

**CITY OF HASTINGS
DAKOTA COUNTY, MINNESOTA**

HEDRA RESOLUTION NO. 2022-13

**A RESOLUTION OF THE HASTINGS ECONOMIC DEVELOPMENT AND
REDEVELOPMENT AUTHORITY (HEDRA) APPROVING REVOLVING LOAN TO SPIRAL FOODS COOP**

WHEREAS, the Hastings Economic Development and Redevelopment Authority (HEDRA) has established an Economic Development Revolving Loan Fund and Guidelines pursuant to Minnesota State Statutes 469.01 on April 13, 2017; and

WHEREAS, Spiral Foods Coop is a tenant in property located at 1250 South Frontage Road which is identified as PID 19-83010-01-010; and

WHEREAS, Spiral Foods Coop has applied for revolving loan financing to partially finance various tenant improvements and working capital to allow expansion of the grocery business; and

WHEREAS, the total project cost for the proposed business expansion is \$634,811; and

WHEREAS, Spiral Foods Coop has provided greater than 15% cash equity and has consulted with the Open To Business program provided by the Metropolitan Consortium of Community Developers (MCCD) which based on the established HEDRA loan guidelines qualifies them for a reduction in their fixed interest rate from 4.0% to 3.5%; and

WHEREAS, HEDRA finds that the loan is not a business subsidy under Minnesota State Statutes 116J.993; and

WHEREAS, HEDRA finds that the work and costs meet the Economic Development Revolving Loan Fund program guidelines; and

WHEREAS, Staff has outlined a working capital loan of \$25,000.00 which would have terms of 1 year payment and interest free and then a term of 3 years at a fixed interest rate of 3.5%; and

WHEREAS, Staff has outlined an additional machinery and equipment loan of \$25,000 which would have terms of 1 year payment and interest free and then a term of 10 years at a fixed interest rate of 3.5%; and

NOW THEREFORE BE IT RESOLVED, that HEDRA authorizes signature of loan agreements as outlined above contingent upon the following:

- 1) The loan from Vermillion Bank in the amount of \$180,000.00 is in place.
- 2) The Economic Injury Disaster Loan (EIDL) loan of \$199,700.00 is in place.
- 3) The loan from the Metropolitan Consortium of Community Developers (MCCD) in the amount of \$50,000.00 is in place.

**ADOPTED BY THE HASTINGS ECONOMIC DEVELOPMENT AND REDEVELOPMENT AUTHORITY
THIS 14th DAY OF APRIL, 2022.**

AYES:
NAYS:
ABSENT:

Bruce Goblirsch, President

Eric Maass, Secretary

This instrument drafted by:
City of Hastings
101 East 4th Street
Hastings, MN 55033