

Valley City-Barnes County Development Corporation Board Meeting

Monday, February 9, 2015

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

PRESENT: Paige Bjornson, Tony Kobbervig, Mike Metcalf, Wade Bruns, Mary Simonson, Luke Trapp, Bill Carlblom, JoAnn Hooper, Bobby Koeplin, Jennifer Feist and Alicia Hoffarth.

ABSENT: George Gaukler, Leighton Smith, Josh Kasowski and Tisa Mason

EX-OFFICIO: Chad Petersen, KLJ, and Keith Andersen, ICTC

President Paige Bjornson called the special meeting to order at 6:45 a.m.

AGENDA: Remove #6 (Wellness Center) and replace with QuickBooks Training and add Legislative Reception #14

MINUTES: Mary Simonson moved to approve the January 12 and January 16 minutes as submitted. Wade Bruns seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Summary and select statements were provided. JD North-property tax due from John Deere; we are responsible for insurance. Bobby Koeplin moved to approve the financial statements as submitted. Luke Trapp seconded. Motion carried unanimously.

SECOND CITY EX-OFFICIO: The Mayor requested a second City representative to serve as an ex-officio Board member without a specific person named. Questioned if the second representative is absent, should there be a replacement? The concern is continuity. Wade Bruns moved to add a second ex-officio for the City. Tony Kobbervig seconded. Ayes: Paige Bjornson, Tony Kobbervig, Mike Metcalf, Wade Bruns, Mary Simonson, Luke Trapp, Bill Carlblom and JoAnn Hooper. Naye: Bobby Koeplin. Motion carried.

I-94 REGIONAL DEVELOPMENT CORRIDOR: Moore Engineering stated they will not participate in the one-third share of the \$28,008 settlement. Noted they did not charge for extra time. Paras believed they had Moore Eng.'s approval to go-ahead with soft spot correction as completed. Bonding will be finalized in six weeks. Moore Engineering will be responsible to ensure site is cleaned up. Legal fees would likely cost more than the settlement. Bobby Koeplin requested a total/itemized list of costs for Moore Engineering. Moore quoted a low percentage, but other items increase the percentage. Mary Simonson moved to approve payment of \$28,008 to Paras to settle the project. Wade Bruns seconded. Motion carried unanimously.

QUICKBOOKS TRAINING: Intermediate training May 11 and 12, Fargo, cost is \$500/person. RDS budget-funds available; Administrative budget-would need unrestricted funds for Director's training. Bobby Koeplin moved to approve training for RDS and Director of Development funded through the respective budgets. Mary Simonson seconded. Motion carried unanimously.

EXECUTIVE SESSION 7:00 a.m. Discussion of Creative Therapy and technology opportunity
Mary Simonson moved to go into Executive Session. JoAnn Hooper seconded. Motion carried unanimously.

CLOSE EXECUTIVE SESSION 7:20 a.m.: Tony Kobbervig moved to close the Executive Session. Luke Trapp seconded. Motion carried unanimously.

CREATIVE THERAPY: Bobby Koeplin moved to request up to \$10,000 total, \$5,000 each from the City and County pending positive due diligence by Finance Committee. Luke Trapp seconded. Mary Simonson would like additional figures and a financial plan prior to releasing more funds. Motion carried unanimously. NOTE: Positive due diligence completed by Finance Committee (JoAnn Hooper, George Gaukler and Josh Kasowski), funding confirmed. Financial projections at full caseload showed the business will make a profit; breakeven is 50% of caseload.

NOTE: Bill Carlblom left the meeting-absent and not voting on subsequent motions.

