

WAHPETON COMMUNITY DEVELOPMENT CORPORATION

Board Orientation



Welcome!



A message from the WCDC President

Welcome to the Wahpeton Community Development Corporation Board of Directors. The Wahpeton CDC is in its 60th year of supporting economic development in the Wahpeton area. There are many success stories of community, business and industrial development that have benefited from the resources the WCDC have helped bring to the table. As the Wahpeton CDC continues to seek and work with development opportunities your participation can help insure this important resource continues to be available. Thanks for being an active member of WCDC and I encourage you to share your expertise and energy in helping the continued economic development of our area.



Bruce Weeda, 2017 President



Topics To Be Covered

- History of Corporation-Mission
- Who's who – CDC Officers & Director Listing
- Ex-Officio and Support Team
- By-Laws Review
- Goals and Objectives
- Recent Projects
- Partners in Development
- Resource Listing
- Financing Projects – What is available?
- Common terms and acronyms
- Open Meetings Open Records
- Confidentiality Agreement
- Summary and Your role in WCDC



History of Corporation

- Founded in 1958 as the Community Development Corporation of Wahpeton and later changed to Wahpeton CDC in 1992
- The corporation's main focus remains the same: *to encourage the industrial and commercial growth and development of the trade territory within the City of Wahpeton and that area within a 5 mile radius from the city limits.*
- The Wahpeton CDC changed its non-profit status from 501(c)(3) to 501(c)(6) in 1992 and changed from a stockholders format to membership organization in 2002. Memberships are \$100 with renewal dues of \$30 every three years.



History continued...

- Before economic development became a part of the City of Wahpeton's mission, the WCDC coordinated projects such as 3M, Ro-Banks, and Wil-Rich. There also existed a loan risk pool which included banks in both Wahpeton and Breckenridge, and Otter Tail Power. The risk pool's sole purpose was to leverage financial risk in new and emerging businesses.



Mission Statement

- It is the mission of the Wahpeton Community Development Corporation [WCDC] to *provide strategic leadership in community economic development policies, programs, and projects within the City of Wahpeton and greater Wahpeton area.*
- **Vision: Promote Wahpeton Economic Growth and Prosperity**



The Annual Meeting is held
the last Monday of January
11:30-1:00
Election of Directors is
conducted at that time



Board of Directors – 2017-2018

President: BRUCE WEEDA

1ST Vice-President: JOEL SIREK

2ND Vice-President: BRAD ODEGARD

Treasurer: BRAD PAULY

CRAIG CASPERS

STEVE DIEDERICK

VICTOR KLOSTERMAN

PERRY MILLER

RANDALL POPE

DALE RUBISH

JON RAZINK

JOHN RICHMAN

RICK STECKLER

KURT WICKSTROM

DAN ZINK



Ex-officio and Support Team

JUSTIN NEPPL - SBDC 671-2682

DARCIE HUWE -CITY FINANCE DIRECTOR 642-8448

**JANE PRIEBE – ECON. DEV. DIRECTOR AND
WCDC EXEC. SECRETARY** 642-8559

NADINE JULSON, LLC - CPA 642-8146

WANDA SELISKI - CHAMBER EXEC. VP 642-8744

CHERYL O'MEARA -ECON. DEV. ASSIST. 642-8559

STEVE LIES -LIES & BULLIS LAW FIRM 642-8055



By-laws concerning Board Members

ARTICLE FOUR - BOARD OF DIRECTORS

Section 2. Number, Tenure, and Qualifications. The number of directors shall be not more than twenty (20) nor less than five (5), as determined by the Board of Directors. No decrease in the number of directors shall have the effect of shortening the term of any incumbent director. Directors shall be elected at the annual meeting of members, at which his or her other term expires, and the term of office of each director shall be until the next annual meeting of members where such term expires and the election and qualification of his or her successor. The terms of each Board Member shall be 3 years in length, and the terms of all Board Members shall be staggered as determined by the Board.

Section 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the



By-laws Highlights

directors are present at any meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. Board Decisions. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or the Articles of Incorporation or by these Bylaws. Voting by proxy for any decision to be made by the Board of Directors shall not be authorized or allowed. Each director shall have one (1) vote.

Section 10. Ex Officio Members. The corporation shall have as ex officio members of the Board of Directors such persons as are selected by the Board. All ex officio members shall have all the rights and privileges as a member of the Board of Directors except the right to vote and except that the term of such Ex Officio Members shall be determined by the Board.



