

**Valley City-Barnes County Development Corporation Regular Meeting
Monday, October 11, 2021
6:50 a.m., Regional Technology Center, 415 Winter Show Road (Training Lab)**

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

ABSENT: Bill Carlblom and Paul Diegel

EX-OFFICIO: Alan LaFave, VCSU

President Josh Kasowski called the meeting to order at 6:50 a.m.

AGENDA: No changes

MINUTES: Mike Bishop moved to approve the minutes from the September 13, 2021, regular meeting. Mary Simonson seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Quarter end and year-end review. Total cash of \$468,000, reviewing unrestricted and undesignated funds, Tech II interest rate reset at 3.75% FCCU loan:

1. Administrative-\$47,000 PPP loan has been forgiven, unrestricted funds;
2. Flex PACE-have not transferred \$10,499 fees earned until loan payoffs are received, current balance of about \$650, expect to draw on the Line of Credit in 2021-2022 of about \$115,000-\$125,000 contingent on RDFC funds received and new deals, in 2022-2023 would have receivable collections that would be available to repay Line of Credit; fees and PPP loan proceeds help make up operating shortfall;
3. R&R-good year-end balance due to \$19,000 grant received and savings in health insurance;
4. City Funds-included Bush Prize funds-deadline extended to December, 2022 because of Covid;
5. County Funds-funds received were allocated to approved expenditures;
6. Class 250-Summer Nights on Central-Balance of \$1,600 to be carried over to next year;
7. RTC-balance of \$3,932.81, loan receivable of \$20,000 transferred from Flex PACE (unrestricted) fund;
8. RDS-good year-end balance of \$17,192 because of health insurance savings;
9. Roundtable Funds-\$42,374.47; Marketing-\$5,898.10 remaining balance, would need to fund raise one the balance is used; Small Projects-\$6,066.52;
10. Tech II-balance of \$75,000 with \$30,000 restricted, loan receivable of \$10,000 transferred to VCDC;
11. I-94 RDC-negative balance of \$300;
12. Workforce Development-negative balance of \$5,688.95;
13. NW Industrial Park Building-\$5,388 which includes \$10,000 from VCBCDC unrestricted funds.

George Gaukler moved to approve the financial statements as presented. Matt Pederson seconded. Motion carried unanimously.

EXECUTIVE SESSION: 7:07 am Mary Simonson moved to go into Executive Session. Mary Lee Nielson seconded. Motion carried unanimously.

CLOSE EXECUTIVE SESSION: 7:21 am Matt Pedersen moved to close the Executive Session. Mary Simonson seconded. Motion carried unanimously.

NEW APARTMENT COMPLEX FLEX PACE REQUEST: Flex PACE request for new 36-plex, Hyland Park Apartments. Mary Simonson moved to recognize conflict of interest for George Gaukler. Mike Bishop seconded. Motion carried unanimously. Bobby Koeplin moved to approve Flex PACE funds up to \$166,666 pending Finance Committee review and Bank and Bank of ND approvals. Mary Simonson seconded. Motion carried. George Gaukler abstained.

FLEX PACE LINE OF CREDIT: NW Industrial Park building has been used as collateral for Flex PACE Line of Credit. Substitute for a second position on Tech II or a first position on the RTC. Paige indicated \$1 Million of value would be needed to collateralize a \$750,000 LOC. George Gaukler moved to provide collateral on either one of the buildings. Mary Simonson seconded. Motion carried unanimously. Paige Bjornson abstained.

TECH II LEASE RENEWAL: Offer to reduce lease rates for the first year of the three-year renewal term of December 1, 2021-November 30, 2022 of \$13.00/sq. ft., \$14.00/sq. ft. the next year, and \$15.00/sq. ft. for the third year. The Corporation would pay CAM costs, except telecommunications and custodial. George Gaukler moved to approve lease renewal as outlined. Dick Gulmon seconded. Ayes: George Gaukler, Mary Simonson, Josh Kasowski, Mary Lee Nielson, Matt Pedersen, Luke Trapp, Dean Kinney, Pete Paulson, Wade Bruns, Mike Bishop, Dick Gulmon and Paige Bjornson. Naye-Bobby Koepplin.

RTC BUILDING IMPROVEMENTS: Costs to replace carpeting in Suite 1 is \$9,000. Cost for painting is estimated at \$4,500. Do we want to submit a request to the City and County? There are unrestricted funds in Tech II, could these funds be utilized for these updates. Will cover the improvements internally temporarily. Will schedule the Finance Committee to review. Mike Bishop moved to approve \$10,000 for RTC Suite 1 improvements. Mary Simonson seconded. Motion carried unanimously.

LOCAL BUSINESSES/PURCHASES: Paige Bjornson indicated that she received comments again lately that larger businesses are making larger purchases out of town. This has been raised and discussed in the past. Is there a way for us to help encourage these entities to shop local? VCSU encourages all departments to shop local on a regular basis and made efforts related to the Fine Arts Center construction. About 10% of our sales tax is from online sales. Need to paint a more positive picture and let community members and businesses know the importance of shopping local. Could create communications and include information in next newsletter about the importance of keeping funds local and reach out to various major employers, public and private.

NW INDUSTRIAL PARK: Drainage-need to continue work on plan, preliminary numbers-\$400,000+ for the City-owned land between NW Industrial Park building and Drug Plastics. Sale Price/Acre-pending; Request for 5 acres to construct a 35,000 sq.ft. warehouse-distribution center-owners need to stay under \$50,000/acre. Project does tie to industrial development and jobs.

DIRECTOR'S REPORT: MDU issues are still on list, meeting with Gwen Crawford to discuss. Governor released his Accelerate North Dakota plan. Other communities have received several millions of dollars for water, sewer, roads, rail; our infrastructure is about technology, our technology jobs match Grand Forks UAV jobs dollar for dollar. There is a lot of COVID money coming through and we should get our fair share. Local government and leadership were not informed that funds were being made available, the information was released through local legislators for public release. VCPS public meetings re: potential for a new high school tonight and Wednesday.

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

Respectfully Submitted

Jennifer Feist
Director of Development