

**NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, MAY 29, 2024 - 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 7:00 by NED, Inc. President Rich Jablonski, who informed the public about the location of the open meetings act and that it was accessible to the public.

II. Roll Call: NENEDD Administrative Assistant, Mary Fleer, read roll call.

Board Members Present:

Rich Jablonski, President, Columbus City Council
Kurt Dostal, Vice President, Citizens State Bank
Sally Ganem, Fremont City Council
Jim McCarville, Northeast Community College
Jim Hans, Village of Wynot
Tod William Voss, MD, Village of McLean

Board Members Absent:

Loren Kucera, Secretary/Treasurer, Nebraska Business Development Center Wayne

NENEDD Board Members Present:

Charlie Bahr
Troy Uhlir
Tina Biteghe Bi Ndong
Benjamin Benton
Justin Webb

NENEDD Staff Present:

Shannon Stuchlik, Martin Griffith, Kristen Rosner, Mary Fleer, Jeff Christensen

III. Introduction of Guests:

Terry Pinkelman, Village of Wynot
Judy Mutzenberger, Cuming County Supervisor

IV. Secretary's Report

A. Consideration for approval of the May 29, 2024, agenda and the April 24, 2024, meeting minutes. Kurt Dostal made a motion to approve the May 29, 2024, agenda and the April 24, 2024, meeting minutes. Tod W. Voss, MD, seconded the motion. **AYES:** Kurt Dostal, Sally Ganem, Jim McCarville, Jim Hans, Tod W. Voss, MD. **NAYS:** None. **ABSENT:** Loren Kucera. Motion carried.

V. Treasurer's Report

A. Consideration for acceptance of the April 2024 Treasurer's Report as presented. NENEDD Fiscal Officer Kristen Rosner presented the report. Tod W.

Voss, MD, made a motion to accept the April 2024 Treasurer's Report as presented. Jim McCarville seconded the motion. **AYES:** Sally Ganem, Jim McCarville, Jim Hans, Tod W. Voss, MD, Kurt Dostal. **NAYS:** None. **ABSENT:** Loren Kucera. Motion carried.

VI. Discussion Items – None.

VII. Action Items

- A. Consideration for approval of a \$140,000 loan to Black Magic Coffee, LLC, in Battle Creek.** NENEDD Business Loan Specialist Jeff Christensen presented. A business owner is planning to start Black Magic Coffee shop on N. 4th Street (Highway 121) in Battle Creek. She and her business partner will build a new facility for the business on land that is owned by Round Table Properties, LLC. She wants to bring a modern coffee experience to her local small town with indoor and outdoor seating as well as a drive-thru similar to Starbucks or Scooters. The total project costs are estimated to be \$555,500 which includes \$28,200 for land purchase/survey, \$443,400 for building construction, \$66,600 for equipment, \$11,300 for fees and \$6,000 for inventory. The business owner and BankFirst in Norfolk are requesting that NED, Inc. provide a loan in the amount of \$140,000 for the project. The project will create four jobs including the owner. 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 coffee shop real estate owned by Round Table Properties, LLC, and have a subordinate UCC lien on all business personal property of Black Magic Coffee, LLC. NED, Inc. will require a personal guarantee from both business owners and a company guarantee from Round Table Properties, LLC. NED, Inc. will also file a deed of trust on the personal residence near Battle Creek and will request an assignment of life insurance from the primary business owner managing the business for the amount of the loan for the life of the loan. Kurt Dostal made a motion to approve a \$140,000 loan to Black Magic Coffee, LLC, in Battle Creek. Sally Ganem seconded the motion. **AYES:** Jim McCarville, Jim Hans, Tod W. Voss, MD, Kurt Dostal, Sally Ganem. **NAYS:** None. **ABSENT:** Loren Kucera. Motion carried.
- B. Consideration for approval to accept \$50,000 CDBG RLF funds from Knox County for a loan to business owners to purchase the Verdigre Bakery in Verdigre.** NENEDD Business Loan Specialist Jeff Christensen presented. Two business owners (husband and wife) are planning the purchase of the Verdigre Bakery located at 405 Main Street in Verdigre. The bakery, closed back in the 1980s, was reopened when the current owner took over and has been owned by the same person since 2001. The current owner is a loan client with the Village of Verdigre which NENEDD services. The purchase includes the brick building, furniture, fixtures, equipment, and some inventory. There is a retail area, baking area, back storage area and basement. They will be baking and selling kolaches, rolls, breads, desserts, decorated cakes, and homemade pizza. All items will be available in the store and she will develop a plan for online orders and will also sell at farmer's markets. The bakery is known for the variety of ethnic baked goods, many summer visitors and weekend tourists who seek out the bakery. The total project costs are estimated to be \$77,000 which includes \$42,000 for the real estate purchase, \$31,000 for furniture, fixtures, and equipment (FFE), \$2,500 for inventory and \$1,500 for working capital. There is no bank involved in this project. The business owners are

