

Valley City-Barnes County Development Corporation Board Meeting
Monday, May 11, 2020
6:45 a.m., Zoom Meeting

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

ABSENT: Dean Kinney and Bill Carlblom

EX-OFFICIO: Chad Petersen, KLJ; Paul Diegel, Six D Construction and Dr. Alan LaFave, VCSU
President Josh Kasowski called the meeting to order at 6:45 a.m.

AGENDA: Add building maintenance update.

MINUTES: Mary Simonson moved to approve the April 13th minutes. Mike Bishop seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Summary financial report shows unobligated unrestricted funds of \$87,000. Received Flex PACE repayment from Open Door Center. Roundtable and marketing financial statements provided for later discussion. Class 800-Tech II cash of \$140,000. Class 500-NW Industrial Park Building cash of \$8,984. Matt Pedersen moved to approve the financial statements as presented. Mary Lee Nielson seconded. Motion carried unanimously.

BYLAWS/ANNUAL MEETING/ELECTION OF DIRECTORS: Reviewed Bylaws in regard to annual meeting which is the designated time and place for election of directors. Could have a special membership meeting for the purpose of elections of directors. Elections are required to be held after October 1st and before June 1st. If we delay the annual meeting due to COVID-19, we would need to notify the membership and ensure the public is involved. A 10-day notice of intent to change the Bylaws is required. The Board can set the day/time and elect to have a public event if conditions allow large group gatherings. Proper notice would be provided. George Gaukler moved to provide notice to the membership by the June 1st deadline to delay the annual meeting. Mary Simonson seconded. Motion carried unanimously.

DIRECTOR'S REPORT/COVID-19 IMPACT: The sales tax is our primary funding mechanism in addition to the Barnes County mill levy. Businesses are hurting due to low sales, which impacts our funding. There is a two-month delay in sales tax receipts/reporting. Discussion included what our role might be in working with the businesses and helping them come back from the impact of COVID-19? Matt Pedersen thanked Paige and Josh for the banks' response as critical partners helping the community get through this and getting financial resources to businesses. Waiting to see what the forgiveness piece looks like.

NOTE: Bill Carlblom joined at 7:08 am.

1. Ideas Generated/Discussed:

- a. Create a savings bond type of program where customers could buy a \$75 bond now that would be worth \$100 later. Increase funded by the Dev. Corp. Collaborate with Chamber. Bonds are an investment, market as an investment in the community. Craft program how we want. How can people be assured that businesses will be open down the road to collect on the bond? Could we guarantee the bond or a portion of it?
- b. Events are important to bring people in. Implement events that incorporate social distancing, curbside pickup, etc. that emphasize safety as well.
- c. Chamber is using social media, radio and the newspaper to feature local businesses each week with their #vcstrong campaign. The \$5,000 campaign will contain advertisements, stories and videos and live interviews. Funds available would support 30 businesses including service, retail,

- and restaurants. They would like to do more but short of money. Trinity is assisting with Facebook videos. Her time is a benefit to us because of sales tax collections. Asked the healthcare community to help, but personnel are already stretched thin and they voiced concerns regarding liability if they made statements re: going into businesses. Use testimonials.
- d. Get cash into the businesses as quickly as possible. Use Chamber Bucks as an incentive for shopping locally. Chamber Bucks don't expire, people could shop where they want, encourage people from outside of the community to come here, backing Chamber Bucks takes away risk of whether the business would still be in business, promotes shopping locally and the majority of retail and service businesses are Chamber Members. People are tired of being restricted. Include the recreational opportunities. Chamber Bucks would be the same as bonding and be in the hands of the customer immediately rather than in 90 days, which is too long, need immediate reinforcement. Could target a different sector each week (restaurants one week, etc.). Shop, play and stay in VC, use Chamber Bucks to pay for a room if shoppers want to stay. Dev. Corp. could fund a portion of Chamber Bucks, \$100 purchased for \$75/25% upshot. Is there an expiration date on Chamber Bucks to encourage spending more quickly? Businesses wouldn't receive money until Chamber bucks are spent, which would take time.
 - e. Businesses love gift cards as many are not redeemed (60% for example). Promote customers buying gift cards with Chamber Bucks. Businesses could then promote buying gift cards in general. Businesses sell gift cards and customer receives a 20% increase backed by us.

