

Valley City-Barnes County Development Corporation Special Board Meeting
Wednesday, October 21, 2015
7:00 a.m., Regional Technology Center, 415 Winter Show Road (Training Lab)

PRESENT: Paige Bjornson, Tony Kobbervig, George Gaukler, Mary Simonson, Bobby Koeppin, JoAnn Hooper, Jennifer Feist and Alicia Hoffarth

ABSENT: Tisa Mason, Wade Bruns, Luke Trapp, Mike Metcalf, Josh Kasowski, Bill Carlblom and Leighton Smith

EX-OFFICIO: Matt Pedersen, City Commission; Keith Andersen, ICTC

President Paige Bjornson called the meeting to order at 7:00 a.m.; a quorum was not present.

PURPOSE: Paige Bjornson indicated this meeting is to educate board members and understand where we are so decisions can be made on steps needed to move forward including a long term plan to be financially sustainable.

REVIEW ASSETS: RTC-EDA awarded a \$550,000 grant, which is subject to repayment if we cease to operate the RTC as a business incubator. Repayment could be all or a portion of the \$550,000. Check with EDA to secure an answer regarding potential repayment so we know upfront.

TECH II-Projected cash of \$200,000 as of 11/30/2016; \$5,000 asset management fee. ND Development Fund loan balance-\$47,000 as of 12/31/2015. Expect \$100,000+ income per year. Lease expires 11/30/2016. Will follow up with Eagle Creek and begin conversations about lease renewal after the first of the year. Tech II-lease is \$17 per square foot; at the high end even for Fargo. Lease includes some management cost.

NW Industrial Park Building-No bank loan, internal loan \$353,000. VCDC owes VCBCDC \$21,200/year (\$353,000 at 6% interest). Generate \$315,000 if leased at \$4-\$6/square foot per year for the next five years, plus \$85,000 for building reserve. Reviewed potential property sale at various amounts and associated tax liability. A prorata share of the gain would be paid to the shareholders if the Corporation was dissolved. Continue efforts to clean up shareholder list; difficult to find them. Goal is for money to go back to economic development. Thursday October 29th 1:30 pm-scheduled walk through of NW Industrial Park building; meet at west side.

Fees-Asset management fees cover handling financial work and are typically \$4,000-\$5,000. Property management fees- 1% to 5%, less if the tenant takes care of everything-5% if owner does. Need to be consistent in asset and property management fees versus fees based on a property making money.

I-94 Regional Development Corridor-TIF CAP of \$2.5 Million; the cap is the maximum amount of tax increment available, which is the tax revenue generated from improvements. Based on development so far, about \$1.25 Million of TIF has been generated (\$70,000/yr x 15 yrs) including John Deere's expansion and I-94 RDC land (excluding National Guard). The balance of \$1.25 Million of TIF is available for future development (need real property/building that is taxed to generate the tax revenue); can be used as incentive to a company.

The City owns and is able to use the current National Guard building; this is an asset and benefit that the public is not aware of. Development Corporation pays property taxes on its land and buildings; public is also not aware. We own 36 acres of land and have access to 19 acres owned by the City. Goal is to move away from using property and sales tax revenue for administrative support; rather use these funds for projects.

Chamber-County did not approve (lack of 2nd) the \$5,000 requested for the Chamber.

SCDRD-Membership approved, may request membership split between with the City (similar to Stutsman Co.).

Workforce Development-Jennifer Feist met with the Greater Fargo Moorhead Economic Development staff. Asked if we have people and/or can we ramp up people in a select area for a potential employer.

Labor Availability Survey-SSRI/UND conducted phone surveys. Department of Commerce is not providing funding anymore; cost is high. Could Job Service assist? How do we gather better information beyond basic statistics? Use Job Service as a depository of confidential information. Workforce includes approximately 650 people leaving Barnes

County to work, same number coming into the County; part-time employees looking for full time; discouraged workers; and underemployed. Our challenge is to demonstrate to a company that we have an available workforce. We believe people are available, but cannot demonstrate to a company without current information. Wages and benefits are keys to recruiting, plus quality of place. What are the wage levels of our companies? Survey employees to see if they are interested in employment with a company we recruit. This will create a ripple effect; other businesses paying less will lose employees, we have to raise their pay.

Training-How do we upgrade skills; utilize and/or enhance programs through VCSU and the Career & Technology Center. Training is an issue. Companies need to be willing to train.

Minimum Wage-To receive public funds, companies must pay \$14/hour; this may need to increase.

Marketing-State will provide funds for out-of-state marketing, but no guidance on where and how to market. If we survey the workforce, we need a strategy to have jobs for them. Create a buzz...we are looking for qualified employees in specific areas; build a workforce pipeline to attract a company.

Look for one or more companies that could conduct a workforce survey and provide a marketing plan. Develop a proposal and have them make a presentation. Difficult to find value/benefit for money spent on the analysis.

Do we market to employees or market based on assets that we need to fill (NW Industrial Park building and RTC)? That dictates the type of employees needed (manufacturing and technology).

How do we get people to say "yes" to work here? Survey commuters-what would it take to get you to live here? Develop incentives.

What are employers looking for; what jobs are open? Career & Technology Center has good programs, need to engage employers; also need to keep students here.

Retention/Expansion Program-1) Eagle Creek-renew lease in 2016 and 2) Pizza Corner-need authorization to expand. Submitted a list of 10 items to Planning & Zoning and are working with them to make changes. Specifically, we are asking that assembly of previously prepared food products is a permitted use in a B2 District; could affect Open Door and Pizza Corner. A formal request will be considered at 4 pm today with a recommendation submitted to the City Commission. How do we deal with it if changes are not recommended? Consensus was it is okay that we are out in front of this issue on behalf of current and future companies and to provide guidance? Need buffer zones between residential, commercial and industrial areas.

Development History-An updated/expanded history of prior strategies and development was provided. Shows decisions that have made an impact on where we are today, investments in programs and funds leveraged including PACE, Flex PACE, RDS, child care, housing, etc. Need to make public aware of positive impact.

VDG Roundtable-Has been in existence for 10 plus years. The Quality of Place Cornerstone is struggling. Need to reenergize and reorganize the Cornerstone and/or Roundtable itself. May include transition to other groups taking the lead, the Sheyenne Valley Community Foundation, for example. Bobby Koeplin stated a few people were working to create downtown district to revitalize and maintain what we have etc. The Board suggested gathering key groups together to update each other on what they are doing as a start and then bring the larger group together. Need to communicate and work together. How can we leverage what we have? Tied to marketing needs, publicize what each cornerstone is doing.

Flex PACE Program-Review guidelines for potential changes; can address at next meeting.

Sale of 3.44/2.87 Acres-Review proposals, determine decision making process/criteria if we receive more than one proposal for multi-family development. George Gaukler stated he is clarifying with State Historical Society the details on Indian burial mounds as well as property lines.

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

Respectfully Submitted

Jennifer Feist, Director of Development