

**Valley City-Barnes County Development Corporation Board Meeting**  
**Wednesday, July 19, 2017**  
**6:45 a.m., Regional Technology Center, 415 Winter Show Road (Large Conference Room)**

**PRESENT:** Tony Kobbervig, Bobby Koepplin, Wade Bruns, Bill Carlblom, Dean Kinney, JoAnn Hooper, Mary Lee Nielson, Mary Simonson, Mike Metcalf, Jennifer Feist and Alicia Hoffarth

**ABSENT:** George Gaukler, Josh Kasowski, Paige Bjornson and Luke Trapp

**EX-OFFICIO:** Chad Petersen, KLJ; Keith Andersen, ICTC; Matt Pedersen, City Commission and Josh Johnson, VCPS

President Tony Kobbervig called the meeting to order at 6:45 a.m.

**AGENDA:** No changes.

**MINUTES:** Mary Simonson moved to approve the minutes as presented. Mary Lee Nielson seconded. Motion carried unanimously.

**FINANCIAL STATEMENTS:** Submitted all statements for the quarter ended June 30<sup>th</sup>. Membership-\$1,620 left to reach budget. Unrestricted funds of \$445,000 and restricted funds of \$245,000. RTC cash \$26,306; loan balance is \$57,591 and Tech II cash of \$271,758 with restricted funds of \$50,000. Payable on NW Industrial Park Building to John Deere for MDU is \$3,361, tracking on statement. Bobby Koepplin moved to approve the financial statements as submitted. Mary Simonson seconded. Motion carried unanimously.

**ERIN AND WADE HANNIG:** Release \$6,000 Flex PACE from obligation. Business start in about 24 months. Clawback language submitted to Bank of ND; their decision was to not fund the application at this time. Expect future application for building and business. Mary Simonson moved to release funds from obligation. JoAnn Hooper seconded. Ayes: Tony Kobbervig, Wade Bruns, Bill Carlblom, Dean Kinney, JoAnn Hooper, Mary Lee Nielson, Mary Simonson and Mike Metcalf. Nay: Bobby Koepplin. Motion carried.

**ND WINTER SHOW:** Any approvals can be contingent on compliance with City fire and building codes, the project going forward, and financing being in place. Land purchase and construction of addition is projected to require \$500,000. Fire doors and fire wall added \$150,000 increasing it from \$350,000 to \$500,000. May also need to install a sprinkler system for part of the building which requires a water line extension at an estimated cost of \$310,000. Could see special assessments on area properties including the Development Corporation. ND Winter Show would commit to a fund drive for the sprinkler system; estimated at \$100,000. Offer \$300,000 plus \$58,000 Flex PACE for the land purchase. Request Food & Beverage funds of \$345,000 (\$15,000 per year) as a grant, can be extended by City Commission to secure loan. If Meridian II goes through, \$150,000 of funds from our land sale comes in but is paid out as Flex PACE, which becomes a receivable with the ability to use for loan payments for years 11-20 for the Winter Show. Benefits from investment: Winter Show would have a good, safe building and gain efficiencies; our operations would have sufficient space, and land acquired for Technology Park. Unsure of their timeline for making a decision about the system. Would be more comfortable if the Winter Show's fund drive was complete. Rent increase for the Development Corporation is about \$10,800 which would come from unrestricted funds. If we sublet space, rent would be taxable (property tax). ND Winter Show needs skin in the game, which is the fund drive. An option to find space includes moving Sheyenne Valley Community Foundation and Resource Development Specialist to the Regional Technology Center; however, splitting up staff is not a good option. Rosebud-use one of the conference rooms for offices. Questioned the long-term viability of the Winter Show. See what support is there for sprinkler system. Who would manage project? Valley Realty or ND Winter Show? No request has been made by the Winter Show to us. Are they interested in this project? Project meets the needs of NDWS and Development Corporation and would turn challenges into a good thing. Need public space for Job Service, which needs to be visible, accessible, and convenient. Fire issues are driving the project. Is the building grandfathered in until the addition is put on and then required to meet code?

Questioned if the sprinkler is needed, but fire doors are necessary. We can purchase land at any time (Technology Park). Board discussion on needing office space is where the project started. Waiting for decisions about the fire doors and sprinkler system leaves the Development Corporation hanging; a timeline should be created. A public place is needed for Job Service; RTC and Rosebud may not be a good place. ND Winter Show should run the construction. Is there any other option to make space in Rosebud viable? Could the upstairs conference room be used for DC/Job Service and the basement be converted into a nice conference room? Could money be offered for rental of upstairs conference room? Bobby Koepplin moved to relocate staff to the Regional Technology Center. Mike Metcalf seconded motion. Aye: Mike Metcalf Nays: Tony Kobbervig, Bobby Koepplin, Wade Bruns, Bill Carlblom, Dean Kinney, JoAnn Hooper, Mary Lee Nielson and Mary Simonson. Motion failed. Wade Bruns moved to form a subcommittee to analyze how Rosebud could be better utilized to meet Development Corporation needs and make a recommendation to the Board for a subsequent request to the Chamber who will review all options. Mike Metcalf seconded. Motion carried unanimously. Subcommittee members include Mary Simonson, Dean Kinney and Jennifer Feist to provide staff input. Bobby Koepplin moved to table the ND Winter Show project. Wade Bruns seconded. Ayes: Tony Kobbervig, Wade Bruns, Bill Carlblom, Dean Kinney, JoAnn Hooper, Mary Lee Nielson, Mary Simonson and Mike Metcalf. Nay: Bobby Koepplin. Motion carried. ND Winter Show has project information so they can decide whether they want to move forward on land purchase, addition, etc. Will follow up with Winter Show; their next meeting is July 27 at 7 am.

NOTE: Bill Carlblom and Mike Metcalf left at 7:50 am.

**FLEX PACE:** Reviewed outline to start the discussion of a multifamily rehab program. How are projects approved? Scoring or first come/first serve? Needs to be zoned appropriately. Use Flex PACE or Flex PACE for Affordable Housing (requires rent reduction) or set up another Flex PACE fund. We have 967 unites with 766 multi-family units, 250 (new or newer) plus 155 conversions from single to multi-family and 46 units that would be lost due to permanent flood protection. Do we want to limit rent to under \$700? Want units updated even if rent is higher than \$700/month. Improvements needs to be substantial. Summit has remodeled over 70 units in the region; windows, bathrooms, kitchens, roof, HVAC; whatever was needed. Costs average between \$15,000 and \$18,000 per unit. Milwaukee has a program that provides \$15,000 as a forgivable loan as a match. Need to discuss conversion from single family homes to multi-family housing even if rezoned or a conditional use permit was secured. Change taxes, etc. and encourage conversation back to single family.

NOTE: Wade Bruns left at 8:00 am. No quorum.

**SCDRC:** Membership request of \$19,908, a 3% increase over last year, which is funded through the Barnes County Economic Development mill levy fund. Submitted a request to the County for 4 mills including \$27,000 administrative. Communities can access several funding sources for businesses and public services. In addition, the Regional Council assists communities secure funds and administers them to ensure compliance with State and Federal Regulations.

There being no further business, President Tony Kobbervig adjourned the meeting.

Respectfully Submitted

Jennifer Feist  
Director of Development