By-laws Review

ARTICLE FIVE - OFFICERS

Section 1. Officers. The officers of the corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as is determined, by election by the Board of Directors. The Board of Directors may elect or appoint such other officers, including but not limited to one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary. All officers must be members of this corporation.



By-laws Review

ARTICLE SIXTEEN – CONFIDENTIAL INFORMATION

[Summarized]

It shall be the policy of this corporation that records and information pertaining to a prospective location of a business or industry and confidential information shall not be, in any manner, divulged or disclosed to any other person or entity by any director, officer employee, agent or other person affiliated with this corporation, except as otherwise provided herein.

A copy of this Article [printed on the back of each Board Agenda] may be made available to any director, officer, employee, agent or other person affiliated with this corporation at the commencement of such person's term with this corporation and may, in the discretion of the Board of Directors, be required to be reviewed periodically as determined by the Board of Directors.



Goals and Initiatives

- An annual process of identifying goals and initiatives was initiated in 2004.
- A Focus Group Process was implemented in 2016. Proposed 2017 Goals & Initiatives are listed below and are yet to be finalized:
 - **DEVELOP STRATEGY FOR IMPROVED ECONOMIC DEVELOPMENT EFFECTIVENESS** [utilize input from focus groups and work with stakeholders in developing direction]
 - **INCREASE ECONOMIC DIVERSIFICATION AND EMPLOYMENT** (Identify ways to retain, diversify and grow the community's employment opportunities),
 - **DEVELOP NORTH WAHPETON INDUSTRIAL REGION MASTER PLAN**
 - **SUPPORT COMMERCIAL DEVELOPMENT** (Infrastructure development)

