

**Secretarial Notes: ECIA Business Growth, Inc.
Board of Directors**

DATE: Wednesday, February 12, 2025

TIME: 12:00 p.m.

PLACE: Zoom/Phone Meeting

MEMBERS PRESENT: Cedar County: Mike Hein Linda Beck
Clinton County: Keith Hook Vacant
Delaware County: Sara Domeyer (chair) Daniel Wheeler
Dubuque County: Olivia Burger Brock Renbarger
Jackson County: Leo McGarry Vacant
At Large: Donna Boss

OTHERS PRESENT: Dave Lyons, Greater Dubuque Impact Investment Fund
Hannah Lyons, Greater Dubuque Impact Investment Fund

STAFF PRESENT: Matt Specht, Director of Community & Economic Development
 Dawn Danielson, Brownfields Coordinator
 Roseann Sabers, Documentation Specialist
 Steve Stoffel, Director of Finance and Administration
 Chandra Ravada, Interim Executive Director
 Rebecca Kennedy, Finance Accountant

Call To Order

The meeting was called to order by Vice Chair Hein at 12:02 p.m.

The members of the ECIA Business Growth, Inc. Board of Directors are convening this session electronically in accordance with Iowa Open Meetings Law, Section 21.8, Code of Iowa. Due to the limited agenda and the short duration of the meeting, it is not feasible to transport the board members in person. The meeting is being held via phone or internet from the ECIA offices in Dubuque. The meeting is open to the public, and attendees can hear the proceedings. Public notice of this meeting has been provided as required by Iowa Code Section 21.4.

Approval of February 12, 2025 Business Growth Agenda

Motion by Boss, second by Hook to approve the February 12, 2025 Business Growth Agenda. The motion passed unanimously.

Approval of Minutes and Secretarial Notes of December 11, 2024 Meeting

Motion by McGarry, second by Beck to approve the minutes and secretarial notes from the Business Growth meeting held on December 11, 2024. The motion passed unanimously.

Review/Action on Internal Controls Policy

Specht referred to the Business Growth Internal Controls Policy Manual included in the agenda packet. The manual was updated based on SBA Procedural Notice 5000-856893, dated May 2, 2024, which clarifies that an FBI fingerprint background check is only required if the individual answers "Yes" to questions 10a, 10b, 10c, 11a, or 11b on Form 1081. Board members had no comments or questions on the manual.

Motion by Beck, second by Boss to approve the ECIA Business Growth, Inc. Internal Control Policy. The motion passed unanimously.

Review/Action on Loan Policy and Operational Manual

Specht also referred to the Loan Policy and Operational Manual included in the agenda packet. The manual was updated based on SBA Procedural Notice 5000-856893, dated May 2, 2024, which clarifies that an FBI fingerprint background check is only required if the individual answers "Yes" to questions 10a, 10b, 10c, 11a, or 11b on Form 1081. Board members had no comments or questions on the manual.

Motion by Hook, second by McGarry to approve the ECIA Business Growth, Inc. Loan Policy and Operations Manual. The motion passed unanimously.

Appointment of New Board Member

Donna Boss recommended the appointment of Dan Wheeler, the newly appointed Delaware County Supervisor, to the ECIA Business Growth, Inc. Board of Directors.

Motion by Boss, second by Beck to approve the appointment of Dan Wheeler to the ECIA Business Growth, Inc. Board of Directors. The motion passed unanimously.

Request from Greater Dubuque Impact Investment Fund for a \$1,500,000 EPA Brownfield RLF Loan to assist in the environmental contamination cleanup of the former Blum site

Greater Dubuque Impact Investment Fund is requesting \$1,500,000 from ECIA's Brownfield RLF loan program to remediate the western portion of the former Blum Properties site. The loan may be partially discounted or forgiven, up to a maximum of 50% of the loan funds advanced, or \$500,000, based on the availability of funds from the EPA. The loan will carry a 0% interest rate until for 12 months with no principal due unless the property is sold. The loan will have a 0% interest rate for the first 12 months, with no principal payments required unless the property is sold. After the 12-month deferment period, quarterly repayments will begin, with an interest rate of 1.0% in year 2, 1.5% in year 3, 2.0% in year 4, and 2.5% in year 5.

Closed Session – Discussion of pending loan applications or proposals pursuant to Iowa Code Section 21.5

Motion by Boss, second by Hook, to move into closed session pursuant to pursuant to Iowa Code Section 21.5 to discuss a pending loan application or proposal at 12:06 p.m. Roll call vote: Yes-Hein, Yes-Beck, Yes-Hook, Yes-Wheeler, Yes-Burger, Yes-Renbarger, Yes-McGarry, Yes-Boss. The motion passed unanimously, and the meeting entered closed session at 12:06 p.m.

Return to Open Session

Vice Chair Hein declared that the closed session had concluded, and the meeting would return to open session at 12:22 p.m.

Request from Greater Dubuque Impact Investment Fund for a \$1,500,000 EPA Brownfield RLF Loan to assist in the environmental contamination cleanup of the former Blum site

Motion by McGarry, second by Hook to approve Greater Dubuque Impact Investment Fund, for a \$1,500,000 EPA Brownfield RLF Loan to assist in the environmental cleanup of the former Blum site. The motion passed unanimously.

