

Sargent County Job Development Authority

Minutes

Date of Meeting: May 30th, 2018 Wednesday **Time:** 5:30 pm

Location of Meeting: Sargent County Courthouse Commission Room

PRESENT: Terry Dusek, Mark Bopp, Sandra Hanson, Bill Anderson, Ron Narum, Paige Cary, Robert Ptacek, Bryce Carlson **Not Present:** Allen Colemer, Jessica Peterson, Mike Walstead, Mark Gainor, Carol Peterson

Also Present: Nathan Berseth and Nathan Schlecht

Meeting Called to Order: 5:35 pm Chr Terry called the meeting to order.

Minutes of Last Meeting Presented: Sandra distributed the minutes of the April 24th, 2018 meeting. Mark Bopp/Paige Cary to approve the minutes as presented. Motion Carried Unanimously

Treasurer's Report: Sandra distributed handouts and explained the current financial status.

As of 4/30/18 JDA Fund Balance \$280,062.47 reflects all revenue and expenditures

Budget 2018	Expenditures 1/18 - 4/18	Budget Balance
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\$300,000.00	\$ 45,169.79	\$254,830.21	budgets do not reflect any revenue
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Payments out: Ottertail Power Co \$ 102.38 4/20/18

Loan Reports:

Sam & Brandi French-First payment to begin Sept. 15th, 2018

Forman Housing Association-First payment to begin Aug 22/2018

Lariat Bar- current- monthly payment due on the 1st.

Bixby Body Shop- current, monthly payment on the 15th.

Forman & Milnor Markets- annual interest payments from JDA to BND Payment schedule to be drawn up and begin on the 6th Year of the BND loan completion Dec 2021 or upon completion of Loan to BND at an earlier time

FCDC assisted living-current- due the 21st of each month

CDP Lodge-payments to begin after satisfaction of loans with BND & Sargent County Banks
1% interest as an interest buydown

Rutland General Store-payments current- monthly

WasWick Chiropractic- Last payment made May 9th, 2018 on April payment month
final payment scheduled Aug. 2018

Four Seasons Nursing Home- Current- payments due 1st of each month

Southside Auto- annual interest payment from JDA to BND for interest buydown

OLD BUSINESS

Four Seasons Health Care Project- Nathan Schlecht was present to discuss the project with the JDA.

Start date of construction was pushed into June due to a relook at the plans/costs of the project. One big item they discussed and changed was the heat source that may save the project around \$100,000.00. By making that change the Architect had to redraw up the plans and resubmit them to the state for approval prior to moving forward.

Nathan S. stated that he and Steven McLaen discussed the 504 financial program and found that the Forman Community Development Club (aka: FCDC) operating the Four Seasons Health Care did not qualify for the program due to the setup of the FCDS and its set up with the Four Seasons Health Care facility. But they did appreciate the information to take a look at as a

Possibility. At this time the FCDC is going to continue as is with the requests and financial support from each entity remaining the same. They are still maintaining the 1.4 million construction/completion costs.

An Industrial Bond with the City of Forman and the Bank with the bank securing \$800,000.00. The FCDC involvement will be \$400,000.00 and they are requesting \$200,000.00 from the Sargent county JDA. Nathan Berseth discussed a possible \$150,000.00 loan instead because the JDA knows other projects are coming to the table as well and our funds would be very limited at the \$200,000.00. Nathan S. stated that the reduced amount would not stop the project but the Four Seasons didn't want to deplete their funds either, but he also understood that the JDA didn't want to have to turn potential economic growth in the county away. All present discussed the importance and need for the Health Care facility in this region and all present wanted to help in the best ways possible.

Nathan B suggested a \$75/75 using the Intermediary Relending Program (aka: IRP) along side the JDA funds. He explained that the JDA could buy down some of its current loan debt with Lake Agassiz to reduce the interest. That the JDA could work with Amber representing Lake Agassiz Development Group (aka: LADG) to see if the JDA paid off \$75,000.00 on the Spec house loan could it be guaranteed to be moved to the Four Seasons Project and the JDA then would borrow the FCDC the other \$75,000.00. Nathan S. asked if it would be two separate agreements? Nathan B stated it would be, but it could be set to coincide with each other. It would be two checks written for payments instead of one. Robert asked if this something LADG does? Nathan B stated that it is typical for LADG to partner with JDAs. Nathan S asked if the terms are fairly long and with fair financing. Nathan B answered that IRP is a competitive loan option.

