

PRAIRIE DEVELOPMENT CORPORATION

COLORADO'S CENTRAL PLAINS



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PRAIRIE DEVELOPMENT CORPORATION BOARD MEETING MINUTES August 29, 2012

Call to Order

Chairman Siekman called the Prairie Development Corporation board meeting to order at 7:02 p.m. at the First National Bank of Hugo in Limon, CO. Members in attendance were: Jerry Allen, Robert Safranek, Myron Sams, Mark Snyder, and Dorothy Stone. Other attendees included Maryjo Downey, PDC Administrator; Candace Payne, Special Projects Director. Rol Hudler and Ed Rarick were absent.

Minutes

Minutes of the meeting held March 28, 2012, were presented for approval. After review, a motion for approval was made by Jerry Allen and seconded by Myron Sams. The motion carried unanimously.

Financial Report

The Board reviewed a list of bills for March totaling \$20,473.05; April totaling \$48,864.16; May totaling \$23,848.04; June totaling \$36,932.83; and July totaling \$15,989.37. Financial reports for March, April, May, June, and July were also reviewed. Jerry Allen made a motion to accept the reports as presented and to ratify the bills paid. Myron Sams seconded the motion, which passed unanimously.

Business Loan Recommendations

There were no business loan requests to approve.

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 Board approval.

Home Sweet Prairies

Jo Downey reported that the Home Sweet Prairies web site is continuing with only minor challenges now and then. The website is updated monthly by the web master. Danielle Dascalos contacts the realtors each month for new photos, additional listings, etc. The greatest issue is promoting the existence of the site to potential home buyers or home businesses that are looking at locating within the region.

Our Journey 2012 Campaign

Jo said that the 2012 Our Journey Campaign was most successful if measured by the number of inquiries for kits or the number of website "hits". The media coverage on the Front Range that was obtained by Danielle Dascalos was extensive and media reports had previously been emailed to both the PDC and ECCOG Board. However, if the success was measured by actual overall museum visits, one would need to question whether the campaign should be continued in 2013. Jo said that the Limon Heritage Museum, the Kit Carson County Carousel and the Elbert County Museum had excellent visitation but it was difficult to determine how much of that was tied to the advertising campaign. Several of the museums are now open by "appointment only" and thus attendance at those locations are

often very low. The Silver Journey data base (the program to encourage small group tours from senior centers, clubs, etc.) has now been established and Jo and Danielle will work on bringing in private tours throughout the “off season” to selected museums. Jo said that a new emphasis was added to the 2012 campaign...photography opportunities and antiquing. Additional emphasis was also placed on promoting the numerous events that took place throughout the summer. Jo’s recommendation was that the Our Journey marketing campaign definitely continue in 2013. Only one new piece (an updated insert summarizing each museum’s 2013 opening days and times and contact information) will be needed for the kits and (as in years past)...season events guide and a new antique shop guide will also be developed for local use as well as used in the Our Journey fulfillment kits. She went on to suggest that the effectiveness of the campaign be measured by randomly contacting 1 out of every 10 persons that requested the kits (or a similar ratio) and talking one on one as to whether they had come out to the region for an event, a simple drive, specific destination, etc. And if they did not come, were they still considering coming at a future time. Candi said that the Off the Beaten Trail sites showed steady and increased geo-caching visitors. It was the general consensus of those present that ECCOG and PDC continue to build on Our Journey and measure effectiveness in some way other than museum visitation numbers.

Limon House Status

Candace reported the Limon home at 741 F Avenue was sold. This home carries a five-year affordability period on the property as dictated by the Colorado Division of Housing rules for recapture. The affordability agreement was filed with Lincoln County to enforce the requirements on the buyer. The home located at 689.5 D Avenue will carry the same type of affordability period which may be a longer term based on the subsidy to the buyer. The D Avenue property is currently priced at \$85,000 based on a recent appraisal and written approval from all of the Board members. Jo stated that the net proceeds from the F sale (and eventually from the sale of D) can be retained by PDC for use under the original (16 years ago) grant contract. The recommendation by staff (which was concurred with by those Board members present) present was that the funds be used for loans for emergency repair, etc...but not for any more acquisition and rehab projects due to the stringent regulations.

