

North Central Iowa Regional Economic & Port Authority

Minutes from Thursday, October 28, 2021

Held at North Iowa Corridor Office

7:09 am – 7:47 am

Present: Terry Durby, Casey Callanan, Chad Schreck, Melissa Michaelis, Jim Wherry, Beth Bilyeu, AJ Stone, Mark Sabin, Brad Sabin, Lee Kiewiet

The meeting was called to order at 7:06 am by Callanan.

Motion to approve the agenda and minutes from 10.14.21 made by Schreck, 2nd by Stone, motion carried.

Treasurer's Report given and annual dues invoices were distributed.

Motion to approve remaining charges paid to Montana-Dakota made by Stone, 2nd by Wherry, motion carried.

Discussion was held of potential projects in Worth County providing an anchor user to a much-needed natural gas line. Prospect's timeline of use is July 2023.

The financial committee reported on discussion with council as follows:

Chapter 15A - Lawful with guarantees, requires the same steps as borrowing
Guarantee to be against General Obligation, Levy D/S tax

USDA guarantee:

Follow up with prospect to roll the cost of the gas line into the USDA loan

- Upon following up with the prospect, their current USDA loan is at the max of \$150M with 20% equity investment
- Prospect does not have room to include the cost into their current loan without going over \$150M limit
- Going over the \$150M limit will require a 30% equity investment
- Prospect already has excess contingencies totaling \$40M
- Prospects stated this extra \$40M (totaling \$190M project) is covered but did not specify the source of this expense.

Worth County Options to move forward with a guarantee to NNG for the construction of a natural gas pipeline:

- 1) Variables declared under Urban Renewal Project
 - Subject to possible reverse referendum
 - Process includes updating Urban Renewal District - 8-10 weeks
- 2) TIF Commitment of future revenues
 - Are there enough TIF revenues for an annual appropriation of funds?
 - What is the total debt capacity of the county?
 - What is the current certified debt amount?
- 3) Local Option Revenue
 - Referendum on the ballot
 - Timeline unknown, will require special election - state has limitations on the number of special elections allowed

Factors the prospect will need to be knowledgeable of:

- Should the county move forward with a guarantee to NNG, the prospect may be subject to financial vetting potentially with Northland Securities

Stone will set meeting to discuss with full county BOS to discuss next steps.

Next meeting set for December 9th, 2021, at 8am at the North Iowa Corridor.

Motion to adjourn at 7:47 am made by Stone, 2nd by Durby, motion carried.