

Rapid City Area Economic Development Partnership Board of Directors
Meeting Minutes
August 16, 2006
Black Hills Business Development Center
10:00 a.m.

PRESENT:

Greg Bartron	Jeff Carsrud	Ken Davis	Bob DeMersseman
Deb Hadcock	Terri Haverly	David Hillard	Debra Jensen
Jim Mirehouse	Karen Olson	Jim Pahl	Don Patnoe
Gloria Pluimer	Loni Reichert	Dr. Charles Ruch	Dave Schmidt

I. CALL MEETING TO ORDER

Chairman Schmidt called the meeting to order.

II. APPROVAL OF MINUTES

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

III. FINANCIAL REPORT

Financials were previously emailed to the board for review. Reichert provided the board with the membership renewal report and stated the 2005 audit process has been completed. Casey Peterson will present the audit report following the September or October board meeting. Proposals have been submitted to both the city and county for the 2007 budget process. Schmidt added the Executives of the Partnership and Chamber boards met to review the funding from the Chamber of Commerce. Patrick Wyss, Chairman of the Chamber of Commerce, agreed to make payment to the Partnership in the amount of \$26,000 for the year 2006. DeMersseman added he has scheduled a meeting with Jim McKeon for next Tuesday, August 22, to develop a draft agreement.

IV. WIRELESS COMMUNICATION

Carsrud provided the board with a hand out showing the top 100 wireless cities. He reported a meeting was held to determine committee members and a strategy. The committee will include approximately 24 people including individuals who may oppose the project. Plans are to meet in the Black Hills Business Development Center within the next two weeks, with weekly meetings to follow. He added he does not want to do a feasibility study just to do a study. The board added we need to look at the viability. Schmidt stated the goal of this project is to investigate it as a project for economic development to embark upon. We need to formulate a plan including funding for a feasibility study and determine if the service would be provided at no cost to the community or a small cost to everyone. The board questioned who the committee members were and who would oppose the project. Carsrud did not have the list of possible committee members with him but would provide it to the board. He added internet providers would be among the opposition. DeMersseman added a committee member list and a list of ideas for the project should be brought to the board for approval. Olson questioned city involvement as the same idea has been presented to the city's Downtown City Center Revitalization Task Force. Carsrud will meet further with Olson regarding this. Hillard added something to consider is the community and the individuals who have already committed capital to the area.

V. BLACK HILLS BUSINESS DEVELOPMENT CENTER

Mirehouse reported work is being finished on Phase II to include the completion of the floor. Construction of corridor walls will begin on Monday. Applications are being considered for four to five tenants totaling build out space at approximately 9,800 square feet. Work is being done on proposals for the design and build out costs of these projects. All applications are business formation and technology companies. Mirehouse stated it has been requested we provided a link on the SDSM&T campus to the BHBDC. The affiliation with Tech and Dr. Ruch has proven very positive for the facility. There is a strong interest from alumni wanting to either relocate or invest in start-up companies by returning home to South Dakota. Zyvex is currently leasing the three offices for administrative purposes. They are working out of the Tech Lab and future plans for the company are still being developed. The company has a six month lease with termination by either party requiring 30 days notice.

VI. PROSPECT REPORT

DeMersseman reported the state contacted us to submit a proposal to Trail King. Other communities submitting proposals are Mitchell, Sioux Falls, and North Sioux City. The company is currently located in Fargo, ND and is dealing with labor issues and land lock. We are not sure at this time if the prospect is just leveraging Fargo or seriously pursuing relocation. Land proposals submitted included land in South Creek and Bill Gikling's land in Box Elder. The state is offering relocation and training monies and we would also be offering training incentives. The Bergquist Company has also stated at this time they are working on an odor problem at their Minnesota location resulting from the chemical baking process. The company is installing new equipment to see if this corrects the problem. We will continue to stay in contact with them.

VII. EX OFFICIO REPORTS

A. CITY OF RAPID CITY

Hadcock updated the board on the funding for the city Christmas lights and city trolleys. Funding for the trolleys has been raised through private funding which also includes half the funding for operational costs. The city continues to work with Randy Brown and Owen Buckley on the \$94 million Meadows project and several other retail projects including restaurants in the downtown area. Schmidt added Brown has done an extensive study on Rapid City and is working on Rapid City becoming more of a regional facility to draw shoppers from surrounding states. He hopes to have Brown do a presentation to the board in the next couple of months.

