



Vision Fund Committee

4/27/2023 - Minutes

Call To Order

The Vision Fund Committee met in special session at 4:00 PM on April 27, 2023, in the Tom Baker Room in the City/County Building.

Roll Call

Those present included: Mayor Mike Schmitz, Kevin Strege, Michael Frohlich, and Andrea Petersen. Also present included: Nathan Schneider, Jannelle Combs, Jason Tomanek, Dmitriy Chernyak, John Simmers (Bismarck Aero Center), Tom Seifert (Epic Homes), Parker Pledson (Epic Homes), and Cam Knutson (CMK Holdings, LLC.).

Chair Strege called the meeting to order.

1. Introductions

Vision Fund Committee members introduced themselves and highlighted their backgrounds and experience.

2. Receive Vision Fund Financial Statements

Chair Strege reviewed the financial statements.

3. Consider Approval Of Minutes Of The June 1, 2021, Meeting.

Andrea Peterson motioned to approve the June 1, 2021, meeting minutes as received, and Mayor Schmitz seconded. Upon a roll call vote, all voted aye. M/C.

4. Consider Application From Simson Holding Company Dba Bismarck Aero Center.

Nathan Schneider, with the Bismarck-Mandan Chamber EDC, introduced the application as a local match of a Flex PACE interest buydown request. Mr. Schneider stated the buydown is a split between the Bank of North Dakota with a 65% grant and the City of Bismarck Vision Fund loan at 35%. The Vision Fund loan is typically repaid after the 10-year buydown period expires. Mr. Schneider closed by saying due to the recent increase in interest rates; there is more interest in pursuing incentives through the Vision Fund program.

John Simmers, CEO of Bismarck AERO Center, informed the committee the request is to construct a new hanger for private aircraft at the Bismarck Airport. Mr. Simmers indicated the expansion will create additional full-time and part-time employment opportunities. He closed by saying hangar space is at capacity and the new project will double the current amount of space available.

Chair Strege described the application process and indicated potential next steps for this application.

Mayor Schmitz motioned to accept the application and to move it forward to step two and receive it as a full application request for incentives through the Bismarck Vision Fund, and Michael Frohlich seconded. Upon a roll call vote, all voted aye. M/C.

5. Consider Application From Venture Building Company DbA Epic Homes.

Tom Seifert and Parker Pladson presented information on their application as a general contractors specializing in high-end residential construction. Mr. Seifert indicated the company has outgrown its current leased office space and is looking to expand its staff and purchase a new facility suitable for current office operations and additional growth in the future.

Chair Strege noted that this is a new use for the Vision Fund, but it is not new to North Dakota, citing similar projects in other cities such as Williston, Minot, and Fargo.

Mr. Seifert remarked favorable consideration of their application would encourage more projects like this one, which would help pay back loans to the Vision Fund, create new tax revenue through new construction, and it would open the door for more local businesses looking to grow and expand.

Nathan Schneider remarked these programs would leverage existing Bank of North Dakota dollars that have previously been earmarked to address economic impact and not just job creation.

Mayor Schmitz noted that if other cities are using the Bank of North Dakota funding for similar projects, Bismarck should consider utilizing the same funds, so long as the local projects meet the requirements.

Andrea Peterson motioned to accept the application and to move it forward to step two and receive it as a full application request for incentives through the Bismarck Vision Fund, and Michael Frohlich seconded. Upon a roll call vote, all voted aye. M/C.

6. Consider Application From CMK Holdings LLC DbA Knutson Companies.

Cam Knutson provided an overview of Knutson Companies and the services they provide, including real estate development and brokerage services. Mr. Knutson described the Boden Addition project and indicated his vision for this new development in North Bismarck.

Andrea Peterson asked if the program funds would be used for all of Boden Addition or exclusively for CMK Holdings LLC. Mr. Knutson responded the application is solely for CMK Holdings LLC. to purchase a parcel of property and construct a permanent office location for its use.

Michael Frohlich motioned to accept the application and to move it forward to step two and receive it as a full application request for incentives through the Bismarck Vision Fund, and Andrea Peterson seconded. Upon a roll call vote, all voted aye. M/C.

7. Other Business

Chair Strege and Finance Director Dmitriy Chernyak discussed providing income comparison reports for past projects at the next Vision Fund meeting.

Mayor Schmitz suggested the committee consider what types of projects should be supported through the Vision Fund and review current guidelines at the next meeting. The Mayor closed by stating the Vision Fund Committee should provide recommendations to the City Commission once the consensus has been formed moving forward.

Adjourn

There being no further business, the meeting adjourned at 4:55 PM.

