

# Sargent County Job Development Authority

## Minutes

Date of Meeting: Monday February 9<sup>th</sup>, 2015 Time:9:00 AM

Location of Meeting: Sargent County Courthouse Conference Room

**PRESENT:**Mark Bopp-Chr; Sandra Hanson-Sec/treas; Mike Walstead; Bill Anderson; Terry Dusek; Ron Narum; Jessica Peterson; Carol Peterson; Randy Pearson on Conference Call  
Also Present: Jason Rockswold, Sonja Lang, Nathan Berseth, Neil Doty, Don Frye, Neil & Sara Planteen & Rick

**Meeting Called to Order:**Chr Mark Bopp at 9:00 am with an introduction of all present and their representation at the meeting.

**Minutes of Last Meeting Presented:** Sandra read the minutes of the last meeting dated 1-28-14. Mike/Terry to approve minutes as read. Motion Carried unanimously

**Treasurer's Report**-as of 1-31-15 \$293,078.97. JDA currently draws 1.08 mills

Currently two other communities in Sargent County have organized JDAs – Milnor with a levy of 4 mills and Forman with a levy of 4.09 mills. Further discussion on Levy limitations and referral to Levy # 1219 which states Board of county commissioners, by resolution may levy for a JDA or JJDA. If a city within county is levying-combined city & county levy cannot exceed 5.00 mills. Refer to States Attorney for opinion based on current levy information provided at this meeting.

Election of Officers- Bill/Jessica moved to retain our current board of directors as stands. Motion Carried unanimously.

Oaths of Office- Carol Peterson, Mike Walstead, Bill Anderson, & Jessica Peterson

**Committee Reports:** update on current loans through JDA

Four Seasons Healthcare-Payments continue and are on time. 2% interest rate. The payment schedule is set up to receive payments January thru May of 2015 with a balloon payment in May of \$29,301.64 to complete the loan. The payment schedule is set up for monthly payments dated the 1<sup>st</sup> day of each month. There is nothing stating the payments have to be made on that date. It appears the Healthcare facility is making payments about the middle of each month the month after the dated payment. EX: 12-01-14 regular payment \$510.00 payment is made 1-12-15.

Waswick Loan-Loan was rewritten September 2013. Principle borrowed \$11,627.07. regular payment amounts are \$203.80. The amortization schedule lists a total of 60 payments with no clarification on when these payments are due to the JDA. His interest rate was 5% initially when the loan was secured and remained so until reamortization in 2013 when the interest was adjusted to 2% to be equitable with the prime interest rate and other loans through the JDA. Currently he has made 16 payments since September 2013. Balance due as of 1-1-2015 is \$8,639.16. Last payment was made on 2-3-15 payment #16.

CDP Lodge-Loan \$33,127.05 schedule of payment will be 20 equal annual installments at 1% interest beginning twelve months after the final payment or satisfaction of prior notes the BND & the SCB. The loan is secured by a mortgage deed on real & personal property located on th se1/4 all in Sec 9 -129-54.

## **OLD BUSINESS**

No old business at this time

## **NEW BUSINESS**

**Four Seasons Healthcare**-Jason & Sonja presented information for a project being done by the FCDC for an assisted living wing to be attached and built on the north side of the existing building. The plans are to construct a 12 bed facility and it would share management & services with the existing staff at Four seasons. Total estimated cost is 2.3 million, with financial support through the SC Bank, BND, and FCDC. The request

is a \$250,000.00 loan from the County JDA giving the JDA second mortgage on the facility. The contribution from the JDA would be the Flex Pace interest buy-down program. \$33,333.33 investment from JDA would have a savings of \$100,000.00 to the Four Seasons overall loan. The four seasons has a reserve of \$400,000.00 to utilize for a kitchen remodel & a phase two of increasing the number of private rooms. They will also provide working capital to the new facility. It is estimated that it will provide 6 -10 new jobs and add tax base to the county as well as provide another option of health care to the county and area. Mike asked about bonding, which was a discussion with the commission. Jason-at that time looking at a 20 bed unit, but backed down to the original plan of 12 bed to keep it more feasible and financially supportable. After further discussion, Mark thanked them for coming and the JDA will take a better look at the information and stay in touch with Jason and Sonja. The JDA understands the urgency of any decisions the JDA will be making.

**Southside Automotive**-Presentation given by Neil & Sara Planteen. Information was distributed. New business in the county opening in March of 2014. It provides truck, automobile repair & service and is a retail parts & supply facility. They also offer repair for heavy equipment, lawn equipment & ATVs. By the 4<sup>th</sup> month had reached a goal of 200 shop hours and now needs to address the new goals as the business continues to grow. The shop is ASE certified ACDelco Professional service center. Neil & Sara are currently looking at purchasing the building that they are in. The building was constructed by FCDC and was only a shell. Neil and Sara put a lot of money into the interior of the building to equip it to meet the needs of the business. They are currently leasing the facility from FCDC for \$350,000.00. The purchase price is not settled yet between Southside Auto and FCDC. Southside is currently working with SC Bank, FCDC, and BND. Neil & Sara are asking for an interest buydown from the JDA on the Flex Pace program. Neil & Sara are also seeking additional funding for 20% of Loan principle value as well as funds to renovate the current retail portion of the building to expand to further sales and job creation. Neil & Sara are looking at adding some limited hardware supplies to the store.

