

Valley City-Barnes County Development Corporation Board Meeting

Monday, September 11, 2017

6:45 a.m., Regional Technology Center, 415 Winter Show Road (Large Conference Room)

PRESENT: Tony Kobbervig, George Gaukler, Josh Kasowski, Wade Bruns, Luke Trapp, Dean Kinney, Mary Simonson, Paige Bjornson, JoAnn Hooper, Mary Lee Nielson, Jennifer Feist and Alicia Hoffarth

ABSENT: Mike Metcalf, Bill Carlblom and Bobby Koeplin

EX-OFFICIO: Chad Petersen, KLJ; Keith Andersen, ICTC; Jeff Bopp, VCACTC; Matt Pedersen and Dave Carlsrud, City Commission

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

AGENDA: Add use of NW Industrial Park land under Director's Report.

MINUTES: Mary Simonson moved to approve the August 14th minutes. Mary Lee Nielson seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Summary-\$1,537 is required to reach membership budget. Revised Class 100 administrative budget-Valley City Development Corporation \$21,200-no source of funds. Retention and Recruiting Coordinator-included \$50,000 unrestricted funds and summary of expenses to date. Class 200-Flex PACE fees of \$5,000 budgeted for administrative expenses. Collected \$26,000 cash which was decreased by revenue for uncollected funds of \$15,000 by 9/30/2016. George Gaukler moved to transfer the net fees to operating budget. Paige Bjornson seconded. Motion carried unanimously. Roundtable funds-\$24,000 available less commitments of \$32,000, \$50,000 per year was approved by the City for the next three years. Mary Lee Nielson moved to approve the financial statements as presented. JoAnn Hooper seconded. Motion carried unanimously.

EXECUTIVE SESSION: 7:00 a.m. JoAnn Hooper moved to go into Executive Session. Mary Simonson seconded. Motion carried unanimously.

CLOSE EXECUTIVE SESSION: 7:20 a.m. Mary Simonson moved to close the Executive Session. Josh Kasowski seconded. Motion carried unanimously.

HOCHHALTER BUSINESS OPPORTUNITY: Wade Bruns moved to declare a conflict of interest for Josh Kasowski and he will not be voting. Paige Bjornson seconded. Motion carried unanimously. Mary Simonson moved to approve a Flex PACE loan of up to \$7,000 for Hochhalters to purchase Dutton's (2 businesses). JoAnn Hooper seconded. Motion carried unanimously. Josh Kasowski abstained.

PARKS AND RECREATION/FLEX PACE FUNDS: The request is to approve up to \$33,333 as a Flex PACE loan for the new maintenance building over 10 years; \$465,000 in new debt and \$206,000 cash. George Gaukler moved to recognize a conflict of interest for Paige Bjornson and she will not be voting. JoAnn Hooper seconded. Motion carried unanimously. George Gaukler moved to approve up to \$33,333 for Parks and Recreation Flex PACE loan. Mary Simonson seconded. Motion carried unanimously. Paige Bjornson abstained.

VALLEY CITY PUBLIC SCHOOLS/REQUEST FOR MATCHING GRANT FUNDS: Purchase of wide format printer for Technology Education program. Allows for vinyl banner production and will be utilized as a sustainable small business. Vinyl banners are not printed in town at all. Communicated with local businesses; responses were positive and they are looking forward to a partnership the school. Total cost is \$21,496; a \$10,000 grant to state is pending. Consider setting balance up as a loan to create a real-world business experience. Partnerships could also include departments within the school. Great new Technology Education teacher who is doing great things. George Gaukler moved to approve \$10,000; \$5,000 in grant funds and \$5,000 as a loan from the VDG Roundtable Fund. Dean Kinney seconded. Motion carried unanimously.

NORTH DAKOTA WINTER SHOW: City and County approved \$150,000 each (\$300,000 total) funded by economic development funds; land purchase price is \$350,000. Food & Beverage Funds of \$200,000 approved by Visitors Committee; City approval is expected September 19th. Still waiting for final numbers for construction costs. Waterline bids let on Friday. Have made statement that no cash would be expected from ND Winter Show. Need to determine how to deal with \$50,000 gap and/or cost overruns. ND Winter Show is obligated to raise funds for the sprinkler system and water line/5 hydrants. The understanding was that we were purchasing land at \$350,000 and the construction project was up to them. Going through the legal process to purchase land. A short-term loan is needed because Food & Beverage Funds are to be paid over 4 years. Changes approved by City and meets code. Valley Realty is project manager and Enterprise Sales is contracted to build the addition.

FLEX PACE MULTI-FAMILY HOUSING: Flex PACE does not require benefit to pass through to tenant; however, Flex PACE for Affordable Housing does. Can follow BND's programs or set up our own. Have to monitor either way. What would be the potential pool of funds to start? At \$15,000 investment/unit for 16 units is \$240,000. Requires \$20,000 of local funds to buy down the interest. A pool of \$100,000 would rehab 90 units if 100% paid upfront or up to 176 units for 5 years based on cash flow. We could then borrow on our LOC or use additional unrestricted funds if available. Administration-concerned about time; services would generate fees for administrative budget. If we can use City/County staff to ensure improvements defined are completed through a before/after inspection, then staff time is much less a concern. Clarify with City and Dave Anderson if a building permit is required; would require some additional work by Dave Anderson. Have some trust in those who are requesting funding for renovations. Renaissance Zone-initial budget then at the end, monitor what is spent and completed. Funds are advanced on a reimbursement basis. Require fee for final inspection. Would need reassessment; Sandy Hanson, City Assessor, could assist. Minimum of 4 plex. Benefit passed to lower rent? Only the Bank of ND's portion would potentially decrease rent. More hassle than what it is worth. What is affordable? Market will take care of demand. Will not make rent reduction a requirement of our program. Goal is to enhance property and create positive image. Minimum investment of \$10,000/unit and should include owner "in-kind" contributions as expenses.

DIRECTOR'S REPORT: NW Industrial Park-City is looking for space to store permanent flood protection panels and materials storage; considering its land in NW Industrial Park; synergy with Barnes County. We are responsible for developing but City land has not been utilized to date. Good space for this use. BEK-moving out of RTC at end of lease, November 30th, moving into T.Logan building that was occupied by J&S Marketing and offices at former Job Service space in Landmark II. Director's Evaluation-submit comments to Tony Kobbervig. Technology companies-consider investing funds to recruit and retain people to create pool for companies. More important than cash to these companies. What is the right number per employee; \$10,000+/-? Get people to move here and live here.

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

Respectfully Submitted

Jennifer Feist
Director of Development