

PRAIRIE DEVELOPMENT CORPORATION

COLORADO'S CENTRAL PLAINS



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PRAIRIE DEVELOPMENT CORPORATION BOARD MEETING MINUTES June 25, 2014

Call to Order

Chairman Siekman called to order the June 25, 2014, meeting of the Prairie Development Corporation at 7:04 PM held in Kiowa at the Elbert County Fairgrounds. Members attending were: Jerry Allen, Steve Burgess, Ed Rarick, Robert Rowland, Robert Safranek, Dana Siekman and Dorothy Stone. Maryjo Downey, PDC Administrator, and Special Projects Director Candace Payne also attended. Rol Hudler and Marilyn Ward were unable to attend.

Minutes

The Minutes of the meeting of March 19, 2014 were reviewed. Steve Burgess made a motion to approve the Minutes as presented. Ed Rarick seconded the motion, which passed unanimously.

Financial Reports

The Board reviewed a list of bills and the corresponding financial reports as follows: \$41,411.88 for March; \$28,989.78 for April; \$24,516.50 for May. Steve Burgess made a motion to ratify the bills paid and accept the financial reports for filing. Ed Rarick seconded the motion. Motion passed unanimously.

Presentation of 2013 Audit Report

Lori Hendrick of May Jackson Hendrick, LLC presented the 2013 Audit Report via teleconference. Mrs. Hendrick reviewed the audit report with the board members highlighting items of uniqueness. Such items included the sales of Held for Sale real estate, income from the Kit Carson apartments' subsequent sale, and one foreclosure property sale. Lori reminded us that last year the office received new carpet and vinyl floors while some windows were replaced and hazardous trees were removed. Lori recognized PDC and COG staff for their assistance in the audit and daily work for the business. Lori offered her time during the year to reduce the journal entries required at year end as that time is included at no additional charge. Recommendation was made by Lori to document in the minutes the board is apprised of any unusual circumstances like foreclosures, write-offs, and bankruptcies. Motion was made by Ed Rarick and seconded by Dorothy Stone to accept the audit report as presented and to authorize Jo Downey to file the 990 Tax Form for PDC. Motion passed unanimously.

Business Loan Recommendations

The board approved one Agri-Business Entrepreneur Loan during the Loan Committee meeting. The \$44,000 loan in Kit Carson County was requested for purchasing used equipment, a used vehicle purchase, repairs, and working capital was approved with a seven-year term with monthly payments at 5.25% fixed interest. Collateral offered as a second lien on the real estate and first position on the vehicles and equipment purchased was accepted. Proof of equine insurance is required before closing. Motion was made by Robert Safranek to ratify the loan as presented to Loan Committee. Dorothy Stone seconded the motion, which 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 Board approval.

New CDBG Grant Award/Contract Status

Jo Downey shared that the contract for CDBG funding has yet to be awarded however; Bob Todd has scheduled a Financial Review Committee meeting in the near future so a notice of award is anticipated within the next month. Lincoln County applied for \$355,000 of which \$55,000 would be for administration costs and the balance to be used for loans. Lincoln County is the applicant but all four counties signed the application and entered into an intergovernmental agreement...thus allowing the funds to be spent in all of the counties. Lincoln County will subcontract the administration of the grant to ECCOG and PDC. Administrative funds can only be used in proportion to the funds lent. Once a contract is fully executed between the State and Lincoln County, a three-way sub contract will be presented to PDC for consideration.

SBDC Counseling Update

Candace Payne reported Lisa Nolder has joined the SBDC counseling staff. Jo shared Lisa has moved into Hugo now and will be counseling business owners as a replacement of Craig Curl in Lincoln County. Craig continues to cover the area of Elbert County and the I-70 corridor from Deer Trail to Watkins. Candace asked if the board or someone they knew might be interested in presenting seminars or webinars to clients in our four county service area. Dorothy Stone volunteered her legal expertise. Discussion was held on seminar topics that may address the business owners' needs. The suggested topic of management succession or succession planning using a different title was made. Candace will work toward offering some topics in conjunction with Craig and Lisa.

Outcome of Jon Schallert Webinars

Candace reported that the Schallert webinars were found to be informative, interesting and useful. Some banks invited business owners into their office to participate. Schallert reported to Candace that over 130 people participated either live or on archived recordings so far. Candace will send an email reminder that all three topics are available until July 7th. Schallert has offered to present live this fall in our area at the cost of \$8,000. Recommendation was made to get financial support in lieu of PDC only support.

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

To date, PDC has loaned \$360,590 through the DIB loan program with 29 applicants. All four counties have loans in the program. The ABE program recently had an applicant for the funds. Candace has visited with various banks about the program since the last meeting.

Future Potential Loan Activity

Candace shared two companies may submit loan applications to use the CDBG funds. One business is manufacturing and the other involves health and wellness. There are no formal applications at this time so a teleconference may be required at a later time.

Enterprise Zone Tax Credit Summary and Boundary Process Status

Jo Downey distributed a summary of the Enterprise Zone Tax Credits certified by ECCOG from January 1 to May 31 of this year. 403 businesses in the region were certified for credits totaling \$1,046,598. Downey also reemphasized that the time frame for the state re-examining the existing Enterprise Zone Boundaries has been moved back and the new effective date for implementing boundary changes will be January 1 of 2016 rather than January 1 of 2015. The State felt it most important to have the most current population and economic distress data available, rather than be tied to the 2010 census. Department of Local Affairs will be finalizing 2013 estimates within a few months. Therefore, 2014 will be a data collection year to determine possible boundary changes by county or within a county by census tract. 2015 will be the year to finalize the boundaries with the new Enterprise Zone boundaries being effective January 1, 2016.

Our Journey 2014 Campaign

Jo Downey gave a short report on the status of the marketing efforts for the upcoming summer Our Journey tourism campaign. A major emphasis is again being 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. Three new brochures have been printed for 2014. 15,000 Events Guides have been printed and are being used throughout the Region as well as in the fulfillment

kit. Guides were taken to each school within the four-county area in early May so that one could be sent home with each student. Downey said that often our own residents do not know what is happening in their own communities or especially the “county next door”. The events guide information has also been posted on the Our Journey web site. The new “Places Guides” that lists the historical sites, antiques and collectible shops (along with another list of the museums) will also be used in the kits and is being distributed from the various antique/collectible shops in the region. The Touring Card/Ticket was the third piece updated for 2014. It is used as an insert in the museum guide as the Ticket lists the opening times and places of each museum. There are only thirteen museums listed this year instead of 14 as in years past due to the closing of the Genoa Tower. The ticket is also available on the website for potential travelers to print off for use. Jo reminded the Board and others that Danielle Dascalos would work to obtain media coverage on special and unique events that were happening in the region. The Elbert County Museum and their traditional “on the lawn” 4th of July festival will be featured on Channel 9 on July 1.

Next Meeting Date/Location

The next PDC meeting will be a teleconference at 7 PM on August 27th. We will start with loan committee and follow up with regular board discussion.

Adjournment

There being no other business to come before the Board, Chairman Siekman adjourned the meeting at 8:18 PM.