

PRAIRIE DEVELOPMENT CORPORATION

COLORADO'S CENTRAL PLAINS



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PRAIRIE DEVELOPMENT CORPORATION BOARD MEETING MINUTES August 24, 2011

Call to Order

Vice Chairman Rarick called the Prairie Development Corporation board meeting to order at 7:15 p.m. at High Plains Bank in Flagler, CO. Members in attendance were: Jerry Allen, Craig Curl, Rol Hudler, Ed Rarick, Robert Safranek, Myron Sams and Dorothy Stone. Other attendees included Maryjo Downey, PDC Administrator; Candace Payne, Special Projects Director. Chairman Dana Siekman was absent.

Minutes

Minutes of the meeting held May 25, 2011, were presented for approval. After review, a motion for approval was made by Myron Sams and seconded by Jerry Allen. The motion passed unanimously.

Financial Report

The Board reviewed a list of bills for July totaling \$10,408.23 along with the financial reports for July. Jerry Allen made a motion to accept the reports for filing and ratify the bills paid. Myron Sams seconded the motion, which passed.

Business Loan Recommendations

There was one new loan request since the meeting held on May 25th. The Loan Committee had met earlier in the day and recommended approval of a \$100,000 loan to a business that will locate in Kit Carson County. Rol Hudler made a motion to approve the \$100,000 loan in Kit Carson County for 10 years at 5.25% fixed (WSJP plus 2%), personal guarantees, life insurance with PDC as loss payee, documented collateral as discussed in committee and a 1% origination fee. Myron Sams seconded the motion and it passed unanimously.

Housing Recommendations

There were three loans presented for affirmation during the earlier Loan Committee meeting. Jo reminded the board that no vote was needed by the full Board as each was below \$25,000.

2011 CTO Marketing Grant/Our Journey & OBT Updates

ECCOG was awarded \$8500 from the Colorado Tourism Office for Regional Tourism Marketing in 2011 which required 50% match or \$8,500. A portion of this match comes from the PDC operating fund and input for the marketing and Our Journey come from both the PDC and ECCOG Boards. Jo Downey reported over 900 "kits" had been mailed out this summer promoting the Our Journey museums and Off the Beaten Trail sites. ECCOG "tracks" museum attendance through Labor Day weekend which is coming next week. The cross-over museum brochure distribution was greatly improved this year as Candace made various different rounds of delivery while she was in each of the four counties on loan or consulting business. The CTO grant funds and match were targeted for web banner ads and public relations. Danielle Dascalos again provided great public relations services and the area was featured on both Colorado & Company and Colorado Getaways. A full public relations report had been previously emailed to the Board. The web banner ads did not elicit as much response as anticipated so this method of advertising will not be used again in the near future. The museum near Simla (Saddleland) was new this year and its uniqueness helped generate not only good publicity for that museum but for the entire Our Journey program as well. Don Bailey, one of the Saddleland owners, appeared recently on Colorado & Company. One issue the area has in promoting the

museums as a “circle tour” continues to be the coordination of opening times for visitors. Some museums are open on the weekends while others are open only during the week.

The Our Journey website has a fresh look coming for 2012. An email will be sent out when it’s up and ready.

2011 EZ Marketing Grant

Jo reported this grant must be fully expended by the end of December. Terry Blevins will be producing a DVD promoting the existence of the East Central Enterprise Zone, the various state income tax-credits available and the pre-certification requirement that is mandated legislatively effective January 1, 2012. Copies of the DVD will be distributed to chambers of commerce, ED organizations and to tax preparers doing business within the region. ECCOG will also be purchasing “box” ads in November in at least one weekly paper in each county to convey the Enterprise Zone information and changes to the public and businesses within the region served by the East Central Enterprise Zone (Elbert, Lincoln, Kit Carson and Cheyenne Counties). The DVD and the ads will be paid for by the EZ marketing grant. 10,000 Rack Cards with similar EZ (but briefer) will also be produced and charged to the grant.

Jo handed out the “Doing Business” brochure (the principal economic development marketing piece for the region) and asked each person to review the four county inserts for corrections or improvements and return the information to Jo. The information in the county inserts is outdated and new photos are needed. Brian Hawkins will do the layout and design of each of the inserts (the regional brochure will not be changed). 2000 of each insert will be printed with 1000 of each being given to each county for its individual uses. Craig Curl offered to speak to local photographer, Jeff Struthers, on photos of Elbert/Lincoln Counties’ wind farm at dusk. Demographic update research will be done by Jo and Candace on this project. The 2011 EZ Marketing grant will be used for these efforts.

