

# PRAIRIE DEVELOPMENT CORPORATION

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## COLORADO'S CENTRAL PLAINS



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### PRAIRIE DEVELOPMENT CORPORATION BOARD MEETING MINUTES October 28, 2015

#### **Call to Order**

Vice Chairman Rarick called to order the October 28, 2015, meeting of the Prairie Development Corporation at 7:09 PM held at Hub City Senior Center, 220 E Avenue in Limon, CO. Members participating were: Jerry Allen, Steve Burgess, Rol Hudler, Ed Rarick, Robert Safranek, and Dorothy Stone. Maryjo Downey, PDC Administrator and Candace Payne, Special Projects Director, also attended. Robert Rowland, Dana Siekman and Marilyn Ward were unable to attend. Guests included: Joe Kiely for Town of Limon; Larry Ross, Elbert County Commissioner; and John Hill of the Ranchland News.

#### **Introductions**

Introductions were made of board members and guests.

#### **Foreign Trade Zone Presentation – Joe Kiely**

A presentation on the newly created Limon Foreign Trade Zone was made by Assistant Town Manager, Joe Kiely. Kiely stated that Limon and the surrounding area recently received designation as a Foreign Trade Zone by the U.S. Department of Commerce. The zone means that Limon and surrounding counties can offer incentives to both large and small businesses by allowing manufacturing companies to defer, reduce, or eliminate tariffs on the parts and supplies they import until the final products are sold in the U.S. market. And if the products are exported, the manufacturer won't pay the tariff at all. Limon's Zone includes Adams and Arapahoe counties and portions of Morgan, Lincoln and Elbert Counties. Joe has created an online guidebook to assist interest parties through the application process. The guidebook can be found at <http://www.townoflimon.com/index.php/economic-development/foreign-trade-zone-no-293/limon-ftz-guidebook>. Though Kit Carson and Cheyenne counties are outside the FTZ due to mileage/time constraints from DIA, areas within either or both of those counties could apply as sub-zones should a viable company be interested in locating there. The Board and guests thanked Joe for his presentation and his time and commitment in applying for the FTZ designation.

(At 8:10PM Joe Kiely and Larry Ross exited the meeting)

#### **Approval of Minutes of June 24, 2015**

The Minutes of the meeting of June 24, 2015 were presented for approval. Vice Chairman Rarick asked for additions or corrections to the Minutes. Candace stated a correction to the COG rent amount on page 2 should be changed to \$1,060 per month. Hearing no other correction or additions, Vice Chairman Rarick declared the Minutes were approved as corrected.

#### **Financial Report**

The financial reports for the months of June, July, August and September were distributed at the meeting. After reviewing the checks and the account balances, Jerry Allen made a motion to ratify the bills and approve the financial reports for filing. Rol Hudler seconded the motion, which passed unanimously.

#### **2014 Audit Presentation**

A motion was made by Dorothy Stone and seconded by Steve Burgess to approve the 2014 Audit Journal Entries presented since the June meeting. Motion passed unanimously.

#### **Business Loan Recommendations**

There were no loan applications to approve at this time. The borrowers are paying as agreed.

#### **Housing Recommendations**

There were no loan applications to approve at this time. Only loans exceeding \$25,000 must come before the Board as all lower amounts are approved by staff and ratified by the Board in the Loan Committee meeting.

### **CDBG Housing Program Income and HOME Program Income Discussion**

Jo explained that the HOME project income account balance and the needed portion of the CDBG project income balance to bring the total of the two funds to \$240,000 are still being considered for the Stratton Harvest Heights project as the Kit Carson project has determined that they cannot use the CDBG funds due to the “forever Fed” restrictions. The Stratton Harvest Heights project continues to move forward with final bids, an environmental assessment, and other preliminary work. Construction would not begin until spring 2016.

