

Sargent County Development Authority

Minutes

Date of Meeting: May 4, 2016 Time:7:30 AM

Location of Meeting: Sargent County Courthouse

Commission Room Main Level

PRESENT:Mark Bopp; Mike Walstead; Terry Dusek; Ron Narum; Bill Anderson; Carol Peterson; Jerry Erickson; Sandy Hanson; Nathan Berseth NOT PRESENT: Al Colemer; Jessica Peterson; Randy Pearson; Robert Ptacek

Meeting Called to Order:Chr Mark Bopp

Minutes of Last Meeting Presented: Dated August 25th, 2015 at 5:30 pm at the Sargent County Silver Lake Park Pavilion. Minutes read by Sandy. Jerry/Terry to approve the minutes as presented. Mark called for vote. 8 Yays No Nays. Motion Carried unanimously.

Treasurer's Report:Corrected report of Treasurer report- 2016 approved budget-\$297,600.00 Current Balance of budget as of March 31, 2016- \$297,599.76 March revenue \$98,569.07 minus march expenditures \$0.24 Mike/Jerry to approve treasurer report. Mark called for vote- 8 Yays No Nays. Motion carried unanimously.

CCA Invoice- An invoice was submitted for payment by CCA to conclude the contract for one year of service to Sargent County JDA. The amount being submitted is \$21,000.00 broken down to \$1,750.00 per month from May 2015 through May 2016. Bill/Ron to pay the outstanding invoice. Discussion- Not only has CCA provided input, direction, and guidance to the County JDA they have been beneficial to the communities that request their assistance within the county. Mark called for a vote- Yays- 8; Nays – none. Motion carried unanimously.

Loan Reports:

WasWick chiropractic- loan payments monthly	loan pd in full –August 2018	(error on report given at Meeting) Current
Four Seasons Health Care- Loan payments monthly	loan pd in full- May 2016	
	Due Balloon Payment in amount of \$29,301.64	
Rutland General Store-loan payments monthly	loan pd in full- January 2040	Current
CDP Lodge- re-payment does not begin until satisfaction of prior notes.		
Bixby Body & Glass- loan payments monthly	loan pd in full-January 2031	Current

Dollars currently obligated but not requested:

FCDC Assisted Living Construction	\$85,000.00 as a loan
	\$15,000.00 as a grant
	<u>\$33,000.00 as an interest buydown loan</u>
Total:	\$133,000.00

Chairman called for questions or discussion

OLD BUSINESS

None brought to table at this time

NEW BUSINESS

Four Seasons Health Care- SCJDA received a letter (see attached) from the Four Seasons Administrator requesting consideration for refinancing the balloon payment balance of \$29,301.64 into monthly payments until balance is paid in full with the current interest rate of 2%. The payments would be 60 monthly payments Beginning with the May 2016 payment and completion of monthly payments May 2021 paid in full. A schedule of payments has been included with the information. Terry/Bill to approve the request for the refinancing of the balance of the loan for 60 monthly payments beginning with the May 2016 payment, ending with the final payment due May 2021. Loan interest will remain at the 2% interest rate as originally setup.

Discussion-Loan adjustment to 1% over prime. The Nursing home is considered a critical infrastructure of our county and with the unique need that it provides the interest will remain as currently set. Bill directed Sandy to run the loan

by Lyle and get all necessary documents completed and signed between JDA and The Four Seasons. With no further discussion Mark called for the vote. Yays- 8 Nays – none Motion carried unanimously.

CCA report-Nathan Berseth presented an activity report in regards to what is going on in Sargent County. He has met with city councils in the county and has met with some multiple times. Some of the goals he was hoping to accomplish were determination of highest priorities in their communities. Housing was identified to move forward with action plans and needs. Discussion on Multi-family; single family or infrastructure to accommodate new development. With Nathan's Guidance the JDA came up with a speculative house program to spur housing construction. Nathan did receive quite a few inquiries after first advertising the program, but nothing solid has come forth yet. Anticipate activity in 2016 as a couple of communities are interested in program as well as a couple of investors. The idea is to provide the 20% gap financing between the cost and the lender. There is also a program through the Lake Agassiz Development Corp. (LARDC), which could lend up to 75% of the construction cost with a maximum of \$150,000.00, but through special circumstances that amount could potentially increase. Qualifications would apply to receive this type of funding.

Nathan also reported that Milnor is progressing forward to create a new development of 49 residential and commercial lots on the north side of Milnor. Bid letting will be May 17th 2016 with completion intention of November 2016. Milnor also applied for a 2% interest, 30 year loan with the Bank of North Dakota. CCA has been working with the city to provide any assistance needed.

Nathan briefly touched on the Renaissance Zone program ran through the Department of Commerce. The Dep. Of Commerce is taking a re-look at the current program for any updates or changes that they feel may need to be done. More to come on that.

Continued discussion by the JDA regarding spec homes versus ghost homes. Nothing excites growth than actually watching construction take place. Ghost speculation homes do provide a feel for what the public is looking for in a home, but an actual home being built ignites excitement in a community. Duplex/townhomes/condos/single homes. What type(s) have the strongest need and the best selling power. Location of a potential spec home –best opportunity for selling it quickly to continue to reuse the dollars. Hard to get a decent construction for under the \$250,000.00 amount. Consideration of the qualifying LADC program for the 75/25% borrowing program. Terry/Bill to set aside up to \$100,000.00 for leverage as financing a 25% spec home based on the 75% through LADC program. Mark called for a roll call vote- Terry-Yes; Mike-Yes; Ron-yes; Bill-yes; Carol-yes; Jerry-yes; Sandy-yes; Mark-yes. All votes present 8 Yes' Nays none. Motion carried unanimously. A couple JDA committee members will work with CCA through Nathan Berseth to continue progress with the spec home program in Sargent County with all feedback coming back to the JDA as needed.

Round Table discussion- Milnor city bid letting May 17th. Verizon Tower survey for location in Milnor City area continues.

Four Seasons Nursing home discusses adding on to the existing nursing home with some additional rooms and spaces for other uses with in the Nursing home. Construction would be north.

Forman City has some lots coming back to city that would open availability for construction.

Housing in Milnor and Forman continue to be moving on the sale market.

With no further business the meeting was adjourned at 8:55 AM

Recording Secretary

Sandra Hanson