Limon House Status

Candace Payne reported the two PDC owned houses in Limon are still for sale and interest has been weak. Both are income restricted and must be purchased by an individual or family that meets the low-to-moderate income guidelines and will actually live in the house. Jo mentioned the flyers get stocked in the racks on the signs and then disappear rapidly. The Board recommended hosting an open house event for each location. Jo and Candace may work on this event with or without the agent.

Home Sweet Prairies

The site www.homesweetprairies.com has been launched. More realtors are needed in order to actively market it to a broad based audience. Danielle Dascalos will be assisting in promoting the site to additional in-region realtors and then in promoting it. The general purpose of the site is to convey that the four counties have “affordable” housing available for home based businesses or retirees and to continue to build on the concept that Colorado’s Central Plains are a great place to live. Those present were asked to encourage realtors in their area to become involved with the Home Sweet Prairies promotional efforts.

Prairie “Real Estate” Update

Jo reported that the Home Agency has rented the apartment recently vacated. The arrangement is working well for both PDC and the renter. Rent charges are \$550 for the 3 bedroom apartment and \$450 for the 2 bedroom. These rents include gas and electricity (up to \$200/month) water and sewer and trash.

CDBG Loan Funds Contract Extension/Addition/2012 Application

The current Business Loan Program CDBG grant contract expires on January 31, 2012. It cannot be closed out until each of the businesses that was loaned funds from that grant have created or retained the jobs that each respective business committed to. Jo said that it could take beyond the grant period for all of the job creation to take place and the loans would have to continue to be monitored according to CDBG regulations until that condition was met.

The Lincoln County Commissioners received an amendment to their existing CDBG fund contract adding \$300,000 in additional loan capital and an additional \$20,000 for administration. Lincoln County subcontracts the administration of the grant to PDC and ECCOG for use in all four counties. The origin of funds is through a Community Development Block Grant from HUD to the Governor’s Office of Economic Development and International Trade (OEDIT). Jo asked for assistance in encouraging loan applications from businesses that might be able to use these funds within the guidelines set forth by HUD. After PDC provides the \$100,000 in assistance to the Kit Carson County business application approved by committee earlier tonight, there will remain a balance of approximately

\$215,000 that must be not only obligated but the loan(s) closed by January 31, 2012. Any funds not loaned by that time will be de-obligated by the State. Funds do not actually flow to PDC until the loan is made and closed.

Jo has begun work on the 2012 CDBG application that Lincoln County Commissioners have again agreed to sponsor for the four counties served by PDC.

Stratton Office Repairs/Sewer Pipe

Jo reported sewer problems seem to be resolved with the new line from the clean out east to the building done in July. Today the Stratton office had the back driveway scraped and rocked to improve drainage to the alley. Jo has not heard back on the bills presented to the Town of Stratton for reimbursement.

SBDC Counseling Update

Candace Payne reported eight clients in Kit Carson County and four in Cheyenne County are using SBDC counseling. Craig reported Elbert County has 14 and five are new. Recently, SBDC has offered a free webinar on Quick Books in conjunction with UNC. The next webinar is on Constant Contact in October. Jo suggested that in 2012, PDC match for funding of counseling from the SBDC be only in-kind match of \$10,000. This could be achieved by leaving Candace Payne at full salary with 20% of her time being SBDC. Last year, PDC contributed \$10,000 in cash and \$10,000 in-kind services to match the Northeast/East Central Small Business Development Center. Jo stated that due to cuts at both PDC and ECCOG, contributing cash in 2012 was not possible. Those in attendance concurred.

Business Loan Activity Status

Currently, all the business loans in the pipeline have been presented. With the increase in CDBG loan funds available through January, Jo encouraged the board to help make area banks and businesses aware of the loan programs and potential lending partnerships with PDC.

Other Items

Jo stated that the OEDIT had received a request for copies of all Enterprise Zone certifications from all zones since August 6, 2002 (prior to that date, such information could not be made public). This request was approved by the AG and the information will be released. The information does not include the taxpayer or companies Social or EIN number but does include the name and location of the business.

Next Meeting Date/Location

Loan Committee will meet on Wednesday, November 30th at 4:30 p.m. in Stratton's Community Building located at 132 Colorado Ave. Dinner will be at 6 p.m. at the Claremont Inn. The regular board meeting will begin at 7 p.m. back at the Community Building.

Vice Chairman Rarick declared the meeting adjourned at 8:15 p.m.