

**Business Assistance Committee Minutes**  
**Trail County Economic Development Commission**  
**November 7, 2023 – 6:00 p.m.**  
**Conference call via Zoom**

**Present:** Committee members: Dustin Olson, Ben Hershey, Vicky Grothmann, Marshall Erickson and Jami Hovet. Also present: Jim Murphy – TCEDC Executive Director and Alyssa Short – TCEDC Deputy Director.

The meeting was called to order at 6:02 p.m. by Committee Chair Hershey.

**Interest rates**

It was brought up during the October board meeting about whether TCEDC should consider implementing a cap on interest rates. The economy was in a different place when TCEDC started doing Flex PACE loans; rates are quite a bit higher at this point. Murphy said the goal of these loans is not to generate a ton of money for TCEDC, so the board may not want to do the full prime plus one rate going forward. He also explained the loan process and when interest is accrued.

Erickson asked about TCEDC isn't using a fixed rate; Short said the office used to but the board started using a variable rate during COVID when rates were more unstable – but doesn't think anyone anticipated them getting this high. Erickson said although the rates escalated quickly, historically speaking, they're not that crazy – especially when TCEDC is assuming more risk on the buydowns because the loans are unsecured.

Other questions that came up were whether TCEDC is fulfilling its mission to businesses in charging prime plus one, whether there should be a basement and/or a ceiling and how much interest is enough to make the loan doable and still a bit beneficial to the organization.

Hovet suggested the board needs to strike a balance between funding businesses, the organization's purpose, getting businesses off the ground and overall economic impact, but also should be cognizant of its cash flow and make sure TCEDC isn't overextending and can save for future clients. Hershey countered by saying the board can't deny a loan not knowing what may or may not come before the board in the future.

The consensus from the board was to not change anything across the board, but to address each request on a case-by-case basis, with the possibility of revisiting the question as need be in the future.



**Upcoming Flex PACE loan requests**

Murphy alerted the board to some potential upcoming requests from a couple of Buxton-based businesses. The City of Buxton likely can't contribute to the buydowns. There also is a potential request coming in from the Trails County side of Grandin.

The meeting was adjourned at 7 p.m.