

Sargent County Job Development Authority

Minutes

Date of Meeting: Tuesday February 20th, 2018 Time: 5:30 pm

Location of Meeting: Conference Room Sargent county Courthouse

Board Present: Jessica Peterson; Terry Dusek; Robert Ptacek; Mark Gainor; Sandy Hanson
Paige Cary; Bryce Carlson; Ron Narum; Bill Anderson; Mike Walstead

Board Not Present: Mark Bopp; Carol Peterson; Allen Colemer **Also present:** Nathan Berseth; Sam & Brandi French; Neil & Sara Planteen; Ann Nelson

Meeting Called to Order: Vice Chairman Terry Dusek at 5:38 pm

Oaths of Office- The oath of office was presented by Sandy Hanson to Commissioners- Bill Anderson & Mike Walstead; City with population of 500 or more- Jessica Peterson; Members at large- Mark Gainor; Paige Cary, Bruce Carlson

Reorganization of Board- Terry opened floor for nominations of Chairperson- Bill Anderson nominated Terry Dusek to Chairman. Terry called for nominations 2 more times. Mike Walstead/Bob Ptacek moved to cease nominations and cast a unanimous ballot for Terry. Motion carried unanimously. Terry called for nominations for Vice chairperson- Bill Anderson nominated Mark Bopp as Vice Chairperson. Terry called twice for nominations. Mike Walstead/Ron Narum to cease nominations and cast a unanimous ballot for Mark as Vice Chairperson. Motion carried unanimously.

Minutes of Last Meeting Presented: Secretary Sandy Hanson presented the minutes of the August 30th, 2017 meeting. Ron/Paige to approve the minutes as presented with the correction to the Loan Reports- Corrected as Follows: Forman Market- the JDA receives an annual invoice from the BND for the Pace-Interest Buydown Loan. The Coteau des Prairie Lodge does not begin JDA loan payback until the principal loan is paid off. Motion carried unanimously.

Treasurer's Report: At the End of January the cash fund balance in the JDA is \$258,831.74. Sandy referenced the activity reports Between August 2017 through January 2018 regarding expenditures and Revenue. An updated spec house financial report was presented. Current Bills for the JDA presented in February are as follows:

Sargent County Treasurer-	\$ 1,216.62	special assessments for Spec house in Milnor
Forman Housing Association-	\$15,000.00	matching funds for Loan to do bldg. improvements
CHS Dakota Plains-	\$ 246.61	155.10 gals heating LP Gas for spec house
Bank of ND-Southside	\$ 5,272.73	1 st annual billing for interest on pace buydown loan
Ottertail Power-	\$ 26.48	spec house Milnor
CrossRoads Electric-	\$ 112.50	Furnace service call- repair
American Modern Select Ins	\$ 1,053.00	premium of coverage Feb 17, 2018 – Aug 17, 2018

Current U.S. Prime Rate remains at 4.50%

Ron/Bob to approve the treasurer report as presented

Per Diem Sheets were distributed for signatures for travel and meeting attendance for year 2018.

Loan Reports: Sandy reports that all below loans are current except the CDP lodge and Forman/Milnor Market.
Four Seasons HealthCare-

Coteau des Prairie Lodge- payment schedule to begin at end of 12 months following payment in full of the first and prior mortgages.

Waswick Chiropractic-

The General Store-

FCDC-Assisted Living-

The Lariat Bar-

Bixby Auto & glass-

Forman/Milnor Markets- payment schedule to begin at end of payment period of the BND loan

Forman Housing Association- no dollars requested at this time

SouthSide Auto- no dollars requested at this time

The Chairman requested to Start with New Business at this time

NEW BUSINESS

Forman Housing Association- Ann Nelson stated that all paperwork is now completed and The Housing Assoc. is requesting the JDA local financial support payment at this time. The amount agreed upon by the JDA is \$15,000.00 to cover local contribution obligations as required by the terms of the loan of Lake Agassiz. The SC approved the \$15,000.00 loan with one percent interest over prime as set on August 30th, 2018.

The payback will be up to \$300.00 monthly for the term of the payback and payment not to begin for 6 months After the initiation of the Loan disbursement. Jayne is working with Forman Housing to complete paperwork Necessary and payment will be made Thursday February 22nd to Forman Housing and documents signed & recorded as necessary.

Bryce Left the meeting.