Receive/File 12/31/2024 Status of Loan Portfolio

Closed Session – Discussion of pending loan portfolio pursuant to Iowa Code Section 21.5

Motion by Wheeler, second by Beck, to move into closed session pursuant to pursuant to Iowa Code Section 21.5 to discuss the Status of Loan Portfolio at 12:23 p.m. Roll call vote: Yes-Hein, Yes-Beck, Yes-Hook, Yes-Wheeler, Yes-Burger, Yes-Renbarger, Yes-McGarry, Yes-Boss. The motion passed unanimously, and the meeting entered closed session at 12:23 p.m.

Return to Open Session

Vice Chair Hein declared that the closed session had concluded, and the meeting would return to the open session at 12:27 p.m.

Receive/File 12/31/2024 Status of Loan Portfolio

Motion by Beck, second by Renbarger to approve to receive/file 12/31/2024 Business Growth Loan Status Report. The motion passed unanimously.

Request from the City of Clinton for \$1,400,000 in EPA Brownfield RLF Loans to assist in the environmental contamination cleanup of the former YMCA site

The City of Clinton is requesting two EPA Brownfields Revolving Loans totaling up to \$1,400,000 to support the environmental cleanup of the former YMCA site. The requested loan amounts are as follows: Loan 1 – \$300,000, and Loan 2 – \$1,100,000.

The City previously received approval for ECIA Brownfield Loans for Phase 1a and 1b. However, the contractor bid for Phase 1a exceeded expectations. Due to this higher bid and a cost analysis conducted by the environmental professional, it is estimated that the costs for both Phases 1a and 1b may surpass current funding sources. As a result, the City is requesting an additional \$300,000 as a contingency loan, with up to 50% of the loan amount, or \$150,000, to be forgiven, based on the availability of funds from the EPA. The loan will carry a 0% interest rate until December 10, 2025, and a 2.0% interest rate for the remainder of the loan term. Repayment would begin in March 2026.

Motion by Boss, second by Renbarger, to approve the loan request from the City of Clinton for Loan 1 in the amount of \$300,000 EPA Brownfield RLF, with the terms as presented. The motion passed with the following vote: Yes – Hein, Beck, Wheeler, Burger, Renbarger, McGarry, Boss, Abstain – Hook.

For Phase 2, the City of Clinton has applied for an EPA Brownfields Cleanup Grant in the amount of \$1,100,000. The EPA will announce grant recipients in May/June 2025, and the grant program is highly competitive. To avoid delays in the project, the City is also requesting a contingency loan of \$1,100,000 for Phase 2, with up to 50% or \$500,000 forgiveness. If the City receives the EPA grant, the ECIA loan will only be utilized if necessary, and the forgiveness will be based on the loan funds advanced. The loan will carry a 0% interest rate until December 10, 2025, and a 2.0% interest rate for the remainder of the loan term. Repayment would begin in March 2026. Subject to receipt of EPA approval and completion of all requirements of the EPA Brownfield Program.

Specht elaborated that ECIA has worked with the City of Clinton on similar loans.

Motion by McGarry, second by Wheeler, to approve the loan request from the City of Clinton for Loan 2 in the amount of \$1,100,000 EPA Brownfield RLF, with the terms as presented. The motion passed with the following vote: Yes – Hein, Beck, Wheeler, Burger, Renbarger, McGarry, Boss, Abstain – Hook.

Receive/File 12/31/2024 Lender Portal Report

Specht reported that the SMART score has increased to 24, up from 22 in the previous quarter. This increase is attributed to a higher Management Risk – High-Risk Origination Rate. The number of outstanding SBA loans decreased from 53 to 51, with 3 loans paid off and 1 new loan funded during this quarter. The addition of the new loan and the payoff of older loans affected the High-Risk Origination Rate, which is linked to the Redwood Score. The Redwood Score is a proprietary

credit model used to predict the likelihood of loan defaults by evaluating SBA account characteristics, payment behaviors, and credit risk factors such as credit age, utilization, derogatory events, and inquiries. The LRR/LPR Score remained unchanged at 1.

Motion by Boss, second by Beck to approve to receive/file 12/31/2024 Lender Portal Report. The motion passed unanimously.

Receive/File 12/31/2024 Financial Statements

Specht referred to board members to the 12/31/2024 financial statements included in the agenda packet. He reviewed the Balance Sheet, highlighting the following key figures: Total Checking/Savings at \$1,305,578.65; Total Accounts Receivable at \$3,280.92; Total Other Assets at \$3,755,844.32; Total Assets at \$5,065,033.89. Total Other Current Liabilities is \$325,568.22; Total Long-Term Liabilities \$408,844.76; Total Liabilities of \$733,844.76. Total Equity is \$4,331,189.13. Total Liabilities and Equity at \$5,065,033.89.

The Profit & Loss from July through December 2024 list a total income of \$137,482.99 and total expenses of \$99,525.02 resulting in a net income of \$37,957.97.

Specht said the Open Invoices total \$3,200.17 as of February 5, 2025; staff are following up with the businesses.

Motion by Wheeler, second by Boss to approve to receive/file 12/31/2024 Business Growth Financial Statements. The motion passed unanimously.

Other Business

Specht said the next scheduled meeting will be Wednesday, March 12, 2025, at 12:00 p.m.

Adjournment

Motion by Beck, second by Boss, to adjourn the meeting at 12:38 p.m. The motion passed unanimously.

Respectfully submitted,

Roseann Sabers
Secretary