

**NORTHEAST NEBRASKA ECONOMIC DEVELOPMENT DISTRICT - NENEDD  
BOARD OF DIRECTORS MEETING  
WEDNESDAY, APRIL 25, 2018 – 7:15 P.M.**

*City of Norfolk Offices – Training Room, 309 N 5<sup>th</sup> St, Norfolk, NE 68701*

**MINUTES**

**I. Call to Order:** The Northeast Nebraska Economic Development District (NENEDD) Board of Directors meeting was called to order at 7:34 p.m. by Mayor Shannon Stuchlik, NENEDD Chairman, City of Pierce. Mayor Shannon Stuchlik 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:**

Mayor Shannon Stuchlik, NENEDD Chairman, City of Pierce  
Dick Pfeil, NENEDD Vice Chairman, Norfolk City Council  
Scott Schaller, NENEDD Board Member, City of Fremont  
Jim McCarville, NENEDD Board Member, Northeast Community College  
Rich Jablonski, NENEDD Secretary/Treasurer, City of Columbus

**Board Members Absent:**

Nadine Hagedorn, NENEDD Board Member, BankFirst  
Judy Mutzenberger, NENEDD Board Member, Cuming County  
Christian Ohl, NENEDD Board Member, Madison County Commissioner  
Dan Kathol, NENEDD Board Member, Hartington Community Development Corporation

**Others Present:**

Loren Kucera, NED, Inc. President, Nebraska Business Development Center (NBDC),  
Wayne  
John F. Lohr, NED, Inc. Secretary/Treasurer, NeighborWorks, Northeast Nebraska,  
Columbus  
Jerry Engdahl, NED, Inc. Board Member, Platte County  
Brad Albers, NED, Inc. Board Member, Pierce County Commissioner  
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:** Mayor Shannon Stuchlik, NENEDD Chairman asked everyone attending the meeting to introduce themselves to the group.

**IV. Secretary's Report**

**A. Approve the April 25, 2018 Agenda and March 28, 2018 Minutes:** Dick Pfeil made a motion to approve the April 25, 2018 agenda and the March 28, 2018 minutes. Rich Jablonski seconded the motion. **Ayes:** Shannon Stuchlik, Rich Jablonski, Jim McCarville,

Dick Pfeil and Scott Schaller. **Nays:** None. **Absent:** Christian Ohl, Nadine Hagedorn, Dan Kathol, and Judy Mutzenberger. Motion carried.

**V. Treasurer's Report**

**A. March Treasurer's Report:** NENEDD Fiscal Officer Kristen Rosner presented the report. Scott Schaller made a motion to approve the March 2018 Treasurer's Reports as presented. Jim McCarville seconded the motion. **Ayes:** Shannon Stuchlik, Rich Jablonski, Jim McCarville, Dick Pfeil and Scott Schaller. **Nays:** None. **Absent:** Christian Ohl, Nadine Hagedorn, Dan Kathol, and Judy Mutzenberger. Motion carried.

**VI. Action Items**

**A. Approve a \$150,000 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 additional 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 add'l 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. Shannon Stuchlik made a motion to approve a

NENEDD loan of \$150,000 to the Historic Hartington Hotel, LLC as presented and recommended by NENEDD staff and the Northeast RLF Committee. Rich Jablonski seconded the motion. **AYES:** Shannon Stuchlik, Rich Jablonski, Jim McCarville and Scott Schaller. **NAYS:** Dick Pfeil. **ABSENT:** Christian Ohl, Nadine Hagedorn, Dan Kathol, and Judy Mutzenberger. Motion carried.

**B. Certify NENEDD is operating in accordance with its EDA approved RLF plan:** NENEDD submits a semi-annual report to the Economic Development Administration (EDA) relating to its Revolving Loan Fund (RLF) and certifies that the RLF Plan is consistent with and supportive of the area's current economic adjustment strategy; the revolving loan fund is being operated in accordance with the policies and procedures contained in the revolving loan fund plan; and the loan portfolio meets the standards contained therein. Rich Jablonski made a motion to certify NENEDD is operating in accordance with its EDA approved RLF plan. Dick Pfeil seconded the motion. **Ayes:** Shannon Stuchlik, Rich Jablonski, Jim McCarville, Dick Pfeil and Scott Schaller. **Nays:** None. **Absent:** Christian Ohl, Nadine Hagedorn, Dan Kathol, and Judy Mutzenberger. Motion carried.

**VII. Chairman's/Board Comments** –NENEDD Executive Director Thomas L. Higginbotham, Jr. stated that NENEDD submitted the EDA Planning Grant.

**VIII. Next Meeting Date:** The next NENEDD Board of Directors meeting will be held on Wednesday, May 30, 2018 at 7:15 p.m. or following the NED, Inc. meeting. The meeting will be held at the City of Norfolk Office Building, 309 N. 5<sup>th</sup> St., Norfolk, Nebraska.

**IX. Adjournment:** Scott Schaller made a motion to adjourn the meeting. Dick Pfeil seconded the motion. **Ayes:** Shannon Stuchlik, Rich Jablonski, Jim McCarville, Dick Pfeil and Scott Schaller. **Nays:** None. **Absent:** Christian Ohl, Nadine Hagedorn, Dan Kathol, and Judy Mutzenberger. Motion carried. Mayor Shannon Stuchlik, NENEDD Chairman, adjourned the meeting at 7:44 p.m.