



VISION FUND COMMITTEE

The Bismarck Vision Fund Committee is scheduled to meet in regular session on Thursday, June 27, 2024, at 4:00 PM in the Tom Baker Meeting Room, City/County Office Building, 221 North Fifth Street, Bismarck, North Dakota.

Call To Order

Agenda

1. Approval Of Meeting Minutes

Documents:

[MAY 23, 2024 - MINUTES.PDF](#)

2. Vision Fund Financial Statements

Documents:

[VISION FUND - ANNUAL REPORT \(6-19-2024\).PDF](#)

3. Review The Updated Vision Fund Guidelines

Documents:

[UPDATED GUIDLINES WITH MARKUP.PDF](#)
[UPDATED GUIDLINES.PDF](#)

4. Other Business

Adjourn

Next meeting: 4:00 PM, July 25, 2024
Tom Baker Meeting Room - City/County Building
221 N 5th Street, Bismarck, ND



Vision Fund Committee

5/23/2024 - Minutes

Call To Order

Chair Strege called the meeting to order at 4:00 PM.

Committee members present included Mike Frohlich, Kevin Strege, Andrea Petersen, and Derek Wachter. Member Mike Schmitz attended the meeting via Teams.

Agenda

1. Approval Of Meeting Minutes

Member Frohlich motioned to approve the minutes as presented and Member Petersen seconded. Upon a roll call vote, all voted aye. M/C.

2. Vision Fund Financial Statements

Dmitriy Chernyak, Finance Director, presented the financials to the committee.

Member Petersen motioned to accept the financial statements as presented and Member Wachter seconded. Upon a roll call vote, all voted aye. M/C.

3. Consider Application From Heartview Foundation.

Nathan Schneider provided an overview of the application. Kurt Schneider, the Executive Director of the Heartview Foundation, provided information on the business and the project.

Member Schmitz motioned to recommend funding for the project and Member Frohlich seconded. Upon a roll call vote, all voted aye. M/C.

Member Schmitz motioned to move the project directly to the City Commission for their approval and Member Petersen seconded. Upon a roll call vote, all voted aye. M/C.

4. Discussion With Matt Burthold Regarding The ND Opportunity Fund.

Matt Burthold, with Lewis and Clark Development Fund, presented background information regarding the North Dakota Opportunity Fund to the committee.

The committee received the report.

[HTTPS://BISMARCKND.GOV/DOCUMENTCENTER/VIEW/47150/LEWIS-AND-CLARK-DEVELOPMENT-GROUP-OPPORTUNITY-FUND-PRESENTATION-PDF](https://bismarcknd.gov/documentcenter/view/47150/lewis-and-clark-development-group-opportunity-fund-presentation-pdf)

5. Other Business

Adjourn

There being no further business to discuss, the meeting adjourned at 4:40 PM.

DRAFT

**CITY OF BISMARCK, NORTH DAKOTA
VISION FUND
BALANCE SHEET**

| | 6/19/2024 | | 12/31/2023 | | 12/31/2022 |
|--|---------------------|-----------|-------------------|-----------|-------------------|
| | Balance LTD | | | | |
| ASSETS | | | | | |
| Cash and Investments (actual) | \$ 1,582,946 | \$ | 928,557 | \$ | 1,067,202 |
| Reserved Cash Balance (approved but not drawn) | (541,533) | | (348,888) | | - |
| Subtotal Cash and Investments | 1,041,413 | | 579,669 | | 1,067,202 |
| Accounts Receivable | - | | 3,189 | | 3,157 |
| Notes Receivable (approved but not drawn) | 541,533 | | 348,888 | | - |
| Notes Receivable | 521,522 | | 284,603 | | 322,450 |
| Total Assets | <u>\$ 2,104,468</u> | <u>\$</u> | <u>1,216,349</u> | <u>\$</u> | <u>1,392,809</u> |
| FUND BALANCE (EQUITY) | | | | | |
| Nonspendable (Notes Receivable) | 521,522 | | 284,603 | | 322,450 |
| Committed (Available for Committee's Use) | 1,582,946 | | 931,745 | | 1,070,359 |
| Total Fund Balances | <u>2,104,468</u> | | <u>1,216,348</u> | | <u>1,392,809</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,104,468</u> | <u>\$</u> | <u>1,216,348</u> | <u>\$</u> | <u>1,392,809</u> |
| # of Projects Remaining at \$134K before Depletion | <u>7.77</u> | | <u>4.33</u> | | <u>7.96</u> |

