

Minutes of Meeting
Trail County Economic Development Commission
October 17, 2019 – 7:00 p.m.
Trail County EDC Conference Room – Hillsboro, N.D.

The meeting was preceded by a 6:30 p.m. Business Assistance Committee meeting.

Present: Board members: Paul Geray, Les Amb, Rick Halvorson, Gary Nysveen, Ben Hershey (phone), Scott Hovde (phone). Also present: Jim Murphy – Executive Director, Alyssa Short – Project Coordinator, Becca Dufner, Joe Dufner, Pat Muller, Cory Erickson – Hillsboro Banner and Jim Johnson – Trail County Tribune.

The meeting was called to order at 7:06 p.m. by Vice Chair Geray.

Additions to Agenda

None

1881 Extraction Co. PACE loan request

Muller and the Dufners, representing 1881 Extraction Co., gave an overview of their business plan and loan request. They plan to use the loan funds primarily for extraction and distillation equipment. They also hope to be one of the first companies in the nation to product certified-organic CBD oil, and potentially the powdered isolate form, as well. They also are using the more high-quality (and safer) – but more expensive – process of CO₂ extraction versus ethanol, and using a carbon recapture system to cut down on waste and expenses.

Because of the potential job creation (12 to 15), this is a PACE loan, not Flex PACE. There could be additional economic impact for farmers who grow the CBD hemp that produces the company's biomass. And, if the company takes off, Muller said they'd like to look at building a second facility.

Muller and the Dufners left the meeting at 7:27 p.m.

Geray noted that the Business Assistance Committee recommended the loan be approved with an amount up to \$37,500 for a seven-year period. There were questions about when interest starts accruing on the loan and Hovde confirmed interest starts accruing as of the date TCEDC issues its check.

Nysveen moved to lend up to \$37,500 to 1881 Extraction Co. for its PACE loan, with a variable interest rate being the prime rate as of each anniversary date of the loan, and a 12-month repayment schedule to commence after the seven-year repayment to BND. Amb seconded the motion. Motion carried. Geray requested a roll call vote: Hovde – yes, Nysveen – yes, Halvorson – yes, Amb – yes, Geray – yes. Motion carried.



Murphy will inform 1881 Extraction Co. and The Goose River Bank of the approval. Hershey also noted that like other TCEDC loan approvals, the approved loan offer is valid for 90 days.

Secretary's Report

Short noted a change in the minutes submitted from Director Tom Eblen regarding the date work will begin on the Kaldorville bridge.

Nysveen moved to accept the September 19, 2019 meeting minutes as amended, seconded by Halvorson. Motion carried.

Treasurer's Report

Short said the office is tracking slightly under budget, but probably won't receive the \$18,600 Partners in Marketing reimbursement until next calendar year. Funding levels should be OK for the rest of the year and the office still is on track to move additional funds to the reserve fund as budgeted.

Nysveen moved to accept the September 2019 treasurer's report, seconded by Halvorson. Motion carried.

The October checks include registration for a few upcoming conferences. Short asked whether the board can issue preapproval on the incoming APUC check so this can be released to Total Ag Industries ASAP. Hershey suggested the info be sent to the Executive Committee at that point to issue the approval.

Halvorson moved to approve payment of checks as submitted, seconded by Nysveen. Motion carried.

Hillsboro Body Shop Flex PACE loan extension

Murphy said Hillsboro Body Shop had some delays in with its construction process so the construction loan can't yet be converted to a business loan, which is when the Flex PACE portion would come into play. The original loan offer reach its sunset after 90 days; Hillsboro Body Shop is requesting an extension of up to 90 days and anticipates a December closing.

Amb moved to extend the loan offer by 90 days, seconded by Nysveen. Motion carried.

Hershey and Hovde left the meeting at 7:50 p.m.

Executive Director's Report

Murphy said he received information on a CDL scholarship program and reached out to various Trall County businesses who frequently are looking to hire drivers. He also said that a group of manufacturers in the county want to start a manufacturers' group to discuss best practices, workforce development, etc. It was suggested by Degelman General Manager Justin Kleckner. The Red River Regional Council does something similar and they've offered assistance.

