

**NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, APRIL 25, 2018 - 7:00 P.M.**

City of Norfolk Offices – Training Room, 309 N 5th St, Norfolk, NE 68701

MINUTES

I. Call to Order: The Northeast Economic Development, Inc. (NED, Inc.) Board of Directors meeting was called to order at 7:00 p.m. by NED, Inc. President Loren Kucera. Loren Kucera informed the public about the location of the Open Meetings Act LB 898 and that it is accessible to the public.

II. Roll Call: NENEDD Administrative Assistant, Brittany O'Brien, read roll call.

Board Members Present:

Loren Kucera, NED, Inc. President, Nebraska Business Development Center (NBDC),
Wayne

John F. Lohr, NED, Inc. Secretary/Treasurer, NeighborWorks, Northeast Nebraska,
Columbus

Brad Albers, NED, Inc. Board Member, Pierce County Commissioner

Jerry Engdahl, NED, Inc. Board Member, Platte County

Board Members Absent:

Tina Biteghe Bi Ndong, NED, Inc. Vice President, West Point Chamber of Commerce

Megan Weaver, NED, Inc. Board Member, Wayne Community Housing Development
Corporation

Others Present:

Dick Pfeil, NENEDD Vice Chairman, Norfolk City Council

Mayor Shannon Stuchlik, NENEDD Chairman

Rich Jablonski, NENEDD Secretary/Treasurer

Scott Schaller, NENEDD Board Member, City of Fremont

Jim McCarville, NENEDD Board Member, Northeast Community College

Thomas L. Higginbotham Jr., NENEDD

Jeff Christensen, NENEDD

Kristen Rosner, NENEDD

Brittany O'Brien, NENEDD

Judy Joy, NENEDD

Martin Griffith, NENEDD

III. Introduction of Guests: NED, Inc. President Loren Kucera asked everyone attending the meeting to introduce themselves to the group.

IV. Secretary's Report

A. Approval of April 25, 2018 Agenda & March 28, 2018 Meeting Minutes: John Lohr made a motion to approve the April 25, 2018 agenda and March 28, 2018 meeting minutes. Brad Albers seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.

V. Treasurer's Report

A. March 2018 Treasurer's Report: NENEDD Fiscal Officer Kristen Rosner presented the report. Brad Albers made a motion to approve the March 2018 Treasurer's Report as presented. Jerry Engdahl seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.

VI. Action Items

A. Recommendation to approve down payment assistance applicant #101470: NENEDD Housing Loan Specialist Judy Joy presented. NENEDD staff has reviewed the application and is recommending approval for down payment assistance in the amount of \$26,000 for applicant #101470. Loren Kucera made a motion to approve applicant #101470 for down payment assistance in the amount of \$26,000. Brad Albers seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.

B. Recommendation to approve down payment assistance applicant #101471: NENEDD Housing Loan Specialist Judy Joy presented. NENEDD staff has reviewed the application and is recommending approval for down payment assistance in the amount of \$30,000 for applicant #101471. Jerry Engdahl made a motion to approve applicant #101471 for down payment assistance in the amount of \$30,000. Loren Kucera seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.

C. Recommendation to approve down payment assistance applicant #101476: NENEDD Housing Loan Specialist Judy Joy presented. NENEDD staff has reviewed the application and is recommending approval for down payment assistance in the amount of \$28,000 for applicant #101476. Loren Kucera made a motion to approve applicant #101476 for down payment assistance in the amount of \$28,000. Brad Albers seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.

D. Recommendation to approve applicant #101316 for owner occupied housing rehabilitation funds up to the amount of \$ 25,000.00: NENEDD Housing Specialist Martin Griffith presented. The house under consideration is structurally sound, in good condition, and after repairs will meet or exceed all the required Minimum Rehabilitation Standards, therefore is deemed economically feasible for the Housing Rehabilitation Program. Funding will be provided by NED, Inc. Reuse. Loren Kucera made a motion to approve applicant #101316 for housing rehabilitation funds up to the amount of \$25,000. Brad Albers seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.

E. Recommendation to approve applicant #101468 for owner occupied housing rehabilitation funds up to the amount of \$25,000.00: NENEDD Housing Specialist Martin Griffith presented. The house under consideration is structurally sound, in good condition, and after repairs will meet or exceed all of the required Minimum Rehabilitation Standards, therefore is deemed economically feasible for the Walthill Owner Occupied Housing Rehabilitation Program. Funding source will be

the Walthill 16-HO-15069 Grant. Loren Kucera made a motion to approve applicant #101468 for housing rehabilitation funds up to the amount of \$25,000. John Lohr seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.

- F. Recommendation to approve applicant #101478 for owner occupied housing rehabilitation funds up to the amount of \$25,000.00:** The house under consideration is structurally sound, in good condition, and after repairs will meet or exceed all the required Minimum Rehabilitation Standards, therefore is deemed economically feasible for the Walthill Owner Occupied Housing Rehabilitation Program. Funding source will be the Walthill 16-HO-15069 Grant. The cost of repairs exceeds the \$25.00 per square foot limit due to the small size of the house, therefore the Housing Specialist requests the board waive the \$25.00 per square foot limit. Loren Kucera made a motion to waive the \$25.00 per square foot limit and approve applicant #101478 for housing rehabilitation funds up to the amount of \$25,000.00. Brad Albers seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.

