

**NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, FEBRUARY 26, 2020 - 7 P.M.**

**City of Norfolk Offices – Training Room, 309 N. 5th St., Norfolk, NE 68701
West Point Chamber of Commerce – 200 Anna Stalp Ave., West Point, NE 68788
City of Hartington Offices – Conference Room, 107 W. State St., Hartington, NE 68739
The Wakefield Civic Center – 407 E. 7th, Wakefield, NE 68784
City of Columbus Offices – 1st Floor Mayor’s Office, 2424 14th St., Columbus, NE 68601**

MINUTES

I. Call to Order: The Northeast Economic Development, Inc. (NED, Inc.) Board of Directors meeting was called to order at 7:03 p.m. by NED, Inc. President John F. Lohr, who informed the public about the location of the Open Meetings Act LB 898 and that it was accessible to the public.

II. Roll Call: NENEDD Administrative Assistant, Grace Petersen, read roll call.

Board Members Present:

John F. Lohr, President, City of Columbus (Columbus)
Mike Frank, retired Northeast Community College (Norfolk)
Shannon Stuchlik, Midwest Bank of Pierce (Norfolk)
Megan Weaver, Wakefield Progressive, Inc. (Wakefield)
Brad Albers, Vice President, Business Owner (Norfolk)
Jim McCarville, Secretary/Treasurer, Northeast Community College (Norfolk)
Jerry Engdahl, Platte County (Columbus)

Board Members Absent:

None

Others Present:

Thomas L. Higginbotham, Jr., NENEDD (Norfolk)
Tina M. Engelbart, NENEDD (Norfolk)
Kristen Rosner, NENEDD (Norfolk)
Jeff Christensen, NENEDD (Columbus)
Judy Joy, NENEDD (Norfolk)
Martin Griffith, NENEDD (Norfolk)
Grace Petersen, NENEDD (Norfolk)
Dan Kathol, Hartington Community Development Corporation (Hartington)
Gary Jackson, City of Norfolk (Norfolk)
Glen Ellis, City of Fremont (West Point)
Troy Uhler, Madison County (Norfolk)
Judy Mutzenberger, Cuming County (West Point)

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 February 26, 2020, agenda and the January 29, 2020, meeting minutes: Shannon Stuchlik made a motion to approve the February 26, 2020, agenda

and the January 29, 2020, meeting minutes. Jerry Engdahl seconded the motion. **AYES:** Brad Albers, John F. Lohr, Mike Frank, Shannon Stuchlik, Jim McCarville, Jerry Engdahl, and Megan Weaver. **NAYS:** None. **ABSENT:** None. Motion carried.

V. Treasurer's Report

A. Consideration for the acceptance of the January 2020 Treasurer's Report as presented. NENEDD Fiscal Officer Kristen Rosner presented the report. Mike Frank made a motion to accept the January 2020 Treasurer's Report. Shannon Stuchlik seconded the motion. **AYES:** John F. Lohr, Mike Frank, Shannon Stuchlik, Megan Weaver, Jim McCarville, Jerry Engdahl, and Brad Albers. **NAYS:** None. **ABSENT:** None. Motion Carried

VI. Action Items

A. Consideration for approval for down payment assistance applicant #101601 in the amount of \$20,000. NENEDD Housing Loan Specialist Judy Joy presented the report. NENEDD staff have reviewed the application and are recommending approval for down payment assistance in the amount of \$20,000 for applicant #101601. Jim McCarville made a motion to approve applicant #101601 for down payment assistance in the amount of \$20,000. Shannon Stuchlik seconded the motion. **AYES:** Mike Frank, Shannon Stuchlik, Megan Weaver, Brad Albers, Jim McCarville, Jerry Engdahl, and John F. Lohr. **NAYS:** None. **ABSENT:** None. Motion carried.

