

The monthly Beulah JDA Meeting was held Wednesday, June 21st 2017, 4:30 pm, Beulah City Hall.

Present: John Phillips, Dwight Hatzenbuhler, Darrell Bjerke, Clyde Schulz, Mark Pierce, Mary Lou Horning. Gloria Olheiser, Scott Solem, Nathan Richter

Absent: Dan Schmidt

Also in Attendance: Kate Johnson, Beulah Beacon

Chairman Bjerke called the meeting to order. Minutes of the May 17th, 2017 meeting were reviewed. Motion by Schulz to approve the minutes as presented. Seconded by Solem. Motion Carried. Chairman Bjerke asked if there were any questions on the May, 2017 financial statements that were emailed to board members. There being no questions/discussion motion by Horning to approve the financials as presented. Seconded by Schulz. Motion Carried. Bjerke asked if there were any additions to the agenda. There being none, he then introduced Nathan Richter, who was in attendance. A round table introduction followed.

Chairman Bjerke then addressed the board as to the purpose of Beulah JDA, past history and work JDA has done clearly reiterating every project the Beulah JDA has engaged in has been worked with on the merits and needs of the project. He continues by telling the board why JDA does what it does with the end result being to assist potential business owners with whatever they need within a realistic business frame to do a business startup or expansion. He then commented on the number of years the Nieses have wanted to open a bakery on Main Street and the frustrations they have encountered and now there is a chance for Beulah JDA to assist them in bringing the project to a reality. Not only is there a need for continued Main Street Improvements but by refurbishing this burned building it will enhance the main street image, eliminate a vacant 25' location on Main Street and save the cost of condemnation/demolition of the structure. Solem then spoke from a developer's standpoint saying he felt JDA is filling the role of what the need is in the community. Speaking as a developer and being involved in a development group that has made investments both in the community and in other areas he feels the projects the JDA are involved in are not a conflict with development groups and they would not be pursued by those groups even though there was some question and opposition from a main street business, a previous citizen editorial and some skepticism from some board members relative to JDA owning buildings. Board member Pierce then commented on the possible financing options that could be pursued to assist the project development as well as to assist the Nies's to move forward with future ownership in the building and JDA not participating in long term financing. He used the term, from his banking background, mezzanine financing. Continuing he suggested JDA acquire the building and provides the funding for the retrofit. The building is then sold to Bonnie and Mark through some means that would be acceptable to Beulah JDA, Contract for Deed, Option to buy or guaranteeing a Bank Loan. JDA would guarantee the loan and if anything happened JDA would have immediate ownership of the building for lease or sale to another business.

Following those discussions and financing possible options Bonnie and Mark were invited into the meeting as they had made a request to Phillips to attend the meeting and share their feelings as to how the bakery project is progressing. Bjerke welcomed them to the meeting and invited them to share any thoughts and feelings they had regarding the bakery project. Bonnie started by saying how frustrated she has been with the lender, city, newspaper and the board with the money they have spent and the heartache she has endured by the delays, lack of interest by both the media and city along with the misinformation she has encountered. She continued stating it has been her dream since she was a child to have a bakery and for the last 5 years no matter how she has tried she has not been able to accomplish this. When asked why she didn't pursue another building location or alternatives to the new build plans she responded that she felt the city has not treated her fairly and she doesn't want to locate in Beulah anymore. She further addressed the financial proposal of BDolce owning the building so the flex pace interest incentives could be utilized as an incentive for lower payments. She continued they were not receptive to that proposal as they didn't want to be obligated to a building that didn't meet their plans for the bakery startup. Phillips then interjected with the JDA backstop that was included in the proposal if they did not want to continue in that building JDA would be there to take over the building and they would be out of the obligation. There was no intent to "lock" them into something they were not committed to. Pierce then got involved in the building discussion continuing his comments from the earlier board discussion options. He specifically stated to Bonnie he has been thinking about how to structure this project and going back to his banking days he proposed a financing structure he referred to as a version of mezzanine financing. JDA buys the building and provides the funds for the retrofit/renovations, the seller by donating the building to JDA would get their benefit from the donation to a nonprofit, and Bonnie and Mark would take ownership with JDA guaranteeing the loan. He continued saying if anything would happen to the building JDA would be the guarantee. That would give the owners the opportunity of ownership and if they ever wanted to sell they would have an asset of value. He then asked Bonnie if she was ready to move forward fulfilling her dreams as JDA is prepared to move forward. Bonnie asked the board members present if they in fact wanted a bakery on Main Street? Pierce then made a motion seconded by Olheiser to approve the renovation and financing plan if Bonnie makes the commitment to move forward with the project. Motion Carried Unanimous. Bonnie then responded with the frustrations she has experienced with this project she would need some time to think and make a decision. Phillips responded he would need an answer by Friday morning at 8:00 am in order to keep the contractor engaged. Bonnie consented to that timeline!