**CITY OF BISMARCK, NORTH DAKOTA
INCOME STATEMENT
VISION FUND**

| | 6/19/2024 | | 12/31/2023 | | 12/31/2022 |
|--|----------------------------|----|-------------------------|----|-------------------------|
| | 2024 YTD | | | | |
| REVENUES | | | | | |
| Investment Income | \$ 13,118 | \$ | 23,539 | \$ | (6,910) |
| Miscellaneous | - | | - | | - |
| Total Revenues | <u>13,118</u> | | <u>23,539</u> | | <u>(6,910)</u> |
| EXPENDITURES | | | | | |
| Professional Consultants - ChamberEDC (\$200K) | 100,000 | | 200,000 | | 200,000 |
| Professional Consultants - Downtowners (\$50K) | 25,000 | | - | | - |
| Total Expenditures | <u>125,000</u> | | <u>200,000</u> | | <u>200,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(111,882)</u> | | <u>(176,461)</u> | | <u>(206,910)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | <u>1,000,000</u> | | - | | - |
| Net Change in Fund Balance | 888,118 | | (176,461) | | (206,910) |
| Fund Balances, Beginning of Year | 1,216,348 | | 1,392,809 | | 1,599,719 |
| Fund Balances, Ending | <u><u>\$ 2,104,466</u></u> | \$ | <u><u>1,216,348</u></u> | \$ | <u><u>1,392,809</u></u> |

VISION FUND
GENERAL POLICY GUIDELINES
CITY OF BISMARCK

I. GENERAL PURPOSE

The Vision Fund is intended to provide assistance to entities that desire to start, expand or locate in or around the City of Bismarck (“Community”). The primary purpose of this fund is to encourage and assist in the development of employment within the community by creating new jobs; retaining and enhancing existing jobs; serving an unmet or under-met need; expanding the Community’s sales and property tax base; increasing capital investment; improving the entrepreneurial climate of the Community; improving the quality of life for community members; and generally expanding the financial base of the Community. Generally, the Vision Fund ~~funds~~ will be used to develop private enterprise. Non-profit organizations, including institutions of higher education, will be considered for these funds when it can be determined that the non-profit venture meets the General Purposes for which the fund was established.

II. ELIGIBLE PROJECTS

The Vision Fund may be used to provide temporary or permanent financing of any cost related to the relocation and/or establishment of a new business or an expansion of an existing business into new products, services, or markets. The Vision Fund is flexible and can be used for reduced interest loans, job creation incentives grants, and other appropriate financial incentives designed to meet General Purposes outlined ~~before~~ below. ~~Qualifying businesses must have a proven financial record or an acceptable financial projection and be able to demonstrate to the Vision Fund that it will be creating new full-time jobs with competitive wages and benefits.~~

~~If~~ The Vision Fund may also participate in the Bank of North Dakota’s PACE or Flex PACE program which provides interest buy down to ~~non-PACE~~ qualifying businesses ~~where the Community determines eligibility and accountability standards~~. The Vision Fund’s participation ~~in the PACE or Flex PACE program~~ via the local share of the PACE or Flex PACE interest rate buydown may be structured as a loan with repayment terms negotiated individually. When applying for Flex Pace programs, the Vision Fund Scoring Matrix will be utilized in determining the applicant’s eligibility.

The funds will not be available ~~as a substitute for venture capital or~~ to restructure existing debt.

Funds available through the Vision Fund may also be used for project development expenses, but only to a sanctioned economic development association or group with IRS tax-exempt status that has developed a proposed project that meets the eligibility criteria.

III. APPLICATION PROCESS

The Vision Fund Committee has developed application procedures and processes for administration of funds from this program. Included is the ~~two phase “Pre-Application” and “Full-Application”~~ and related documentation. At its discretion, the Vision Fund Committee may choose to require an applicant to appear at additional meetings to answer follow-up questions or provide clarifications to items on the “Application” before final consideration is made.~~consider an application in one phase.~~

Each proposed project must complete the written ~~two-step~~ application required by the Vision Fund Committee. Prior to preparing the ~~pre-application, or the subsequent~~ application, each applicant is encouraged to meet with the Bismarck-Mandan Chamber EDC Development Association to discuss their project to determine if it meets the criteria necessary to qualify for funding by the Vision Fund.

The Vision Fund Committee will screen the applications and has the right to reject any application~~pre-application or full application~~ that is incomplete or does not meet the eligibility requirements. In addition, the Vision Fund Committee will have the right to use other screening criteria that it deems applicable and appropriate.