- G. Approve a \$50,000 loan to The Historic Hartington Hotel, LLC – Hartington Drs. Ben & Erin Schroeder, Managing Members:** Drs. Erin & Ben Schroeder have purchased the Historic Hartington Hotel (HHH) located at 202 North Broadway in Hartington. They are in the process of doing a complete renovation to operate the property as an event center which will include vacation lodging. Security Bank in Hartington is providing a loan not to exceed \$300,000. The bank loan will be set up as a regular real estate/commercial loan fully amortized over 20 years at an interest rate of 5.76%. (5 year-variable) In addition to a first deed of trust on the building at 202 N. Broadway in Hartington, they require a blanket UCC on business assets, personal guarantees from the Ben & Erin, and company guaranty from Cedar County Veterinary Services, LLC. NENEDD and NED, Inc. will lend \$200,000 to the Historic Hartington Hotel, LLC for renovation, working capital, and to purchase furniture, fixtures & equipment as outlined above - \$150,000 NENEDD and \$50,000 NED, Inc. Each loan will have a term of 20 years at an interest rate of 5.50% (fixed). NENEDD/NED, Inc. will have a subordinate Deed of Trust on the real estate at 202 N. Broadway and a UCC lien on the business personal property of the Historic Hartington Hotel, LLC. NENEDD/NED, Inc. will also file a Deed of Trust on the Globe 1901 building at 301 N. Broadway in Hartington (owned by Haymaker Farms, LLC) and require life insurance assignments from Erin & Ben Schroeder each for \$200,000 for the life of the loan. NENEDD/NED, Inc. will also require a personal guaranty from Ben & Erin Schroeder and a Company Guaranty from Cedar County Veterinary Services, LLC as add'l collateral for this loan. NENEDD & NED, Inc. will have a shared lien position on all collateral proportionate to their loan amounts. CKPPD will lend \$90,000 for building renovation which will have a term of 20 years at an interest rate of 3.00% (fixed). CKPPD will have a subordinate lien position to the bank and NENEDD/NED, Inc. with Deeds of Trust on the real estate located at 202 N. Broadway and a UCC lien on the business personal property of the Historic Hartington Hotel, LLC. CKPPD will also file a Deed of Trust on the Globe 1901 building at 301 N. Broadway in Hartington (owned by Haymaker Farms, LLC) and require life insurance assignments from Erin & Ben Schroeder each for \$90,000 for the life of the loan. CKPPD will also require a personal guaranty from Ben & Erin Schroeder and a Company

Guaranty from Cedar County Veterinary Services, LLC as additional collateral for this loan. CKPPD will be subordinate to the bank, NENEDD, & NED, Inc. The City of Hartington has approved \$50,000 of their LB840 funds for the project with \$25,000 of that as a grant and \$25,000 as a 0.00% interest loan over 20 years. The City will be expected to subordinate to all the above. The Northeast Revolving Loan Fund (RLF) committee was presented information on credit scores, net worth, collateral, and financial information as part of the loan summary discussion and recommends this loan for approval. NENEDD/NED, Inc. loan funds are being pooled on this project to meet various federal guidelines and deployment requirements for our various funds. Jerry Engdahl made a motion to approve a NED Inc. loan of \$50,000 to the Historic Hartington Hotel, LLC as presented and recommended by NENEDD staff and the Northeast RLF Committee. Brad Albers seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.

- H. Approve accepting \$700,000 Community Development Block Grant (CDBG) / Non-Profit Development Organization (NDO) funds for the ContiTech USA, Inc. – Norfolk:** NENEDD Business Loan Specialist Jeff Christensen presented. The project involves the expansion of a local business, ContiTech USA, Inc. located at 2701 West Omaha Avenue in Norfolk. The expansion includes 1) The addition of a 65' x 120' two story building on the south side of the existing facility, 2) constructing an additional area for four (4) dock doors that is are 20' x 60' or 1,200 square feet, this is also on the south side of the facility, 3) addition of a concrete dock area and driveway that is approximately 9,450 square feet of new concrete, 4) adding 4,950 square feet of gravel area for truck use, 5) purchasing new equipment to be installed in the new addition. 30 jobs, which primarily benefit low-to-moderate income persons, will be created as a result of this project. Loren Kucera made a motion to approve accepting the sub-granted \$700,000 CDBG funds from the City of Norfolk utilizing the Non-Profit Development Organization (NDO) process. The \$700,000 CDBG funds will be loaned to ContiTech USA, Inc. as presented and recommended by NENEDD staff, City of Norfolk, and DED. Brad Albers seconded the motion. **AYES:** Brad Albers, Tina Biteghe Bi Ndong, Jerry Engdahl, Loren Kucera, John Lohr and Megan Weaver. **NAYS:** None. **ABSENT:** None. Motion carried.

- VIII. President/Board Comments:** Thomas L. Higginbotham Jr., NENEDD (Norfolk) stated the NENEDD Annual Meeting will be held July 26th in Norfolk, with the board meeting following directly after.
- IX. Next Meeting Date:** The next Northeast Economic Development, Inc. Board of Directors meeting will be Wednesday, May 30, 2018 at 7:00 p.m. The meeting will be held at the City of Norfolk Office Building, 309 N. 5th St., Norfolk, Nebraska.
- X. Adjournment:** John Lohr made a motion to adjourn the meeting. Brad Albers seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried. NED, Inc. President Loren Kucera adjourned the meeting at 7:34 p.m.