B. Consideration for approval for down payment assistance applicant #101604 in the amount of \$30,000. NENEDD Housing Loan Specialist Judy Joy presented the report. NENEDD staff have reviewed the application and are recommending approval for down payment assistance in the amount of \$30,000 for applicant #101604. Megan Weaver made a motion to approve applicant #1010604 for down payment assistance in the amount of \$30,000. Brad Albers seconded the motion. **AYES:** Jim McCarville, Jerry Engdahl, Megan Weaver, Bard Albers, Mike Frank, John F. Lohr, and Shannon Stuchlik. **NAYS:** None. **ABSENT:** None.

C. Consideration for approval of applicant #101568 for owner occupied housing rehabilitation funds up to the amount of \$25,000. NENEDD Housing Specialist Martin Griffith presented. The property is located in Genoa, is 1,482 square feet and cost of repairs per square foot is \$17.00. The house is structurally sound, in good condition, and after repairs, will meet or exceed all of the required Minimum Rehabilitation Standards. The property is deemed economically feasible for the NED, Inc., Owner Occupied Rehabilitation Program. Funding will be provided by NED, Inc., housing reuse funds. The loan will be 100% forgivable up to 10 years. Mike Frank made a motion to approve applicant #101568 for housing rehabilitation funds up to the amount of \$25,000. Brad Albers seconded the motion. **AYES:** Mike Frank, Brad Albers, Megan Weaver, Shannon Stuchlik, John F. Lohr, Jim McCarville, and Jerry Engdahl. **NAYS:** None. **ABSENT:** None.

D. Consideration for approval of applicant #101581 for owner occupied housing rehabilitation funds up to the amount of \$25,000. NENEDD Housing Specialist Martin Griffith presented. The property is located in Albion, is 1,496 square feet and cost of repairs per square foot is \$17.00. The house is structurally sound, in good condition, and after repairs, will meet or exceed all of the required Minimum Rehabilitation Standards. The property is deemed economically feasible for the NED, Inc., Owner Occupied Rehabilitation Program. Funding will be provided by NED, Inc., housing reuse funds. The loan is a 2% interest loan up to 20 years. Brad Albers made a motion to approve applicant #101581 for housing rehabilitation funds up to the amount of \$25,000. Jim McCarville seconded that motion.

AYES: Brad Albers, Jim McCarville, John F. Lohr, Megan Weaver, Mike Frank, Jerry Engdahl, and Shannon Stuchlik. **NAYS:** None. **ABSENT:** None.

E. Consideration for approval to accept the sub-granted \$65,700 CDBG RLF funds from Tekamah, utilizing the Non-Profit Development Organization (NDO) process for a loan to M&R Holdings, LLC, d/b/a Second Chance Boutique in Tekamah. Business Loan Specialist Jeff Christensen presented. Mike and Ryann Pagels are planning the renovation of a building in downtown Tekamah to be used as an upscale consignment and retail business called Second Chance (2nd Chance), located at 1216 J Street. Renovations will include updated to electrical, plumbing, flooring, and interior finish. The project also involves the purchase of furniture, fixtures, equipment (FFE), inventory, and working capital. The total project costs are estimated to be \$92,000, which it is estimated \$54,800 for renovation and \$37,200 for purchase of equipment, inventory, and working capital. Tekamah will lend \$65,700 for renovation and the purchase of furniture, fixtures, equipment (FFE), inventory, and working capital to start Second Chance Boutique in Tekamah. These funds will be sub-granted to NED, Inc., as a Non-Profit Development Organization (NDO), who will in turn lend the \$65,700 to M&R Holdings, LLC, for this project. The \$65,700 NDO loan will have a 20-year term at 5.50% (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 deed of trust on the business real estate located at 1216 J S. and file a UCC lien on the business assets, owned by M&R Holdings, LLC, d/b/a Second Chance Boutique, and will require personal guarantees from Michael and Ryann Pagels, and will require life insurance assignments from Mike and Ryann for the amount of the loan for the life of the loan. Shannon Stuchlik made a motion to approve the sub-granted \$65,700 CDBG RLF funds from Tekamah, utilizing the Non-Profit Development Organization (NDO) process for a loan to M&R Holdings, LLC, d/b/a Second Chance Boutique in Tekamah. Jerry Engdahl seconded that motion. **AYES:** Shannon Stuchlik, Jerry Engdahl, Megan Weaver, Mike Frank, Brad Albers, John F Lohr, and Jim McCarville. **NAYS:** None. **ABSENT:** None.

