

**Valley City-Barnes County Development Corporation Board Meeting**

**Monday, May 18, 2015**

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

**PRESENT:** Paige Bjornson, Tony Kobbervig, George Gaukler, Tisa Mason, Josh Kasowski, Wade Bruns, Mary Simonson, Luke Trapp, Bill Carlblom, Bobby Koeplin, Leighton Smith, Mike Metcalf, JoAnn Hooper, Jennifer Feist and Alicia Hoffarth

**EX-OFFICIO:** Mayor Robert Werkhoven, City of VC, Chad Petersen, KLJ, and Keith Andersen, ICTC  
President Paige Bjornson called the meeting to order at 6:45 a.m.

**MINUTES:** Mary Simonson moved to approve the April 13<sup>th</sup> minutes with the correction noted-Josh Kasowski and Wade Bruns voted no on motion related to churches not being eligible for Flex PACE. Luke Trapp seconded. Motion carried unanimously.

**FINANCIAL STATEMENTS:** The April 30<sup>th</sup> financial summary and select statements were provided. Memberships-two businesses dropped. Marketing-\$10,000 approved, Dept. of Commerce does not provide grants for in-state marketing. Total advertising cost is about \$17,500. George Gaukler moved to approve the financial statements submitted including additional funds for marketing. Mary Simonson seconded. Motion carried unanimously.

**EXECUTIVE SESSION 6:50 a.m.** Mary Simonson moved to go into Executive Session. JoAnn Hooper seconded. Motion carried unanimously.

**EXECUTIVE SESSION:**

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

**SCHWAB-MILLER:** If the request is funded through the Barnes County mill levy fund, we should follow the same Flex PACE program requirements and loan guarantees that are in place. The storage units are a qualified project for Flex PACE through Bank of North Dakota. The projects to fund are decided upon by the community. Bobby Koeplin moved to approve up to \$13,000 for Flex PACE as a loan funded from the Barnes County mill levy fund follow the same program requirements (4% loan) and guarantees are in place. Tisa Mason seconded. Ayes-Paige Bjornson, Tony Kobbervig, George Gaukler, Tisa Mason, Wade Bruns, Mary Simonson, Luke Trapp, Bill Carlblom, Bobby Koeplin, Leighton Smith, Mike Metcalf and JoAnn Hooper; Josh Kasowski abstained. Motion carried.

**SANDOON SALOON II & GRILL, LLC:** Guarantees are needed to meet Dacotah Bank and Bank of North Dakota requirements. Should these projects be loans or grants? We have provided grants to support Barnes County projects the first request received. Not all projects need to be grants. The benefit is to access Bank of North Dakota interest buydown. It is important to revitalize downtown areas in the county. We do not want to provide grants to convert a house into two apartments. We need to clarify and inform people about Flex PACE through banks and city officials. Bobby Koeplin moved to approve up to \$6,000 for Flex PACE as a loan with funds from the Barnes County mill levy fund. Tisa Mason seconded. Ayes-Tony Kobbervig, George Gaukler, Tisa Mason, Josh Kasowski, Wade Bruns, Mary Simonson, Luke Trapp, Bill Carlblom, Bobby Koeplin, Leighton Smith, Mike Metcalf and JoAnn Hooper; Paige Bjornson abstained. Motion carried.

**GRANDSTAY INN & SUITES:** George Gaukler moved to approve \$33,333.33 for the Flex PACE loan pending securing the personal guarantee. Mary Simonson seconded. Ayes-Tony Kobbervig, George Gaukler, Tisa Mason,

Josh Kasowski, Mary Simonson, Luke Trapp, Bill Carlblom, Bobby Koeppin, Leighton Smith, Mike Metcalf and JoAnn Hooper; Wade Bruns and Paige Bjornson abstained. Motion carried.

