

**MINUTES
VISION FUND COMMITTEE
April 23, 2018**

The Vision Fund Committee met in special session at 2:00 p.m. on April 23, 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, and Keith Hunke.

MINUTES

Chairman Eiseman called for consideration of the minutes of the meeting of April 16, 2018.

MOTION - It was moved by Commissioner Marquardt and seconded by Mr. Strege that the minutes of the April 16, 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 full 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. A copy of the current Vision Fund Guidelines was provided to the Vision Fund Committee. Mr. Schneider said the current guidelines do not have a specific reference to competition. Mr. Strege noted that two letters of support for the Laughing Sun project were provided by brewing competitors and asked if there was feedback from others. Todd Sattler of Laughing Sun said only two were approached as they are representative of businesses who are using wholesale distributing and are of similar size of Laughing Sun. Mr. Hansen expressed his appreciation of receiving the letters of support for the project and said this probably wouldn't have been a reality in his past business experiences. Mr. Hansen recommended that there be some consideration of owner equity such as a personal guarantee if this application is approved. Mr. Strege also recommended consideration of a UCC filing, and a delayed repayment period to the Vision Fund. Mr. Hansen questioned the delay in repayment. Mr. Strege said it provides flexibility as the actual end period of the PACE interest buydown changes as payments are made.

MOTION - It was moved by Mr. Strege and seconded by Commissioner Marquardt to recommend approval of the full application of the Laughing Sun, including the structuring of the funding of the Flex PACE interest buydown as a loan with a loan servicing fee of 1% and a loan interest charge of 1% to be paid back to the Vision Fund, include UCC filing subordinate to bank, personal guarantee from owners, repayment to Vision Fund to start 6-12 months after PACE loan ends with a payback period of 48-60 months and move it to the City Commission for their consideration. All present voted in favor of this motion.

OTHER BUSINESS

Mr. Hansen suggested that a future Vision Fund Committee discussion include potential options and guideline definitions to address how feedback is garnered from competitors of projects seeking Vision Fund support. Mr. Eiseman said he would like the BMDA to follow-up on that along with suggestions on how this might be communicated with banks. Mr. Schneider said he will work on this and include it in a future meeting. Mr. Strege suggested that future proposed loan structures be included in the project re-application. Mr. Schneider agreed and said he will also would like to look at an overall update to the application forms. Mr. Hansen requested an update on the status of existing Vision Fund projects. Mr. Schneider said he will forward the project accountability report to all Vision Fund Committee members. There being no further business to come before the group at this time the meeting was adjourned at 2:15 p.m.

Reported by:

Keith J. Hunke
City Administrator