2. Key Points of Discussion:

- a. Businesses are concerned about getting people into their businesses and marketing their products/services. Consumers need to get past the fear of going into stores. It's one thing to open stores, but another matter to get people into places of business.
- b. Encouraging people to shop local and supporting businesses would be our major role. Focus our resources on the shop local campaign, use local faces and local stories that demonstrate why shopping local is important.
- c. Bank of ND working capital is a temporary fix. Many of these businesses will not be able to take on another payment. Banks are proceeding with caution on these. The only way to overcome current challenges is with a free market. Businesses need to be fully open, not with restrictions that are severely hampering sales. Operating at 50% is not sufficient. Some businesses are doing well, whereas others are not. Additional loans are not the answer for many businesses. Hospitality businesses have been hit hard.
- d. Our marketing fund has \$3,500 of which Jennifer committed \$1,000 to this campaign. Kay is starting with retail businesses heavily impacted by the pandemic. Consider contributing more funds from marketing, roundtable, or unrestricted funds.
- e. Is there something we can do through Flex PACE and expand upon? Loan programs are in place to support the businesses; however, it's the free market and sales that are needed.

Bobby Koeplin moved to allocate \$10,000 to provide 20% bonus on Chamber Bucks purchased by individuals to be spent within the next 60 days. Paige Bjornson seconded. Motion and second withdrawn. Tabled.

Work with Chamber and Tourism to establish program and bring request/proposal back to the Board. Committee: Mary Lee Nielson, Mary Simonson, Paige Bjornson, JoAnn Hooper, Bobby Koeplin, representatives of local retailers and the Chamber.

It is important that the Development Corporation does something significant and very visible to support local businesses.

3. Other Related Items:

- a. The Chamber/Dev. Corp. offices need to be open also.
- b. Is there anything we can do to help the businesses that are on the fence to help them be successful? Difficult to tell which businesses need the help. Small businesses are working with their banker who is aware of the programs available. Pretty much every business that qualifies has applied for PPP. If they were on the fence before they probably cannot handle additional debt. Can't subsidize businesses to prosperity. Any businesses that have not worked with their bankers are probably self-sufficient. Our role is to drive business revenue in our economy.
- c. Provided a list of our Flex PACE projects by sector. Would look to the banks as to whether there is anything we can/should do. The process is in place to ensure businesses are a good risk for Flex PACE loan funding.
- d. City is waiving 50% of liquor license fees and dumpster pickup fees of businesses that were closed due to Governor Burgum's directive.

4. Director's Report/Additional Items:

- a. Bush Prize Recipients: Sent notices to Bush Prize awardees; following up with them.
- b. 2020 Census: Concerned about Census and how we make sure everyone is counted, especially Valley City State University students. VCSU is working to promote and will follow up.
- c. Main Street program: Dave Anderson helped rework the building inventories, additional revisions made by Jennifer and submitted to the Regional Council.
- d. 2020 Local Elections: Sales tax extension on ballot.
- e. Valley Plains Equipment and Waterfront Meadows projects are moving forward.
- f. Law Enforcement Center: Looking at jail funding options, but project does not qualify for CDBG, EDA and USDA programs. Ten years ago, as a consortium, funds may have been available.
- g. EDA grant funds could be used to construct another technology building.
- h. RTC EDA mortgage/UCC: Requested removal, funds would be unrestricted if RTC is ever sold.
- i. Projects: Two projects listed in confidential section-provided a general response for one and did not respond to the second one, too large for us.

BUILDING MAINTENANCE ITEMS: Tech II – UPS battery replacement and some building settling. NW Industrial park building improvements. Be prepared for a \$25,000 cost for all items.

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

Respectfully Submitted

Jennifer Feist
Director of Development