

**NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, AUGUST 28, 2019- 7:00 P.M.**

City of Norfolk Offices – Training Room, 309 N 5th Street, 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 John F. Lohr. John F. Lohr 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 Fiscal Officer, Kristen Rosner, read roll call.

Board Members Present:

John F. Lohr, President, City of Columbus
Mike Frank, Retired Northeast Community College
Shannon Stuchlik, Midwest Bank of Pierce
Megan Weaver, Wakefield Progressive, Inc.
Jerry Engdahl, Platte County
Brad Albers, Vice President, Business Owner

Board Members Absent:

Jim McCarville, Secretary/Treasurer, Northeast Community College

Others Present:

Kristen Rosner, NENEDD
Jeff Christensen, NENEDD
Judy Joy, NENEDD
Glen Ellis, City of Fremont
Gary Jackson, City of Norfolk
Rich Jablonski, City of Columbus
Troy Uhler, Madison County
Judy Mutzenberger, Cuming County
Randy Peters, League Association of Risk Management
Raymond Ferguson, Village of Pilger
Doug Backens, Dodge County

III. Introduction of Guests: NED, Inc. President John F. Lohr asked everyone attending the meeting to introduce themselves to the group.

IV. Secretary's Report

- A. Consideration for approval of the August 28, 2019 Agenda and the July 31, 2019 meeting minutes:** NENEDD Fiscal Officer Kristen Rosner presented. Megan Weaver made a motion to approve the August 28, 2019 agenda and the July 31, 2019 meeting minutes. Mike Frank seconded the motion. **AYES:** Mike Frank, John F. Lohr, Shannon Stuchlik Brad Albers, Jerry Engdahl and Megan Weaver. **NAYS:** None. **ABSENT:** Jim McCarville. Motion carried.
- B. Consideration to ratify the June 26, 2019 Secretary's Report and Treasurer's Report.** NENEDD Fiscal Officer Kristen Rosner presented. A quorum was not available

during the June 26, 2019 meeting for the consideration and vote on the Secretary's Report and Treasurer's Report. A quorum was available for the remainder of the June 26, 2019 meeting. Brad Albers made a motion to ratify the June 26, 2019 Secretary's Report and Treasurer's Report. Megan Weaver seconded the motion. **AYES:** Mike Frank, John F. Lohr, Shannon Stuchlik Brad Albers, Jerry Engdahl and Megan Weaver. **NAYS:** None. **ABSENT:** Jim McCarville. Motion carried.

V. Treasurer's Report

- A. Consideration for acceptance of the July 2019 Treasurer's Report:** NENEDD Fiscal Officer Kristen Rosner presented the report. Mike Frank made a motion to accept the June 2019 Treasurer's Report as presented. Brad Albers seconded the motion. **AYES:** Mike Frank, John F. Lohr, Shannon Stuchlik Brad Albers, Jerry Engdahl and Megan Weaver. **NAYS:** None. **ABSENT:** Jim McCarville. Motion carried.

VI. Action Items

- A. Consideration for approval of applicant #101536 for owner occupied housing rehabilitation funds up to the amount of \$25,000:** NENEDD Housing Loan Specialist Judy Joy presented. The house under consideration, located in Plainview, is structurally sound, in good condition, and, after repairs, will meet or exceed all of the required Minimum Rehabilitation Standards. Therefore, it is deemed economically feasible for the Housing Rehabilitation Program. Funding will be provided by NED, Inc. Reuse. The loan will be 1% interest up to 20 years with NED, Inc. in the first lien position. Brad Albers made a motion to approve applicant #101536 for owner occupied housing rehabilitation funds up to the amount of \$25,000. Mike Frank seconded the motion. **AYES:** Mike Frank, John F. Lohr, Shannon Stuchlik Brad Albers, Jerry Engdahl and Megan Weaver. **NAYS:** None. **ABSENT:** Jim McCarville. Motion carried.
- B. Consideration for approval of applicant #101589 for owner occupied housing rehabilitation funds up to the amount of \$13,000:** NENEDD Housing Loan Specialist Judy Joy presented. The house under consideration, located in Hartington, is structurally sound, in good condition, and, after repairs, will meet or exceed all of the required Minimum Rehabilitation Standards. Therefore, it is deemed economically feasible for the Housing Rehabilitation Program. Funding will be provided by NED, Inc. Reuse (\$13,000) and the City of Hartington Reuse (\$7,400). The loan will be 100% forgivable over 10 years and NED, Inc. will be in the 4th lien position. Shannon Stuchlik made a motion to approve applicant #101589 for housing rehabilitation funds up to the amount of \$13,000. Megan Weaver seconded the motion. **AYES:** Mike Frank, John F. Lohr, Shannon Stuchlik Brad Albers, Jerry Engdahl and Megan Weaver. **NAYS:** None. **ABSENT:** Jim McCarville. Motion carried.
- C. Consideration to accept \$185,000 Community Development Block Grant (CDBG) funds from Knox County for a loan to Home Town Grocery, Inc. in Crofton.** Randy & Sanja Johnson wish to purchase People's Grocery Store in Crofton. The total project costs are estimated to be \$585,000 for the purchase of Peoples Grocery and working capital. Knox County will lend \$185,000 for this project. These funds will be sub-granted to NED, Inc., as a Non-Profit Development Organization (NDO), who will in turn lend the \$185,000 to Home Town Grocery, Inc. The \$185,000 loan will have a 15-year term at 4.00% (fixed). Payments will be made to NED, Inc. This is the process approved by the Nebraska Department of Economic Development (DED) to de-federalize CDBG funds in our local communities. NED, Inc. will file a subordinate deed of trust on the business property located at 1105 W 2nd St in Crofton, have a subordinate UCC lien on the business

