

**MINUTES
VISION FUND COMMITTEE
April 16, 2018**

The Vision Fund Committee met in special session at 1:30 p.m. on April 16, 2018 in the Tom Baker Meeting Room in the City/County Building. Present were: Steve Marquardt, Randy Hansen, Kevin Strege and Brian Eiseman. Bill Daniel was absent. Also present were: Todd Sattler, Mike Frolich, Brian Ritter, Nathan Schneider, Charlie Whitman, Jason Tomanek and Keith Hunke.

MINUTES

Chairman Eiseman called for consideration of the minutes of the meeting of March 20, 2018.

MOTION - It was moved by Commissioner Marquardt and seconded by Mr. Strege that the minutes of the March 20, 2018 meeting be approved. All present voted in favor of this motion.

CONSIDERATION – Request from Laughing Sun Brewing Company, LLC

Chairman Eiseman announced the next item of business as consideration of the request from the Laughing Sun Brewing Company, LLC (Laughing Sun) for a Flex PACE interest buydown. Nathan Schneider, Director of Business Development of the Bismarck Mandan Development Association (BMDA), presented the application information to the Vision Fund Committee members. Mr. Schneider indicated this project involves improvements to the Laughing Sun property located at 1023 E. Front Avenue to include a canning line which would allow the increased production of product that would be distributed through wholesale distributors on a regional and national basis. The \$107,692.26 Flex PACE interest buydown request of the Laughing Sun would be a loan from the Vision Fund. Mr. Eiseman asked if Laughing Sun was moving from its present location. Todd Sattler of Laughing Sun answered yes. Mr. Eiseman asked if they have contracts with wholesalers. Mr. Sattler said they are currently working on wholesale distributor contracts. Mr. Strege noted Form 3 showed no Vision Fund amount. Mr. Schneider said no amount is listed because the Vision Fund funds would be a loan. The equity shown is the applicants cash. Mr. Hansen said he felt the project was a neat idea and a worthy cause but was apprehensive about potential concern from competitors and asked how this project differed from others who might make a similar request to fund their brewing operations. Mr. Schneider said this project's economic impact to the community is much different than others. The canning line and distribution of product will be significantly greater than other brewers. Mr. Sattler said distribution will not only be statewide but eventually regional and national. Mr. Strege expressed his concern about competition and didn't see a difference whether it was a small versus large distribution of product. Mr. Sattler said the brewing industry is unique in the fact

that they share and collaborate on many things including recipes. He feels they are each selling a unique product and not competing in the traditional sense. Commissioner Marquardt asked how many employees would be added. Mike Frolich of Laughing Sun said they currently have 8 employees and that number would increase to 15 to 20. Mr. Sattler said their lease on the property will allow them to continue to expand and add equipment as production increases. Mr. Strege asked for a review of the Vision Fund policy. It was determined that the policy doesn't exactly rule out a project based on competition.

MOTION - It was moved by Commissioner Marquardt to recommend approval of the application of the Laughing Sun Brewing Company. There was no second, motion died.

Mr. Strege recommended Laughing Sun seek letters of support for this project from brewers/competitors in the community. Mr. Eiseman confirmed that the request for funding from the Vision Fund is in the form of a loan.

MOTION - It was moved by Mr. Strege and seconded by Mr. Hansen to consider the pre-application of the Laughing Sun Brewing Company, LLC and move it as a full application to be considered by the Vision Fund Committee at a future meeting. All present voted in favor of this motion.

OTHER BUSINESS

There being no further business to come before the group at this time the meeting was adjourned at 2:00 p.m.

Reported by:

Keith J. Hunke
City Administrator