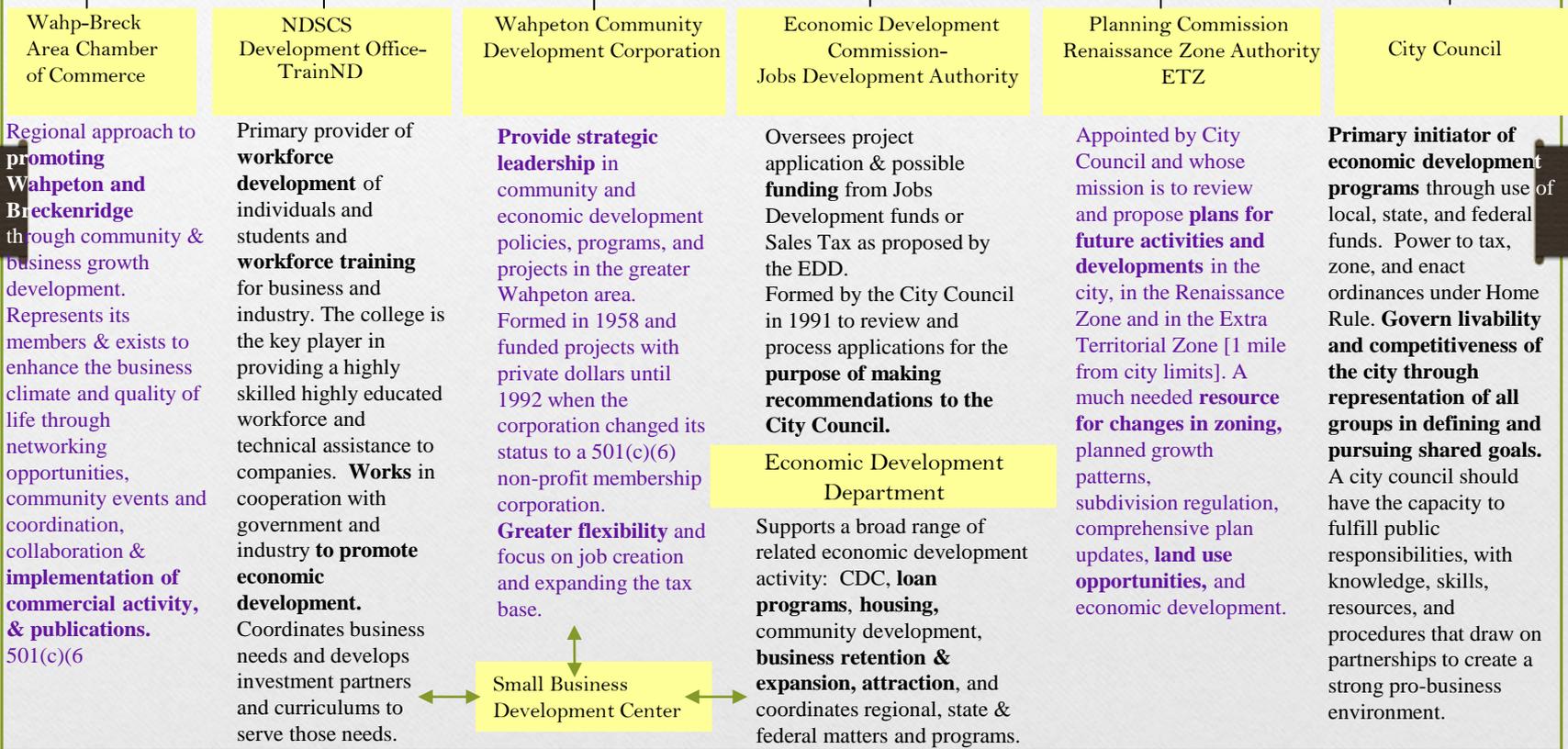


Recent Projects

- Former Imation Building 20 sold to Doosan-Bobcat: Officially sold 128,000 SF facility June 30, 2015 for \$2.25mm. The original project was close to \$10 million with \$3,00,000 in grants and a 90% USDA B&I loan guarantee.
- WCDC facilitated and in cooperation with the City of Wahpeton, the purchase and sale of 36.5 acres north of Wal-Mart for multi-family and single family housing development. The sale spurred apartment complexes totaling 118 new rental units.
- WCDC plans to close on land acquisitions of just over 110 acres west of the bypass road May 2017 for multiple future commercial and residential developments.



Partners in Development



Small Business Development Center





Partnerships continued

The direct impact of the organization's function is in the financial capabilities and ability to access local, regional, state, and federal resources when the City cannot be a direct recipient of such funds. In other words, as a non-profit corporation and liaison to the City, there is more flexibility in attaining necessary dollars for development projects.

There are numerous public, private, nonprofit, and academic organizations involved in economic development. Each group has a different client base, funding sources, regulations, and motivations.



Resource Listing

- ND Department of Commerce – Jay Schuler, Commissioner
701-328-5300 jpschuler@nd.gov www.NDcommerce.com
- Bank of North Dakota – bnd.nd.gov
- Small Business Administration
www.sba.gov/offices/district/nd/fargo
- US Dept. of Agriculture rural development
www.rd.usda.gov/nd
- Lake Agassiz Regional Development Council – 701-235-1197
www.lakeagassiz.com



Financing Projects – What is available?

Jobs Development Fund – City of Wahpeton

- A 4-Mill Levy was approved by City Council October 1988. Through Home Rule, 50% of tax collections are retained by the City for general job development support. The other half is available for development groups who by their mission create new wealth through job creation and retention. In August of 1995, the City Council moved to appoint the Economic Development Commission to serve as the Wahpeton Jobs Development Authority.



Job Development Fund

- The balance in the Job Development Fund as of 12-31-16 was:

\$141,224.49

A typical use of this fund would be for the community's share of an interest buy down on a project.



Sales Tax Fund

- 1991: city voters approve a 1% city sales tax for economic development
- 1994: city voters extended the 1% sales tax sunset 10 years to 6-30-2006
- 10-1-99: an additional 1/2% sales tax was established & dedicated solely to the payment of the City's costs of Flood Mitigation District 5-1-97
- 10-14-03: collection of the 1 1/2% sales tax was combined, broadened, and extended a minimum of 20 years to June 30, 2026, or until "all such obligations for which payment of sales tax dollars have been pledged have been paid in full and/or otherwise satisfied, whichever is later".
- 8-18-09: city voters approved increasing sales tax 1/2 % for flood and infrastructure projects in the city. Total city sales tax collection of 2% begins 1-1-2010.



Sales Tax Fund

- Allocations in 2017 were changed as follows:
- 32% of collections toward Economic Development
- 38% of collections toward Flood Costs
- 5% of collections toward Recreational Needs
- 25% of collections toward Infrastructure

January 1, 2010 the Sales Tax increased to a total of 2%. The extra 1/2 cent collected goes toward infrastructure and flood protection.



