

# PRAIRIE DEVELOPMENT CORPORATION

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## COLORADO'S CENTRAL PLAINS



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### PRAIRIE DEVELOPMENT CORPORATION BOARD MEETING MINUTES February 18, 2015

#### **Call to Order**

Chairman Siekman called to order the February 18, 2015, meeting of the Prairie Development Corporation at 7:00 PM held at High Plains Bank in Flagler. Members participating were: Jerry Allen, Steve Burgess, Rol Hudler, Ed Rarick, Robert Safranek, Dana Siekman, and Marilyn Ward. Maryjo Downey, PDC Administrator and Candace Payne, Special Projects Director, also attended. Robert Rowland and Dorothy Stone were unable to attend. Jo Downey stated that all four counties had reappointed their existing representatives to another two-year term and that ECCOG had appointed Siekman as the member-at-large to another two-year term.

#### **Introductions**

As introductions were made during the loan committee meeting, there were no further introductions needed.

#### **Election of Officers for 2015**

Chairman Siekman called for nomination of officers for the Prairie Development Corporation for 2015-2016. Dana Siekman received the nomination for chairman, Ed Rarick received the vice-chairman nomination, and Jerry Allen received the secretary/treasurer nomination. Rol Hudler made the motion to cease nominations and cast a ballot for this slate of officers. Marilyn Ward seconded the motion. Motion passed unanimously.

#### **Approval of Minutes of November 19, 2014**

The Minutes of the meetings of November 19, 2014, were presented for approval. Ed Rarick made a motion to approve the Minutes. Rol Hudler seconded the motion, which passed unanimously.

#### **Financial Reports**

The financial reports for the months of November and December 2014 were distributed at the meeting. Jo explained that PDC's bookkeeper was setting up the new program so January's reports would be provided at the next meeting. After reviewing the checks and the account balances, a motion was made by Jerry Allen to ratify the bills and approve the financial reports for filing. Robert Safranek seconded the motion, which passed unanimously.

#### **Business Loan Recommendations**

Candace presented the loan request previously approved by the Loan Committee for \$400,000 for a service industry applicant with the terms of: 4.25% fixed interest with a 20-year amortization and 10-year balloon payment carrying a one percent origination fee. Collateral will be real estate and UCC filings on FF&E, inventory, accounts, etc. The business will create 21 fulltime jobs in the first year with 51% offered or filled by low-to-moderate income qualified people. PDC will be monitoring the job creation at least for a year and possible two. Steve Burgess made a motion to ratify the Loan Committee's recommendation as presented. Rol Hudler seconded the motion. Motion passed unanimously.

#### **Housing Recommendations**

There were no housing loan requests above \$25,000 to approve above. Loans below that amount are reviewed and approved or disapproved by staff and do not need formal Board approval. Such loans are discussed in Loan Committee and affirmed by those committee members present.

## **CDBG 2014 Grant Amendment #2**

Jo reported that OEDIT Business Loan Program Manager, Bob Todd completed close out processes on the older CDBG contracts last week. On the current contract, an amendment was approved by OEDIT to add \$250,000 in loan funds to Lincoln County's contract and an additional \$45,000 for BLF administration. PDC will have expended \$400,000 when the recently approved loan is closed using Revolved funds which will be replenished with CDBG funds when they are received. That will leave PDC with \$150,000 in open grant CDBG funds. Jo will prepare the draw down papers next week.

## **SBDC Counseling Update**

Candace Payne reported the Greeley SBDC office continues efforts to establish the Biz Hub which will be a business incubator. Community college students from MCC, NJC, and OJC will not have to pay to use the Biz Hub services so Candace asked everyone to direct interested people to Craig Curl, Lisa Nolder, or her to get them started. Candace has a client away at training so counseling is being done electronically. There was nothing to share on Craig or Lisa's activities. Candace mentioned one SBDC office held a hiring game like the old TV show "The Dating Game" which seemed to entertain and bring awareness to stereotyping applicants. Another activity held was similar to "Shark Tank" to help entrepreneurs find funders for their ideas.

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

To date, PDC has loaned \$401,590 through the DIB loan program with 32 borrowers. All four counties have loans in the program. There had been some interest in DIB loans but none currently in ABE. Efforts will be initiated this spring again by Candace to expand those two loan programs.

