

**NORTHEAST NEBRASKA ECONOMIC DEVELOPMENT DISTRICT
BOARD OF DIRECTORS MEETING
WEDNESDAY, MARCH 31ST, 2010 - 7:15 P.M.**

*C & N Bar and Grill
104 Pine St, Lindsay, NE 68644*

AGENDA

- I. Call to Order:** Inform the public about the location of the Open Meetings Act and that it is accessible to the public (LB 898).
- II. Roll Call**
- III. Secretary's Report**
 - A. Approval of Agenda
 - B. Approval of February 2010 Minutes (as mailed)
- IV. Treasurer's Report**
 - A. February Treasurer's Report - Attachment #1
- V. Discussion Items**
 - A. Annual Luncheon Update
- VI. Action Items**
 - A. RLF – Adopt Northeast RLF Guidelines and Procedures – Attachment #2
 - B. RLF – Appoint Northeast RLF Committee Member
 - C. RLF – Loan Approval for Riverside Auto Body, LLC – South Yankton, NE
 - D. City of Columbus Down Payment Assistance Client #100407
- VII. Chairman's/Board Comments**
- VIII. Next Meeting Date:** April 28th, 2010 at the NENEDD Offices, 111 S 1st St, Norfolk, NE.
- IX. Adjournment**

February 2010 Treasurer's Report

NENEDD Board Agenda Material

Item IV. A

Object: Approval of February, 2010 Treasurer's Report

Contact Person: Patsy Taylor, Fiscal Officer

For: Action

Attachment: #1

Background: NENEDD's February, 2010 Statement of Financial Position and the Statement of Revenues and Expenditures that reflects the February Budget, Actual and Budget Variance. Also stated is the FY 2010 Budget, July 1, 2009 through February 28, 2010 Actual, Budget Variance so far this fiscal year and Percent of the FY 2010 Budget remaining.

Explanation: Additional Information:

Business Loan Principal Received-\$30,003.46

Housing Rehab Principal Received-\$1,833.32

Business Loan Disbursements-\$25,000.00 (one loan closed)

Housing & Trust Funds to NED, Inc. per board approval-\$2,237.24

Donation expense includes \$3,750.00 which is NENEDD's commitment to Nebraska Regional Officials Council (NROC), a state wide council formed of all the Districts throughout the state.

The budget changes approved by the Board of Directors March 3rd will be reflected on the March, 2010 financial statements.

Motion: Move to approve the February Treasurer's Report as presented.

Northeast Nebraska Economic Development District
Statement of Financial Position - Overall
As of 02/28/2010

	Current Period Balance
Assets	
Cash in Bank - Checking	14,901.91
Savings Unrestricted - NPAIT 001	299,340.50
EDA RLF - NPAIT 002	301,264.06
Reserved Funds - NPAIT 013	75,708.89
Microloan Fund - NPAIT 003	9,620.74
Security Reserve Account	24,254.60
NE Regional RLF - NPAIT 004	247,346.18
Santee Micro Fund - NPAIT 012	8,000.56
IRP Loan Fund - NPAIT 006	455,800.56
HUD Business RLF - NPAIT 008	175,057.79
Unrestricted 2-Year CD	19,999.36
IRP Loss Reserve - NPAIT 009	15,065.67
Accounts Receivable	158,866.36
Other Receivables	3,507.94
RLF Notes Receivable	1,358,456.40
Microloan Notes Receivable	37,504.71
NE Regional Notes Receivable	317,191.76
Prepaid Expense	721.10
IRP Fund Notes Receivable	1,288,451.91
HUD Business Loan Notes Receivable	52,298.29
Regional Rehab Notes Receivable	65,780.44
HUD Rehab Notes Receivable	79,850.61
IRP 2 NPAIT 015 Loan Loss Reserve	29,774.87
Housing Construction - NPAIT 016	1,308.10
Unrestricted CD-Midwest #882523	25,686.34
Cash in Bank - EDA Conference	592.15
Unrestricted CD-Midwest #881867	1,546.88
Allowance for Uncollectible A/R	(23,000.00)
Allowance for Uncollectible Notes	(493,000.00)
Furniture and Equipment	192,026.81
Accumulated Depreciation	(151,761.28)
Total Assets	4,592,164.21
Liabilities	
Accounts Payable	4,751.42
Other Payables	47.52
Stanton National Bank Line of Credit	3,507.94
Accrued FICA Payable	3,449.00
Federal Tax Withheld	1,818.86
State Tax Withheld	2,319.96
457 Withheld	822.00
Miscellaneous	(427.68)
Health Insurance Payable	68.20
Cafeteria Premium Payable	237.80
Unreimbursed Medical Payable	(580.78)
Annual Leave Payable	17,957.83
HSA Contributions	337.50
Accrued Unemployment	306.80
Accrued Workers Comp	(3,147.91)
Accrued Salaries	19,300.58
Microloan Note Payable	300,000.00
Lease Payable	12,504.53

