

**Valley City-Barnes County Development Corporation Special Board Meeting**  
**Wednesday, January 31, 2018**  
**7:00 a.m., Regional Technology Center, 415 Winter Show Road (Large Conference Room)**

**PRESENT:** JoAnn Hooper, George Gaukler, Josh Kasowski, Bill Carlblom, Dean Kinney, Mary Simonson, Paige Bjornson, Mary Lee Nielson, Bobby Koeplin, Alicia Hoffarth and Jennifer Feist

**ABSENT:** Wade Bruns, Luke Trapp and Mike Metcalf

**EX-OFFICIO:** Dave Carlsrud, City Commission

President JoAnn Hooper called the meeting to order at 7:00 a.m.

**LONG TERM FINANCIAL PROJECTIONS:** Tracks economic development funds from City sales tax and County mill levy. Includes I-94 revenue bond-tied to sales tax, 2012-2017 actuals, TIF Reserve-\$183,000 to pay final bond payment, 2016-started receiving TIF funds and making bond payments. Net cash of \$1,669,860 as of September 30, 2017. Decreased sales tax growth rate from 3.5% to 2% and 2.5 mills at County with 2% increase in revenues per year. Net cash flow for 2018 is estimated at \$713,000; all but \$90,000 is obligated. From 2019 forward, higher amounts are budgeted vs obligations. May receive more TIF funds as tax rates increase-could pay bonds off sooner. Project receipts received as returns to City and County. Review and adjust projections as needed to ensure Board agrees with funds projected as available for projects.

**FLEX PACE CASH FLOW:** Pool of \$500,000. Projections show actual obligations and potential future projects. Draw on Line of Credit or infuse unrestricted cash in 2018-2019; repay Line by 2026-2027. Interest paid as an expense to the program. Use unrestricted funds or wrap into loan. Total interest expense of \$193,000 over 10 years. Do we continue Flex Pace Program as is? Where does the program have the most impact? Repeat customers? Downtown? Local funds under \$10,000 are paid to Bank of ND up front and over \$10,000 is paid annually. Bank of ND does not allow us to receive local Flex PACE funds back until they are fully advanced.

NOTE: Bill Carlblom left at 7:25 am

Should we tighten up program requirements? Need to make decisions and educate bankers, board, etc. What do other similar towns do? We do more than any other community in the state.

**RESTRICTED AND UNRESTRICTED FUNDS:** Projecting \$373,000 in unrestricted funds by 9/30/17; however, obligations against funds include \$80,000 R & R Coordinator, \$100,000 Multi-Family Housing Rehab and \$69,000 of Flex PACE; Restricted funds-\$197,000. Unrestricted funds-\$124,686 are not obligated. After year end, we spent \$50,000 for land purchase, received \$100,000 for land sale, \$174,000 adjusted unrestricted funds balance; returned \$50,000 for Eagle Creek and \$70,000 I-94 RD Corridor to City and received \$15,000 marketing funds.

**NET ASSETS:** Recorded at cost. RTC: \$85,000 after restricted funds (EDA - \$550,000 request UCC filing be released after 2020). Funds paid back to City/County increase funds available for projects. Tech II: \$483,000 after restrictions. ND Job Training for I-94 RD Corridor-71 of the 80 jobs required have been created or 89% which leaves \$16,500 (of the \$150,000 loan) balance to be repaid by January 21, 2019. NW Industrial Park: \$455,000 Net Asset, less \$75,000 loan and accrued interest. Expect future special assessments of \$28,600 for Highway 10 repairs. Land: Technology Park Net Asset of \$75,000 and NW Industrial Park land of \$25,000; I-94 Regional Development Corridor are shown as all restricted funds. We pay well over \$60,000 in property taxes per year. See projections on potential sale of NW Industrial Park building and State and Federal tax consequences based on new rates. Building is asset and secures the \$750,000 Line of Credit. Future discussion and decisions including funding for Resource Dev. Specialist, Roundtable, workforce, Small Projects and Administrative.

**FLEX PACE PROGRAM:** Form subcommittee to develop ideas and bring to Board. Josh K, Bobby, Dean, George, Paige and JoAnn volunteered. Put on February agenda. Share financial update with Board members not present. Is Multi-Family Rehab program as important as others? Program funds can be used for second stories. What is the impact? First come first serve list? About 10 businesses on potential list. Net benefit to community is \$3.6 M with local investment of \$1.4 M (\$5 M). Central Ave retail will be stressed this summer due to construction.

There being no further business, President JoAnn Hooper adjourned the meeting.

Respectfully Submitted

Jennifer Feist, Director of Development