

Valley City-Barnes County Development Corporation Board Meeting
Monday, June 8, 2020
6:45 a.m., Regional Technology Center, 415 Winter Show Road (Training Lab)

PRESENT: Josh Kasowski, Mary Lee Nielson, Paige Bjornson, George Gaukler, Bobby Koepplin, Luke Trapp, Mary Simonson, Wade Bruns, Matt Pedersen, Mike Bishop, Dave Carlsrud, Jennifer Feist and Alicia Hoffarth

ABSENT: John Froelich, JoAnn Hooper, Bill Carlblom and Dean Kinney

EX-OFFICIO: Paul Diegel, Six D Construction

President Josh Kasowski called the meeting to order at 6:45 a.m.

AGENDA: Add manufacturing opportunity under Executive Session and Director's Report.

MINUTES: Bobby Koepplin noted a correction for the May 11th Minutes, Item D under Section 3. Mary Simonson moved to approve the May 11th minutes with correction. Paige Bjornson seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Class 800-noted credits because of recent approvals. NW Industrial Park Building-rent receivables. Numerous building improvements needed in very near future; questioned how expenditures will be covered? Review investments and financing options and secure Board approvals. Bobby Koepplin moved to approve the financial statements as presented. Mary Simonson seconded. Motion carried unanimously.

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

CLOSE EXECUTIVE SESSION: 7:30 a.m. Bobby Koepplin moved to close the Executive Session. Mary Lee Nielson seconded. Motion carried unanimously.

TRI W-G: Mike Bishop moved to recognize conflicts of interest for Paige Bjornson and George Gaukler. Motion carried unanimously. Mary Simonson moved to approve Flex PACE loan request of up to \$9,000. Mary Lee Nielson seconded. Motion carried. Paige Bjornson and George Gaukler abstained.

VALLEY CITY AREA CHAMBER OF COMMERCE: Paige Bjornson moved to approve the \$5,000 request and submit a request to the County funded from economic development funds. This is general administrative support, which they have received each of the last three years. Mary Simonson seconded. Motion carried unanimously.

2020-2021 BUDGET REQUEST TO CITY OF VALLEY CITY: Bobby Koepplin moved to approve \$33,000 request for administrative costs. Will have a shortfall this and next year. Largest gap because of membership and Flex PACE fees. Could use Bush Prize or unrestricted funds. Unsure what City Sales Tax will look like next year. Otherwise, we need to look at additional sources of revenue. Mary Simonson seconded. Motion carried unanimously.

STUDENT LOAN FORGIVENESS PROGRAM: Bobby Koepplin moved to approve \$800 from Roundtable for existing commitments. Previously allocated \$2,000 and need an additional \$800 to reimburse behavioral health professional. We may see additional requests but can handle them when they arise. ND Career Builders requires local match to utilize the loan forgiveness program. Paige Bjornson seconded. Motion carried unanimously.

NOTE: Dave Carlsrud left and not be voting on subsequent motions.

DIRECTOR'S REPORT:

1. **Multi-Family Housing:** See Flex PACE summary. Received some interest for rehab and new construction; \$34,000 for rehab remaining. Do we want to allocate more funds? Line of credit (\$750,000) has not been tapped. Vacancy rates vary from 5%-15% depending on condition of units. Shows businesses that are interested in locating/expanding here that we are serious about having housing for their employees. Funds that we invest into Flex PACE are loans and helps the community, tax base, etc. One of Eagle Creek's main concerns is housing, especially newer, modern units. Pencil out how additional funds for rehab and new construction would impact Flex PACE cash flow. What is the impact on commuting?

Numbers are not as extensive as many think (25%). Do we wait until companies commit to hiring additional employees before committing additional funds? Local funds provide access Bank of ND funds, which make housing projects feasible. The greatest risk is on housing developers. Need to see increased employment numbers before promoting additional housing; developers will not make the jump unless they see some movement in the job market. Move the limit for multi-family housing up to allow the flexibility to discuss that. The public does not know what is left; there is an assumption that funds are available. It has not been made public that funds for new multi-family construction has been depleted. If they and the bank are interested in a project, it goes through the process and a request is submitted. The concern is to ensure we have a level playing field.

2. Manufacturing Opportunity: Bobby Koeplin moved to provide 12.31 acres in the Northwest Industrial Park at no cost subject to the City and MDU being able to provide the services needed by the company. Paige Bjornson seconded. Motion carried unanimously. Dave Carlsrud absent and not voting.
3. Eagle Creek: George Gaukler moved to approve a 90-day extension for proposal submitted. The goal is to secure a response as soon as possible. Mary Simonson seconded. Motion carried. Ayes: George Gaukler, Luke Trapp, Mary Simonson, Wade Bruns, Paige Bjornson, Matt Pedersen, Josh Kasowski, Mary Lee Nielson and Mike Bishop. Naye: Bobby Koeplin. Dave Carlsrud absent and not voting.
4. Loves Travel Center: Construction to begin June 15th. Contract confirmed that McDonalds is the restaurant. Crossland Construction is the general contractor; requested a contact within that company.
5. Preventice: Currently employs 27 people. Recruiting 20+. Hopeful to get the CEO and other representatives to VC as soon as feasible within constraints of COVID-19. Goal is to expand here.
6. Other: Some substantial Barnes County contracts will hopefully help the economy. Many out of state visitors are utilizing parks and campgrounds.
7. July Board Meeting: Moved to July 20th from July 13th.

There being no further business, President Josh Kasowski adjourned the meeting.

Respectfully Submitted

Jennifer Feist, Director of Development