Northeast Nebraska Economic Development District
Statement of Financial Position - Overall
As of 02/28/2010

	<u>Current Period Balance</u>
IRP Loan Note Payable	625,275.77
IRP 2 Loan Note Payable	<u>483,769.49</u>
Total Liabilities	<u>1,472,318.83</u>
Net Assets	
	<u>3,119,845.38</u>
Total Net Assets	<u>3,119,845.38</u>
Total Net Assets and Liabilities	<u><u>4,592,164.21</u></u>

Northeast Nebraska Economic Development District
 Statement of Revenues and Expenditures
 From 02/01/2010 Through 02/28/2010

	Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
Revenues							
Federal Grants-EDA	5,292.00	0.00	(5,292.00)	63,500.00	48,630.00	(14,870.00)	(23.42)%
Donations	42.00	0.00	(42.00)	500.00	0.00	(500.00)	(100.00)%
Dues-Community	13,333.00	0.00	(13,333.00)	160,000.00	163,260.22	3,260.22	2.04%
Dues-Counties	1,063.00	0.00	(1,063.00)	12,750.00	13,635.42	885.42	6.94%
Dues-Associates	1,333.00	0.00	(1,333.00)	16,000.00	13,390.00	(2,610.00)	(16.31)%
Scholarships	17.00	0.00	(17.00)	200.00	0.00	(200.00)	(100.00)%
Meeting Income	125.00	0.00	(125.00)	1,500.00	1,236.05	(263.95)	(17.60)%
NED, Inc. Management	2,500.00	2,500.00	0.00	30,000.00	20,000.00	(10,000.00)	(33.33)%
General Administration Fees	20,083.00	19,814.68	(268.32)	241,000.00	146,150.14	(94,849.86)	(39.36)%
Grant Writing Fees	250.00	0.00	(250.00)	3,000.00	750.00	(2,250.00)	(75.00)%
Down Payment Assistance	0.00	0.00	0.00	0.00	109,394.00	109,394.00	0.00%
Lead Based Paint Inspection	2,500.00	1,212.00	(1,288.00)	30,000.00	12,625.13	(17,374.87)	(57.92)%
Housing Study Revenue	2,917.00	19,000.00	16,083.00	35,000.00	25,000.00	(10,000.00)	(28.57)%
Blight Study Revenue	250.00	0.00	(250.00)	3,000.00	2,965.00	(35.00)	(1.17)%
Housing Administration Fees	20,406.00	14,493.36	(5,912.64)	244,875.00	100,273.34	(144,601.66)	(59.05)%
Comp Plan Revenue	3,333.00	662.50	(2,670.50)	40,000.00	35,119.84	(4,880.16)	(12.20)%
Microenterprise Mng't Revenue	2,500.00	15,500.00	13,000.00	30,000.00	49,000.00	19,000.00	63.33%
Local RLF Contributions	5,000.00	500.00	(4,500.00)	60,000.00	57,100.00	(2,900.00)	(4.83)%
EDA Peer Project Revenue	250.00	7,372.00	7,122.00	3,000.00	12,314.00	9,314.00	310.47%
Loan Closing Revenue	233.00	400.00	167.00	2,800.00	2,169.95	(630.05)	(22.50)%
NPAT Investment Income	417.00	408.96	(8.04)	5,000.00	3,684.71	(1,315.29)	(26.31)%
Business Loan Principal	37,500.00	0.00	(37,500.00)	450,000.00	0.00	(450,000.00)	(100.00)%
Business Loan Interest	15,833.00	13,264.77	(2,568.23)	190,000.00	117,662.86	(72,337.14)	(38.07)%
Business Loan Late Fee	21.00	125.00	104.00	250.00	525.00	275.00	110.00%
Loan Processing Fee	583.00	850.00	267.00	7,000.00	4,270.00	(2,730.00)	(39.00)%
Annual Servicing Fees	833.00	2,308.64	1,475.64	10,000.00	9,363.13	(636.87)	(6.37)%
Developer Costs	0.00	8,511.00	8,511.00	0.00	8,911.00	8,911.00	0.00%
Special Projects	1,417.00	0.00	(1,417.00)	17,000.00	1,172.88	(15,827.12)	(93.10)%
Housing Rehab Principal	2,083.00	0.00	(2,083.00)	25,000.00	0.00	(25,000.00)	(100.00)%
Housing Rehab Interest	100.00	70.59	(29.41)	1,200.00	671.32	(528.68)	(44.06)%
Interest Income	2,083.00	325.49	(1,757.51)	25,000.00	3,511.19	(21,488.81)	(85.96)%
Miscellaneous Income	42.00	0.00	(42.00)	500.00	0.00	(500.00)	(100.00)%
In-Kind Contributions	1,250.00	1,250.00	0.00	15,000.00	10,900.00	(5,000.00)	(33.33)%
Total Revenues	143,589.00	108,568.99	(35,020.01)	1,723,075.00	972,785.18	(750,289.82)	(43.54)%

