

Rapid City Area Economic Development Partnership Board of Directors
Meeting Minutes
November 16, 2005
Civic Center, Room #207
10:00 a.m.

PRESENT:

Greg Bartron	Ward Cheney	Marcia Elkins	Steve Flanery
Rich Gross	Deb Hadcock	Terri Haverly	Debra Jensen
Jim McKeon	Bill Okrepkie	Karen Olson	Gloria Pluimer
Loni Reichert	Rick Rylance	Dave Schmidt	Leo Van Sambeek
Mike Schumacher	Fred Thurston		

I. CALL MEETING TO ORDER

Vice Chairman Schmidt called the meeting to order. Bob DeMersseman is attending funeral in Colorado.

II. APPROVAL OF MINUTES

Minutes from the October meeting were previously emailed. Thurston motioned for approval of the minutes. Pluimer seconded the motion. All approved. Motion carried.

III. FINANCIAL REPORT

Schmidt provided the October financial report. Copies of the Balance Sheet and Profit and Loss had previously been emailed to the board. Balance Sheet reflects equity up 18% from last year. Profit and Loss on track compared to last year, overall good shape. Pluimer motioned for approval of financials. Flanery seconded the motion. All approved. Motion carried.

IV. NEW BOARD NOMINEES

Schmidt requested the board submit any nominations they have for incoming board members by this Friday, November 18. The new board members will be nominated by a committee comprised of seven members: Mayor Shaw, County Commissioner; Ken Davis, Chamber Chairman; Pat Wyss, the three retiring Directors; Owen Emme, Jim Pahl, Leo Van Sambeek, and the current Board Chairman, Kip Larson. The Nominating Committee will meet before next month's meeting to select a slate of candidates to be presented to the board for approval.

V. ANNUAL MEETING

The Partnership Board's Annual Meeting will be held Wednesday January 18, 2006, beginning with a regular board meeting at 4:45 p.m. followed by the annual meeting beginning at 5:30 p.m. at the Radisson Hotel.

VI. SOUTH DAKOTA BIOTECHNOLOGY ASSOCIATION

Haverly reported Eddie Sullivan, Hematech, LLC, and Randy Stratton, TSG Marketing contacted our office last week requesting a meeting for Tuesday, November 14 to provide information on the Biotechnology Association as well as the national Biotechnology Industry. Western Research Alliance hosted the meeting of which fifteen local individuals representing Black Hills State University, South Dakota School of Mines & Technology, and private industry attended. The association was formed in Sioux Falls, South Dakota and recognizes the importance of including western South Dakota. The meeting was to inform those involved in Biotechnology of the association and gain support. Economic Development will continue to follow and support the progress of the association.

VII. N2TEC

Bartron reported the objective of the National Network for Technology Entrepreneurship and Commercialization (N2TEC) Pilot Project in the Black Hills region is to demonstrate the ability to effectively network innovators, entrepreneurs, and entrepreneurial communities to develop new technology-based businesses and expand existing businesses in rural regions. N2TEC has selected the

Black Hills region to conduct this pilot project during 2005 and 2006 and indicated that it was in a position to benefit from the expertise, resources, and facilitation of the N2TEC team. A timeline is being followed with the next step for the region to hold a nanotechnology action summit on December 5, location to be announced. The action summit is being planned with N2TEC to bring researchers, companies, technology entrepreneurs and others to the Black Hills region to learn about the capabilities of the area and develop collaborative plans to pursue opportunities.

VIII. BUSINESS INCUBATOR

Haverly reported about 25 wall panels have been tilted up and more being poured. Daksoft is in the process of developing a logo for marketing material and updating our websites to include the business incubator. A May 6 completion date is schedule and opening activities are being planned including the second annual Western Research Alliance Inventor's Congress, visits from the Congressional Delegation and South Dakota School of Mines & Technology activities. A review process of the Bylaws and Membership will take place before the completion of the incubator.

IX. PROSPECT REPORT

Included in Executive Report.

