

**Board Members Present:** Christie Nakano, Larry Dolhof, Shellie Marks, Tim Petersen, Eric Virkler, Mike Bradish, Tyler McDonald, Jessica Clemons and Terry Thisse, Mick Lehman (virtually)

**Absent:** Eric Sunderhaft

**Others present:** Cheyenne Steria, Jenna Lauraine, Brittany Davis

- I. **Call to Order** – Meeting called to order by Chairman Petersen at 8:30am
  - a. Welcome to new board member, Jessica Clemons
  
- II. A motion to approve the **minutes of the November 10, 2021** Board Meeting were made by Larry Dolhof, and seconded by Terry Thisse. All present were in favor. Motion carried.
  
- III. **Black River Valley Natural (BVRN) Counteroffer**
  - a. The board discussed the **Black River Valley Natural Counteroffer** provided to the LCDC Board on February 2, 2022 for the Lyons Falls Mill Site Property. The offer included a purchase offer for the tax parcel that includes their currently leased property and the adjacent parking lot for \$100,000 to be considered the “down payment” for the remaining portion of the site. BVRN requested a lease-to-own agreement on the remainder of the Mill Site Property for \$150,000 for 15 years at 4.5% with previous payments from BVRN to be applied to the total. Their offer recognized and honored the existing easements and other agreements in place with Kruger and its subsidiaries, which would transfer to BVRN. Assurances and indemnification regarding site remediation would also be needed for the purchase. BVRN counteroffer also stated “Securing the current parcel and building is also a critical part of losing a new investor agreement currently being considered that would bring considerable new capital to BRVN to allow for the business to fully achieve it’s revenue goals. This new partnership also brings with it assurances of prompt and consistent payments.”
  - b. The **LCDC Executive Committee** met and discussed BVRN’s counteroffer including alternatives for the LCDC board to consider and requested staff to provide additional financial analysis to the full board.
  - c. Staff presented a **financial analysis of BRVN’s Counteroffer (2/22/22)** in relation to LCDC financials. Staff noted that the offer would total \$228,097 in principal payments (\$250,000 minus current lease credits totaling \$21,903). This would leave the LCDC \$1,926 per year short on servicing LCDC debt. The offer also transfers the KE Data lease to BRVN, which has one year remaining on current lease

- agreement.
- d. Staff also provided a proposed **LCDC Counteroffer (2/17/22)** with a minor change of applying 50% of BRVN's previous lease payments to the remaining parcel reducing the amount to \$2,236, providing \$247,764 in principal payments to the LCDC over 15 years at 4.25%. This would leave LCDC \$330 per year short of servicing LCDC debt.
    - i. The board discussed the non-tangibles of the offers and proposed some conditions should be put in place to monitor BVRN's progress on the site. Conditions to consider including in the contract include:
      - 1. BRVN must honor existing easements and other agreements in place with Kruger Energy
      - 2. Indemnification from environmental
      - 3. \$9,000 KE Data lease transfers to BRVN (1 year remaining)
      - 4. BRVN and LCDC will work together to determine milestones and timeframes in which projects shall be completed
      - 5. If BRVN plans to expand the High Falls building onto leased property, the property in which expansion takes place shall be purchased and owned by BRVN
      - 6. LCDC will work with an attorney on including first right of refusal for building if business were to close
      - 7. If BRVN defaults on lease payments after an agreed amount of time, the LCDC will take back the rights to the mill property
      - 8. Upper Lot: BRVN will work with economic development staff and include the LCDC board in discussions on the development options of the "Upper Lot." If BRVN were to sell that property to a developer for a substantial amount of money, the LCDC shall receive a percentage of the sale, to be agreed upon by BRVN and the LCDC. Or potential for LCDC to have first right of refusal.
  - e. After discussion, a **motion** was made to provide BVRN with the LCDC Counteroffer (2/17/22) with the reduced credit (50%) for past payments and with legal terms and conditions to be determined by Tim Petersen seconded by Tyler McDonald. All in Favor.
  - f. Staff will provide the board with a draft letter to BRVN with conditions listed today for feedback by the end of the day.

#### IV. **Adjournment**

- a. A motion to adjourn was made at 9:42am by Mike Bradish and seconded by Shellie Marks. Motion carried.

LCDC Board Meeting **Minutes**  
February 17, 2022 | 8:30 – 10:00am  
JCC – Lewis County Education Center

**Lewis County  
Development Corporation**

**Respectfully submitted,**

A handwritten signature in black ink, appearing to read "L. Pull", written in a cursive style.

**Secretary**