Northeast Nebraska Economic Development District
 Statement of Revenues and Expenditures
 From 02/01/2010 Through 02/28/2010

	Current Period	Current Period	Current Period	Total Budget	Current Year	Total Budget	Percent Total Budget
	Budget	Actual	Budget Variance		Actual	Variance	\$ Remaining
Expenditures							
Salaries and Wages	52,392.00	47,697.35	4,694.65	628,700.00	396,419.39	232,280.61	36.95%
Fringe Benefits	13,098.00	8,933.70	4,164.30	1,571,175.00	78,960.62	78,214.38	49.76%
Potential Lease Payments	2,500.00	0.00	2,500.00	30,000.00	0.00	30,000.00	100.00%
Rent In-Kind	1,250.00	1,250.00	0.00	15,000.00	10,000.00	5,000.00	33.33%
Telephone	667.00	952.09	(285.09)	8,000.00	7,385.09	614.91	7.69%
Postage	500.00	539.34	(39.34)	6,000.00	3,567.17	2,432.83	40.55%
Office Supplies	833.00	315.14	517.86	10,000.00	5,416.14	4,583.86	45.84%
Training	417.00	70.00	347.00	5,000.00	1,455.00	3,545.00	70.90%
Travel-Board of Directors	42.00	0.00	42.00	500.00	0.00	500.00	100.00%
Travel-Staff	3,333.00	4,748.84	(1,415.84)	40,000.00	36,617.50	3,382.50	8.46%
Photo Expense	17.00	0.00	17.00	200.00	27.60	172.40	86.20%
Printing/Publishing	125.00	0.00	125.00	1,500.00	1,336.00	164.00	10.93%
Copier Expense	417.00	94.89	322.11	5,000.00	2,709.86	2,290.14	45.80%
Donations	2,183.00	5,987.24	(3,804.24)	26,200.00	24,124.71	2,075.29	7.92%
Computer Maintenance/Software	250.00	41.26	208.74	3,000.00	1,440.66	1,559.34	51.98%
Computer Equipment	167.00	0.00	167.00	2,000.00	0.00	2,000.00	100.00%
Electronic Mail	63.00	39.53	23.47	750.00	377.26	372.74	49.70%
Financial Software	375.00	100.00	275.00	4,500.00	4,457.00	43.00	0.96%
Lead Testing Expense	0.00	0.00	0.00	0.00	1,000.00	(1,000.00)	0.00%
EDA Peer Project	417.00	0.00	417.00	5,000.00	9,251.73	(4,251.73)	(85.03)%
Loan Closing Expense	233.00	162.90	70.10	2,800.00	1,932.27	867.73	30.99%
Building Maintenance	250.00	228.75	21.25	3,000.00	2,377.39	622.61	20.75%
Utilities	542.00	547.39	(5.39)	6,500.00	3,433.13	3,066.87	47.18%
Dues/Memberships	417.00	30.00	387.00	5,000.00	916.00	4,084.00	81.68%
Subscriptions/Reference	42.00	0.00	42.00	500.00	232.00	268.00	53.60%
Advertising/Marketing	333.00	417.10	(84.10)	4,000.00	7,211.55	(3,211.55)	(80.29)%
Insurance	708.00	0.00	708.00	8,500.00	4,130.00	4,370.00	51.41%
Business Loan Disbursements	58,333.00	0.00	58,333.00	700,000.00	0.00	700,000.00	100.00%
Legal Services	125.00	854.77	(729.77)	1,500.00	1,097.89	402.11	26.81%
Audit Fees	558.00	0.00	558.00	6,700.00	5,784.00	916.00	13.67%
Other Professional Services	1,100.00	35.00	1,065.00	13,200.00	7,425.00	5,775.00	43.75%
Annual Staff Retreat Expense	42.00	0.00	42.00	500.00	0.00	500.00	100.00%
Depreciation Expense	0.00	760.05	(760.05)	0.00	7,600.47	(7,600.47)	0.00%
Annual Meeting Expense	333.00	0.00	333.00	4,000.00	2,686.90	1,313.10	32.83%
Board Meeting Expense	17.00	0.00	17.00	200.00	0.00	200.00	100.00%

