

**NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.  
BOARD OF DIRECTORS MEETING  
WEDNESDAY, AUGUST 30, 2023 – 7 P.M.**

*City of Norfolk Offices – Training Room, 309 N. 5th St., Norfolk, NE 68701*

**MINUTES**

**I. Call to Order:** The Northeast Economic Development, Inc. (NED, Inc.) Board of Directors meeting was called to order at 7:03 p.m. by NED, Inc. President Shannon Stuchlik 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 Fiscal Officer, Kristen Rosner, read roll call.

**Board Members Present:**

Shannon Stuchlik, President, Midwest Bank of Pierce  
Loren Kucera, Nebraska Business Development Center (NBDC)-Wayne  
Jim McCarville, Northeast Community College  
Jim Hans, Village of Wynot

**Board Members Absent:**

Sally Ganem, Vice President, Fremont City Council  
Kurt Dostal, Secretary/Treasurer, Citizens State Bank  
Rich Jablonski, Columbus City Council

**NENEDD Board Members Present:**

Charlie Bahr, Columbus City Council; Tina Biteghe Bi Ndong, West Point Chamber of Commerce; Troy Uhler, Madison County Commissioner; Blake Denton, MetLife; Loren Kucera, Nebraska Business Development Center (NBDC), Wayne; Meghann Buresh, Nebraska Apex Accelerator; and Benjamin Benton, City of Randolph.

**NENEDD Staff Present:**

Thomas L. Higginbotham, Jr., Tina M. Engelbart, Jeff Christensen, and Kristen Rosner

**III. Introduction of Guests:** Tod Voss, Village of McLean; Nejlja Muminovic, Norfolk Daily News; Don Andersen, Dixon County Supervisor; Judy Mutzenberger, Cuming County Supervisor.

**IV. Secretary's Report**

**A. Consideration for approval of the August 30, 2023, agenda and the July 26, 2023, meeting minutes.** Loren Kucera made a motion to approve the August 30, 2023, agenda and the July 26, 2023, meeting minutes. Jim Hans seconded the motion. **AYES:** Jim McCarville, Loren Kucera, and Jim Hans. **NAYS:** None. **ABSENT:** Rich Jablonski, Sally Ganem, Kurt Dostal. Motion carried.

**V. Treasurer's Report**

**A. Consideration for acceptance of the July 2023 Treasurer's Report as presented.** NENEDD Fiscal Officer Kristen Rosner presented the report. Jim Hans made a motion to accept the July 2023 Treasurer's Report as presented. Jim McCarville seconded the motion. **AYES:** Jim McCarville, Loren Kucera, and Jim Hans. **NAYS:** None. **ABSENT:** Rich Jablonski, Sally

Ganem, Kurt Dostal. Motion carried.

**VI. Action Items**

**A. Consideration for approval of a \$50,000 loan to Elkhorn River Coffee Company, LLC in Scribner.** NENEDD Business Loan Specialist Jeff Christensen presented. Lisa Lawton is planning the startup of an espresso shop called Elkhorn River Coffee Company, LLC to be located at 203 Railroad Street in Scribner. The espresso shop will offer inside seating, outside seating, drive-through, a range of espresso coffee, teas and blended drinks along with smoothies, energy drinks and breakfast items. The project will create three jobs including Lisa. The total project costs are estimated to be \$85,000. NED, Inc. will lend \$50,000 for renovation and leasehold improvements, furniture, fixtures, equipment, inventory, and supplies. The \$50,000 loan will have a term of 10 years at an interest rate of 4.50% (fixed). NED, Inc. will have a first position UCC filing on the business personal property. NED, Inc. will require a life insurance assignment from Lisa for the total amount of the loan for the life of the loan. NED, Inc. will also require a personal guaranty from Lisa and her husband, Michael, and file a deed of trust on their personal residence in Scribner. Jim McCarville made a motion to approve a \$50,000 loan to Elkhorn River Coffee Company, LLC in Scribner. Jim Hans seconded the motion. **AYES:** Jim McCarville, Loren Kucera, and Jim Hans. **NAYS:** None. **ABSENT:** Rich Jablonski, Sally Ganem, Kurt Dostal. Motion carried.