X. EX OFFICIO REPORTS

A. CITY OF RAPID CITY

Schmidt recognized Mike Schumacher and thanked him for attending the meeting. Hadcock and Okrepkie stated the City Council would be meeting next week on the 2012 projects, and asked the board if approved what their idea of how the money for the 2012 Opportunity Capture Fund should be best set up for disbursements. The board indicated the time of need is questionable depending upon when an approved project is submitted. The idea would be to have \$1 million available in the year 2006 with \$1 million each year thereafter for five years, with the understanding that if a project warranted more money than available the council could make the needed changes and allow the approved amount to be drawn. The council meets once a year to review the flow of the 2012 money and could make needed changes as seen fit. Olson questioned if the money was proposed to be set up as a grant or revolving loan fund? Haverly answered it could be set up either way or as a combination of both. Schmidt thanked the City Council for their support and giving economic development the ability through funding to accomplish new goals. Schmidt added DeMersseman should be the lead contact person to the City Council regarding the draw of funding. Olson also questioned the use of incentives to prospects. Haverly answered that incentives are based on the type of business, wage skill, benefits, career level, number of jobs etc. Haverly also thanked Marcia Elkins for attending the meeting and for her recent help with information needed for proposals submitted to recent companies.

B. PENNINGTON COUNTY COMMISSION

No report provided.

C. SOUTH DAKOTA SCHOOL OF MINES & TECHNOLOGY

No report provided.

D. WESTERN DAKOTA TECHNICAL INSTITUTE

Gross reported Western Dakota Tech (WDTI) and the South Dakota School of Mines & Technology (SDSM&T) have finalized work on a collaborative agreement between the two institutions. WDTI will offer specialty courses and programs to SDSM&T students in exchange for laboratory projects including areas such as Nano Technology Materials. A press release regarding this agreement is scheduled for November 30. Students will continue to pay tuition to the institute they are enrolled in and the institutions will trade tuition amongst themselves. Schmidt complimented the two institutions on their collaborative effort and their feeling for progrowth in the community. Gross added the state recently approved a new funding formula similar to a general institution, which is a great move for WDTI.

E. CAREER LEARNING CENTER

Pluimer reported the Advisory Board held a panel discussion focusing on the manufacturing processing trade area to help identify the needed workforce and training issues in that field. Valuable information is gathered and used to determine the education that is needed to ready employees to enter this field of work. In December the center will be looking at the format of the panel discussions to develop information needed to take this to the next level with the hopes of benefiting more people and the community.

F. CHAMBER OF COMMERCE

McKeon reported the Christmas Mixer is scheduled for December 13 and the Pre Legislative Crackerbarrel and Governor's Luncheon will be held December 15. The Chamber is working on the upcoming legislative agenda and thanked the City Council for its work on the 2012 process. The next board trip to Washington is scheduled for March. Work continues on the TID that would add \$2 per night to rooms in hotels with more than 50 rooms. The City's Legal and Finance Committee will meet next week on this issue, if approved the result would be an additional \$1.1 million to the Convention Visitor Bureau for marketing. Once the TID is approved support on the BB&B Tax would be given.

XI. COMMITTEE REPORTS

A. EXECUTIVE COMMITTEE

Schmidt reported he and Flanery would be traveling to Pierre this week and speaking with a lobbyist regarding the proposed Property Tax Exemption Bill. Haverly has been working on the completion of the talking points for this legislation and is keeping in close contact with Rich Naser, Sioux Falls Incubator. Hadcock questioned if any consideration had been given to stipulations for companies that may leave Rapid City after receiving this incentive and before having to pay any taxes. Haverly stated the Foundation Board is working this issue and would have to develop those criteria. She also reported the Foundation has received the funding from the state in the amount of \$500,000 for the business incubator. A proposal to a semi conductor manufacturing company has been submitted to the state. The company predicts approximately 450 jobs around the \$15.00 an hour wage range.

B. WEST RIVER BUSINESS SERVICE CENTER/GENESIS

Bartron reported Jim Mirehouse, Genesis Equity Fund, is currently working on raising funding for the second round or Genesis Equity Fund B. Fund A invested in four companies all of which are doing very well. Bartron encouraged board members to contact anyone they feel would be interested in investing at a cost of \$25,000 per unit.

C. SCORE

Cheney reported SCORE held a drive to recruit new members. A total of 72 counseling hours were held in the month of October. Also a 178 hours were spent on non-counseling hours that include planning events such as the annual fundraiser spaghetti supper. This year's supper was very profitable and between it and the golf tournament the chapter raised approximately \$13,000 to be used in marketing. A reception will be held for Bob Knecht who is retiring after 25 years of service. Cheney also encourage everyone to attend the annual Habitat for Humanity fund raiser/gala this year in support of its efforts. More information on the gala can obtained by calling the Habitat for Humanity office.

XII. ITEMS FROM THE FLOOR

There being no further business, the meeting was adjourned.

Respectfully submitted,

Loni Reichert, Office Manager