Northeast Nebraska Economic Development District
 Statement of Revenues and Expenditures
 From 02/01/2010 Through 02/28/2010

	Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
USDA IRP Principal Expense	3,500.00	0.00	3,500.00	42,000.00	0.00	42,000.00	100.00%
USDA Interest Expense	1,000.00	0.00	1,000.00	12,000.00	0.00	12,000.00	100.00%
Microenterprise Interest Exp.	1,000.00	916.66	83.34	12,000.00	7,749.93	4,250.07	35.42%
Loans Written Off	1,250.00	0.00	1,250.00	15,000.00	0.00	15,000.00	100.00%
Loans Forgivable Portion	459.00	459.00	0.00	5,508.00	3,672.00	1,836.00	33.33%
Down Payment Assistance	0.00	0.00	0.00	0.00	109,394.00	(109,394.00)	0.00%
Miscellaneous	0.00	(3.50)	3.50	0.00	177.61	(177.61)	0.00%
Total Expenditures	149,288.00	75,177.50	74,110.50	1,791,433.00	750,365.87	1,041,067.13	58.11%
Total Revenues Over (Under) Expenditures	(5,699.00)	33,391.49	39,090.49	(68,358.00)	222,419.31	290,777.31	(425.37)%

NENEDD & NED, Inc Annual Luncheon

NENEDD Board Agenda Material

Item V. A

Object: Update on Annual Luncheon

Contact Person: Tom Higginbotham

For: Discussion

Attachment: None

Background: The annual luncheon is held every year to celebrate both NENEDD and NED, Inc's accomplishments and also to thank its members and supporters.

Update: The 2009-2010 Annual Luncheon will be held on Wednesday, July 28th, 2010 from 11:30 a.m. – 1:30 p.m. The speaker will be Mr. Matthew Chase, NADO Executive Director. The luncheon will be tentatively be held at the Fremont Country Club.

The monthly board meetings are scheduled for Wednesday, July 28th, 2010. The staff would suggest that the board meetings be held immediately after the Annual Luncheon to save time and travel.

Motion: None required.