**B. Consideration for approval of a loan subordination request on their personal residence from Ryan and Kristi Logemann in West Point.** NENEDD Business Loan Specialist Jeff Christensen presented. NED, Inc. approved and closed a \$175,000 loan to Logemann Auto Parts and Machine, LLC (Ryan & Kristi Logemann, Members) in March 2017, to purchase Stigge Machine & Supply Co., an existing CARQUEST parts store business located at 590 South Main Street in West Point. All payments have been made on time as promised. Collateral includes a deed of trust on the Logemann's personal residence in West Point, UCC filing on business assets of Logemann Auto Parts and Machine, LLC, personal guaranties, and an assignment of life insurance. The Logemanns currently have a \$40,000 Home Equity Line of Credit (HELOC) for improvements to their home they started in 2020. They now want to add an addition to their home and are asking for their HELOC to be increased to \$200,000. Jim Hans made a motion to approve the loan subordination request on their personal residence from Ryan and Kristi Logemann in West Point. Loren Kucera seconded the motion. **AYES:** Jim McCarville, Loren Kucera, and Jim Hans. **NAYS:** None. **ABSENT:** Rich Jablonski, Sally Ganem, Kurt Dostal. Motion carried.

**C. Consideration for approval of a \$250,000 loan to Lowell Jepsen to purchase Midwest Machine & Tool, Inc. in Columbus.** NENEDD Business Loan Specialist Jeff Christensen presented. Lowell Jepsen owns 50% of Midwest Machine & Tool, Inc. (MMTI) and is planning to buy his business partner's 50% of the business. This includes the real estate company B & L Rentals, LLC. The location is 1216 E 19<sup>th</sup> St in Columbus. The total project costs are \$2,807,500. The project will retain 19 jobs and add five new jobs. NED, Inc. will lend \$250,000 to purchase 50% of Midwest Machine & Tool, Inc. This loan will have a term of 10 years at an interest rate of 4.50% (fixed). NED, Inc. will have a subordinate deed of trust on the business real estate, subordinate lien on all business personal property, and personal guaranty from Lowell & Susan Jepsen. NED, Inc. will require an assignment of life insurance from Lowell for the amount of the loan for the life of the loan. Jim McCarville made a motion to approve a \$250,000 loan to Lowell Jepsen to purchase Midwest Machine & Tool, Inc. in Columbus. Loren Kucera seconded the motion. **AYES:** Jim McCarville, Loren Kucera, and Jim Hans. **NAYS:** None. **ABSENT:** Rich Jablonski, Sally Ganem, Kurt Dostal. Motion carried.

**D. Consideration for approval of a collateral change to sell a portion of the Knotty Pine real estate in Petersburg and use the \$10,000 proceeds for working capital.** NENEDD Business Loan Specialist Jeff Christensen presented. The loan client is 3 C's Cleveland's Café & Catering, LLC, d/b/a Knotty Pine in Petersburg – Pat & Hannah Cleveland, members. The Clevelands are requesting NED, Inc. allow them to sell a portion of the Knotty Pine real estate to a neighbor. Proceeds of \$10,000 from this will be used for working capital for the business. The Clevelands have two loans with NENEDD and NED, Inc. Collateral for the Cleveland's two loans include a subordinate deed of trust on both the Albion & Petersburg locations and subordinate UCC lien on the business personal property/chattels at each location, a Deed of Trust on Cleveland's personal residence in Petersburg, personal guaranty from Pat and Hannah for loan #620019, and life insurance assignment from Pat & Hanna for the amount of the loans. The Clevelands have an agreement with their neighbor to sell 45' from the survey line of their neighbor to their fence line. The land is currently not being used by the business. They are requesting that the sale proceeds of \$10,000 be used for working capital for the business and not used to pay down term debt. Jim Hans made a motion to approve a collateral change to sell a portion of the Knotty Pine real estate in Petersburg and use the \$10,000 proceeds for working capital. Jim McCarville seconded the motion. **AYES:** Jim McCarville, Loren Kucera, and Jim Hans. **NAYS:** None. **ABSENT:** Rich Jablonski, Sally Ganem, Kurt Dostal. Motion carried.

**E. Consideration for approval for direct homebuyer assistance applicant #101781 in the amount of \$30,000.** NENEDD Deputy Director Tina M. Engelbart presented. NENEDD staff have reviewed the application and are recommending for approval for direct homebuyer assistance in the amount of \$30,000 for applicant #101781. This is a 0% deferred interest loan, due upon transfer of title. Loren Kucera made a motion to approve direct homebuyer assistance applicant #101781 in the amount of \$30,000. Jim Hans seconded the motion. **AYES:** Jim McCarville, Loren Kucera, and Jim Hans. **NAYS:** None. **ABSENT:** Rich Jablonski, Sally Ganem, Kurt Dostal. Motion carried.