If the application meets the screening criteria, the applicant and its representatives may make an oral presentation to the Vision Fund Committee~~for both the pre-application and full application.~~ Upon receipt and consideration of the ~~pre-application~~, the Vision Fund Committee may approve the ~~pre-application~~ & invite a full application, deny the ~~pre-application~~ or table the ~~pre-application~~ and ask the project to appear at a subsequent meeting(s) to provide clarifications on information or answers to questions. ~~Upon receipt and consideration of the full application, the Vision Fund Committee may approve the full application or deny the full application.~~ A recommendation for approval will be forwarded to the Bismarck City Commission for consideration and final approval or denial.

Interested citizens may also make oral presentations either opposing or supporting the application. Both applicants and interested citizens may present written materials and comments to the Vision Fund within seven (7) days after the oral presentation ~~for both the pre-application and~~ of the application.

The Vision Fund Committee has the authority to contract and pay for professional services to assist in its review and deliberations regarding any application. The Vision Fund Committee has the right within its total discretion to recommend approval or disapproval of any applications. An applicant may appeal the denial of funding by the Vision Fund Committee to the Bismarck City Commission. As to any projects which the Vision Fund Committee recommends funding, the application, written comments and materials, and the written Vision Fund Committee recommendation will be forwarded to the Bismarck City Commission for its review and final decision. The Bismarck City Commission will also be advised of Vision Fund activities disapprovals as part of periodic reports.

Vision Fund funds will only be granted on a year-to-year basis except the Vision Fund may prefund a commitment in excess of one year. Any request for a renewal of a grant must be accompanied by a written application and should demonstrate that the previous year’s funding achieved the stated goal. Any ongoing recipients must have written requests for renewal to the Vision Fund by November 15th of each year notwithstanding specific project deadlines.

For approved projects, an eighteen-month time line to begin accessing the approved funds is set by policy unless the Vision Fund Committee approves other terms at the time of award. Failure to access approved funds within

12 months will result in a single notice to the applicant from the Bismarck Mandan Chamber EDC. Failure to access approved funds within 18 months or by the deadline(s) established in the contract will automatically terminate any unused amounts with no further notice to the applicant. Upon termination of a project for failure to access approved funds by the deadline, the Vision Fund will have no further obligation to fund the project. An applicant may request, and the Vision Fund Committee at its discretion may grant or deny an extension of the deadline(s). If a termination occurs, the applicant may reapply by repeating the entire application process or a portion deemed necessary by the Vision Fund Committee & Bismarck City Commission.

~~For approved projects that require repayment of the investment or incentive to the Vision Fund, an annual review shall be conducted by the committee to determine the repayment status. Repayment of the investment or incentive once it has matured or expired is required unless the Vision Fund Committee grants a formal extension.~~

~~IV. ACCOUNTABILITY~~

~~In accordance with section 54-60.1-01 of the North Dakota Century Code, the Vision Fund will monitor those projects approved by the City Commission for compliance with any and all performance measures set forth in the incentive agreement.~~

~~At the time of approval, an "Initial Jobs Verification Form" will be signed by the applicant and returned to the Bismarck Mandan Development Association. A two-page "Annual Jobs Verification Form" will then be completed each February for a period no less than five years and no more than ten years after the signing of an "Initial Jobs Verification Form" and returned to the Bismarck Mandan Development Association.~~

~~Failure to comply with the terms of the incentive agreement can result in the suspension of any funding and/or other assistance provided by the Vision Fund.~~

IV. APPLICATION REVIEW GUIDELINES

~~As stated in the General Purpose Statement,~~ The primary purpose of the Vision Fund is to encourage and assist in the development of employment within the Community by creating new jobs; retaining and enhancing existing jobs; expanding the Community's tax base; increasing capital investment; improving the entrepreneurial climate of the Community; and generally expanding the financial base of the Community. The economic needs of the Community are such that a large degree of procedural flexibility is necessary to capitalize on "windows of opportunity." The administration of the Fund must be dynamic enough to optimize opportunity, yet realistic enough to ensure that the monies made available by this tax are prudently applied to the development needs of the Community. The Vision Fund Committee will generally not consider the indirect job creation capabilities of a proposed venture because of the difficulty in measuring such an impact. The new Full Time Equivalent (FTE) Employment opportunities will be evaluated based on how the new jobs' wages compare to the Bismarck Mandan MSA average wage provided by Job Service North Dakota.

The Vision Fund Committee, appointed by the City Commission, will have substantial flexibility in the types of financing tools available to them to pursue general economic and industrial development goals.

Questions regarding the aforementioned policy can be directed at any time to Nathan Schneider at the Bismarck-Mandan Chamber EDC at (701) 223-5660 or nschneider@bmcedc.com

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