RLF – Adopt Northeast RLF Guidelines and Procedures

NENEDD Board Agenda Material

Item VI. A

Object: Adopt updated Northeast RLF Guidelines and Procedures

Contact Person: Jeff Christensen

For: Action

Attachment: #2

Project Overview and Description:

Over the years, NENEDD and NED, Inc. have received business loan funds from various sources. Although each program is separate, each application included Guidelines and Procedures that are basically the same. NENEDD staff reviewed these guidelines with the RLF Committee at a face-to-face meeting in January.

Until now, there has not been a separate document that contained the Guidelines and Procedures that could be given to loan applicants. NENEDD staff has put together such a document that contains the Guidelines and Procedures that are currently being used for all RLF activity. NENEDD Staff and the Northeast RLF Committee recommend the adoption of these updated Guidelines and Procedures.

Motion: To approve to adopt the Northeast RLF Guidelines and Procedures as recommended by NENEDD staff and the Northeast RLF Committee.

Northeast Nebraska Economic Development District (NENEDD) and
Northeast Economic Development Inc. (NED, Inc.)
Revolving Loan Fund Program Guidelines and Procedures

PURPOSE

The purpose of the Northeast Revolving Loan Fund (RLF) program is to provide “gap” financing for start-up and existing businesses that cannot obtain sufficient conventional financing or to attract new businesses within the NENEDD/NED, Inc. service area. The RLF loan customer is an entrepreneur who is unable to access 100% of the needed financing from a financial institution due to failure to meet credit requirements.

Without the assistance of the RLF program, this customer would not be able to start or expand their business. They need assistance in obtaining capital for projects that would otherwise not be possible with only bank financing.

By stopping the “leakage” of dollars from leaving the region, we can encourage and promote entrepreneurship and new business development. This can then help the redevelopment of vacant or blighted buildings and land in the area.

COUNTIES NENEDD AND NED, INC. COVER

The RLF program covers 26 counties in northeast Nebraska. Each loan fund has its own targeted territory that the loans can be used in. With one loan fund or another we cover all 26 of these counties listed below:

Antelope, Boone, Boyd, Brown, Burt, Butler, Cedar, Cherry, Colfax, Cuming, Dakota, Dixon, Dodge, Rural Douglas, Holt, Keya Paha, Knox, Madison, Nance, Pierce, Platte, Rock, Stanton, Thurston, Washington and Wayne.

SOURCE OF LOAN FUNDS

- Economic Development Administration (EDA)
- United States Department of Agriculture (USDA)
- Housing and Urban Development (HUD)
- Nebraska Enterprise Fund (NEF)
- Community Development Block Grant (CDBG) from the Nebraska Department of Economic Development (DED) Regional
- Community loan funds

1.0 APPLICANT ELIGIBILITY

1.1 ELIGIBLE BUSINESSES

- Manufacturing assembling, fabricating or processing of tangible personal property
- Storing, warehousing, distributing, transporting, or selling of tangible personal property

- Microloans under \$35,000 can be done without bank participation
- At least 51% of the jobs created or retained must benefit persons of low to moderate income
- Loans typically range from \$5,000 to \$100,000 maximum

In addition to the required selection criterion that financing is not otherwise available, NENEDD/NED, Inc. will primarily consider the number of jobs created or retained, the fixed assets of the project, the amount of private leveraging and the potential benefits to existing business and industry.

3.0 ORGANIZATIONAL STRUCTURE

3.1 RLF Committee

The RLF Committee is the review committee for all business loans for both NENEDD and NED, Inc. They will review and make a loan recommendation of approval or denial to the Board of Directors. The RLF Committee will also recommend changes in the policies and procedures of the RLF to the Board of Directors. This nine-member RLF Committee consists of three lenders, three business owners (one each from manufacturing, service and retail), one economic developer, one city administrator and one small business consultant. These nine also represent the region geographically. This is a three year term commitment.

The RLF Committee meets on an “as needed” basis, but typically the monthly meetings are held on the Monday before the last Wednesday of the month. All documents must be submitted to the business loan specialist a week prior to the RLF Committee meeting. The committee may conduct its review during a meeting, by mail, e-mail, or through the use of a telephone conference call. A quorum of five of the nine RLF Committee members is required to make a recommendation. A simple majority of those attending the meeting or providing an e-mail/mail of their vote is needed to make a recommendation. A loan will not be approved without at least one of the three lender’s approval. The Business Loan Specialists will present loan applications to the Board of Directors at the Directors’ monthly meetings.

