

Rapid City Area Economic Development Partnership Board of Directors
Meeting Minutes
July 21, 2005
Civic Center, Room #207
10:00 a.m.

PRESENT:

Ken Davis	Bob DeMersseman	Steve Flanery	Bill Gikling
Rich Gross	Terri Haverly	David Hillard	Kip Larson
Jim McKeon	Bill Okrepkie	Karen Olson	Jim Pahl
Gloria Pluimer	Loni Reichert	Dave Schmidt	Leo Van Sambeek

Guest Speaker: Mark Merchen, Black Hills Vision

I. CALL MEETING TO ORDER

Chairman Larson called the meeting to order.

II. APPROVAL OF MINUTES

Minutes from the June meeting were previously emailed. Davis motioned for approval of the minutes. Pahl seconded the motion. All approved. Motion carried.

III. FINANCIAL REPORT

Gikling provided the June financial report. Copies of the Balance Sheet and Profit and Loss had previously been emailed to the board. Financial growth continues with current assets at 44% up from last year's 28%.

IV. BLACK HILLS VISION

Larson introduced Mark Merchen, Black Hills Vision, who briefed the board on several issues. He reported that Black Hills Vision continues to work with the Battelle group, biomedical research and the development of a technology corridor. Merchen provided the board a quick overview of the seminars he attended at the NAID Conference in Denver, Colorado. The conference provides information to communities that may face the possibility of a base closure. The Governor has asked Black Hills Vision to participate in the partnership of developing a road map for Ellsworth re-development. A lot of work is being done behind the scenes to move that process forward including meetings with the Governor and the Office of Economic Adjustment. (OEA). See attached for more specific information regarding that process.

V. BUSINESS INCUBATOR

Haverly reported Kurtz Construction is in the process of moving dirt on the site of the business incubator. Economic Development set up a prospect booth and gave an incubator presentation to the SDSM&T Alumni Reunion participants. Follow up will be done on prospects from that reunion. Follow up is also being done on the meeting held last month with Prairie Wave on the phone system for the incubator. A meeting was held with Grapevine Design on the future development of a website to include the business incubator. Haverly is working on an operations manual that will be presented to the Foundation Board for approval. A May 2006 completion date has been set for the incubator.

VI. ELLSWORTH

McKeon updated the board on the efforts being done to remove Ellsworth Air Force Base from the BRAC Closure List. BRAC Commissioners met in July to finalize the list. North Dakota remains off the list, but McKeon does not feel this reflects as either positive or negative for Ellsworth. A lot of work continues behind the scenes and is encouraging at this time. The congressional team is doing a great job and will continue to follow the process over the next four weeks. Davis announced Ellsworth Air Force Base is holding its all-base picnic on July 22 and encouraged all board members to attend and show their support for the base.

VII. WESTERN RESEARCH ALLIANCE (WRA)

Haverly reported the first annual WRA Inventor's Congress was held June 24-25. Inventors were given the opportunity to present their inventions to appropriate parties who provided them with valuable information for their next phase of development. Participants considered this to be a great asset in moving their projects toward commercialization. The alliance will begin work on a topic for the next T-BED luncheon to be held later this fall. DeMersseman added a recent announcement indicates WRA will be participating in a \$1 million grant to conduct research on regional health issues. Senator Johnson hopes to have the final decision by August.

VIII. PROSPECT REPORT

DeMersseman reported he has met with a big box retailer, which needs to remain confidential at this time. Work continues with three call centers interested in Rapid City. GE has moved their operations into the former Conesco building with plenty of room for expansion. Green Tree has contacted our office about the availability of 30,000 square feet they have available for lease in the Green Tree building also leaving them room for expansion. A Biomedical project out of the SDSM&T is being considered as an incubator client. The Rapid Fund recently approved a loan to West Central Manufacturing that manufactures steel doors. This expansion will result in the development of another eight to ten employees. Black Hills Federal Credit Union recently expanded into the former Spiegel building and holds a 60-day option on the old maze site.

IX. EX OFFICIO REPORTS

A. CITY OF RAPID CITY

Larson welcomed Bill Okrepkie, newly elected Rapid City Councilperson, to the meeting. Olson reported with the recent election changes on the City Council she and Okrepkie would be the economic development representatives. She reported Dirk Jablonski, Public Works Director, has done an exceptional job on the City's Master Plan for water and sewer. She also stated the City views its relationship with Black Hills Vision as a very high priority. Talk continues on the development of an airport authority. On a personal note she has been visiting local businesses to educate herself on the business quality in Rapid City and determine the needs local businesses may have from the city. Okrepkie asked the board how the city could best support economic development efforts. Larson stated at this time would be the support of the development of a 2012 trust fund to be held by the city and used specifically to assist local companies and companies interested in relocating to Rapid City. DeMersseman added past support from the city resulted in the involvement with Zyvex and stressed the importance of keeping the dialogue and team effort with the city council to become more successful. Okrepkie asked for the board's opinion on the development of an airport authority before the city council votes. Larson stated the board has taken no formal action. Okrepkie suggested the airport representative provide the board with a briefing on the airport authority and the airport's master plan at the next board meeting. The board was in agreement of this and Haverly will contact Mason Short to set up a brief presentation.

B. PENNINGTON COUNTY COMMISSION

Davis reported the county is also in support of the Black Hills Vision efforts. Commissioners are working with the Events Center on a new stalling building, additional parking, drainage and lighting. The Mt. Rushmore concession people have also approached the county for help in getting an off sale liquor license for the sale of South Dakota made products including Prairie Berry Wine.

C. SOUTH DAKOTA SCHOOL OF MINES & TECHNOLOGY

No report given.

