

Growth Fund Committee Minutes
City Hall Room A102
255 North 4th Street
Grand Forks, ND 58203
December 9, 2019 – 4:30 p.m.

1. **Roll Call:** Members Present - Jonathan Holth, Chris Wolf, Bret Weber, Danny Weigel (by phone), Katie Dachtler (joined by phone at 5:10). Others Present - Meredith Richards, Ryan Brooks, Todd Feland, Michael Brown, Pete Haga, Linsey Rood, Keith Lund, Brandon Baumbach, Dawn Mandt, Maureen Storstad, Andy Conlon, Spencer Halvorson, Dana Sande (joined at 4:40).
2. **Minutes – Meeting of October 21, 2019:** Motion by Wolf, second by Holth to approve as presented. Voting “aye”: all.
3. **Grand Forks Herald Building - Renewal Project Overview and Construction Manager at Risk (CMAR) Consideration:** Ryan Brooks gave an overview of the progression of the building acquired by the JDA on May 1, 2019. Since last month’s meeting and presentation on the master plan concept for the building, advertising for a CMAR occurred and staff held interviews on December 6. Mr. Brooks detailed the actions recommended by staff: 1) Approval to move forward with the CMAR project delivery approach for the Grand Forks Herald Building Renewal Project through the preconstruction phase with subsequent related project phases to be determined in the future, 2) Approval to select PCL Contractors to perform the services as the CMAR of the Project, and 3) Authorization to negotiate an agreement through the preconstruction phase with PCL Contractors. Bret Weber preferred to discuss the three items separately. Chris Wolf and Jonathan Holth asked to be recused; Mr. Holth questioned procedures and what this would mean if we do not have a quorum for the vote. Meredith Richards explained that unless Katie Dachtler joins late, there would be no recommendation out of this Committee due to lack of quorum for voting purposes. Following discussion regarding the rules of order, **Danny Weigel made a motion to defer further discussion and attempt to connect with Ms. Dachtler via telephone. Motion seconded by Wolf. Voting “aye”: all.**
4. **Rendezvous Region Tourism Council (RRTC) - Funding Request:** Ms. Richards introduced Dawn Mandt, Executive Director of the Red River Regional Council, who gave an informational presentation on the RRTC at the last meeting; a written request for financial support from the Growth Fund was subsequently received. Ms. Mandt noted that RRTC’s mission is to build a cohesive regional tourism brand through education, marketing, and amenity enhancement. RRTC is asking the Growth Fund to join as a collaborative partner, seeking a membership commitment of \$10,000/year for up to three years. She noted that Grand Forks is a regional hub for shoppers and entertainment with more than half of its sales tax and 75-90% of the Alerus Center’s revenue derived from outside Grand Forks. Ms. Mandt commented the region as a whole has seen population growth in the millennial age bracket and together we can attract more millennials. The Rendezvous Region and the City together can offer experiences that are unique outside the Winnipeg market, drawing more people our way as well as enhancing the quality of life for our people. Mr. Weigel asked about the return on investment and what the City and its taxpayers would get out of this. Ms. Mandt stated with most marketing initiatives, it is difficult to calculate a direct ROI on those investments, but what they have seen anecdotally is increased traffic to the area and hopefully within the next few years, will see increased sales tax revenue. She stated tourism is the third largest industry in North Dakota. Mr. Weber asked about the relationship between RRTC and the Red River Regional Council (RRRC). Ms. Mandt stated that RRRC acts as the fiscal agent for RRTC and organizes meetings. Discussion ensued in terms of a one-year versus three-year commitment, representation from Grand Forks on the RRTC Board, the role of the Grand Forks Convention and Visitors Bureau (CVB), how to measure success for our region. **Motion by Weigel to table for one month pending outreach to and input from the CVB; second by Holth. Voting “aye”: all.**
3. Andy Conlon announced that Ms. Dachtler was now connected by phone and discussion resumed on **Item 3, Grand Forks Herald Building.** Mr. Wolf and Mr. Holth asked to be recused. **Motion to approve recusal by Weigel, second by Dachtler. Voting “aye”: all.**

Mr. Brooks then summarized the project overview for Ms. Dachtler, and described the CMAR interview process and its participants. Discussion ensued among Committee members, Mr. Brooks, and Dana Sande regarding the CMAR approach versus Design/Bid/Build, with Mr. Sande stating that he is generally not a proponent of the CMAR approach. Mr. Brooks reiterated the requested approvals. Following further discussion, **Weigel moved to approve all three items to get the process started; second by Dachtler. Voting “aye”: all.**

4. **Cirrus/Bremer Loan Pay-offs:** Ms. Richards explained that the JDA received a payoff request from Cirrus for the outstanding loans that have been on our books for several years. The payoff amount was just under \$800,000, which shows that things are going very well for Cirrus and they have the balance sheet capacity to pay off the loans ahead of schedule. With this early repayment, the JDA has the ability to retire the Bremer Bank loans that the JDA took out on behalf of Cirrus for their 2006 expansion project. The pay-off of those loans totals approximately \$515,000; they mature in March 2021, when Cirrus has an option to purchase the facility. Retiring that debt now would reduce JDA interest charges by approximately \$19,600. She noted that Bremer has waived pre-payment fees/penalties. **Wolf moved to authorize repayment of the Bremer Bank loans, second by Holth. Voting “aye”: all.**
5. **Information Only - 2019 Review, 2020 Preview:** Ms. Richards recapped 2019 actions, starting with PACE loans approvals, including two related to childcare. She noted that she was recently informed by Wonder Years that while their original plan was to get the expansion underway in 2019, construction’s been pushed to next spring due to late bidding. In terms of real estate, the year started with the sale of about 7 acres in the Business Park to Border States for \$1 million; that sale was approved in January and closed in June. The sale of 201 S. 4th to Centre is expected to close next week. The JDA acquired the Grand Forks Herald property in May. Regarding property management, there were lease modifications with both retail tenants at Corporate Center. Things are going well with Kittsona and they are current on their restructured lease; however, Ann Love Boutique is struggling and we are working with them. In addition to the childcare loans mentioned, the first rural FlexPACE loan was approved; other PACE assistance included an equipment purchase by Countrywide Sanitation; Acme’s distribution center expansion in the Business Park; Iron Hide’s new facility that will include corporate headquarters plus a state-of-the-art showroom and training facilities; Integrated Steel Solutions acquisition of their facility on 39th Street plus equipment; Paragon Pro received a PACE loan to purchase the building formerly owned by Tel Pro and also an EDARLF loan to purchase equipment; and last month we approved the EDARLF assistance for Mobile Recon, the UAV startup. Three loans were approved through the Start Up Program. It’s been a good year. We also completed a Growth Fund policy and procedure updates and made interim modifications to the EDARLF plan. That plan is due for a complete update in 2020. We also discussed some housekeeping-type code changes as well as expanding the size of this Committee. We will get with the City Attorney in early 2020 to get those in place before the upcoming election. We also expect the findings of the Retail Recapture Study in early 2020, and will look at what that might mean for the Growth Fund. In addition, the Corporate Center sale window opens Fall 2020 and Cirrus’s purchase option in March 2021 so staff will be busy with those preparations, along with the fit-up of the Herald Building.
6. **Adjourn:** Motion by Wolf, second by Holth. Voting “aye”: all. Meeting adjourned at 5:20 p.m.

Submitted by:

Jane Beasley
Community Development

Bret Weber
Chair