

**NORTHEAST NEBRASKA ECONOMIC DEVELOPMENT DISTRICT - NENEDD
BOARD OF DIRECTORS MEETING
WEDNESDAY, MAY 29, 2019 – 7:15 P.M.**

City of Norfolk Offices – Training Room, 309 N 5th 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 7:15 p.m. by Dick Pfeil, Chairman. Dick Pfeil 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:

Dick Pfeil, Chairman, Norfolk City Council
Rich Jablonski, Vice Chairman, Columbus City Council
Loren Kucera, Nebraska Business Development Center (NBDC), Wayne
Judy Mutzenberger, Cuming County Commissioner
Glen Ellis, Fremont City Council
Dan Kathol, Hartington Community Development Corporation
Jim McCarville, Northeast Community College

Board Members Absent:

Christian Ohl, Madison County Commissioner
Nadine Hagedorn, Secretary/Treasurer, BankFirst

Others Present:

Thomas L. Higginbotham, NENEDD
Kristen Rosner, NENEDD
Jeff Christensen, NENEDD
Judy Joy, NENEDD
Martin Griffith, NENEDD
Brittany O'Brien, NENEDD
John Lohr, NeighborWorks, Northeast Nebraska
Jerry Engdahl, Platte County Commissioner
Tina Biteghe Bi Ndong, West Point Chamber of Commerce
Shannon Stuchlik, Midwest Bank of Pierce

III. Introduction of Guests: Dick Pfeil, Chairman, asked everyone attending the meeting to introduce themselves to the group.

IV. Secretary's Report

A. Consideration to approve the May 29, 2019, Agenda and the April 24, 2019, Minutes:

NENEDD Administrative Assistant Brittany O'Brien presented. Loren Kucera made a motion to approve the May 29, 2019, agenda the April 24, 2019, minutes. Rich Jablonski seconded the motion. **Ayes:** Dick Pfeil, Glen Ellis, Loren Kucera, Judy Mutzenberger, Dan Kathol, Jim McCarville and Rich Jablonski. **Nays:** None. **Absent:** Christian Ohl and Nadine Hagedorn. Motion carried.

V. Treasurer's Report

A. Acceptance of the April 2019 Treasurer's Report: NENEDD Fiscal Officer Kristen Rosner Presented the report. Rich Jablonski made a motion to accept the April 2019 Treasurer's Report. Jim McCarville seconded the motion. **Ayes:** Dick Pfeil, Glen Ellis, Loren Kucera, Judy Mutzenberger, Dan Kathol, Jim McCarville and Rich Jablonski. **Nays:** None. **Absent:** Christian Ohl and Nadine Hagedorn. Motion carried.

VI. Action Items

A. Consideration for approval of a \$140,000 loan to District TT Hospitality, LLC for the purchase of furniture, fixtures, equipment, inventory, and working capital to start District Table & Tap in downtown Norfolk as presented and recommended by NENEDD staff and the Northeast RLF Committee. NENEDD Business Loan Specialist Jeff Christensen presented. Andrew McCarthy is the owner and member of District TT Hospitality, LLC. He is requesting \$140,000 to start a bar/restaurant in downtown Norfolk to be called District Table & Tap. The total project cost will be \$392,000. NENEDD will lend District TT Hospitality, LLC \$140,000 for the purchase of FFE, inventory & working capital. This loan will have a term of seven years at an interest rate of 4.50% (fixed). NENEDD will have a subordinate (2nd) lien position on the business personal property being purchased. NENEDD will require an assignment of life insurance from Andrew McCarthy for the amount of the loan for the life of the loan and a personal guaranty from Andrew. NENEDD will also have titles to a 2012 Hyundai and 1985 Honda Spree Motorcycle/Scooter. Loren Kucera made a motion to approve a \$140,000 loan to District TT Hospitality, LLC for the purchase of furniture, fixtures, equipment, inventory, and working capital to start District Table & Tap in downtown Norfolk as presented and recommended by NENEDD Staff and the Northeast RLF Committee. Jim McCarville seconded the motion. **Ayes:** Dick Pfeil, Glen Ellis, Loren Kucera, Judy Mutzenberger, Dan Kathol, Jim McCarville and Rich Jablonski. **Nays:** None. **Absent:** Christian Ohl and Nadine Hagedorn. Motion carried.

B. Consideration for approval of the subordination request for NENEDD loan #314003 as presented and recommended by NENEDD Staff and the Northeast Loan Committee. NENEDD Business Loan Specialist Jeff Christensen presented. NENEDD approved and closed this \$156,000 loan in January 2014, (12 years at 5.00% interest - current loan balance is \$99,715) to start a tire and auto repair business. All payments have been made as promised. NENEDD has a subordinate UCC filing on all business personal property, a deed of trust filed on the owner's personal residence in Columbus, and personal guaranty from the owner and his wife. The owner is refinancing his business loan with Great Plains State Bank (GPS Bank) in Columbus. GPS Bank is going to payoff Columbus Bank and Trust's term loan with no cash out and increase the line of credit from \$100,000 to \$150,000. Refinancing of their bank's term loan would remain at 5.00% and would be amortized over 10 years lowering their monthly payment \$650/mo. GPS Bank is asking NENEDD to subordinate its lien position for their primary financing. 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 subordination for approval. Rich Jablonski made a motion to approve of the subordination request for NENEDD Loan #314003 presented and recommended by NENEDD Staff and the Northeast Loan Committee. Judy Mutzenberger seconded the motion. **Ayes:** Dick Pfeil, Glen Ellis, Loren Kucera, Judy Mutzenberger, Dan Kathol, Jim McCarville and Rich Jablonski. **Nays:** None. **Absent:** Christian Ohl and Nadine Hagedorn. Motion carried.

C. Consideration for approval of a \$30,000 loan to Schuyler Home & Building Supply, LLC for working capital. The loan will be amortized over 3 years at 4.00% interest (fixed) with the waiver of the two-year prepayment penalty, as presented and recommended by NENEDD staff and the Northeast RLF Committee. NENEDD Business Loan Specialist Jeff Christensen presented. Art & Tami Lindberg are the owners and members of Schuyler Home & Building Supply, LLC which is a lumber yard located at 812 West 16th Street in Schuyler. NENEDD provided a \$140,000 loan (20 yrs – 5.50%) in November 2017 to purchase this business. All payments have been made as promised.–They are requesting a \$30,000 working capital loan to improve their business operations. 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. Jim McCarville made a motion to approve a \$30,000 loan to Schuyler Home & Building Supply, LLC for working capital. Judy Mutzenberger seconded the motion. **Ayes:** Dick Pfeil, Glen Ellis, Loren Kucera, Judy Mutzenberger, Dan Kathol, Jim McCarville and Rich Jablonski. **Nays:** None. **Absent:** Christian Ohl and Nadine Hagedorn. Motion carried.

VII. Chairman's/Board Comments: NENEDD Executive Director Thomas Higginbotham updated the board on recent legislative bills.

VIII. Next Meeting Date: The NENEDD Annual Council of Officials meeting will be held on Wednesday, June 26, 2019, at 7:15 p.m. or following the NED, Inc. meeting. The meeting will be held at the following location:

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Adjournment: Loren Kucera made a motion to adjourn the meeting. Dan Kathol seconded the motion. **Ayes:** Dick Pfeil, Glen Ellis, Loren Kucera, Judy Mutzenberger, Dan Kathol, Jim McCarville and Rich Jablonski. **Nays:** None. **Absent:** Christian Ohl and Nadine Hagedorn. Motion carried. Dick Pfeil, NENEDD Chairman, adjourned the meeting at 7:37 p.m.