Prairie “Real Estate” Update

The Stratton properties are doing well and have renters where applicable. The apartments in Kit Carson were discussed as PDC still remains the owners, but overseeing the property from a distance is time consuming. Jo suggested this could be the time to transfer ownership to Kit Carson Rural Development or the town. Mark Snyder offered to talk to Joel Maxcy of KCRD about the opportunity to the community.

2013 CDBG Application Process/Time Frame

Jo shared that the current CDBG contract was still extended through January 31, 2013. PDC has \$440,000 in open grant funds available to lend. Jo will complete work on the new CDBG application this fall and will need to provide a summary of potential loan projects to support the application. Beginning with this application cycle, the public hearing notice must be advertised in each county but only one public hearing must be held. At the same hearing, PDC would close out the 2009-2012 grant cycle. Lincoln County has agreed to continue to be the grantee on behalf of all four counties...with the administration of the grant being sub-contracted to PDC and ECCOG.

SBDC Counseling Update

Candace Payne and Craig Curl updated the board on activities in their respective areas. Craig shared many clients still want grants (not loans) and may not always follow through on the business plan process but there continues to be a lot of activity.

Drought Impacted Business Loan

After thorough review during the earlier Loan Committee Meeting, the committee members recommended that the full PDC Board approve the creation of a Drought Impacted Business Loan Program using Revolved funds (interest and principal payments from previous loans). PDC’s new loan program is modeled after the 1990 Limon tornado emergency loans in which PDC made sixteen \$5,000 loans with only one default. A qualified borrower must be an existing business with a credit score of 650 points or higher. The business may borrow up to \$15,000 for five years at 5% interest with no collateral. Loan proceeds would be to purchase inventory or equipment or for operating capital...or other eligible needs that are either directly or indirectly related to

the 2012 drought. There would be a 1% origination fee. A pool of up to \$550,000 in Revolved funds was recommended. Payments may be set according to the borrower's needs and loan purpose. Standard loan supporting documents of financial statements, personal guarantees, and tax returns are required. Jo will send a draft copy of the policy and application to the OEDIT office for approval before PDC proceeds. If approved by OEDIT, Candi will meet personally with each bank in the region to explain the program. It was recommended that each Friday a loan report be emailed to the board.

A motion was made by Jerry Allen and seconded by Myron Sams to establish the Drought Impacted Business Loan Program using up to \$550,000 of Revolved funds to help existing businesses through an unsecured loan, not to exceed \$15,000, for a 5-year term at 5% with a 1% origination fee. Motion passed unanimously.

Loan Activity Status

PDC currently has interest from four potential businesses for PDC loans. Only one actual application has been submitted at this time...and it is incomplete.

2013-2014 Board Membership

Jo mentioned it is time for each county to appoint their two PDC Board Members for 2013-2014. PDC terms are for two years. There are a total of nine Board Members. Each county appoints two (and at least one must be from the private sector) and ECCOG appoints the ninth at large member. Myron Sams shared he would no longer be eligible in 2013 as his new residence will be outside Lincoln County. Myron offered to ask another banker to consider an appointment for 2013-2014 and will get back to Jo. Jo will send out letters to the Boards of County Commissioners in early October...some may go ahead and appoint. Others may choose to wait until the 2013 Board of Commissioners reorganizes in January. All of the Board Members present (besides Myron Sams) indicated their interest in being reappointed. Jo will contact Rol and Ed as to their preferences.

Next Meeting Date/Location

The PDC Loan Committee will meet on Wednesday, November 14 at 5:00 p.m. at the Claremont Inn in Stratton. Loan Committee will begin at 4:30 and the regular board meeting will begin at 7 p.m. Any lending decision discussion needed in the interim will be conducted via conference call.

Chairman Siekman declared the meeting adjourned at 7:47 p.m.