Chairman Terry, directed Nathan B to work with LADG and Nathan S on this idea to see if it would be a possibility. Mark Bopp/Bill A moved to utilize the IRP with an 80,000.00 spec house loan buydown/\$80,000.00 JDA loan for the Four Seasons based on the approval by LADG of the \$80,000.00 spec house buydown monies going to the Four Seasons project. This would include a 20 year repayment interest rate at 1% over prime currently at 4.75% so the interest rate will be 5.75%. Chr Terry calls for a rollcall vote: Mark B-yes; Ron-yes; Paige-yes; Bryce-yes; Robert-yes; Bill-yes; and Sandy-Yes. Nathan stated he will contact and work with Amber representing LADG regarding this motion and keep us updated. Nathan Schlecht thanks everyone for their support and leaves the meeting at 6:04 pm.

Southside Auto Loan- Nathan Berseth recommended to the board to set up the repayment using the same format as the JDA has with the Forman/Milnor Market owner and the CDP lodge owners.

The southside Auto loan term is 15 yrs. Mark Bopp/Bryce to set up the repayment schedule to begin on the 16th year (one year after the final payment on the loan with BND has been completed) or one year after the final payment on the BND loan has been made if completed prior to the loan term 15 year at one percent (1%) over Prime rate of four percent (4%) as of today. With a 15 year monthly payment schedule to the JDA. If the payments are not completed within that 15 year period a meeting of Planteen's and the JDA will be set up to determine a new payment schedule with interest to be decided at that time. Motion carried unanimously.

Oath of Office- Allen Colemer whose term ends in December 2018 was not present at the meeting.

NEW BUSINESS

ND Livestock Alliance- Bill Anderson reported that there are a group of commodities promoting production and processing in North Dakota. With the reduction of livestock in the state this alliance is trying to generate interest. The Alliance is moving around the state talking to different groups such as commission to educate and introduce the Alliance. The Commission referred them to the Extension office and the JDA. The Alliance has the leadership and resources to provide the potential to get some things going around our state. The JDA involvement may be indirectly through potential employment and housing or through a loan for the beginning of or the expansion of existing businesses in the county.

Manufacturers list- Nathan Berseth reported that back around 2008 there was a push through the impact foundation to try to match businesses looking for places such as North Dakota to set up shop in or businesses that had work to subcontract out, and the foundation wanted a list of all manufacturers in the state. That push is appearing to come back. Nathan was reviewing the old list for Sargent County from 2008 and realized that it Should be updated.

Creative City Conference- Paige Cary and Carol Peterson representing their communities/JDA attended this conference. Paige said it was a very good conference with good information, mingling and good to know that the communities in Sargent county are not unique to what the economy is doing to our small towns.

Registration fees- Sandy asked for discussion on attendance to these types of events and if the JDA would Consider covering registration fees for such things, if someone from the JDA wanted to attend?

Mark/Bryce to approve up to \$200.00 for registration costs to attend an event that pertains to what the goal of our JDA is working towards. Anything over the 200.00 needs prior approval from the JDA to utilize JDA funds. Motion Carried Unanimously.

Pending Projects

Dakota Precision Fabrication-Nathan reported that this project is currently on hold.

Round Table

Mark reported that the city walking path is getting started in June. He reported that shear envy is closing the end of July and that the owners of the building it is currently in reports that they have interest in renting out the space. Hardware Hank is having a closing sale with no actual date listed. Forman has a twin home going up near the school on the west side of town. The Forman Drug is going to be closed on Saturdays.

Paige reported that they have a playground grant and an orchard grant that will be starting. An additional daycare is needed in Forman. Paige stated that Liz has a long waiting list. Nelson Home Center is listed with Vold Real estate.

Bryce reported that the Rutland elevator seems to be very busy right now moving grain.

Ron stated that Jake's Seed is staying busy.

Bill informed the group that himself, Nathan, Terry and Sandy met with the owner of the Lariat bar to discuss his business operations and provide additional support in advise or to help relook at the business plan. The meeting went very well.

With no further business Chr. Terry adjourned the meeting at 6:40 pm

Recording Secretary
Sandra Hanson