

**CITY OF GRAND HAVEN
GRAND HAVEN, MICHIGAN
ECONOMIC DEVELOPMENT CORPORATION
BROWNFIELD REDEVELOPMENT AUTHORITY
March 4, 2024**

The Regular Meeting of the Economic Development Corporation/Brownfield Redevelopment Authority was called to order at 4:00 pm by Chairperson Jim Bonamy in the Grand Haven City Council Chambers, 519 Washington Avenue, Grand Haven, MI 49417.

Present: Bob Monetza, Jim Bonamy, Mike Fritz, Brook Bisonet, Linda Weavers

Absent: Tom Braciak, Eric Schmidt, Bill Van Lopik, Larry Schutt

Others Present: Emily Greene, Elizabeth Butler, Brian Urquhart

APPROVAL OF MEETING MINUTES

Motion by Fritz, second by Monetza, to approve the minutes of the regular EDC/BRA meeting of January 8, 2024 as submitted.

Ayes: 5

Nays: 0

This motion carried.

APPROVAL OF AGENDA

Motion by Fritz, second by Weavers, to approve the agenda as submitted.

Ayes: 5

Nays: 0

This motion carried.

FIRST CALL TO AUDIENCE

No response.

UNFINISHED BUSINESS

6a. Continued Discussion of EDC/BRA Bylaws:

There is no report back from the City Attorney regarding requirements to comply with the statute.

No action taken.

NEW BUSINESS

7a. New Board Member

Mr. Larry Schutt was recently appointed to the EDC/BRA Board. He was not present.

7b. Off the Chain Brewstillery EDC Loan Request

Kurt Knoth, owner of Off the Chain, presented background and status of the business: Off the Chain was established in 2022, the building at 1434 Colfax was purchased in 2022, underwent significant remodeling, and the Loose Spokes bike shop portion of the business was opened in 2023. The brewstillery portion of the business has not opened yet, but the brewing tanks are going in now, electrical upgrades to the building to support the operation are installed, and a soft opening is planned for early May, 2024.

Knoth presented summary information on current investments made and anticipated costs remaining. Gap financing is requested in the amount of \$75,000. Cash flow is anticipated to be negative for the next two years; Knoth will be working at his regular employment to help support the business. Bank opportunities for additional financing have been exhausted.

Bisonet and Butler reviewed the proforma prior to the meeting and they recommend gap financing. It was noted that the liquor production and sales would be more profitable than beer or food, and that no mass distribution of liquor was planned. Prime rate is 8.5%, our rate would be 7.5%. With fixed equal payments, that would be about \$1500/month. Proposed terms for the gap financing were set at 5 year term with the first six months interest only payments, and 4.5 years principal and interest payments of about \$1640/month, 7.5% annual interest, with personal guarantee.

Note that there is \$148,000 available in EDC fund.

Motion by Bisonet, second by Monetza, to approve gap financing loan.

Ayes: 5

Nays: 0

This motion carried.

REPORT BY BOARD MEMBERS

8a. No reports from City Manager

8b. Financial documents submitted for Board information by Greene. Greene noted that there was a judgement from small claims court in the amount of \$4631.29 from Adorn Kids.

CALL TO AUDIENCE SECOND OPPORTUNITY

No response

ADJOURNMENT

After hearing no further business, Chairperson Jim Bonamy adjourned the meeting at 4:44 pm.

Bob Monetza