**F. Consideration for approval for direct homebuyer assistance applicant #101769 in the amount of \$30,000.** NENEDD Deputy Director Tina M. Engelbart presented. NENEDD staff have reviewed the application and are recommending for approval for direct homebuyer assistance in the amount of \$30,000 for applicant #101769. This is a 0% deferred interest loan, due upon transfer of title. Loren Kucera made a motion to approve direct homebuyer assistance applicant #101769 in the amount of \$30,000. Jim Hans seconded the motion. **AYES:** Jim McCarville, Loren Kucera, and Jim Hans. **NAYS:** None. **ABSENT:** Rich Jablonski, Sally Ganem, Kurt Dostal. Motion carried.

**G. Consideration for approval of revised NED, Inc. NAHTF OOR Reuse Program Guidelines.** NENEDD Deputy Director Tina M. Engelbart presented. Program guidelines provide the outline for all rules and regulations that applicants and processors follow for successful project implementation. Three revisions have been made to the most recent NED, Inc. NAHTF OOR guidelines. 1. Since separate NAHTF Emergency Repairs guidelines were created, any mention of emergency repairs in Section 3.1 Condition were removed. 2. Removed mention of a self-help contract in Section 7.0 Construction Process as the Department of Economic Development no longer allows self-help contracts. 3. Removed Section 16.1 Energy Conservation Code as this section refers to new construction activities and these guidelines are specifically designed for owner-occupied rehabilitation projects only. Jim McCarville made a motion to approve the revised NED, Inc. NAHTF OOR Reuse Program Guidelines. Jim Hans seconded the motion. **AYES:** Jim McCarville, Loren Kucera, and Jim Hans. **NAYS:** None. **ABSENT:** Rich Jablonski, Sally Ganem, Kurt Dostal. Motion carried.

**H. Consideration for approval of a three-month contract extension for NED, Inc. NAHTF grant 20-TFHP-15004.** NENEDD Deputy Director Tina M. Engelbart presented. The original contract end date for NED, Inc. NAHTF grant 20-TFHP-15004 is Aug. 11, 2023, and there is \$116,565 in remaining NAHTF funds to be expended. A contract extension is necessary to complete the two direct homebuyer assistance units in progress, as well as for the final reports and project drawdowns to be submitted to DED. The extension request is necessary due to COVID-19 pandemic-related issues earlier during the contract period, including a rapid increase in housing prices, as well as a rising non-housing inflation causing affordability declines, in turn putting a temporary halt to the homebuying process for LMI persons. The new contract end date will be November 11, 2023. Jim Hans made a motion to approve a three-month contract extension for NED, Inc. NAHTF grant 20-TFHP-15004. Jim McCarville seconded that motion. **AYES:** Jim McCarville, Loren Kucera, and Jim Hans. **NAYS:** None. **ABSENT:** Rich Jablonski, Sally Ganem, Kurt Dostal. Motion carried.

**I. Consideration for approval of the subordination request of loan #101722.** In 2022, the client was approved for owner-occupied rehabilitation on a home in Norfolk. This resulted in a 1% interest loan with a maturity date of December 2041. The client wishes to obtain a HELOC for debt consolidation. The HELOC would be \$20,000 with a fixed interest rate of 8.45% for three years and mature in 10 years. Program guidelines state that a subordination with cash out to the loan client would have a maximum combined 80% loan to value where NED, Inc. remains in current lien position. After the HELOC, the total loan-to-value ratio would be 78.45% which meets program guidelines of a subordination for cash-out. NED, Inc. would move to the third lien position from the current second lien position. Jim Hans made a motion to approve the subordination request of loan #101722. Jim McCarville seconded the motion. **AYES:** Jim McCarville, Loren Kucera, and Jim Hans. **NAYS:** None. **ABSENT:** Rich Jablonski, Sally Ganem, Kurt Dostal. Motion carried.

**VII. President/Board Comments:** NENEDD Deputy Director Tina M. Engelbart invited the NED, Inc. and NENEDD Board of Directors to two upcoming presentations to out-going board members Jerry Engdahl and Judy Mutzenberger.

**VIII. Next Meeting Date:** The next NED, Inc. Board of Directors meeting will be held on Wednesday, September 27, 2023, at 7 p.m. The meeting will be held at the following location: City of Norfolk Offices – Training Room, 309 N. 5<sup>th</sup> St., Norfolk, NE 68701.

**Adjournment:** Loren Kucera made a motion to adjourn the meeting. Jim Hans seconded the motion. **AYES:** Jim McCarville, Loren Kucera, and Jim Hans. **NAYS:** None. **ABSENT:** Rich Jablonski, Sally Ganem, Kurt Dostal. Motion carried. NED, Inc. President Shannon Stuchlik adjourned the meeting at 7:40 p.m.