

**NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, OCTOBER 26, 2022 – 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 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 7:01 p.m. by NENEDD Executive Director Thomas L. Higginbotham, Jr. 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 Planning & Administrative Assistant, Grace Petersen, read roll call.

Board Members Present:

Jim McCarville, Secretary/Treasurer, Northeast Community College (Norfolk)
Loren Kucera, Nebraska Business Development Center (NBDC)-Wayne (Norfolk)
Sally Ganem, Fremont City Council (West Point)
Kurt Dostal, Citizens State Bank (Norfolk)

Board Members Absent:

Jerry Engdahl, Vice President, Platte County Supervisor
Shannon Stuchlik, President, Midwest Bank of Pierce
Rich Jablonski, Columbus City Council

NENEDD Board Members Present:

Charlie Bahr, Columbus City Council (Columbus), and Tina Biteghe Bi Ndong, West Point Chamber of Commerce (West Point).

NENEDD Staff Present:

Thomas L. Higginbotham, Jr., Tina M. Engelbart, Mandy Gear, Jeff Christensen (Columbus), Kristen Rosner, and Grace Petersen.

III. Introduction of Guests: None.

IV. Secretary’s Report

A. Consideration for approval of the September 28, 2022, agenda and the August 31, 2022, meeting minutes as amended to change the date of the agenda from September 28, 2022, to October 26, 2022, and the date of the meeting minutes from August 31, 2022, to September 28, 2022. V. Treasurer’s Report A. also was amended from consideration for acceptance of the August 2022 Treasurer’s Report as presented to consideration for acceptance of the September 2022 Treasurer’s Report as presented. Kurt Dostal made a motion to approve the September 28, 2022, agenda and the August 31, 2022, meeting minutes as amended to change the date of the agenda from September 28, 2022, to October 26, 2022, and the date of the meeting minutes from August 31, 2022, to September 28, 2022. V. Treasurer’s Report A. also was amended from consideration for acceptance of the August 2022 Treasurer’s Report as presented to consideration for acceptance of the September 2022 Treasurer’s Report as presented. Sally Ganem seconded that motion. **AYES:** Jim McCarville, Sally Ganem, Loren Kucera, and Kurt

Dostal. **NAYS:** None. **ABSENT:** Rich Jablonski, Jerry Engdahl, and Shannon Stuchlik. Motion carried.

V. Treasurer's Report

A. Consideration for acceptance of the September 2022 Treasurer's Report as presented.

NENEDD Fiscal Officer Kristen Rosner presented the report. The agenda listed August 2022 as the Treasurer's Report under consideration, to which it was amended to be the September 2022 Treasurer's Report under consideration. Jim McCarville made a motion to accept the September 2022 Treasurer's Report as presented. Kurt Dostal seconded the motion. **AYES:** Jim McCarville, Sally Ganem, Loren Kucera, and Kurt Dostal. **NAYS:** None. **ABSENT:** Rich Jablonski, Jerry Engdahl, and Shannon Stuchlik. Motion carried.

VI. Discussion Items

A. Quarterly Loan Review. NENEDD Fiscal Officer Kristen Rosner presented. She said there are currently 222 active loans, with less than 1 percent of them being delinquent.

VII. Action Items

A. Consideration to approve \$250,000 loan to CC THOR INVESTMENTS – NORFOLK, LLC in Norfolk.

NENEDD Business Loan Specialist Jeff Christensen presented. Calvin Thor and his wife Chelsie Englund are planning the purchase of a commercial real estate office located at 110 N. 37th St., Suite 402 in Norfolk, for their business Creekwood Chiropractic Clinic, P.C. Both Calvin and Chelsie are chiropractors in the business, along with Calvin's father, who is retiring and selling his real estate in Norfolk to the couple under the newly formed real estate holding CC THOR INVESTMENT – NORFOLK, LLC. The total project costs are estimated to be \$800,000. NED, Inc. will lend \$250,000 to CC THOR INVESTMENTS – NORFOLK, LLC to purchase the commercial real estate at 110 N. 37th St., Suite 402 in Norfolk. This loan will have a term of 20 years at an interest rate of 5.50% (fixed). NED, Inc. will file a subordinate deed of trust on the business real estate and a UCC lien on all business assets of CC THOR INVESTMENTS – NORFOLK, LLC, and newly formed Cultivate Chiropractic, LLC. NED, Inc. will require a personal guaranty from Calvin and Chelsie, a company guaranty from newly formed Cultivate Chiropractic, LLC, and life insurance assignments from Calvin and Chelsie, each for the total amount of the loan for the life of the loan. NED, Inc. will also file a deed of trust on their personal residence near Beemer. Loren Kucera made a motion to approve a \$250,000 loan to CC THOR INVESTMENTS – NORFOLK, LLC. Kurt Dostal seconded that motion. **AYES:** Sally Ganem, Loren Kucera, and Kurt Dostal. **NAYS:** Jim McCarville. **ABSENT:** Rich Jablonski, Jerry Engdahl, and Shannon Stuchlik. Motion carried.