Sales Tax Fund

Using a \$2,100,000 average annual collection of 2% in sales tax, the allocations are as follows:

\$680,000 – Economic Development (32%)

\$790,000 – Flood Costs (38%)

\$105,000 – Recreation (5%)

\$525,000 – Infrastructure (25%)



Sales Tax Bottom Line – 12-31-2016

Funds Available						
FUND	DEPARTMENT	BALANCE 12/31/16	LESS LOANS REC.	LESS LIABILITIES	AVAILABLE 12/31/16	%
271	ECON. DEVELOPMENT	\$0.00			\$0.00	0%
317	JOB DEVELOPMENT LEVY	\$141,224.49	-\$50,007.89		\$91,216.60	2%
320	SALES TAX FUND EC. DEV.	\$3,316,280.01	-\$1,166,515.58	(A) -\$830,775.00	\$1,318,989.43	22%
321	SALES TAX RESERVE FOR REC	\$89,656.21		(B) -\$69,942.20	\$19,714.01	0%
322	SALES TAX DEFAULT RESERVE	\$39,528.98			\$39,528.98	1%
323	SALES TAX DEVELOPMENT RSV.	\$233,297.75			\$233,297.75	4%
324	SALES TAX MINI-MATCH RES.	\$91,883.13			\$91,883.13	2%
325	SALES TAX HELP FUND	\$172,453.26			\$172,453.26	3%
326	REVOLVING LOAN FUND	\$1,500,346.60	-\$991,227.75		\$509,118.85	8%
570	SALES TAX FUND FOR INFRAST.	\$2,524,084.41			\$2,524,084.41	42%
572	SALES TAX FUND FOR FLOOD	\$1,058,926.18			\$1,058,926.18	17%
ECON. DEV. & SALES TAX		\$9,167,681.02	-\$2,207,751.22	-\$900,717.20	\$6,059,212.60	100%

12.26%



Common Terms & Acronyms

- **P.A.C.E.** – Partnership in Assisting Community Expansion, a Bank of North Dakota program that is initiated by a local lead lender with participation by the community in buying down interest on a loan; **FLEX P.A.C.E.** also available for non-primary sector
- **C.D.B.G.** – Community Development Block Grant Program- 3 primary goals: serve LMI people, eliminate slums and blight and address other community development needs
- **E.D.C.** – Economic Development Commission – 7 member board appointed by the City Council to oversee sales tax fund
- **Clawbacks** – If CDC enters into an agreement with firms to which they offer incentives, clawbacks are the steps taken against firms that break these agreements.
- **STEM** – Science, Technology, Engineering, Math



Common Terms & Acronyms

- **Economic Development** – the main goal of economic development is to improve the economic well-being of a community through **job creation; job retention; tax base enhancement** and **quality of life**.
- **N.I.M.B.Y.** – “Not in My Backyard” - Term used to describe local [usually residential] opposition to development projects
- **Opportunity Cost** - The revenue forgone by choosing one use of money and resources over another. Example: the opportunity cost of investing in the stock market is the interest that the money could have earned while sitting in the bank.
- **Subsidy** – Funds provided generally by government in the form of a grant which reduce the cost of development or support ongoing operations.



Open Records – Open Meetings

Law

- As an organization whose funding source is supported in part by public dollars, the open records/open meetings law applies in:
 - The posting of agendas and notices
 - The content of the notice: date, time, location of the meeting and, when appropriate, the topics to be considered
 - The holding of executive session
- CDC Board meetings are typically held at noon on the third Wednesday of every month. CDC members are also welcome to attend meetings of the Board and need to call the Economic Development Office at 701-642-8559 to confirm meeting dates and times.



Summary

- Beyond projects, the WCDC Board of Directors has the obligation to fulfill fiduciary responsibility, guard against undue risk, determine program priorities, share in the City's mission and vision, and generally direct organization activity. The WCDC also recognizes a responsibility to anticipate and respond to quality of life issues such as affordable housing, quality educational facilities, and community infrastructure needs.



Thank you

- Again, thank you for your membership and congratulations on being elected a member of the Board! Your role is to get involved, ask questions, stay informed and assist in the development process.
- Documents, files, and meeting minutes are kept at the Wahpeton Economic Development Office at City Hall, 1900 4th Street North. Office hours are 8-5, Mon-Fri. Staff can be contacted by calling 701-642-8559.