

Valley City-Barnes County Development Corporation Board Meeting

Monday, May 2, 2016

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

PRESENT: Paige Bjornson, Tony Kobbervig, George Gaukler, Wade Bruns, Mary Simonson, Mike Metcalf, Bobby Koeplin, Josh Kasowski, Bill Carlblom, Leighton Smith, Dean Kinney, Jennifer Feist and Alicia Hoffarth

ABSENT: JoAnn Hooper and Luke Trapp.

EX-OFFICIO: Matt Pedersen, City Commission; Chad Petersen, KLJ
President Tony Kobbervig called the meeting to order at 7:00 a.m.

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

Note: Bill Carlblom left at 7:50 and will not be voting on subsequent motions.

CLOSE EXECUTIVE SESSION: 7:55 a.m. Bobby Koeplin moved to close the Executive Session. George Gaukler seconded. Motion carried unanimously. Bill Carlblom-absent and not voting.

New Prospect Proposal: Wade Bruns moved to submit the proposal. Mary Simonson seconded. Motion was withdrawn to add dollar amounts.

Wade Bruns moved to submit a proposal to the new prospect to include three options and the following financial and other requirements:

1) Option 1-Retrofitting the east side of the NW Industrial Park building at \$3 per square foot for the first year, \$4 per square foot the second year, \$5 per square foot for years 3-5 and increasing the lease rate two percent per year up to CPI for subsequent years. The incentive rate for the first two years would increase the amount of cash needed from the City and County;

2) Option 2-Retrofitting the Logan industrial building-provide \$100,000 if this option is selected;

3) Option 3-New construct (not build to suit) with lease rates as outlined in the cash flow statement.

Years 1-2 at \$5.50 Years 3-4 at \$6.00 Year 5 at \$6.50 Year 6 at \$7.00 Year 7 at \$7.50

Year 8 at \$8.00 Year 9 at \$8.50 Year 10 at \$9.00 Years 11-20 at \$9.50

This proposal is contingent upon approval by the City and County Commissions, the deadline is 45 days, request a site visit to be scheduled, pending financial review and positive due diligence of the company. Cash incentives include \$100,000 (\$10,000 per job) for any of the options plus local PACE, which varies between \$15,000 and \$100,000 depending on the building option, four acres will be purchased from the City to allow for expansion with two acres leased to the company, cash required would be requested 50% from the City and County each. George Gaukler seconded.

Ayes: Paige Bjornson, Tony Kobbervig, George Gaukler, Wade Bruns, Mary Simonson, Mike Metcalf, Josh Kasowski, Leighton Smith and Dean Kinney. Naye-Bobby Koeplin. Bill Carlblom-absent and not voting. Motion carried.

Lease rates for new construct are as outlined in cash flow statement submitted.

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

Respectfully Submitted

Jennifer Feist
Director of Development