**CHILDCARE EXPANSION: NOTE-To Recap:** The Board approved \$100,000 on 4/13/2015 for child care assistance with program specifics and guidelines to be determined. The following discussion and motions were to complete the process. Guidelines were drafted based on \$100,000 approved to fund 50 slots. Bobby Koeppin moved to approve the guidelines submitted. Mary Simonson seconded. Other ED groups involved in childcare include: Williston and Dickinson-case by case basis, Devils Lake- very engaged, Jamestown and Wahpeton-nothing yet. Valley City Childcare is submitting a grant application to the state. State and local guidelines define a financial partnership. The program could increase childcare capacity by about 12%. The problem is we are down more than 12%, particularly infant slots. We are contacting parties who may have vacant space that could be used for childcare: Sheyenne Care Center, TLC Childcare and Head Start. Our program is to support other parties and not to be involved in operating and liable/responsible for any providers/parties to be in compliance with code and/or other requirements. The guidelines as written do not provide different amounts for infants vs. older children over 18 months. TLC Childcare is interested in converting some existing slots to infant slots. Bobby Koeppin moved to amend the motion with \$75,000 allocated to care for children over 18 months as laid out and \$25,000 for infants and toddlers 18 months and under. Mary Simonson seconded. Vote on Amendment-motion carried unanimously. Vote on motion as amended-motion carried unanimously. George Gaukler moved to allocate the \$75,000 at \$1,500 for each slot for children over 18 months and allocate the \$25,000 at \$2,500 for each slot for infants and toddlers 18 months and under. Mary Simonson seconded. The program is being established to help access Flex PACE and the ability to use \$100,000 to create fifty (50) slots. Motion carried unanimously. Bobby Koeppin moved to secure \$50,000 from the City/sales tax and \$50,000 from the County/mill levy fund. JoAnn Hooper seconded. Motion carried unanimously.

Note\* Bill Carlblom left meeting at 7:40 am. Absent and not voting on subsequent motions.

**WELLNESS CENTER:** Contracts are signed for a \$14 million project. Bond details are pending. The County Commission continues to hear objections. George Gaukler will appear before the Commission tomorrow to clarify financing. Force main work will start immediately.

**I-94 RDC:** We are finalizing the bond. Final clean-up is pending. A few cracks need to be fixed and corrections completed by Paras. They also need to deal with weeds. The National Guard groundbreaking is June 30 at 11 am at the site.

Note\* Mary Simonson left meeting at 7:45 am. Absent and not voting on subsequent motions.

**LONG TERM CASH FLOW:** Projections reflect the effective bond rate of 2.365% for I-94 Corridor TIF bond; the bond reserve will be used for the final payment, three mills from the county, Wellness Center-\$750,000 from City and County, approximately \$300,000 a year for future projects to create jobs, and funds to assist with purchasing land or discount sale of I-94 corridor land. The National Guard reimbursement is pending; it is not part of the bond issue or cash flow. Not sure how the National Guard reimbursement will be handled-may be placed in a sinking fund for debt service. The Development Corporation will be reimbursed \$134,000 for soft costs. Land sale of 3.44 acres is pending and not included in cash flow. Global cash flow is forthcoming.

**DIRECTOR'S REPORT:**

1. Sonja Jorgensen was hired for the part-time administrative assistant position.
2. Entrepreneurship Promotion-the Chamber wants to take a bus to Fargo to a 1 Million Cups event. George Gaukler moved to approve up to \$1,500 from marketing funds to support the program. Make sure to clarify/report how program went. Bobby Koeppin seconded. Motion carried unanimously.
3. Received positive comments about the annual banquet.

4. DOT land sale will be coming up in September/October; working to determine how many acres to retain.
5. Prairie Business-distributed copies of May issue; see page 14-ad prepared by Meghan and Mary Lee.
6. Office furniture-need better work space for Director and three chairs to replace conference room chairs being used in offices. Requesting \$5,000. George Gaukler moved to approve \$5,000 for office furniture pending source of funds. JoAnn Hooper seconded. Ayes-Paige Bjornson, Tony Kobbervig, George Gaukler, Tisa Mason, Josh Kasowski, Wade Bruns, Luke Trapp, Leighton Smith, Mike Metcalf, JoAnn Hooper. Naye-Bobby Koeplin. Motion carried.

There being no further business, President Paige Bjornson adjourned the meeting.

Respectfully Submitted

Jennifer Feist  
Director of Development