Murphy also had a meeting with Sanford reps regarding Scrubs Camp in Hillsboro, which gives high schoolers a preview of the wide variety of jobs available in the medical field (not just

doctors and nurses). He and Nysveen also helped out with Marketplace for Kids at Mayville State. Nysveen said he was amazed at the number of students who attended, estimating the number at 500-600 kids. Murphy said there were 30-35 kids in each session, and that the sessions covered topics ranging from law enforcement to science, as well as entrepreneurship projects.

The TCEDC office has had several discussions with ag producers regarding weather conditions. There also have been a lot of natural gas updates, including both Traill County and the City of Mayville approving minimum use agreements. Murphy said TCEDC has been exploring USDA grants and loan opportunities – federal, state and local – to help with options for conversions. He's also received input from Grand Forks County on some of the available options.

Both Mayville and Hillsboro have discussed hiring a building inspector; Murphy is looking into the possibility of a position both cities could share. TCEDC is looking at creating incentives booklet, which could be used by the cities to inject their own information, as well. Murphy and Short also had updated the wording on the office's loan paperwork with input from Hovde.

From a marketing standpoint, Murphy said TCEDC has implemented video No. 3 of its Come Home to Traill campaign, which already is approaching 1,000 views. He's been researching Google Adwords for the office's digital campaign and he and Short have been working with the state tourism department to help advertise more of the county's events, starting with MayPort's Winterfest.

Murphy attended a rural schools summit and met a speaker, Ben Winchester, who is a rural city development guru with U of M Extension. Murphy would love to hire Winchester to speak at a lunch and learn in the county; Winchester's key message is that the often-quoted statistic that rural communities are dying is "a B.S. statement." Short participated in the NDSU Extension Community Impressions program in Cavalier. Murphy also said that MayPort EDC is looking at offering beautification grants next year and there's a possibility our office could join in and offer some grants, as well.

Natural gas update – DNG

Murphy said this is progressing step by step, and Amb agreed. The project is still moving in a good direction, but nothing is set in stone. DNG is asking for all agreements by the end of the month, and the City of Hillsboro is doing its first reading of franchise meeting at its next meeting.

Housing update – Riverwalk – Annexation schedule

The City of Hillsboro planned to have its first zoning and annexation reading at the next City Commission meeting; the commission is trying to combine zoning and annexation at same time to get bidding for infrastructure going yet this calendar year.

Finalize a time to meet for Marketing Committee meeting – Jami (tabled)

“Come Home to Traill” campaign

Things continue to move along with this.

Student work-study

Murphy mentioned that we could potentially hire a high school student for something like 5-7 hours per week, focusing on social media. He has an old computer that we could wipe clean. Discussion tabled until the next meeting.

Beautification grants (tabled)

Child care grants

Hillsboro EDC will have \$90K to \$100K after the sale of its child care building and is looking at the possibility of loans/grants for child cares in the community. The Learning Circle is expanding the building, but child care will always be an issue. Discussion tabled until the next meeting.

TUG board terms and meeting

Murphy and Short weren't sure what the term limits were or how the organization was set up. Nysveen said he would stop in and chat sometime.

Community updates

Nysveen – The day care building is being sold to the Learning Circle. The City of Hillsboro is working on annexing and rezoning the new addition. Has been watching the trials and tribulations of Research & Development at 1881 Extraction; they've had to put more structural support into building and redo ductwork, HVAC, etc. Total Ag's hemp harvester is going from an idea on paper to an actual physical structure and hopefully will impact future harvesting.

Halvorson – There's a house for sale in Galesburg. The area could use some good weather.

Amb – The county commission declared Traill County a disaster area. They're waiting to see how much damage has occurred but put the disaster declaration in place in case funds become available. Riverbanks are moving a lot; noted that you can see water carving away at stuff.

Geray – HBA is trying to improve its attendance and see what more the business association can do to improve life in Hillsboro. There are a few more houses for sale in Hillsboro. The football team is doing well but will have to play in mudhole at some point this fall.

Nysveen: Storms resulted in flooding on Loyal Avenue. Hillsboro didn't get its grant for an autonomous bus.

Meeting adjourned at 8:25 p.m.

Officer (printed name & office)	Signature	Date
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Recording Secretary (printed name)	Signature	Date
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