### **SBDC Counseling Update**

Candace Payne reported a restaurant expert Ken King has been temporarily added to the Greeley staff pending approval and funding. Candace and Ken met recently with an area restaurant to lend Ken’s expertise to the operation. The advice and direction to the business owner were delivered well and useful to the client who was appreciative of the suggestions. If Ken receives more requests for assistance, Dick Pickett plans to add him to the SBDC staff in January 2016. *Strategies for Success* was held at Island Grove near Greeley on Oct. 21<sup>st</sup>. However due to low attendance, a new event will be explored by the Greeley staff.

### **Drought Impacted Business and Agri-Business Entrepreneur Loan Programs**

There are 33 loans carrying a balance of \$215,845. There are no new applications for DIB. As recovery from the 2011-2012 droughts has improved, it was decided by the loan committee to suspend the DIB program for now and carry on with ABE.

### **Future Potential Loan Activity**

Jo explained that a new rack card needed to market the PDC loan programs directly to businesses is needed. Hearing no objections from the Board, she and Candace will work on that for distribution in early 2016. The promotional piece will also be used in conjunction with oral presentations by PDC staff to chambers, business and economic development groups.

It was reported that Candace and Jo will be working on written guidelines for a new loan program as directed by the Loan Committee earlier today. The overall goal would be to assist existing businesses in getting to the next level to help assure their continued operation within the four-county region. General parameters: An existing business with credit score near 650 or higher may be eligible to borrow up to \$20,000 in PDC Revolved funds unsecured to purchase inventory, furniture and fixtures, update their building’s interior or exterior, and could also possibly be used for signage and technical assistance. The term will be determined by the use of funds not to surpass past 5 years. The interest rate may be as low as 3.25% and as high as 5.00% with counseling or training as a requirement, if deemed necessary. Jo and Candace will draft the guidelines for this loan program and share it with the board when ready in November.

### **Regional Economic Development Update**

Copies of the text and graphics for two new Enterprise Zone educational pieces were distributed. The one brochure will be a two-sided rack card outlining the continuing need to pre-certify potential Enterprise Zone tax credits and depicting the new boundaries as of January 1, 2016. Five thousand of these will be printed. The other piece is a bi-fold brochure outlining the contribution project process and again depicting the new boundaries for the Enterprise Zone as of January 1. Twenty-five hundred of these will be printed and distributed among the 19 current contribution projects.

Downey said that she was planning on having a joint meeting with the current representatives of the various contribution projects to go over how the process works and to emphasize the importance of each project actively seeking contributions. Contact persons for the projects continue to change and the reason why some projects originally requested the designation by ECCOG and the state is not necessarily understood or clear to the new staff/contacts at the various locations. Jo said that all of the ECCOG projects had submitted the necessary re-certification information to OEDIT. The State Economic Development Commission will act on the requests at their December meeting.

The new Enterprise Zone boundaries have now been mapped. Dorothy requested the road names be added to the map to better determine what areas are outside the EZ for Elbert County. Jo will work with the mapping department in Elbert County to revise/detail that map. Jerry Allen asked questions regarding the inclusion of the town of Kit Carson as of 1-1-16. Though an area running south and north outside of the town will no longer be in the zone, all of the incorporated area within Kit Carson remains in the East Central Zone.

Those present were briefly updated on the overall results of the 2015 Our Journey marketing program. A summary report from consultant Danielle Dascalos had been previously emailed. Jo Downey said that the Cooper-Clark Foundation had granted the Prairie Development Corporation \$5,000 to assist with re-making the Off the Beaten Trail site signs. All signs have been delivered and the local communities/counties will be installing them in the coming weeks. Though Danielle's seasonal contract is completed for 2015, she has volunteered to try and obtain media coverage for a special dedication on Pearl Harbor Day at the VFW in Hugo. With assistance from Senator Bennett, an artifact from the USS Arizona has been given to the Joe Will Post in Hugo. Joe Will died on the USS Arizona on December 7, 1947 and his remains are still entombed on the sunken carrier.

**Next Meeting Date/Location**

Our next meeting was scheduled for December 2, 2015 in Stratton at the Claremont Inn.

**Other**

No other business came before the board.

**Adjournment**

Vice Chairman Rarick adjourned the meeting at 8:50 PM.