SALE OF 3.44 ACRES: Reviewed memo to clarify under what conditions the \$10,000 option payment is returned to the buyer. Bobby Koeplin stated the buyer could force non-approval of the building permit by submitting poor building plans. This only affects if the \$10,000 is returned. If the purchase agreement is executed, we cannot sell the land to a different party. Mary Simonson moved to approve items A, B, and C to clarify language in purchase agreement. JoAnn Hooper seconded. (Items A, B and C include Housing Incentive Fund-application not approved-return \$10,000; closing is July 1, 2015. Construction not started by October 1, 2015-forfeit \$10,000; rezoning, building permit and driveway/access-if any item is not approved-return \$10,000; soil borings-buyers responsibility including soil correction-if no construction-forfeit \$10,000). Ayes: Paige Bjornson, Tony Kobbervig, Mike Metcalf, Wade Bruns, Mary Simonson,

Luke Trapp, and JoAnn Hooper. Naye: Bobby Koeplin. Motion carried. As the owner, we should request rezoning from I1 (Light Industrial) to B1 (Central Business), which allows multi-family housing. Developer paid the \$150 fee. Rezoning assists the project to be construction ready and securing ND Housing Incentive Funds. Mary Simonson moved to authorize Jennifer Feist to request zoning change. JoAnn Hooper seconded. Motion carried unanimously. Buyer is requesting we pay all outstanding special assessments on the books now. Mary Simonson moved to approve payment of outstanding specials at closing (\$1,063.72). Wade Bruns seconded. Motion carried unanimously. Property will be sold "as is" including clean-up of dirt pile and any environmental issues that may be encountered. Conditional Deed Back to be held in escrow. Mary Simonson moved to approve the property to be sold "as is" and execute the Conditional Deed Back with the deed held in escrow. JoAnn Hooper seconded. Motion carried unanimously.

FLEX PACE PROGRAM FEES: Cannot collect interest until Flex PACE funds are fully expended; continue the discussion at state level for future change. We can charge fees similar to loan fees as a one-time fee and based on loan amount. Businesses should all become members of the Development Corporation. Bobby Koeplin moved to implement \$1,000 origination fee. Motion died for lack of second. Tony Kobbervig moved to approve the 4% fee schedule as presented paid up front as a one-time fee. Mike Metcalf seconded. Ayes: Paige Bjornson, Tony Kobbervig, Mike Metcalf, Wade Bruns, Luke Trapp, and JoAnn Hooper. Naves: Bobby Koeplin and Mary Simonson. Motion carried. Our cost for bank loan if needed will become a cost of the program. An option is to stop the program when we need to draw on the line of credit. No cost at this time. Program is effective and needed.

MAINTENANCE SERVICES/ALARM RESPONSE FEES: Increase to \$40/hr for maintenance services and \$30 for alarm response fee. Mary Simonson moved to approve maintenance service fee of \$40/hr and alarm response fee of \$30/response. Tony Kobbervig seconded. Ayes: Paige Bjornson, Tony Kobbervig, Mike Metcalf, Wade Bruns, Mary Simonson, Luke Trapp and JoAnn Hooper. Abstained-Bobby Koeplin. Motion carried.

LEGISLATIVE RECEPTION: March 23rd from 5:30-7:30 pm, \$6,000 budget. We spent \$1,300 two years ago from Roundtable Funds. Anticipate needing \$1,500 this year. Wade Bruns moved to approve up to \$1,500 for the Legislative Reception from Roundtable Funds. JoAnn Hooper seconded. Motion carried unanimously.

KATHRYN COMMUNITY CENTER: Bobby Koeplin provided the Kathryn Community Center budget. We provided \$11,000 from County economic development funds and VDG Roundtable, \$145,000 budget. New mayor wants to sell the building; USDA funds would need to be repaid. Do we want to include a claw back that if a building/project is not used for intended purposes, funds would be repaid, if over a certain amount, \$5,000 for example?

NOTE: Mary Simonson left the meeting-absent and not voting on subsequent motions.

DIRECTOR'S REPORT: Wellness Center event February 26, 5 pm-7 pm, City Lights Supper Club. There being no further business President Paige Bjornson adjourned the meeting.

Respectfully Submitted
Jennifer Feist, Director of Development