Sam and Brandi French-purchased the old ice cream store in Gwinner located out in the crossroads addition. Currently all financing has been personally to date. The French's have gutted the interior to the steel. French's have done most of the work themselves except for some electrical, plumbing, heating, Air were done with Contractors. The Building is owned by the French's as well as some interior equipment/supplies. Brandi passed around pictures to show the before and afters of what has been done inside. Brandi explained the reasoning for the name, based on a book she read. French's also distributed A menu and discussion of homemade pizza in house and delivery within city of Gwinner. They are hoping to add Drive through in the future. They stated that they have been doing a lot of taste testing on the menu ideas as well as Pizzas. They are also talking to Bobcat to try to come up with a delivery option to the factory that can meet the break periods. The menu will also include hard ice cream. Menu will always be a work in progress as trends and food interests change with the public. Currently they are looking at a 6:00 am Breakfast, through a 3:00 pm Lunch and then 3:00 pm – 7:00 pm will be pizza and ice cream. Hours may also change based on demand. Inquiry regarding the selection of hours and French's stated that they have been doing some

Survey in the area about what is needed. Discussion on other business investments that the French's have had and French's explained their business history. French's are requesting the amount of \$20,000.00 to assist in purchasing some additional equipment and start up costs. They may look into financing differently in the future but they are eager to get the Café open as soon as they can. Bill stated that if the French's do refinance and the bank will not take us completely out, we will look at other terms and conditions at that time. Bob/Jessica to finance the French's with \$20,000.00 with interest to be at prime rate as of today which as reported by Sandy is %4.50 and the SC JDA will carry first mortgage on the business with a proposed 7 year payback with the first payment to begin 6 months after completion of paperwork and funds are passed to French's. discussion was called-question why mortgage the entire business considering the amount of the loan. The mortgage is to satisfy the loan and after that is satisfied remaining assets will stay with the owners. Why a change is our usual one percent over prime-because there is no other Mortgage and it is very unusual that the JDA gets to hold first mortgage. Terry called for roll-call vote: Jessica –Yes; Terry-Yes; Robert-Yes; Mark G-Yes; Sandy-Yes; Paige-Yes; Ron-Yes; Bill-Yes; Mike-Yes. Terry called the vote unanimous yes. The Sargent County State's Attorney Office will take care of the documentation of the loan between the French's and the SC JDA.

Neil & Sara Planteen DBA Southside Auto- Neil and Sara updated the JDA on the addition and some new features that the business will be offering. Paperwork has come through with Planteen's finance institution and

Payments to the BND will be done annually upon billing to the JDA. First payment for the gap financing is due March 1st 2018. The JDA will move forward to make that payment and the States Attorney office will put together the loan documents between Planteens and SC JDA. The terms of the loan were approved by the JDA at the May 11th, 2017 SC JDA meeting so no motions or votes are necessary at this time.

Shannon & Hillary Mehrer DBA Dakota Precision Fabrication- Table to the next meeting

OLD BUSINESS

Milnor Spec Home- Terry and Nathan reported on the interest of the public at the open houses this summer/fall. Some additional work in home has been done, flooring and some lighting as well as a concrete apron. Possibly consider doing some seeding this spring if necessary. Price advertised has been lowered. Consider some Type of incentive such as special assessment buydown. Nathan suggested that if there is an interest, this board Should consider giving Terry some leeway in negotiation of the price to help in moving forward. The house has had some interest throughout the fall and winter. Bill/Robert to allow Terry Dusek as Chairman of the JDA, the authority to make decisions and authorize negotiations regarding the sale of the Milnor Spec Home. Motion Carried unanimously.

CCR-Nathan reported that he continues to follow and be involved in the Milnor Spec house. Involvement in the county has been slow this winter and there is some potential of a spec house deal coming to the JDA from Gwinner through the city and or GCDC. Looking at new construction.

LARDC Loan- the Loan term is up as of November 2017. The SC JDA has paid up the interest from May through Nov. 2017. Sandy requested information for a 6 month extension and information on the payback of the loan at this time. Also suggested would be a portion of a payback and an extension for the remaining balance. Nathan stated he will check with LARDC to find out the flexibility of all possible avenues and he will let us know.

With no further business Terry asked for round table updates from the group-

Gwinner-Jessica reported that the AW Diesel is completed and the vehicle/truck wash bays are open.

Forman-Paige reported that the RZ is set up in Forman City now for incentive to come to the community.

A new kiddy pool is in the plan. Paige stated that currently there are 2 houses on the market. Unfortunately Hardware Hank is closing its doors the end of March.

Rutland General store/Café- The café has interest again at this time. Purchase price seems to be the hang up each time Someone looks at the potential of opening the café again.

Milnor-Terry reports that The city is reapplying for the RZ again. Their 15 years is up. Carol attended the Governor's Main Street initiative in Bismarck. Mark G reported that they are currently trying to revive the old Business mans group with a new membership and projects that potentially could be coming up. There is also A Milnor development group, but he doesn't know much about them.

Terry adjourned meeting at 6:50 pm

Recording secretary
Sandra Hanson