

Valley City-Barnes County Development Corporation Board Meeting

Monday, October 9, 2017

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

PRESENT: Tony Kobbervig, George Gaukler, Bobby Koepplin, Wade Bruns, Dean Kinney, Mary Simonson, Paige Bjornson, Mary Lee Nielson, Jennifer Feist and Alicia Hoffarth

ABSENT: JoAnn Hooper, Bill Carlblom, Mike Metcalf, Luke Trapp and Josh Kasowski

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

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

AGENDA: Remove Item #7; add Meridian II in place of Item #7; add to Item #10, C-Workforce Recruiting Plan-\$10,000; and D-Conceptual Drawing Technology Park-\$5,000.

MINUTES: Mary Simonson moved to approve the September 11th minutes. Paige Bjornson seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Membership-\$58,617.50 which exceeded budget. Membership-will not increase amounts for 2017-2018; private sector contributes more than funds received from City/County. RTC outstanding principal-paid in full by December 2020. Class 100-transferred Flex PACE fees of \$2,365 cash after Allowance for Doubtful Accounts; \$16,700 in receivables. Do not have fees from Valley City Development Corporation of \$21,200. Took out Recruiting & Retention Coordinator's position; bottom line shortfall of \$12,979 for year end. George Gaukler moved to allocate \$15,000 of Flex PACE fees to 2016-17 budget. Receivable will be used for reserve. Mary Simonson seconded. Motion carried unanimously. Class 500/Roundtable-Cash of \$6,960 with commitments of \$42,000. Unobligated funds of \$15,960 through 2019. Class 800-Unrestricted cash of \$215,000. Mary Simonson moved to approve financial statements. George Gaukler seconded. Motion carried unanimously.

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

CLOSE EXECUTIVE SESSION: 7:40 a.m. George Gaukler moved to close the Executive Session. Mary Simonson seconded. Motion carried. Ayes-George Gaukler, Bobby Koepplin, Wade Bruns, Dean Kinney, Mary Simonson, Paige Bjornson and Mary Lee Nielson. Naye-Tony Kobbervig.

HI-LINE PRAIRIE GARDENS & ORCHARD: Request of \$10,000 Roundtable funds to match State grants they would apply for. George Gaukler moved to approve matching funds of \$10,000 with matching funds required to be in place before release Corporation's contribution. Mary Simonson seconded. Bobby Koepplin noted that it should be contingent on raising the additional \$10,000 from Heritage or other sources. Mary Lee Nielson noted that Heritage funding is needed for greenway. Ayes-Tony Kobbervig, George Gaukler, Wade Bruns, Dean Kinney, Mary Simonson and Paige Bjornson, Naves-Bobby Koepplin and Mary Lee Nielson. Motion carried.

MERIDIAN II: Proceeding with second 42-plex. Change in contract terms requested. Current contract-\$25,000 per year towards the \$150,000 balance, which would be paid off December 31, 2021. Change to \$100,000 paid by December 31, 2017 and \$25,000 per year until the \$150,000 is paid in full. Wade Bruns moved to recognize a conflict of interest for George Gaukler. Bobby Koepplin seconded. Motion carried unanimously. Concerns within community about adding more units in the market. Flex PACE Program is available to everyone. Need housing to bring people to town. Is there an unfair advantage? Two buildings were originally planned. Board does not decide based on competition but based on sound financials. This decision is not related to PILOT request to City. Our decision is only about contract change and impact on cash flow. The Board has supported the project. Valley City will need more single-family homes; need to increase wages. Mary Simonson moved to approve changes to contract. Bobby Koepplin seconded. Motion carried unanimously. George Gaukler abstained.

ND WINTER SHOW: Purchase agreement-pending. Maintenance agreement for lot included. Asbestos in old entrance needs to be taken out by professionals. Bobby Koeplin moved to approve the additional \$50,000 needed for the land purchase from unrestricted funds. Dean Kinney seconded. Motion carried unanimously. NOTE: The City & County approved \$150,000 each, funded through economic development funds.

FLEX PACE MULTI – FAMILY RENOVATIONS: See draft program guidelines and items to consider. Ross Berg does appraisals and would be willing to complete walk-throughs of projects for a fee. Condense program guidelines for public. We are targeting 4 units or more, multi-family definition is 2 units or more. Inspection fee is \$250 - \$500 depending on size of project. Will not pro-rate Flex PACE benefit but may consider an extension to 12 months. Would we consider transferring Flex PACE benefit to a new owner if property is sold? Is the program available to purchase AND remodel or just renovation? What happens to Flex PACE spent? How does that impact Bank of ND's decision to fund on front tend? Review with Bank of ND.

SERVICE/RETAIL: Are we increasing buy down from \$100,000 to \$200,000 as allowed by the Bank of ND? Should program target downtown? Good to promote downtown but not limit to it. Need to ensure property inside and out looks nice. Keep the program as is for now.

DIRECTOR'S REPORT: 1) Need to engage in long term financial planning. 2) Agreement to establish corporate relationship between Valley City Dev. Corp. and VC-BC Dev. Corp. George Gaukler moved to approve the agreement as submitted. Mary Simonson seconded. Motion carried unanimously. 3) Road repairs from water tower by John Deere going west to the corner-cost estimate is \$770,000 resulting in significant special assessments to Malach and John Deere. Would Economic Development contribute funds toward the repairs? Companies did not pay to build concrete road 20 years ago. Does road need to be done yet? Repairs on about 20% of the surface. Will it continue to shift if panels are only repaired here and there? 4) Workforce recruiting-3 potential companies that would need people. Need pool for them to consider coming here. Worth spending funds to create event that would highlight these companies; consider November 21st when Governor comes or sooner? Pay stipend to train for jobs needed out of allocated funds. Need to meet with Bismarck company. Include other businesses that need employees. Difficult to get "list" of potential employees as the list changes daily. Data is available on the Job Service website. Have contacted some of those individuals. How do we demonstrate we have the workforce? Draws attention to what we are doing and creates excitement and captures attention. Biggest challenge is getting people there. 5) Bobby Koeplin moved to approve \$5,000 for a conceptual drawing of Technology Park. Dean Kinney seconded. Motion carried unanimously.

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

Respectfully Submitted

Jennifer Feist, Director of Development