D. WESTERN DAKOTA TECHNICAL INSTITUTE

Gross reported WDTI has successfully been working on improving their governances and financial position for the next accreditation process. Attendance this fall is expected to be up 10% to 12% as

long as the programs stay on track. The Southern Hills Learning Center located in Hot Springs is scheduled to open this fall. Talk between WDTI, SDSM&T, and BHSU includes the idea of a Northern Hills Learning Center. The four technical institutes in South Dakota are jointly working with Jim Hagen on a grant proposal for job growth focusing on a strategic plan for a new tech based medical program. Over the past six months WDTI has been working on removing some of the red tape from the funding formula making it easier to respond with economic development assistance. The Board of Regents has recently approved WDTI's credits to be transferable to 4-year South Dakota institutions.

E. CAREER LEARNING CENTER

No report given

F. CHAMBER OF COMMERCE

Mckeon reported the Chamber of Commerce Annual Meeting will be held on Saturday, September 24, 2005 with "An American Dream" as the theme. The Secretary of Commerce is the planned speaker. He also thanked everyone for their support at the Department of Transportation meetings of public updates for upcoming DOT projects.

X. COMMITTEE REPORTS

A. EXECUTIVE REPORTS

Larson reported most items were covered under other agenda items. The board was encouraged to attend the 2006 Budget hearings for economic development scheduled for 8 p.m. on Monday, July 25.

B. WEST RIVER BUSINESS SERVICE CENTER/GENESIS

DeMersseman reported Genesis Equity Fund is beginning work on raising money for the second round of funding. Jim Mirehouse has offered to do a presentation at one of the upcoming board meetings if the board so desires.

C. SCORE

Ward Cheney was unavailable to attend. See attached sheet for June figures. Larson handed out information on SCORE's 2nd Annual Golf Tournament scheduled for Saturday, September 10.

XI. ITEMS FROM THE FLOOR

There being no further business, the meeting was adjourned.

Respectfully submitted,

Loni Reichert, Office Manager

July P&L Comparison	Jan - Jul 05	Jan - Jul 04	% Change
Ordinary Income/Expense			
Income			
Admin Fees Income	20,000.00	20,000.00	0.00%
Chamber of Commerce Income	15,169.00	15,169.00	0.00%
City Of Rapid City Income	122,500.00	100,000.00	22.50%
Interest Earned	569.84	461.23	23.60%
Learning Lunch Income	0	315	-100.00%
Membership Dues	40,515.00	41,800.00	-3.10%
Other Income	0	961.12	-100.00%
Pennco Interest	2,829.00	2,829.00	0.00%
Pennington County	25,000.00	25,000.00	0.00%
West River Business Services	8,750.00	12,500.00	-30.00%
Western Research Alliance	2,030.33	0	100.00%
Total Income	237,363.17	219,035.35	8.40%
Expense			
Advertising	340	1.01	33563.40%
Automobile Expense	1,200.00	900	33.30%
Bank Service Charges	18.08	0.08	22500.00%
Contributions	150	50	200.00%
Delivery	609.06	528.05	15.30%
Fees	16,353.00	15,294.00	6.90%
Insurance	3,039.82	1,443.00	110.70%
Marketing / Promotional	1,960.39	2,061.68	-4.90%
Meetings	3,996.93	2,967.37	34.70%
Payroll Expenses	113,333.07	109,507.15	3.50%
Professional Development	751.95	350	114.80%
Professional Fees	383.67	2,984.68	-87.20%
Programs	1,006.64	4,889.20	-79.40%
Prospect Hosting	1,828.93	403.42	353.40%
Repairs	111.13	111.13	0.00%
Supplies	2,137.11	2,219.87	-3.70%
Telephone	1,183.02	1,158.06	2.20%
Travel & Ent	3,621.44	2,518.72	43.80%
West River Business Serv Ctr	8,750.00	12,500.00	-30.00%
Total Expense	160,774.24	159,887.42	0.60%
Net Ordinary Income	76,588.93	59,147.93	29.50%
Net Income	76,588.93	59,147.93	29.50%

July Balance Sheet Comparison	31-Jul-05	31-Jul-04	% Change
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ASSETS

Current Assets

Checking/Savings

Checking	12,555.17	3,727.31	236.80%
Pennco Cash	74,187.12	72,858.12	1.80%
Petty Cash Fund	50	50	0.00%

Savings	289,378.82	213,081.34	35.80%
Total Checking/Savings	376,171.11	289,716.77	29.80%

Accounts Receivable

Accounts Receivable	6,340.00	6,425.00	-1.30%
Pennco Notes Receivable	141,450.00	141,450.00	0.00%
Total Accounts Receivable	147,790.00	147,875.00	-0.10%
Total Current Assets	523,961.11	437,591.77	19.70%

Fixed Assets

Accum Depreciation	-21,719.71	-21,719.71	0.00%
Computer Equipment	25,174.74	23,979.80	5.00%
Furniture / Fixtures	630.54	630.54	0.00%
Total Fixed Assets	4,085.57	2,890.63	41.30%
TOTAL ASSETS	528,046.68	440,482.40	19.90%

LIABILITIES & EQUITY

Liabilities

Current Liabilities			
Other Current Liabilities			
Payroll Liabilities	-102.99	-460.85	77.70%
Total Other Current Liabilities	-102.99	-460.85	77.70%
Total Current Liabilities	-102.99	-460.85	77.70%
Total Liabilities	-102.99	-460.85	77.70%

Equity

Retained Earnings	314,086.66	244,321.24	28.60%
Unrestricted Net Assets	137,474.08	137,474.08	0.00%
Net Income	76,588.93	59,147.93	29.50%
Total Equity	528,149.67	440,943.25	19.80%
TOTAL LIABILITIES & EQUITY	528,046.68	440,482.40	19.90%