

Valley City-Barnes County Development Corporation-Special Board Meeting

Friday, October 3, 2014

7:00 a.m., Regional Technology Center, 415 Winter Show Road (Large Conference Room)

PRESENT: Paige Bjornson, Tony Kobbervig, George Gaukler, Phil Leitner, Bobby Koepplin, Margaret Dahlberg, Josh Kasowski, Mary Simonson, Eldred Knutson, Wade Bruns, JoAnn Hooper, Leighton Smith, Jennifer Feist and Alicia Hoffarth.

ABSENT: Luke Trapp

EX-OFFICIO PRESENT: Chad Petersen, KLJ, Matt Pedersen, City Commission and Keith Andersen, ICTC

President Paige Bjornson called the meeting to order at 7:00 a.m.

GUEST: Steve Urness, KOVC/News Dakota (Note-arrived about 8:30 am)

President Bjornson opened the meeting by commenting that on the agenda is a manufacturing opportunity and also strategic planning. Planning discussion is important to review our history and update where we are going from here. This includes identification of strategic partners and further communication with them. The intent is to be helpful to everyone including newer Board members.

EXECUTIVE SESSION-Agenda Items 1) Manufacturing Opportunity and 2) Movie Theater, 7:10 am: Mary Simonson moved to go into executive session. Tony Kobbervig seconded. Approved unanimously.

EXECUTIVE SESSION: Confidential Information Redacted

CLOSE EXECUTIVE SESSION-7:50 am: Mary Simonson moved to close the executive session. Phil Leitner seconded. Approved unanimously.

OPEN MEETING CONVENED

MANUFACTURING COMPANY: Bobby Koepplin moved to approve submitting a proposal for the manufacturing company to include an investment of \$15,000 per job for the first 30 jobs paying a minimum of \$15/hour, encourage a site visit, set a deadline of 60 days, increase the NW Industrial Park land value to \$50,000/acre, sell land in the I-94 RD Corridor consisting of 12 acres on the north side of the frontage road for \$1,000,000, show this land as one parcel and remove other rural sites (can be shown if we receive a site visit). Phil Leitner seconded. Approved unanimously.

WELLNESS CENTER: Discussed use of economic development funds to cover a gap in cash flow for first five years of sales tax revenue of \$100,000/yr for five years. Sources of funds include City sales tax for Economic Development, Barnes County Mill Levy for Economic Development, and Food and Beverage Funds. Voters need to understand the level of public funds that may be invested in the Wellness Center, which includes \$1 Million State Challenge Grant, \$5 Million private funds committed, Student Fees and Sales Tax to support a \$5 Million Bond plus interest, and \$5 Million remaining to be raised. The \$500,000 gap was included in the projections for the Wellness Center and Permanent Flood Protection that were reviewed with the City. Operating budget still has a gap. The \$500,000 would be a grant; potential split-\$100,000 from Food & Beverage and \$200,000 from City and County economic development funds each. Wellness Center impacts quality of life and important to job creation and business development. It may take more dollars than the \$500,000 to close the gap since we don't know exactly that amount today. Formal requests will come at a later date. Need to insure all financial resources are identified upfront. The exact amount of the gap will now be known until December. Need to have the potential gap available for next public meeting which will be toward the end of October. Voters need to know the public dollars being invested.

PLANNING AND REVIEW: A packet of information was provided including 1) review of prior activities 2) 746 jobs created 3) private sector pledges of \$225,000 to help get economic development started prior to the sales tax 4) initial sales tax in 1992 5) John Deere Seeding Group opened in 1995 6) strategic decision to focus on manufacturing and technology 7) in 1997 City Sales tax was split to provide funding for service and retail businesses 8) facilitated sale of Burlington Northern land in 1999-opened up about 85 acres for sale to existing and new businesses. City purchased the land and offered it for public sale 9) in 2001 Resource Development Specialist positioned was established, substantial ROI 10) support of community development initiatives and established the Valley Development Group Roundtable and 11) Flex PACE established and expanded in 2014. The glue is a solid funding sources which allows growth to happen. Also included a list of activities in 2015.

Long Term Cash Flow & Summary of Corporation's Assets-RTC outstanding D/S is less than \$100,000, Tech II-secure a three to four year extension at the lease rate at the end of the lease (\$17/sq.ft.), the building could be paid off in 8 ½ years. NW Industrial Park Building-asset providing collateral for Flex PACE Program which has been highly successful. Need to consider tax consequence if building is sold. Look at market value verses book value which is what is shown on the summary (from year-end financial reports). Sale price would be higher. Membership in 2013-2014 is almost \$54,000.

Contracts-Review contracts between VCDC/VCBCDC and City and County. Contracts govern how any potential profits generated from projects are used.

Marketing-Technology and Roundtable information provided. This year we are scheduled to reconvene the Roundtable.

Land Matrix- Need to determine how to provide fire protection in rural sites for manufacturing companies. Further develop different sites. Secure land options with owners to provide the best information to prospective companies. Partners need to be on board and engaged in communication. They include Barnes Rural Water, electrical, utilities, gas, telecommunications, etc. Keep all site analysis on record for other potential uses. Periodic meetings and planning sessions need to occur. Allows aligning partners to make strategic decisions.

Short Term Goals and Long Term Goals- Need to make sure we are utilizing all resources available such as new wind farm, pipeline, etc. Review impact of Spiritwood development and address community housing needs.

Paige Bjornson commented to continue the planning discussion and hold semi-annual meetings this year. Questioned if we can expand the summary of projects, etc. Development Corporation has been strategic in its planning and activities. Need to continue to share history and plan on an ongoing basis. Continue to become more familiar with open records and meetings laws. A one page summary was provided to the Board.

NOTES

Next Planning Meeting-January or February 2015. Identify key partners.

Thanks to guest Steve Urness, KOVC for attending.

Thank you to Jennifer Feist for putting information together.

ADJOURN: Mary Simonson moved to adjourn. George Gaukler seconded. Approved unanimously.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Jennifer Feist

Director of Development