NENEDD staff will administer the RLF. The business loan specialists will be Certified Economic Development Finance Professionals. Staff will be responsible for marketing the RLF, meeting with potential applicants, processing loan applications, closing and disbursing loans, servicing loans and all administrative procedures required. Staff will monitor the portfolio standards and performance and prepare reports as directed by the Board of Directors and the Program Funders.

3.2 The RLF Committee will receive a loan summary packet that includes:

- Summary
- Proforma – projection of cash flow for the business

recommendation will be forwarded to the Board of Directors for final approval/denial. After approval or denial by the Board of Directors, staff will immediately notify the applicant of the decision in writing.

4.2 Loan Closing Documents

General closing requirements will include documentation that equity requirements have been met and that private lender financing has been secured. Prior to loan closing the borrower must provide NENEDD staff if applicable:

- Proof of hazard insurance
- Proof of flood insurance
- Schedule of collateral
- Equipment, inventory and contractor invoices
- Life Insurance or any other insurance required by the Board of Directors

Standard loan closing documents will include

- Acceptance/Rejection Letter
- Promissory Note
- Authorization and Loan Agreement
- Security Agreement
- Deed of Trust
- Financing Statement
- Personal Guaranty
- Automated Clearing House (ACH) Form
- Title/Lien Search

5.0 LOAN SERVICING PROCEDURES

5.1 Loan Payments

Staff will monitor each loan by requiring annual financial statements, annual insurance renewals, conducting regular site visits to the borrowers, continuing UCC'S, job creation/retention reports and other reports that are specific to each loan.

5.2 Late Payments

In the event of a late payment or loans over 90 days in arrears, staff and/or legal council will attempt to establish a workout arrangement with the borrower. Every effort will be made to assist the borrower but protect the RLF as well. All action taken on any given loan will be documented in the regular reports to the Board of Directors.

If payment is not honored from the bank, staff documents contact with the client (either by phone or letter) – notifying client of NSF charge and payment must be sent to the office by the 10th to avoid a late payment fee of \$25.00. If the bank financing is also involved, the bank is contacted to verify if their payments are in jeopardy, too.

loan package for a loan. If staff feels that NENEDD/NED, Inc. is not able to provide financial assistance, the processing fee will not be collected. Once a loan has been reviewed by the RLF Committee and the loan is denied, NENEDD/NED, Inc. reserves the right to refund a portion of the fee if it exceeds the costs of actual incurred costs of the loan packaging.

7.2 Servicing Fee

In addition to the above and foregoing fee, the client further agrees to pay to an annual servicing fee of one-half percent (1/2%) of the declining loan balance on the Note, which shall be paid on an annual basis for the term of the loan to be issued by NENEDD/NED, Inc. pursuant to the terms and provisions of the loan.

7.3 Closing Fees

In addition to the above and foregoing fees, the client agrees to a set closing fee. This fee covers all costs of closing the loan, and all related transactions, including, but not limited to, all costs of title insurance, abstracting, recording fees, survey costs, inspections, environmental assessment, and legal fees. It is estimated that the average loan closing fees will be \$200.00, but individual loans may vary, depending upon the complexity of the transactions, and the circumstances that develop in connection with the application of the loan.

7.4 Prepayment Penalty

Business loans contain a prepayment penalty of 10% on the outstanding balance if prepayment occurs before two years of the loan closing date.

7.5 Automatic Payments

Loan recipients, who are to make payments, are required to use the Automated Clearing House (ACH) method for monthly loan installments. Recipients are required to fill out and submit an ACH form thus authorizing this payment method. Payments will start on the 1st of the month, as indicated in the loan closing documents. The annual service fee will be automatically withdrawn from the client's bank account electronically on the anniversary date of the loan.

