

Valley City-Barnes County Development Corporation Board Meeting

Monday, August 8, 2016

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

PRESENT: Tony Kobbervig, Paige Bjornson, Wade Bruns, George Gaukler, Bobby Koepplin, Josh Kasowski, Bill Carlblom, Luke Trapp, Dean Kinney, Jennifer Feist and Alicia Hoffarth

ABSENT: JoAnn Hooper, Mary Simonson, Leighton Smith and Mike Metcalf

EX-OFFICIO: Matt Pedersen, City Commission; Chad Petersen, KLJ; Keith Andersen, ICTC and Jeff Bopp, SVATC

President Tony Kobbervig called the meeting to order at 6:45 a.m.

AGENDA: Additions; 6B-Authorize Funds for Travel; 8C-Petition to Vacate Street (Meridian Apartments); 13E-Valley City Public School Superintendent as Ex-officio Member; 13F-Evaluation of Childcare Grant Program

MINUTES: Wade Bruns moved to approve the July 13th minutes as submitted. Luke Trapp seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: George Gaukler moved to approve the financial statements as presented. Bobby Koepplin seconded. Motion carried unanimously.

EXECUTIVE SESSION: 6:55 a.m. Wade Bruns moved to go into Executive Session. Josh Kasowski seconded. Motion carried unanimously.

CLOSE EXECUTIVE SESSION: 7:15 a.m. Josh Kasowski moved to close the Executive Session. Bobby Koepplin seconded. Motion carried unanimously.

EXTENSION OF DEADLINES-BEKM & MEDICAL PRODUCT MANUFACTURING: Extend deadline from August 15 to September 15 or 30. Wade Bruns moved to extend deadlines for both projects to September 30 (Note: proposals included first come, first serve basis). Paige Bjornson seconded. Motion carried unanimously.

TRAVEL TO TECHNOLOGY BUSINESS: Paige Bjornson moved to authorize up to \$5,000 for the site visit to the company's location; temporarily fund through marketing funds and costs will be rolled into the project if the company locates here. Bill Carlblom seconded. Motion carried unanimously.

GLACIER RIDGE WIND FARMS: Bobby Koepplin moved to approve hosting a public meeting as needed and send a letter of support to the PSC stating that we support the project and will assist with the meeting (Note: support also includes office space). George Gaukler seconded. Motion carried unanimously.

MULTI-FAMILY HOUSING: SW Design submitted a written request that George Gaukler recuses himself from discussions and decisions related to their project due to direct competition. Experience is a key factor to providing input during project review. Recusal could be from voting but not from discussion and review of the project. The two multi-family housing projects are designed differently. Their ND HIF proposal was approved. Flex PACE funds are critical to the project; that application is pending. The Board will review and if given the right information that it needs, it will make the right decision which is based on the strength of a qualified project. Flex PACE is determined based on meeting the local definition of affordable housing, which ultimately, is the assistance we are trying to provide. The overall consensus is that we continue to do business in accordance with our guidelines and protocol required; the conflict of interest will be noted and recusal from voting as appropriate. Board members who have critical experience will be called upon to assist and provide critical input. Bobby Koepplin moved to recognize the conflict of interest with George Gaukler and that he will not vote on the funding decision. Paige Bjornson seconded. Motion carried. George Gaukler abstained. Bobby Koepplin moved to respond to SW Design that we are in support of housing and invite them to a Board meeting as needed. Paige Bjornson seconded. Motion carried. George Gaukler abstained.

PILOT/TAX EXEMPTION FOR MERIDIAN AND VALLEY BLUFFS: Should we consider establishing a policy or making a recommendation to the City and/or County Commissions that savings from PILOT and/or property tax exemptions are passed on to tenants to lower their rent? This would be a position and not a requirement as defined by state law. We could make a recommendation that this should be the policy/practice going forward. Applications for PILOT and/or property tax exemptions do not go through us for approval.

NOTE: Bill Carlblom left at 7:35 am-absent and not voting on subsequent motions.

We have made a commitment to inform the School Board about projects and ask for their support of property tax exemptions. Housing investment is difficult in Valley City and does not generate high ROI. For primary sector, tax incentives are part of an overall package to create jobs. If/when public funds are provided; we would have something to say about use of public funds.

VACATING STREET (FOR MERIDIAN APARTMENTS): Would provide alternative route to City's substation. Bobby Koeplin moved to approve the petition to vacate street adjacent to our 3.44 ac. Luke Trapp seconded. Motion carried unanimously. Bill Carlblom-absent and note voting. Note-offer expires September 30th; spray weeds.