personal property located in Crofton, require personal guaranties from all owners of Home Town Grocery, Inc., and will require a life insurance assignment from Randy and Sanja Johnson each for the amount of the loan for the life of the loan. NED, Inc. will also file a lien on the Johnson's personal residence in South Dakota. Shannon Stuchlik made a motion to accept the sub-granted \$185,000 CDBG funds from Knox County utilizing the NDO process. The \$185,000 will be loaned to Home Town Grocery, Inc. to purchase People's Grocery Store in Crofton as presented and recommended by NENEDD staff and the Northeast RLF Committee. Brad Albers seconded the motion. **AYES:** Mike Frank, John F. Lohr, Shannon Stuchlik Brad Albers, Jerry Engdahl and Megan Weaver. **NAYS:** None. **ABSENT:** Jim McCarville. Motion carried.

- D. Consideration to accept \$50,000 Community Development Block Grant (CDBG) funds from the Village of Thurston for a loan to Midwest Crane Works, LLC and approve a loan up to \$200,000 for Midwest Crane Works, LLC, Bancroft, Adam Rief and Jon Toft, Members.** Adam Reif and John Toft will form a new LLC, planned to be called Midwest Crane Works, LLC, (pending the Secretary of State's approval), with the intent of purchasing all the assets (equipment/inventory, no real estate) of Ivan's Welding currently located at rural Cuming County. Total project costs are estimated to be \$1,303,000 to purchase the equipment, inventory and goodwill. NED, Inc. will lend \$150,00 and the Village of Thurston will lend \$50,000 for this project for the purchase of the business personal property assets (equipment/inventory). The Thurston funds will be sub-granted to NED, Inc., as a Non-Profit Development Organization (NDO), who will in turn lend the \$50,000 to Midwest Crane Works for this project. Payments will be made to NED, Inc., thus resulting in a \$200,000 loan with NED, Inc. This is the process approved by the Nebraska Department of Economic Development (DED) to de-federalize CDBG funds in our local communities. The \$200,000 NED, Inc. loan will have a term of 10 years at an interest rate of 4.50% fixed. In the event Thurston does not approve their \$50,000 portion of the funding, it is planned that NED, Inc. will provide the entire \$200,000 loan at 4.50% for 10 years. NED, Inc. will file a UCC lien on the business personal property subordinate to the bank. NED, Inc. will require life insurance assignment from Adam and Jon each for the amount of the loan for the life of the loan. NED, Inc. will also require a company guaranty from the parent company, Cuming County Industries, LLC. Shannon Stuchlik made a motion to accept the sub-granted \$50,000 CDBG funds from Thurston utilizing the NDO process and approve a loan up to \$200,000 for Midwest Crane Works, LLC, as presented and recommended by NENEDD staff and the Northeast RLF Committee. Mike Frank seconded the motion. **AYES:** Mike Frank, John F. Lohr, Shannon Stuchlik Brad Albers, Jerry Engdahl and Megan Weaver. **NAYS:** None. **ABSENT:** Jim McCarville. Motion carried.

VII. President/Board Comments: None

VIII. Next Meeting Date: The next Northeast Economic Development, Inc. Board of Directors meeting will be Wednesday, September 25, 2019 at 7:00 p.m. The meeting will be held at the City of Norfolk Offices, Training Room, 309 N 5th St, Norfolk, NE 68701.

IX. Adjournment: Megan Weaver made a motion to adjourn the meeting. Mike Frank seconded the motion. **AYES:** Mike Frank, John F. Lohr, Shannon Stuchlik Brad Albers, Jerry Engdahl and Megan Weaver. **NAYS:** None. **ABSENT:** Jim McCarville. Motion carried. NED, Inc. President John F. Lohr adjourned the meeting at 7:27 p.m.