The amount being requested is \$120,000.00. SCJDA would hold 2<sup>nd</sup> mortgage on the properties of Southside Automotive LLC. Repayment of the funding would be negotiated by terms set forth by JDA. Further discussion included retail stock is 40% owned and 60% consignment; Also has a loan with the bank in Oakes for \$80,000.00 through the LLC. They currently are competitive in wages and offer BCBS coverage. They currently have 4 fulltime staff and one parttime. Neil & Sara have recently acquired the ½ the lot on the south side for additional space. Jason stated that the intention for the sale of this building is not to put the dollars into the Four seasons, but to replenish the FCDC funds because they have additional projects pending. With no further discussion for Neil & Sara, Mark thanked them for coming and assured them that the JDA would be in touch with them in the near future.

**Crossroads Community Advisors, LLC (CCA)**-Nathan Bersech, Neil Doty, and Don Frye were invited to the meeting to provide the SC JDA with some insight about their business and what they may have to offer our JDA to make it more pro-active in the communities, to gain insight on what our communities have and want, promotion of the communities, develop working relationships with the communities as well as long term policies and procedures. Bill Anderson provided a brief history of the Commission and the formation of the JDA. The JDA currently meets on an as needed basis and is re-active vs. pro-active. We have not had any activity for about a year, and it becomes a convincing argument in the commission room during budget time to support the collection of levy when we appear to be an inactive group or the need isn't obvious. Nathan, Neil & Don explained that their group works to assist groups such as ours on how to leverage our funds, better ways to utilize resources, and be the eyes and ears to changes in programs, or seek out new & existing programs that may be of use to the JDA. They re-inforced our need to get our dollars back and put it back to work. Also talked about other ways to assist without always being cash up front. Discussion of the 504 program, the Flex pace program, USDA, Red River Corridor Fund and REAP. Discussion held on what the different programs can do. EX: upgrading of buildings, infrastructure, analysis of community needs, land development. The CCA also is currently monitoring proposed bills in the legislature that may have impact of economic development in the state. What CCA can offer the JDA? They can assist on a case by case need; charge by the hour by project. The JDA needs to meet more often & develop a strategy. Question to ask Where is our regional council, local development groups and the cities with support for projects? Banks like a one shop stop. Need to consider increase in mill. After 2016 or 2017 if mills don't increase may need to take any increases to a vote of the

people. JDA should always request the schedule of loan payments from the applicants- these will show how loan is anticipated to work out.

Mike/Terry to have CCA take a look at the proposal from the four seasons that was distributed today. Provide input on the request for consideration by the JDA. Sandy/Ron to amend the motion to also include the Southside Auto. Mark called for discussion. Mark then called for a vote on the amended motion. Motion Carried. Mark then called for a vote on the original motion. Motion carried unanimously.

**Forman Market**-Rick Ell introduced himself to the SC JDA and wanted to address the group about a loan that he is currently working on through his local lending agency and the BND. The original loan is the purchase of three stores. The grocery store in Milnor, Forman, and Lidgerwood. He is also looking at a pace loan with interest buydown. He is splitting the interest between the three stores, with hopes of working with each community that a store is located in to support 1/3 of the interest buydown which comes to approximately \$11,000.00 each community. He met with the FCDC and was referred to the SC JDA. He has not yet met with the Milnor Community, but has been in contact with a gentleman from Milnor. Mark thanked Rick for coming to the meeting to update us on his Potential loan. It was requested that Rick gather his financial information from his lending agency & the bank of ND and continue to work with the communities as well as our group. He can contact Sandy for a future meeting when he is ready.

**CCA**-Mark asked Nathan, Neil & Don when they felt they could have some information for us regarding the Four seasons and Southside Automotive? They felt by Tuesday of the week of the 16<sup>th</sup>. They asked that JDA contact these two entities to let them know that CCA is working with us and there may be contact from CCA for additional information or clarification of information. Based on the timeline, a meeting is being scheduled for February 19<sup>th</sup> at 9:00 am to review the CCA information provided. Rescheduling may occur if more time is needed.

Waswick loan- JDA directed Sandy to work with Jerry about adding a calendar payment schedule to his amortization schedule. Bill explained that the principle for both this loan and the Four Seasons goes back to the county capitol improvements and the interest from these loans goes to JDA.

Due to the time, no round table community activity reports were given.

With no further business the meeting was adjourned at 11:40 am.

Next meeting Thursday February 19<sup>th</sup> 2015 at 9:00 am Sargent County Courthouse conference room.

Recording secretary,  
Sandra Hanson