECUTION AN DELIVERY OF AN AGENCY AGREEMENT IN CONNECTION WITH A LOAN FROM THE PINE ISLAND TELEPHONE COMPANY TO MIDDLE RIVER INVESTMENTS, LLC, AND TAKING OTHER ACTIONS WITH RESPECT THERETO

WHEREAS, the Pine Island Telephone Company, a Minnesota corporation (the "Telephone Company") operates and maintains its Telephone Company Revolving Loan Fund (the "Fund") from which it is authorized to disburse federal moneys received for economic development purposes; and

WHEREAS, Middle River Investments, LLC, a Minnesota limited liability company (the "Borrower"), has requested that the Telephone Company assist in financing a portion of the (i) purchase of additional real property adjacent to its current operating location (the "New Property"), and (ii) purchase and installation of a business sign at the same location (the "Project"). The Borrower's existing business is located at 1095 Bioscience Drive SE (the "Property") in the City of Pine Island, Minnesota (the "City"); and

WHEREAS, pursuant to a Loan Agreement between the Telephone Company and the Borrower (the "Loan Agreement"), the Telephone Company will loan to the Borrower the maximum amount of \$148,500 (the "Loan") from the Fund in order to fund the Project; and

WHEREAS, to evidence the Loan, the Borrower will execute and deliver to the Telephone Company a Promissory Note (the "Note"), and the repayment of such loan will be secured by two Mortgages (the "Mortgage"), the Loan Agreement, and a Security Agreement (the "Security Agreement"), all executed and delivered by the Borrower to the Telephone Company; and

WHEREAS, the Telephone Company has requested the participation of the Pine Island Economic Development Authority (the "EDA") in the administration of the Loan, including overseeing the repayment of principal of and interest on the Loan, the disbursement of proceeds of the Loan and ensuring the Borrower's compliance with the Loan Agreement and, in the event of a default by the Borrower, enforcing the provisions of the Loan Agreement, the Note, the Mortgages and the Security Agreement; and

WHEREAS, an Agency Agreement between the Telephone Company and the EDA (the "Agency Agreement") has been presented to the EDA which outlines the obligations and the responsibilities of the EDA with respect to the administration of the Loan; and

NOW, THEREFORE, BE IT RESOLVED By the Board of Commissioners (the "Board") of the Pine Island Economic Development Authority as follows:

1. The Board hereby approves the terms of the Agency Agreement substantially in the form now on file with the EDA, subject to alterations and modifications that do not materially change the substance thereof. The Board hereby recommends that the Telephone Company provide the Loan to the Borrower.

2. The President and Executive Director of the EDA are hereby authorized and directed to execute and deliver the Agency Agreement on behalf of the EDA and to perform the obligations thereunder. All of the provisions of the Agency Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated herein and shall be in full force and effect from the date of execution and delivery thereof. The Agency Agreement shall be

substantially in the form now on file with the EDA, subject to alterations and modifications that do not materially change the substance thereof, or as the President and Executive Director, in their discretion, shall determine, and the execution thereof by the President and Executive Director shall be conclusive evidence of such determination.

Approved by the Board of Commissioners of the Pine Island Economic Development Authority this ___ day of May, 2026.

President

Attest:

Secretary

Downtown Façade Improvement Loan Program

Program Intent:

The Pine Island Economic Development Authority (EDA) was established to promote economic growth by inducing manufacturing, industrial, commercial, and retail enterprises to locate or remain in the City of Pine Island, increase commerce, and promote the safety, health, welfare, convenience and prosperity of the City and all of its inhabitants.

The EDA's mission is to promote and enhance a community spirit that fosters togetherness and a willingness to improve the quality of life in Pine Island by directing and guiding future economic development.

In keeping with this mission, the EDA created the following program to enhance and improve the aesthetics of the core downtown business district. This program is designed to encourage owners to restore existing properties with fixes of a permanent nature that will enhance the general character of their building and Pine Island's downtown core.

Forgivable Loan Amount and Match Requirement

- A Loan is available to cover up to 50% of project costs in an amount not to exceed \$5,000
- A Loan is forgiven if the business remains in business at its current location for a 5-year period
 - If the owner sells the building or moves their business out of Pine Island City Limits the remainder of the loan is immediately due in full

Target Area: C-1 zoned (Central Business District) commercial buildings only.

Eligible Projects: Please see attached eligibility criteria list. All projects must be reviewed by the EDA and City Council.

To Apply, Please Submit:

1. Completed application form.
2. Cost estimates.
3. Project plans **AND** drawings/sketches.
4. Digital picture showing property's current condition, including areas to be improved.

Review Process:

1. Applicant submits all application materials to EDA staff at City Hall.
2. EDA staff reviews application.
3. EDA Board reviews application and submits recommendation to City Council.
4. City Council reviews and approves or denies application.
5. Applicant is notified of decision.
6. Project work may begin at this point. Payment will be processed on a reimbursement basis to the Applicant once **all** work is complete. Applicant must provide invoices, proof of payment, and a digital picture (please submit all pictures in the .jpeg file format to: pieda@bevcomm.net) of the building once completed in order to receive loan funds.

General Guidelines:

Incomplete applications will not be reviewed.

The program will be funded by the Board of Commissioners of the EDA in the amount of \$10,000 annually. Projects will be reviewed on a first come first serve basis. The program will operate annually until all funds are expended or cancelled by the EDA, whichever occurs first.

After approval of an application, applicants have 6 months to complete their project and obtain reimbursement for project costs, unless an extension is granted by the EDA upon a written request of the Applicant.

If approved, applicants may not reapply for a second loan for 12 months after their project has been completed.

