

Valley City-Barnes County Development Corporation Board Meeting

Monday, July 19, 2021

6:45 a.m., Regional Technology Center, 415 Winter Show Road (Training Lab)

PRESENT: Josh Kasowski, Paige Bjornson, Mary Lee Nielson, Wade Bruns, George Gaukler, Bill Carlblom, Bobby Koeplin, Luke Trapp, Mary Simonson, Dean Kinney, Matt Pedersen, Mike Bishop, Dick Gulmon, Paul Diegel, Pete Paulson, Jennifer Feist and Trinity Nelson

ABSENT: Bill Carlblom, Dean Kinney, Mike Bishop and Matt Pedersen.

President Josh Kasowski called the meeting to order at 6:45 a.m.

AGENDA: Addition: MDU discussion added after item 10. Grant Administration added to Directors' Report.

MINUTES: Mary Simonson moved to approve the June 14th minutes. Paige Bjornson seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Reviewed financial statements for quarter ending 6/30/2021. Currently \$600,000 in our accounts. Unrestricted/undesignated use of \$46,000 including \$47,000 PPP loan. R&R-saving money due to insurance changes. Projects-received JD Seeding Group ND Jobs Training Program funds. Summer Nights on Central-received \$5,550 from sponsors. RTC-cash balance of \$6,800 after transfer of \$6,000 from Flex PACE to RTC. RDS-balance of \$32,000. Roundtable-\$35,000 balance, however, most of the funds are designated so balance will decrease by 9/30/2021. Small Projects-\$6,300 balance. Tech II-projected loss by 9/30/2021, cash balance of \$72,000. I-94 RDC-operating cash of \$1,500. Class 950-\$6,400 balance. NW Industrial Park Bldg.-balance of \$7,700. Bobby Koeplin moved to approve the financial statements as presented. Mary Simonson seconded. Motion carried unanimously.

EXECUTIVE SESSION: 6:52 am Paige Bjornson moved to go into Executive Session. Mary Simonson seconded. Motion carried unanimously.

CLOSE EXECUTIVE SESSION: 7:18 am Mary Simonson moved to close the Executive Session. Mary Lee Nielson seconded. Motion carried unanimously.

SILVER SIX, LLC: Wade Bruns moved to recognize conflict of interest for Paige Bjornson and Luke Trapp. Mary Simonson Seconded. Motion carried unanimously. Bobby Koeplin moved to approve the Flex PACE loan up to \$18,000. Mary Simonson seconded. Motion carried unanimously; Paige Bjornson and Luke Trapp abstained.

FLEX PACE – RELEASE OF FUNDS: Mary Simonson moved to approve releasing funds from obligation of \$3,500 VC Developers/Bridges and \$25,000 for Movie Theater. Paige Bjornson seconded. Motion carried unanimously.

CHAMBER OF COMMERCE REQUEST FOR FUNDS: The Valley City Area Chamber of Commerce requested \$5,000 of County Funds. Funds would be utilized for operating, marketing, etc. Mary Lee Nielson moved to approve request of \$5,000. Luke Trapp seconded. Motion carried unanimously.

PARKS & RECREATION – CONTRACT SERVICE PROPOSAL: Bobby Koeplin, Mary Lee Nielson and Jennifer Feist discussed the proposal. Approve funds for the new position and keep separate from Byway maintenance. If Byway funds are used for the new position, there will be no funding available to continue maintenance, need about \$5,000/year. The Byway is a great addition to our community. The Corporation is different from the Chamber as the focus is aimed towards primary sector businesses. George Gaukler moved to approve using the \$17,000 of Roundtable Funds that has supported the marketing coordinator position and redirect to support the proposal for contract services with Park & Rec. Dick Gulmon seconded. Motion carried unanimously; Mary Simonson-absent and not voting/stepped out briefly.

NW INDUSTRIAL PARK: Drainage/Engineering Services: Table until next meet as Chad Petersen is not present.

Building/Committee Recommendations: Bobby Koeplin, Luke Trapp and Paul Diegel met to discuss NW Industrial Park building. The lease rates are low (covering CAM costs) which is a great service to assist new/growing businesses. Should we sell the building and build a new one? Expect more capital investments for several years. Initial 3-year contracts with businesses. Lease rates should be increased. J&S Marketing is not primary sector; would be nice to have a space to serve as a business incubator for mfg. PAIS expects to ship 14 Huber Maintainers by end of August. Committee feels building could be sold under the correct circumstances. Would need to provide 90-day notice for increasing lease rates. Cost of

commercial appraisal-\$4,000 to \$5,000. Not many comparable sales in recent history. Last appraisal completed 2011. Determine equitable lease rates.

NOTE: Wade Bruns left at 7:47 am.

Sale Price Per Acre: Need selling price/acre for NW Industrial Park land. Received an inquiry to construct a new building for a trucking company. Approximately \$25,000/acre. Drainage issue would need to be addressed prior to setting price and selling land. Would the Corporation oversee the drainage project? Still waiting for cost of KLJ work.

NOTE: Paige Bjornson left at 7:51 am.

George Gaukler moved to approve \$10,000 for KLJ to assess drainage issues for the NW Industrial Park with funds from the County. Mary Simonson seconded. Drug Plastics is investing in a sprinkler system now and then adding onto the building (owns 14 acres). Would they be willing to assist with improvements? Motion carried unanimously. Check contract with City regarding specific language requiring land development to be for primary sector development.

FINANCIAL REVIEW – RTC & NW INDUSTRIAL PARK BUILDING: Received \$47,000 PPP loan, tracked through administrative as unrestricted funds. PPP was based on wages/benefits of all three positions. We could allocate 50% to administrative and 50% to RDS and R&R positions. If prorated, we would have a \$20,000 deficit in administrative. Wait until we receive SBA forgiveness and then decide. RTC-projected loss of \$30,000. Executive Comm. will review.

MDU: Entity has completely changed how they do business within the State; there are two contractors in Minnesota that have the correct certifications. New changes require contractors to be level 1 to trench in MDU services. Doubles cost for contractors, homeowners, etc. Bobby Koeplin moved to reach out to local and state representatives to bring to light these issues. Mary Simonson seconded. Motion carried unanimously.

DIRECTOR'S REPORT: New Projects-received inquiries for a few larger projects recently. Jennifer has the authority to decide whether they should be pursued or not. I-94 Reg. Dev. Corridor-Sale Price/Acre: Currently \$125,000/acre for land along frontage road and \$75,000/acre for the back acres. Grant Administration: Potential that 3 grants were approved for Water Trail; administering grants brings extra work into our office for the next two years; however, assistance is needed. *It Takes a Valley* marketing piece is nice.

There being no further business, President Josh Kasowski adjourned the meeting.

Respectfully Submitted

Jennifer Feist, Director of Development