

## **Valley City-Barnes County Development Corporation Board Meeting**

**Monday, December 14, 2015**

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

**PRESENT:** Paige Bjornson, Tony Kobbervig, George Gaukler, Wade Bruns, Luke Trapp, Bill Carlblom, Leighton Smith, Mary Simonson, Josh Kasowski, Mike Metcalf, Jennifer Feist and Alicia Hoffarth

**ABSENT:** Bobby Koepplin and JoAnn Hooper

**EX-OFFICIO:** Tisa Mason, VCSU, Chad Petersen, KLJ, Matt Pedersen and Bob Werkhoven, City Commission  
President Paige Bjornson called the meeting to order at 6:45 a.m.

**MINUTES:** Tony Kobbervig moved to approve the minutes of the November 9<sup>th</sup> meeting as submitted. Leighton Smith seconded. Motion carried unanimously.

**FINANCIAL STATEMENTS:** VDG Roundtable has \$5,951 available with \$65,000 not advanced; Tech II operating-paid off ND Development Fund loan; total cash is \$50,803. VCDC-\$14,408 total cash which will be depleted after property taxes and insurance are paid. John Deere has been paying the MDU invoice for the last year. Our A/P is \$3,361. Mary Simonson moved to approve the financial statements as submitted. Luke Trapp seconded. Motion carried unanimously.

**EXECUTIVE SESSION:** 6:50 a.m. Mary Simonson moved to go into Executive Session. Leighton Smith seconded. Motion carried unanimously.

**CLOSE EXECUTIVE SESSION:** 7:05 a.m. Mary Simonson moved to close the Executive Session. Josh Kasowski seconded. Motion carried unanimously.

**NW INDUSTRIAL PARK BUILDING:** The multiple service listing requires a lease rate. John Deere paid \$4/sq.ft.; we need \$2/sq.ft. per year to cover expenses over and above property taxes, utilities and insurance. The lease rate needs to be set so that we get attention from companies. The realtor fee is paid on the lease rate for the term of the lease (Ex: \$5/sq.ft. x 23,500 sq.ft.= \$117,500 x 3% realtor fee= \$3,525 x 3 year lease= \$10,575 total fee). Our appraisal showed lease rates of \$4 to \$6/sq.ft. per year. At \$5/sq.ft., the rate would gain realtor attention and we could negotiate an incentive rate with the company. George Gaukler moved to list the NW Industrial Park building at \$5/sq.ft. with the lease rate negotiable with the company depending on job creation, the lease rate could be as low as \$2/sq.ft. or potentially less. Josh Kasowski seconded. Motion carried unanimously.

**SHEYENNE VALLEY COMMUNITY FOUNDATION:** The Foundation was formed two years ago at the same time as the Wellness Center project was started. Annual operating budget without a grant round is \$75,000. A membership drive will be launched in January. Alicia Hoffarth is providing accounting and professional support; the Corporation receives \$250/month to offset expenses. The request is \$10,000 plus waiving \$250/month paid to RDS position. The Foundation is building quality of place on many levels. David Beierle, JD, is the President of the Foundation. He is also working with John Deere's Foundation to assist. Tony Kobbervig moved to approve the \$10,000 request from VDG Roundtable funds and forgive the \$3,000 contract services for 2015-2016 fiscal year. Mary Simonson seconded. Motion carried unanimously. Matt Pedersen indicated the \$3,000 would show as non-cash contribution income for the Foundation.

**FLEX PACE:** Previously discussed establishing a reserve; reviewed spreadsheet showing \$5,000/year as allowance for doubtful accounts and up to \$50,000 in ten years. We have \$500,000 in Flex PACE commitments at this time. The reserve could be increased or decreased annually as needed. Add fees as income and use earned fees to establish the reserve. Bill Carlblom questioned if projects we support should be required or strongly encouraged to purchase locally; will do so in one-on-one conversations. George Gaukler moved to establish the Flex PACE Reserve Fund of \$5,000/year, funded by current fee income, and adjust the cashflow to include fee income. Josh Kasowski seconded. Motion carried unanimously.

**BOARD VACANCY:** A vacancy exists with VCSU changing to an ex-officio position; a replacement would serve the unexpired portion of the term. We can also increase the number of Board members and also the number of ex-

officios. Job Service would be a good addition as an ex-officio and Dean Kinney has expressed interest and attended meetings. Advertise or contact membership to determine interest and provide an opportunity to serve either as a voting Board member or ex-officio. We have about 150 members. Set a deadline prior to the next Board meeting for responses. Matt Pedersen expressed interest in staying on the Board as a voting member once his term on the City Commission is up.

Note: Bill Carlblom left the meeting at 7:30 a.m.

**DIRECTOR'S REPORT:**

**Planning**-a list of remaining planning items was provided. Planning meeting is set for January 6<sup>th</sup> at 7:30 a.m.

**Administrative Assistant**-resigned effective December 22<sup>nd</sup>. Contacted Marcia Foss and discussed filling the position with a VCSU student as a paid position combined with a student internship. The other option is to advertise again. Will pursue VCSU option. Potential to expand the position in the future.

**Data Tranz:** Need to connect with Herb Ludwig Sr.

**Phone System:** The Chamber is researching a new system that will cost about \$12,000; expect a request from them to participate financially.

**Welcome to VC Sign:** Mary Lee Nielson requested we consider a Welcome to VC sign at the east exit along the I-94 RD Corridor that would not interfere with Corridor development. A great location is where the smaller land for sale sign is now.

**Land for Sale:** Will do a second mailing to developers, contractors etc. for the 3.44 and 2.87 acres. Luke Trapp questioned if we would include land in the NW Industrial Park in the multiple service listing; don't want too many listings. We can direct interested parties as opportunities come up.

There being no further business, President Paige Bjornson adjourned the meeting.

Respectfully Submitted

Jennifer Feist  
Director of Development