Applications will be denied if, in the sole discretion of either the EDA or City Council, the proposed improvements do not follow these guidelines.

Applicants must be current on property taxes, utility accounts, and loan payments. Applicants may not be subject to any zoning violations, and/or other citations issued by the City. Applicant's past performance with any City matter will be considered and may be the sole factor for denial of any application.

[Applicants must be a legal entity registered with the Office of the Minnesota Secretary of State and be in good standing.](#)

The EDA or City Council may, at its discretion, approve projects that deviate from these guidelines if the proposed project is deemed within the general intent of these guidelines and in the best interest of the community.

All approved applicants must enter into a Loan Agreement with the EDA.

If the loan is awarded, the applicant must keep all records related to the loan for 6 years after the disbursement of the loan. If needed, the applicant must allow the EDA, the City, the State Auditor, or any of their authorized representatives (which may include other independent financial analysts) access to documentation related to the loan.

The EDA reserves the right to approve or reject applications on a case-by-case basis, taking into consideration factors considered appropriate by the EDA, in addition to established policies, criteria, and potential benefits. Meeting the criteria does not guarantee an application will be approved. Approval or denial of an application is at the sole discretion of the EDA.

NO WORK MAY BEGIN PRIOR TO APPROVAL.

Eligible Project Items:

- Rehab/replacement of exterior windows visible from public areas that enhance the character of the building.
- Replacement of missing decorative building features.
- Rehabilitation or replacement of historic rooflines (such as corbels, parapets or other decorative or historic features of materials consistent with the historic nature of the building).
- Rehabilitation or replacement of roof covering materials if visible from public areas and decorative or historic in nature.
- Historic preservation-related items that require specialized care or expertise such as tuckpointing and cleaning.
- Removal of non-historic materials or additions to otherwise historic buildings.
- Awnings or signage with either historic qualities or that add to the character of the building.
- Ancillary decorative lighting.
- Screening of unsightly features such as utility connections, dumpsters, etc.
- Other permanent, fixed, above ground decorative features that enhance the visual aesthetics of downtown.

Ineligible Project Items:

- Routine building maintenance.
- Any interior work.
- New construction and building additions.
- Acquisition.
- Improvements not visible from public areas.
- Parking lots.
- Painting and siding (except if allowable above).
- Roofs (except if allowable above).
- Plants and other movable, non-permanent landscaping features.
- Improvements already completed or in progress at time of application.

Downtown Façade Improvement Loan Program Application
Pine Island Economic Development Authority

Name: _____ **Date:** _____

Phone: _____ **Email:** _____

Project Address: _____

Project Summary: _____

Total Amt. Requested: _____ **Total Project Cost:** _____

Why is the assistance needed?

Applicant Certification

We, the undersigned certify that the information submitted is true and accurate to the best of our knowledge, that we have read, understand, and that we will comply with the program guidelines. We understand that this application will be reviewed based on the information provided herein and that if the final project does not meet minimum program guidelines, the City reserves the right to deny payment. But for the assistance provided through this program by the Pine Island Economic Development Authority, we would not have the resources to take on this project or to the extent that we will with assistance.

The Applicant shall hold EDA, the City, their officers, consultants, attorneys, and agents harmless from any and all claims arising from or in connection with the Program or its applications.

The Applicant recognizes and agrees that the EDA retains absolute authority and discretion to decide whether or not to accept or deny any particular application, and that all expenditures, obligations, costs, fees, or liabilities incurred by the Applicant in connection with the application are incurred by the Applicant at its sole risk and expense.

The Applicant acknowledges that it has read the Program guidelines and understands that if the application is approved for funding, loan funds awarded must only be used to pay eligible expenses.

The Applicant has reviewed a copy of Minnesota State Statute §13.591 as part of this application and understands that some information submitted will be considered public information if awarded a loan.

Name/Title (Printed) Name/Title (Printed)

Signature Date Signature Date

NO WORK MAY BEGIN PRIOR TO APPROVAL

Director's Report

Work Plan

- Land Development
 - Walter Property development – waiting for funding for infrastructure. I have met with a couple of people who might be interested in lots when it is ready to move forward.
 - In discussions with a group that owns hotels in Rochester. I have not heard back from the group that was considering a hotel.
- Housing Developments
 - Met with a developer to discuss potential for housing, housing tax credits, and other needs they often require for housing projects, specifically affordable housing projects, to move forward. Pine Island is on their list of priorities for doing a project, but we they need a location with utilities up to the site.
- Downtown Storefronts
 - There is a party interested in purchasing a building downtown. They have discussed financing options with the bank, and they might be coming to the EDA for potential funding options.
 - Hunan Building is in the process of being revamped to operate as a new business. They will likely be pursuing a façade loan to help with external signage.

Business Contact

- Met with a business about some upgrades they need to make. They are considering their options with how they want to proceed.
- Working with the attorney and Bevcomm to finalize the loan documents and approvals need for Middle River Investments loan.
- A developer/builder out of Rochester met with us as an introduction. They are looking for potential projects in the community that they could provide their services too.

Potential Grants/Financial Assistance

- The Community Mural is finalizing the mural concepts. This will be put up for a community vote to decide which one we proceed with. The committee and Prairie Island have had the opportunity to provide feedback to steer the direction of the design.
- DNR Outdoor Recreation Grant – we are waiting on the grant agreement from the National Park Service and MN DNR. We cannot order equipment prior to this agreement being signed.

Miscellaneous

- Attended Communities Council meeting
- Planning for the Pine Island Motor Show continues. The route permit from the County has been approved. We will be making a request at the next city council meeting to approve the event and route.