B. Consideration to approve a \$200,000 loan to River's Edge Meat Locker, LLC, in Fullerton.

NENEDD Business Loan Specialist Jeff Christensen presented. Brad and Candace Gleason are planning the construction of a meat locker to be located at 104 Fuller St. in Fullerton. River's Edge Meat Locker, LLC will be a federally regulated customer exempt slaughter and processing facility for the exclusive use of the livestock owner. River's Edge will also purchase boxed meat and function as a retail exempt meat processing business, selling meat at its own store front. When completed, the facility will feature a modern 3,900-square-foot building on 1/3 of a city block, with the capability of harvesting 60 head a month, cattle and hogs combined. Total project costs are estimated to be nearly \$1.95 million. NED, Inc. will lend \$200,000 to River's Edge Meat Locker, LLC to purchase equipment to start a meat locker in Fullerton. This project will involve SBA 504 financing with a 25-year term. SBA requires us to match that term, so NED, Inc.'s loan will have a term of 25 years at an interest rate of 6.00% (fixed). NED, Inc. will file a subordinate deed of trust on the business real estate (owned by 5G Properties, LLC) in Fullerton and a subordinate UCC lien on all business assets of River's Edge Meat Locker, LLC

and 5G Properties, LLC. NED, Inc. will require a company guaranty from 5G Properties, LLC, a personal guaranty from Brad and Candace, and life insurance assignments from Brad and Candace, each for the total amount of the loan for the life of the loan. NED, Inc. will also file a deed of trust on the Gleason's personal residence in rural Nance County. Sally Ganem made a motion to approve a \$200,000 loan to River's Edge Meat Locker, LLC, in Fullerton. Kurt Dostal seconded that motion. **AYES:** Jim McCarville, Sally Ganem, Loren Kucera, and Kurt Dostal. **NAYS:** None. **ABSENT:** Rich Jablonski, Jerry Engdahl, and Shannon Stuchlik. Motion carried.

C. Consideration to approve Owner/Occupied Housing Rehabilitation Hardship Review

Applicant #101172. NENEDD Housing Loan Specialist Mandy Gear presented. The loan client requested a hardship review due to the inability to pay her household expenses due to rising costs caused by inflation. The client's only source of income is from social security and is not enough to cover household expenses and other debt, including the payments for the owner/occupied housing rehabilitation loan. An income review was conducted, and the loan client would qualify for a forgivable loan on December 6, 2022, at which time the client will turn 62. However, due to the client's inability to pay her household expenses, it was recommended to approve restructuring the remaining balance of the loan of \$6,814.33 60 days early to a forgivable loan commencing on November 1, 2022, and forgiven over the remaining original loan term. The remaining balance of the loan is \$6,776.53, and would be forgiven over the remaining term of the original loan ending on September 1, 2037. Kurt Dostal made a motion to approve Owner/Occupied Housing Rehabilitation Hardship Review Applicant #101172. Jim McCarville seconded that motion.

AYES: Jim McCarville, Sally Ganem, Loren Kucera, and Kurt Dostal. **NAYS:** None. **ABSENT:** Rich Jablonski, Jerry Engdahl, and Shannon Stuchlik. Motion carried.

D. Consideration to approve applicant #101730 for Owner/Occupied Housing

Rehabilitation funds up to the amount of \$25,000.00. NENEDD Housing Loan Specialist Mandy Gear presented. This property is located in Hartington, is 1,255 square feet, and cost of repairs per square foot is \$20.00. 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 Housing Rehabilitation Program. Funding will be provided by NED, Inc. Housing Reuse Funds. This is 100% forgivable loan up to 10 years. Jim McCarville made a motion to approve applicant #101730 for Owner/Occupied Housing Rehabilitation funds up to the amount of \$25,000.00. Loren Kucera seconded the motion. **AYES:** Jim McCarville, Sally Ganem, Loren Kucera, and Kurt Dostal. **NAYS:** None. **ABSENT:** Rich Jablonski, Jerry Engdahl, and Shannon Stuchlik. Motion carried.

VIII. President/Board Comments: None.

IX. Next Meeting Date: The next NED, Inc. Board of Directors meeting will be held on Wednesday, November 16, 2022, at 7 p.m. The meeting will be held via conference call.

X. Adjournment: Kurt Dostal made a motion to adjourn the meeting. Jim McCarville seconded the motion. **AYES:** Jim McCarville, Sally Ganem, Loren Kucera, and Kurt Dostal. **NAYS:** None. **ABSENT:** Rich Jablonski, Jerry Engdahl, and Shannon Stuchlik. Motion carried. NENEDD Executive Director Thomas L. Higginbotham, Jr. adjourned the meeting at 7:28 p.m.