## **Future Potential Loan Activity**

Candace reported a call was received about a manufacturing business in Elbert County. Another call came in regarding a purchase of a restaurant and motel but the following day the party called to say the purchase price was too expensive and thus they were no longer interested. Jo shared she had a call today for another potential manufacturing firm in Elbert county.

## **Regional Economic Development Update...CEDS, Enterprise Zone, Summer Tourism, etc.**

Jo reported requests for the 2015 Events Guide have been sent out. A major emphasis will again be placed on conveying that the attractions in Colorado's Central Plains are not that far away and in promoting special events...both large and small. Danielle Dascalos will also assist as in years past with obtaining Front Range media coverage on special exhibits, events, etc. The Our Journey web site has undergone significant updating during the past year.

A summary of the Enterprise Zone Tax credits certified by ECCOG during 2014 was distributed to all in attendance. Jo Downey explained there were 336 businesses/farms/ranches within the ECCOG service area (Elbert, Lincoln, Kit Carson and Cheyenne Counties) certified in 2014 with total state income tax credits of \$1,507,714. During 2014, ECCOG also certified 42 contributions totaling \$59,050 to 15 of the 19 contribution projects designated by ECCOG and the State Economic Development Commission. Total credits were 25% of this amount. A copy of the certification summaries is attached to this official file copy of these minutes.

Jo Downey led discussion on the need for ECCOG to submit a full application to the State of Colorado asking that the ECCOG service area continue as an Enterprise Zone. She stated that the East Central Enterprise Zone was one of the first six zones designated by the State in 1986. Since that time additional legislation has increased the total number of zones in the State to 16. Because of that cap, ECCOG later added the six counties in Northeast Colorado to its official zone boundaries but the actual enterprise zone program administration for those six counties is undertaken by the Northeast Colorado Association of Local Governments. Legislation passed in 2010 makes it mandatory that the sixteen zones must apply to be re-designated in 2015 with any new boundaries becoming effective January 1, 2016. In order to be considered for Enterprise Zone status, an area must meet at least one of the three distress criteria defined in statute: 1) Per Capita Income: Less than 75% of the State average for the most recent period, OR 2) Unemployment Rate: More than 25% over the State average during the most recent 12 month period, OR 3) Population Growth Rate: Less than 25% for the most recent five year period. At this time, it appears that all of Lincoln and Kit Carson County meet the population growth criteria. Most of Cheyenne County meets the population growth criteria but there is a "mid-section" of the county that does not. However, Downey said that ECCOG has requested and been granted permission to use the 2014 data as one of the last of the five years rather than the 2013 data currently used by the State...(2014 will be available within the next few weeks). This should then result in all of Cheyenne County being eligible to apply. It appears that most of Elbert County will be eligible....part population, part unemployment and part per capita income. The boundaries will have to be drawn as low as census tracts or even "census places".

Jo updated the Board on the status of the Regional Broadband Planning Project. Jo stated Patricia White was appointed as the broadband committee chairperson and approval was received to allow ECCOG Chairman Bogenhagen to sign the ECCOG contract with Mid-State Consultants. A most successful kick-off meeting was held January 23 and potential Steering Committee members volunteered at that initial meeting. Jo and Candace will serve as support staff to this effort.

Jo Downey outlined the status of the development of the new Comprehensive Economic Development Strategy for the four-county region and the involvement of the Department of Local Affairs Technical Assistance Program in helping with data research and development. The initial vision and goals for the plan have been approved by the CEDS/Blueprint Committee. Jo discussed the importance of developing a list current (in process) and proposed economic and community development projects to submit as part of the plan. Having a potential project listed in an adopted region economic development plan will increase the priority of that project to various funding sources. A memo asking for projects along with an electronic spread sheet to list the projects will be sent to each town and county within the next thirty days. This same mailing will also go to the COG and PDC Boards, etc. COG staff will also schedule an “in-person” meeting with each Town/City Council and each County Commission to discuss projects and the overall CEDS. Meetings will begin in early April.

**Next Meeting Date/Location**

Our next meeting was scheduled for April 22, 2015, as a teleconference at 7 PM. The June 24<sup>th</sup> meeting will be in person at a place to be determined.

**Other**

No other business was brought forth.

**Adjournment**

There being no other business to come before the Board, Chairman Siekman adjourned the meeting at 7:31 PM.