8.0 ADMINISTRATIVE PROCEDURES

A separate file will be maintained for each loan applicant and borrower. Each file will contain all documents and correspondence and are kept in a fireproof filing cabinet. The file will include all application documents, loan documents, insurance forms, general correspondence, financial statements, site visit reports and job creation/retention reports.

NENEDD/NED, Inc. shall maintain and keep all applications as well as all other required documents, records and other evidence in conformance with the close out requirements.

These guidelines are hereby approved by action of the Board of Directors of the
Northeast Nebraska Economic Development District (NENEDD) this _____ day of
_____.

Jeffrey Scherer, Chairman
NENEDD

These guidelines are hereby approved by action of the Board of Directors of the
Northeast Economic Development, Inc. (NED, Inc.) this _____ day of
_____.

Gaylord Wilcox, President
NED, Inc.

RLF – Appoint Northeast RLF Committee Member
NENEDD Board Agenda Material

Item VI. B

Object: Appoint Annette Junck to replace Kevin Wilkins on the Northeast RLF Committee

Contact Person: Jeff Christensen

For: Action

Attachment: None

Explanation

Due to Kevin Wilkins' resigning his position as Executive Director of the Greater Fremont Development Council, a notice was sent out requesting those interested in filling this position to contact NENEDD's Executive Director. There were nine individuals that responded. NENEDD staff and the Northeast RLF Committee are recommending that Annette Junck be appointed to replace Mr. Wilkins for the remainder of his term that goes until the end of June, 2012.

Annette has been the Economic Development Coordinator for the City of Laurel for the past 11 years. In addition to attending Nettleton Business College and Northeast Community College, Annette has also completed the BREI Course, Entrepreneur Coaching Training, One Page Business Plan Training, Nebraska Advantage Training, Grant writing course, Lockwood Greene Training, and the Heartland Basic Economic Development Institute Course.

She has been a member and participant in the Nebraska Economic Developers Association (NEDA) since becoming Laurel's Economic Development Coordinator. She is a member of the Nebraska Development Network - Northeast Region for the past 11 years; chairperson for one year; Board member of the Laurel Chamber Community Club and Providence Medical Center in Wayne; member of the State Chamber; committee member with the "Making Money Camp" for two years; and co-planner of the Northeast Nebraska Economic Development Summit when it was located in Wayne.

I have known Annette since I started with NENEDD over 10 years ago. She does a great job for the Laurel community and northeast Nebraska as a whole.

Motion: To approve the appointment of Annette Junck to the RLF Committee as recommended by NENEDD staff and the Northeast RLF Committee.

RLF – Loan Approval for Riverside Auto Body, LLC – South Yankton NE

NENEDD Board Agenda Material

Item VI. C

Object: Approve loan for Riverside Auto Body, LLC – Tim & Shelia Steiner

Contact Person: Holly Quinn

For: Action

Attachment: None

Project Overview and Description:

Tim & his wife, Sheila, have purchased the Riverside Auto Body, Inc. business in South Yankton NE. They own two companies called Steiner Real Estate, LLC and Riverside Auto Body, LLC (previously Riverside Auto Body Inc.). Steiner Real Estate, LLC purchased the building and land and Riverside Auto Body, LLC has purchased the business. Since the business is going to be run by Riverside Auto Body Inc., they are the ones asking for the loan. Tim and Shelia have been running the business since August 2009. Since then, they have changed the way things are operating, such as going “green”. Tim has implemented the changes to become more environmentally friendly. This gives them an edge over competition because the work is of better quality. The paint matches more accurately. Tim says there are only a handful of body shops that have this “green” technology and those are in bigger cities.

Tim and Shelia have already purchased the business and they are in need of some gap financing. CorTrust Bank in Yankton and NEDCO has already provided them a loan. Back in August, when the business was originally being sold, the bank and NEDCO agreed to loan the total project cost (1.7M). The loan then had to be restructured when the appraisal came back. The building for the body shop, a building for storage units, a building for a duplex, land, equipment, furniture, fixtures and working capital are all included in the project cost.

