BENTON COUNTY ECONOMIC DEVELOPMENT AUTHORITY (EDA)
MEETING MINUTES
March 15, 2016

Open the Meeting/Roll Call

President Buerkle called the meeting to order at 11:32 AM. Members Warren Peschl, Ed Popp, Jake Bauerly and Spencer Buerkle were present and Member Jim McMahon was absent (excused). Also present was Bernie Peterson, Frandsen Bank in Foley; Monty Headley, Benton County Administrator; and Vicki Feuling, Administrative Assistant

Approve/Amend the Agenda

Motion by Member Popp, second by Member Bauerly, to approve the agenda as presented. Motion carried unanimously.

Approve/Amend the Minutes of January 19, 2016

Motion by Member Peschl, second by Member Bauerly, to approve the minutes of January 19, 2016 as written. Motion carried unanimously.

Consider a Loan to Eugene and Paul Properties, LLC (Silt Sock) to Construct a Manufacturing Facility in Foley

Headley explained that the Economic Development Finance Committee considered an application for business financing at a meeting on February 25th; the applicant, Eugene and Paul Properties, LLC (Silt Sock) requested $250,000 from the County revolving loan fund as part of a larger financing package to construct a 60,000 sq. ft. erosion control manufacturing facility in the Foley Industrial Park. Headley indicated that the loan would be part of financing obtained by Eugene and Paul Properties, LLC through Frandsen Bank; the Bank will have a first position on the loan collateral (real property) and the County will hold a second position.

Headley stated that the Finance Committee was pleased with the business model, the prospects for growth, and the demand for the product they manufacture; they recommend that the EDA approve the loan and related loan agreements. He referenced the proposed Loan Participation Agreement (the County is participating at a $250,000 level through Frandsen Bank—the Bank receives the payments and remits a portion to the County). Headley noted that this arrangement saves on loan origination costs for the applicant; terms of the loan will mirror those of the bank (20-year term, five-year balloon, first nine months interest-only), except that the County interest rate is 3.5%, or one basis point below the bank rate, per past practice.

Peterson noted that the Bank's attorney drafted the Participation Agreement, and Attorney Scott Larison reviewed and modified it. He explained that Frandsen Bank will be responsible for collecting annual tax returns, financial statements and insurance; the Bank is also responsible for providing copies of these documents to the auditors who conduct the county audit.

Peterson reported that, when the Loan Committee reviewed the documents, an estimated construction cost of $1.8 million was discussed; it is now believed that construction costs will be closer to $1.9 million (documents will state that the bank's first mortgage not exceed $1.4 million—rather than the $1.3 million as stated in the application).

Several Board members spoke in support of the project. Motion by Member Peschl, second by Member Bauerly to approve a $250,000 loan to Eugene and Paul Properties, LLC, and authorize the EDA Chair to execute all documents and agreements related to this loan. Motion carried unanimously.

Other Business/Announcements

None

Adjourn

President Buerkle adjourned the meeting at 11:40 AM.