✓ **Wellness Center**

Schulz reported the footings and foundations are complete. Steel will be delivered onsite the end of June and steel erection will start the first week of July.

✓ **B & G Electric**

Phillips reported there has been limited communication with the company but he will continue to stay in contact.

✓ **MCED**

Jason Bohrer, CEO/President, of the Lignite Energy Council is schedule to give a presentation on the Future of Coal at the June 28th MCED monthly meeting. He extended and invitation to all the JDA board members

✓ **Chamber Executive Director Hire**

It was reported the Chamber / CVB boards have hired a new director to replace Sarah Tunge who has resigned from that positon. The new hire currently lives in Hazen and is their former Chamber Director

NEW BUSINESS

RETAIL BUSINESS / SERVICE NEEDS – NEW/EXPANSION / RECRUITMENT –
(Gloria Olheiser, Dan Schmidt, Mark Pierce)

✓ **New Business Opportunities**

Phillips reported there have been several contacts for business expansions or relocations to Beulah but nothing with a firm commitment at this time. He again commented on the lack of buildings suitable for occupancy or sites for new construction as an adverse factor to be able to really engage and move forward with those contacts.

INDUSTRY/COMMERCIAL – (John Phillips, Scott Solem)

- ✓ It was reported there were no industry business contacts at this time. He also commented on the Trevor Industries recent listing with a commercial realtor to sell the buildings which he had originally proposed for potential lease sites. Plans are to now try and engage with industry to see if there can be any working relationships developed to grow those industry related job opportunities.

BUILDINGS AND PROPERTIES-PROPERTY INVESTMENT – (John Phillips, Darrell Bjerke, Scott Solem)

✓ **Greystone Building**

Work and contacts continue to be pursued for establishing a business incubator on the 3rd floor of the Greystone. Contact efforts continue but nothing is secure at this time.

✓ **JDA Owned Buildings Repairs/Renovations**

Phillips updated the board on the repairs planned for the Main Street Lease Building and the Greystone Hotel business location. A compressor is on order for the AC unit on the Main Street Bldg. The contractor hired to replace the entry flooring and to do the sheet rock repair in the lower level bathroom area of the Greystone Building has not responded to numerous calls nor have they started the work.

CITY REVITALIZATION (Stacee McLaughlin, Mark Pierce, Dan Schmidt, Sarah Tunge)

✓ **B’Dolce’s Bakery Project**

Addressed earlier in meeting minutes.

✓ **Club Store Outlet**

Phillips commented he continues to communicate with one of the partners but their business format has changed somewhat as they are now looking for investor operator store openings but aren’t completely opposed to a “Company Store” startup

✓ **City Events**

There was a brief update on the Heritage Park events and they seem to still be drawing some interest but the heat has been a detrimental crowd factor at several of the events.

Marketing for new business attraction continues but there seems to be limited city exposure with the promotions that are being done.

Pierce commented on the rTown application and said he had loaded it on his phone. He continued saying he has found several cities using the app and one is very good but he stressed you really need to keep it up or it will not be effective.

HOUSING AND PROPERTY DEVELOPMENT – (Mary Lou Horning, Darrell Bjerke, John Phillips)

✓ **Single Family**

Mary Lou Horning reported there is a “good inventory” on the market but the housing market continues to be very soft.

✓ **Shovel Ready Buildable Property**

There is no change in the availability of commercial and industrial site availability at the present time.

✓ **Funding Assistance Requests**

Phillips presented a Sidewalk Assistance Program funding assistance request from D & G Laundry. D & G Laundry, Gloria Olheiser, requested funding assistance for a \$900 sidewalk replacement completed in the front of the Laundromat. The board reviewed the Sidewalk Improvement Criteria guidelines and after completing the review and letter of request there was a

motion by Schulz, Seconded by Hornig to award 50% of the \$900 cost for the project (\$450). Motion Carried Unanimous

Other Business

- ✓ **City Government Updates**
 - Bjerke Reported:
 - ✓ The Water Treatment plant upgrade continues and the water restrictions are working.
 - ✓ All Fireworks have been banned in the City
 - ✓ Mayor Bjerke also asked those in attendance to pay attention to things you observe and bring them back to share them with others in the city.

There being no further business, Meeting Adjourned.