VDG ROUNDTABLE: Request next 3 years at \$50,000 per year. Remaining funds are about \$15,000; actually funded 4 years on 3 years of funding. Luke Trapp moved to request 3 years at \$50,000 per year. Wade Bruns seconded. Motion carried unanimously. Bill Carlblom-absent and not voting.

BARNES COUNTY BUDGET REQUEST: We are scheduled to appear Thursday, August 11th at 9:15 a.m. Please be present if possible. Suggested representatives from organizations who have received funds through Barnes County economic development funds be present. Requested 4 mills; try to maintain current funding of 2.34 mills at a minimum. Projects currently on the table would require 4 mills. What is the impact of state cuts on County funds? Projects including energy will help tax revenues. Any conversations that need to happen before? Farmers speaking on energy projects would help either in person or provide a statement of support (Mike Clemens, Peak Wind Development, LLC, Monte Peterson).

LUNCHBOX EATERY, FORT RANSOM – REQUEST FOR FUNDS: Requested \$5,000 from VDG Roundtable Funds. Projections are high. Internal projections were provided. Plan to obtain an alcohol license. Breakeven is filling 60 chairs one time per day. The owners are experienced chefs in Fargo; they could use assistance on the business side. George Gaukler moved to approve \$5,000 of Roundtable Funds as a grant. Luke Trapp seconded. Require them to work with SBDC. Motion carried. Ayes-Tony Kobbervig, Wade Bruns, George Gaukler, Bobby Koeplin, Luke Trapp and Dean Kinney. Naves-Josh Kasowski and Paige Bjornson. Bill Carlblom-absent and not voting.

TECH II DETENTION POND: George Gaukler moved to take off the list and close out Tech II construction. Josh Kasowski seconded. Motion carried. Ayes-Tony Kobbervig, Paige Bjornson, Wade Bruns, George Gaukler, Josh Kasowski, Luke Trapp and Dean Kinney. Naves-Bobby Koeplin. Bill Carlblom-absent and not voting.

DIRECTOR'S REPORT:

Respond to Performance Evaluation: E-mail to Tony Kobbervig today.

Labor Study: List purchased/not a good list. May generate a few more names. Wrap up study and finalize report.

Workforce Training /Job Service: ND State College of Science hosted a business meeting in Fargo, looking at connections to schools, etc. A disconnect exists between Higher Education, Career & Technical Education and employers. A small group will meet to begin to analyze workforce issues/needs and develop options to address these issues before bringing in employers. Upgrading skills and training is wanted and needed. Two year institutions showcased at Career & Technical Education conferences are an important pipeline for employers. CTE is a pipeline for 2-year colleges. Legislative policy is promoting 4 year educations and missing the 2-year tech schools. The number of core classes does not allow time for additional skill classes.

NOTE: Paige Bjornson left at 8:10 a.m.-absent and not voting on subsequent motions.

South Central Dakota Regional Council/Membership: Requesting a 3% increase. Should be funded through the County General Fund rather than Economic Development. Request more documentation from SCDRC. Wade Bruns moved to approve membership and request from County Economic Development funds. George Gaukler seconded. Motion carried. Ayes-Tony Kobbervig, Wade Bruns, George Gaukler, Josh Kasowski, Luke Trapp and Dean Kinney. Nays-Bobby Koeplin. Bill Carlblom and Paige Bjornson-absent and not voting.

VC PUBLIC SCHOOLS: Josh Kasowski moved to appoint VC Public School Supt. as an ex-officio member. Dean Kinney seconded. Motion carried. Ayes-Tony Kobbervig, Wade Bruns, George Gaukler, Josh Kasowski, Luke Trapp and Dean Kinney. Nays: Bobby Koeplin. Bill Carlblom and Paige Bjornson-absent and not voting.

CHILDCARE: City and County approved additional funds. Infant care is still a problem. One full time person can provide care for a maximum of four babies. Headstart is losing 11 slots this year due to federal funding cuts. Will review for next meeting. Need time to let current projects develop.

STAFF REPORT: Dept. of Human Services would like to rent an office in RTC at \$260 vs. \$300/month. George Gaukler moved to approve \$260/month rent; can they locate in vacant space in the City County Health building? Luke Trapp seconded. Motion carried unanimously. Bill Carlblom and Paige Bjornson-absent and not voting. Drafting a response to ND HFA's story that populations in Valley City and Jamestown will decrease because of lack of employment opportunities.

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

Respectfully Submitted

Jennifer Feist
Director of Development