F. Consideration for approval of a \$140,000 loan to Nebraska Land Tiling, LLC. Business Loan Specialist Jeff Christensen presented. Tyler and Angie Peitz and Curt Benson have formed Nebraska Land Tiling, LLC, (NLT) to start their own land tiling business. The project involves purchasing equipment and inventory for the business, provide working capital and a line of credit. The total project costs are estimated to be \$675,200. NED, Inc., will lend \$140,000 to Nebraska Land Tiling, LLC, to start their new business based in Hartington. The loan will have a seven-year term at 4.50% (fixed). NED, Inc., will file a subordinate UCC lien on the business assets owned by Nebraska Land Tiling, LLC, of Hartington, require personal guarantees from Tyler and Angie Peitz and Curt and Janell Benson, and will require a life insurance assignment from Tyler and Curt, each for the amount of the loan for the life of the loan. NED, Inc., also will file deeds of trust on the Peitz's and Benson's personal residences of Hartington. Jerry Engdahl made a motion to approve a \$140,000 loan to Nebraska Land Tiling, LLC. Jim McCarville seconded that motion. **AYES:** Jerry Engdahl, Jim McCarville, Megan Weaver, John F. Lohr, Shannon Stuchlik, Mike Frank, and Brad Albers. **NAYS:** None. **ABSENT:** None.

G. Consideration for approval of a \$140,000 loan to TODD's BBI, International, Inc. Business Loan Specialist Jeff Christensen presented. TODD's provides turnkey manufacturing and packaging services for small and medium sized emerging brands in the dry food and liquid food industry. Andy Holt, owner of TODD's, is projecting costs of \$505,000 for a new line and buildout in their Madison facility. NED, Inc., will lend \$140,000 for building renovation

and equipment purchase. NED, Inc.'s, loan will have a term of five years at an interest rate of 4.00% (fixed). NED, Inc., will file an additional deed of trust on the real estate at 109 Main St. in Madison and a UCC lien on the business personal property subordinate to the bank. NED, Inc., will require an additional life insurance assignment from Andy for the amount of the loan for the life of the loan and a personal guaranty from Andy. NED, Inc., also will require a corporate guaranty from Water Landscaping Supply, Inc., and company guaranty from RAM Development, LLC. Shannon Stuchlik made a motion to approve a \$140,000 loan to Nebraska Land Tiling, LLC. Megan Weaver seconded that motion. **AYES:** Shannon Stuchlik, Megan Weaver, Mike Frank, Brad Albers, Jim McCarville, Jerry Engdahl, and John F. Lohr. **NAYS:** None. **ABSENT:** None.

- VII. President/Board Comments:** Thomas L. Higginbotham, Jr., executive director of NENEDD, said Legislative Bill 1098, which focuses on funding for the Nebraska Economic Development Districts, was put into Nebraska's main line budget. He said it should guarantee a \$700,000 baseline for the state's economic development districts. Higginbotham also said Legislative Bill 424, which would change the Nebraska Municipal Land Bank Act, is garnering support among the state senators. If changed, communities outside of the Omaha metro would be able to take dilapidated properties, remodel/reconstruct them, and put them on the market, which would result in more property tax revenue. John F. Lohr said it would streamline the process.
- VIII. Next Meeting Date:** The next Northeast Economic Development, Inc. Board of Directors meeting will be Wednesday, March 25, 2020, at 7 p.m. The meeting will be held via conference call.
- IX. Adjournment:** Mike Frank made a motion to adjourn the meeting. Brad Albers seconded the motion. **AYES:** Shannon Stuchlik, Megan Weaver, John F. Lohr, Brad Albers, Mike Frank, Jim McCarville and Jerry Engdahl. **NAYS:** None. **ABSENT:** None. Motion carried. NED, Inc. President John F. Lohr adjourned the meeting at 7:36 p.m.