

# PRAIRIE DEVELOPMENT CORPORATION

## COLORADO'S CENTRAL PLAINS



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### PRAIRIE DEVELOPMENT CORPORATION BOARD MEETING MINUTES March 15, 2017

#### **Call to Order**

Chairman Ed Rarick called the March 15, 2017, Prairie Development Corporation board meeting to order at 7:07PM held at Limon's TA Truck Stop meeting room. In addition to Chairman Ed Rarick, members attending included: Steve Burgess, Robert Safranek, Dorothy Stone, Niccie Tanner and Grant Thayer. Candace Payne, PDC Administrator, also attended. Jerry Allen, Rol Hudler and Marilyn Ward were unable to attend.

#### **Introductions**

Introductions were made during the Loan Committee meeting so they were dispensed with here. Grant and Niccie were welcomed to the Board by the members.

#### **Officer Elections – Bank authorizations**

Robert Safranek made a motion to retain the officers elected during the Loan Committee meeting held earlier this evening. The officers elected were: Chairman Ed Rarick, Vice Chairman Dorothy Stone, and Secretary/Treasurer Jerry Allen. Steve Burgess seconded the motion. Hearing no discussion, a unanimous vote was cast to elect the person to the positions stated.

#### **Approval of Minutes of January 18, 2017**

The Minutes of the meeting of January 18, 2017 were declared approved as presented by Chairman Ed Rarick as there were not corrections or additions.

#### **Financial Report**

The 2017 January and February Advanced Classified Balance Sheets were reviewed. January checks for \$10,551.75 and February checks for \$7,498.07 were reviewed as well. Candace explained recent expenses paid to contractors regarding the apartments and office property at 128 Colorado Ave. After reviewing the checks and the account balances, Dorothy Stone made a motion to ratify the bills and approve the financial reports for filing. Steve Burgess seconded the motion, which passed unanimously.

#### **Business Loan Recommendations**

The CBDG Micro Enterprise Program (MEP) loan for a \$50,000 for working capital discussed during Loan Committee was recommended for approval. This loan is a collaborative effort between Colorado Housing and Finance Authority (CHFA) for \$229,000 for the purchase of the property, inventory and equipment with a \$35,000 grant award from Colorado Fresh Food Financing Fund (CO4F) for equipment upgrades and inventory, contingent upon the working capital loan's approval. The applicant meets the Low to Moderate Income qualifications and will be the sole owner of the business while providing three Full Time Equivalency (FTE) positions including the owner. The loan terms recommended were: 3.50% (Prime less .25%) fixed interest for 60 months of \$910 monthly payments secured by a second lien on all assets including the building, inventory, equipment and fixtures with contingency of maintaining a minimum inventory level of \$75,000 or higher through closing with a 1% loan origination fee. CHFA offered Interest Only payments for the first year to help the business get a good start. Steve Burgess made a motion to approve the loan with these terms. Dorothy Stone seconded the motion, which passed unanimously. Candace will submit the CBDG MEP Appropriate to the Office of Economic Development for their approval to use the funds. Once that approval is obtained, loan closing with CHFA and CO4F will be scheduled. Once this loan is closed the CBDG Open Contract balance available to lend will be \$81,700.

### **Housing Recommendations**

Loan Committee recommended the housing rehabilitation loan application #17-R109 for \$44,500 in Elbert County for a household of five with 2 special needs children be approved. The applicants qualified for funding with their annual income in Elbert County of \$53,232. Safety and soundness is a grave concern based on this home's roof and gutters, entrance steps and deck, and siding. The property recently was appraised at \$390,000 with a first lien position on \$272,000. The credit scores were noted as lower than preferred (627 and 474) however, the borrowers were unable to obtain a bank loan for the repairs needed due to their credit history. The loan terms include a 150-month repayment of \$400 monthly at 5.00% fixed interest. A second lien position will be secured with the property. Dorothy Stone made a motion to approve the application as presented. Steve Burgess seconded the motion which passed unanimously. Only loans exceeding \$25,000 must come before the Board as all lesser loan amounts are approved by staff and ratified by the Board in the Loan Committee meeting.

### **Harvest Heights Housing Status**

Amy Martel had reported to Candace that ads have been placed for the construction bids on the development in Stratton which are due by April 3<sup>rd</sup>. The appraisal is in hand and once it's reviewed by the state, a closing date will be set. The CDBG Project Income account balance of approximately \$75,000 and the portion of the HOME Project Income balance necessary to bring the total of the two funds to \$240,000, are still earmarked for the Stratton Harvest Heights housing project.

### **Potential Loan Activity**

Candace reported there are no viable loans to consider but she plans to be out this spring to see what might develop.

### **2017-2018 Board of Directors**

Candace reported the East Central Council of Governments Board of Directors affirmed Niccie Tanner as our At-Large Member to serve in this position. The At-Large position will be appointed by the East Central Council of Governments Board of Directors. The other eight PDC Board Members are also appointed for two-year terms. Each Board of County Commissioners appoints two members and at least one of those two members must be from the private sector.

### **128 Colorado Ave Property Update**

Candace reported that the high winds recently knocked down part of the fence in the office's back yard. To reinforce the reinstalled fence panels, steel posts were cemented into the ground. The cost of repairs is expected to be \$500 or less.

### **Live Plan Update**

Live Plan, the online business plan writing program, has been purchased and will be marketed to our existing borrowers and potential loan clients pending a good depth of knowledge of the program.

### **SBDC Update**

On behalf of Craig Curl covering Elbert County and Troy McCue covering Lincoln County, Candace reported that activity is slow for early 2017. Lisa Hudson of the Greeley SBDC office was originally using remote access for helping clients until a person is hired for covering Kit Carson and Cheyenne Counties but that is not proving as useful as originally thought. Candace will work with Lisa to find a person with some knowledge and time to counsel clients.

### **Next Meeting Date/Location**

Discussion was held on the next meeting dates and times. There will not be a meeting in April or May unless a teleconference is needed for loan approval. Grant Thayer offered to host the June 28<sup>th</sup> meeting in Kiowa at the county building with a meal to be determined. The auditor is scheduled to present our 2016 Audit on June 28<sup>th</sup>.

### **Adjournment**

Chairman Ed Rarick declared the meeting adjourned at 7:43PM.