

Sargent County Job Development Authority

Minutes

Date of Meeting: 1-28-14 Time: 1:00 pm

Location of Meeting: Forman City Hall

PRESENT: Mark Bopp, Al Colemer, Sandra Hanson

Not Present: Jay Jacobson, Terry Dusek, Ron Narum, Bill Anderson, Randy Pearson, Mike Walstead, Jessica Peterson, Jerry Erickson

Guests: Stephen Pfahl & Sylvan Loegering representing Broadleaf Inc

Meeting Called to Order by Chr Mark Bopp

The chr declared that due to lack of a quorum, no official business will be conducted at this meeting.

Oath of Office-signed by Sandy expiration December 2016

Minutes of Last Meeting Presented: Sandy presented and read the minutes of the meeting dated August 21, 2013.

Treasurer's Report-Sandy reported that as of the end of December 2013 the cash account for the JDA holds \$225,893.96.

The budget for 2014 was presented as follows: \$4000.00 for payroll; \$500.00 for copier expense; Lake Agassiz-\$1,500.00; Matching SS-\$300.00; Economic Develop.-\$150,500.00; total budget \$156,800.00 as approved by the Commission.

2014 Travel/meeting vouchers-signed by Al, Sandy, Mark.

Loan Reports: Sandy will present a detailed report on each loan at the next meeting.

OLD BUSINESS

None at this time

NEW BUSINESS

Broadleaf Inc-Sylvan & Stephan began the presentation of the potential purchase of the Forman Inn & suites. Working with Sargent County Bank in Forman for the initial loan for the purchase of the Motel itself.

Business Plan as prepared by Stephan Pfahl and the financial projections as prepared working with ND Small Business Development Center were presented to the group.

Sylvan & Stephan explained that Broadleaf Inc is a new company that currently has 3 other individuals working with them and 2 part time individuals. The full and part time is time only commitments, no salary or money is going out to the broadleaf individuals. Both Stephan and Sylvan have backgrounds in motel business. This group has an interest in small community progress and development. It is in the small communities they want to focus for the motel chain that they are working to begin. Forman Inn will be the first purchase with other communities in the state being looked at. They are looking into some additional purchases of existing and some new construction. It is Broadleaf's intent to set up each motel as its own L.L.C.. This group is looking locally for the financial needs as well as any remodeling or updating needs. They are very community minded and would like to be an asset to the community by working with local organizations and supporting local businesses. They have met with the Forman City Mayor, Sandy Hanson-JDA, and Jason at the SCB in December to get a feel of the community and the potential options for loans and financial support. At this point it appears that the Bank will finance 80% of the purchase price. Jason was impressed with the modest projections and the ability to show profit. Need \$170,000 a year to break even according to the projections.

What Broadleaf Inc is asking of the SC JDA-A loan to assist with the updating of rooms & some equipment, remodeling a couple rooms into a living quarter, upgrading the property management by purchasing and integrating a software program, and adding a campground to the empty lot adjacent to the motel.

Reviewed of handout with this info on it. After the tour of the motel as it stands, the furniture, bed mattresses/boxsprings are worn, as well as the towels, spreads, sheets, TVs are not newer models so not all channels are being utilized. These are some examples of needs. Broadleaf feels that Sargent county has a lot to offer people for things to do and see and feels that they can be apart of the iniative to get people to come and stay here instead of just being a pass through.

Upon reviewing of the business projection it was found that the plan did not copy in order and that some numbers need to be updated. Broadleaf is going to provide a good copy of the plan and projections as well as a updated list of needs that the loan from the JDA will support.

Mark is calling a SC JDA Meeting for February 18th at 5:00 pm at the Forman City Hall. Broadleaf will be present to make a formal request for funding and a repayment plan for the funds and provide updated information to the group.

With no further business the meeting was adjourned at 3:30 pm

Recording Secretary,
Sandy Hanson

With no further business the meeting was adjourned.