The total project cost is still 1.7M. This includes \$1,175,000 for the building, \$100,000 for the equipment and machinery and \$425,000 for intangible assets. Tim and Shelia Steiner have injected \$319,741 into the project. CorTrust Bank is lending \$640,538 and NEDCO is lending \$454,360. The bank also is making a separate loan for \$185,361 and NENEDD is being asked to participate for \$100,000. There are 3 jobs that are being retained and 2 fulltime positions being created. They plan on hiring 2 more fulltime positions in the next 18 months. Shelia will be keeping her fulltime job at Edward Jones until they feel they are ready for them to both have fulltime jobs at the body shop.

Sources and Uses:

Source	Bank	NEDCO	NENEDD	Equity	Total
Real Estate	\$640,538	\$454,360	-0-	\$80,102	\$1,175,000
Working Capital	\$135,361	-0-	\$50,000	\$239,639	\$425,000
Furniture, Fixtures, Equipment, Inventory	\$50,000	-0-	\$50,000	-0-	\$100,000
Total	\$825,899	\$454,360	\$100,000	\$319,741	\$1,700,000

Proposed Loan Package and Related Collateral:

The RLF Committee recommends a loan to Riverside Auto Body, LLC. for \$100,000. This will be for the purchase of furniture, fixtures and equipment and for working capital. CorTrust Bank in Yankton SD will be lending a total of \$1,011,260. \$640,538 for 20 years at an interest rate of 6% for the first 5 years and then the rate will vary annually at 0% over CorTrust Bank’s reference lending rate and \$185,361 at 6% for 10 years. NEDCO is lending \$454,360 at 20 years 5.5%. They will have a second security interest on all business property including real estate. NENEDD’s loan will have a term of 15 years at an interest rate of 6% (fixed). NENEDD will have a subordinate security interest on all business

property including real estate to CorTrust Bank and NEDCO. NENEDD will also file a Deed of Trust on Tim and Shelia Steiner's personal residence in Yankton, SD. NENEDD will require a personal guaranty from Tim & Shelia Steiner and a corporate guaranty from Steiner Real Estate, LLC. NENEDD will also require life insurance on Tim & Shelia Steiner.

Motion: To approve the loan application for Riverside Auto Body, LLC. as presented and recommended by the Northeast RLF Board.

City of Columbus Down Payment Assistance Client #100407

NENEDD Board Agenda Materials

Item IV. D

Object: Recommendation to approve DPA Applicant contingent on repairs being made prior to closing and contingent on Grant #08-TFHP-5005 Budget Amendment approval by DED. The client is looking at a closing date of mid to late April.

Contact Person: Judy Joy

For: Action

Attachment: None

Background: Property Location: Columbus, NE
Appraised Value - \$116,000
30 year Conventional – Interest Rate - 5.00%
Credit Score – 767 Excellent

Explanation: Recommendation for approval is based on the following information. The initial inspection has been completed. The staff recommendation is for approval contingent on all repairs being completed before closing and on Budget Amendment for the grant being approved by Department of Economic Development.

▪ Purchase Price	\$ 116,000.00
▪ Primary Lender and NED Inc. Closing Costs	\$ 3,931.98
▪ Subtotal	\$ 119,931.98
▪ Down Payment required by homeowner	\$ 2,031.98
▪ Maximum Bank Loan	\$ 92,800.00
▪ City of Columbus Down Payment Assistance	\$ 20,000.00
▪ Other Subordinate Financing (FHLB/Seller Payment for Closing Costs)	\$ 5,100.00
▪ Estimated Loan to Value Ratio	80%
▪ Monthly Gross Income	\$ 3,447.55
▪ Monthly Housing Expense (Includes Taxes & Insurance)	\$ 656.51
▪ Housing Debt to Income Ratio (Maximum Ratio 25%-28%)	19.04%
• Automobile Payment	\$ 0.00
• Credit Cards	0.00
• Other Debt	38.00
Housing Expense Plus Other Debt	\$ 694.51
• Total Debt to Income Ratio (Maximum Ratio 33% - 40%)	20.15%

Motion: To approve City of Columbus Down Payment Assistance Client #100407 for the amount of \$20,000 contingent upon on all repairs being completed before closing and contingent on Budget Amendment for the grant being approved by Department of Economic Development.