requesting that Knox County provide a loan in the amount of \$50,000 for the purchase of the business. This project will create two jobs as the owners. Knox County will lend \$50,000 for this project. These funds will be sub-granted to NED, Inc. as a Nonprofit Development Organization (NDO) who will in turn lend the \$50,000 to the business owners of this project. This is the process approved by the Nebraska Department of Economic Development (DED) to defederalize CDBG funds in our local communities. The \$50,000 NDO loan will have a 20-year term at 4.50% (fixed). Payments will be made to NED, Inc. NED, Inc. will file a first position deed of trust on the business real estate being purchased at 405 Main Street in Verdigre and a first position UCC lien on the business personal property. NED, Inc. will request a life insurance assignment from the owner that will manage the business for the amount of the loan for the life of the loan and both business owners will provide personal guarantees. Jim McCarville made a motion to accept \$50,000 CDBG RLF funds from Knox County for a loan to business owners to purchase the Verdigre Bakery in Verdigre. Jim Hans seconded the motion. **AYES:** Jim Hans, Tod W. Voss, MD, Kurt Dostal, Sally Ganem, Jim McCarville. **NAYS:** None. **ABSENT:** Loren Kucera. Motion carried.

- C. Consideration for the approval of a collateral change request for NED, Inc. loans #622007 and #623002.** NENEDD Business Loan Specialist Jeff Christensen presented. The business owners operate TC Vet Clinic with the main location in a new facility in Albion. Other locations include Elgin and St. Edward. In March 2022, NED, Inc. provided business loan #622007 \$45,000 for improvements to the Elgin and St. Edward facilities with plans to build a new facility in Albion in the near future. This loan has a 15-year term at 5.00%. In September 2023, NED, Inc. provided business loan #623002 \$250,000 towards the new facility in Albion. This loan has a 20-year term at 5.50%. All payments for both loans have been made as promised. Collateral for both NED, Inc. loans includes a deed of trust on all three business locations (Albion, Elgin, and St. Edward) and a deed of trust on the business owner's personal residence in Elgin. The business owner is considering selling the St. Edward location. If sold he would divide the sale proceeds between Cornerstone Bank in Albion and NED, Inc. In order to expedite the sale, if that time comes, he is asking NED, Inc. to approve the release of the deed of trust on the St. Edward location at the time of the sale for both NED, Inc. loans. Kurt Dostal made a motion to approve consideration for the approval of a collateral change request for NED, Inc. loans #622007 and #623002. Tod W. Voss, MD, seconded the motion. **AYES:** Tod W. Voss, MD, Kurt Dostal, Sally Ganem, Jim McCarville, Jim Hans. **NAYS:** None. **ABSENT:** Loren Kucera. Motion carried.
- D. Consideration for approval of a subordination request for NED, Inc. loan #624020.** NENEDD Business Loan Specialist Jeff Christensen presented. NED, Inc. recently approved loan #624020 to Kimber & Co., LLC, to purchase the Touch N Tan business in Columbus. All payments have been made as promised. The business owners have applied for a home equity loan (HELOC) from Great Plains State Bank (GPS) in Columbus to make improvements to their home in Columbus. They are requesting that NED, Inc. subordinate to this additional \$15,000. Jim McCarville made a motion to approve a subordination request for NED, Inc. loan #624020. Tod W. Voss, MD, seconded the motion. **AYES:** Kurt Dostal, Sally Ganem, Jim McCarville, Jim Hans, Tod W. Voss, MD. **NAYS:** None. **ABSENT:** Loren Kucera. Motion carried.

- VIII. President/Board Comments:** President Rich Jablonski thanked Kristen Rosner, Fiscal Officer, for her outstanding job with NENEDD and that he was happy for the opportunity to work with someone so knowledgeable. Jim McCarville wished Kristen Rosner good luck in her future ventures.
- IX. Next Meeting Date:** The next NED, Inc. Board of Directors meeting will be held on Wednesday, June 26, 2024, at 7 p.m. at the City of Norfolk Offices.
- X. Adjournment:** Sally Ganem made a motion to adjourn the meeting. Kurt Dostal seconded the motion. **AYES:** Sally Ganem, Jim McCarville, Jim Hans, Tod W. Voss, MD, Kurt Dostal. **NAYS:** None. **ABSENT:** Motion carried. President Rich Jablonski adjourned the meeting at 7:19 p.m.