B. PENNINGTON COUNTY COMMISSION

Davis reported the Central States Fair will start the end of the week with all venter booth space being sold. He advised the board to keep abreast of the County budget process as they are \$1 million short and proposed amounts could change before the budget is finalized in September. He added the cell phone tax on the ballot for this fall may be voted out with a loss to the county in the amount of several thousand dollars which would then have to be recaptured through the property tax issue.

C. SOUTH DAKOTA SCHOOL OF MINES & TECHNOLOGY

Ruch very happy with three projects received through the 2012 program including the portable bleachers, new astro turf for the football field and new score board. The Congressional staff has indicated the \$1 million match for the road completion through campus to St. Patrick St. is in the Senate version of the Highway Bill. It may be October or November before we know the status of that project. Hopes are to have the road put in by next spring. He updated the board on the research being done in aero space, friction stir welding, biomedical, and alternate forms of energy from the raw materials in the

Black Hills that might be engineering into sources of energy. He encouraged the board to attend a Legislative Roundtable to be held on September 5, focusing on the Board of Regents Review. Ruch's Office will provide upcoming event information to Reichert who will then forward it on to the board. Olson suggested meeting with Ruch for discussion on the deteriorating parts of the city surrounding the tech campus and ideas to help improve them through such things as Community Block Grants. Ruch was in agreement. Davis suggested having a representative from the state legislature serve as an exofficio on the board to carry vital information back to Pierre. DeMersseman said this would be considered as it may be time to look at some restructuring of economic development.

D. WESTERN DAKOTA TECHNICAL INSTITUTE

No report given

E. CAREER LEARNING CENTER

No report given

F. CHAMBER OF COMMERCE

No report provided

VIII. COMMITTEE REPORTS

A. EXECUTIVE COMMITTEE

Schmidt stated he would like to see the term of the Partnership Board members be changed from a one time three-year term to two three-year terms. He added the Economic Development Foundation may receive money from the conversion of debt to equity through several projects of the Genesis Equity Fund of which the Foundation is an investor.

B. WEST RIVER BUSINESS SERVICE CENTER/GENESIS

Bartron reported Genesis of Innovation has received an earmark from Senator Johnson's Office to use as investment capital and funding for start-up companies. On August 31, the Rain Fund will be holding an informational meeting regarding the establishment of a Regional Angel Investment Network fund in western South Dakota. He encouraged the board to contact accredited investors to attend this meeting. The center is working with Belle Fourche on a Brown Field Assessment Grant to use as cleanup funds for what would be considered its most deteriorating properties. The center's loan numbers are up and loans are being considered for projects in Keystone, Murdo, Faith and Wall.

C. SCORE

No report provided.

D. ITEMS FROM THE FLOOR

Olson reminded the board of the community development program by Roger Brooks on August 31. The city is also working with the City of Box Elder on sharing construction of some facilities.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Loni Reichert, Office Manager

**Greater RC Area Economic Dev. Corp.
 Profit & Loss Prev Year Comparison
 January through August 2006**

	Jan - Aug 06	Jan - Aug 05	% Change
Ordinary Income/Expense			
Income			
Admin Fees Income	20,000.00	20,000.00	0.0%
Chamber of Commerce Income	8,668.00	17,336.00	-50.0%
City Of Rapid City Income	140,000.00	140,000.00	0.0%
Interest Earned	802.29	742.95	8.0%
Learning Lunch Income	95.00	0.00	100.0%
Membership Dues	41,700.00	42,615.00	-2.2%
Other Income	7,500.01	0.00	100.0%
Pennco Interest	2,829.00	2,829.00	0.0%
Pennington County Income	25,000.00	25,000.00	0.0%
West River Business Services	10,000.00	10,000.00	0.0%
Western Research Alliance	0.00	1,780.33	-100.0%
Total Income	256,594.30	260,303.28	-1.4%
Expense			
Advertising	343.00	340.00	0.9%
Automobile Expense	3,344.00	1,400.00	138.9%
Bank Service Charges	72.08	21.08	241.9%
Contributions	150.00	150.00	0.0%
Delivery	478.15	399.30	19.8%
Fees	9,522.95	18,126.50	-47.5%
Insurance	0.00	3,039.82	-100.0%
Interest Expense	151.00	0.00	100.0%
Marketing / Promotional	11,520.15	1,180.40	876.0%
Meetings	3,573.80	3,251.13	9.9%
Miscellaneous	0.00	0.00	0.0%
Payroll Expenses	135,528.48	129,082.68	5.0%
Professional Development	400.00	751.95	-46.8%
Professional Fees	790.28	383.67	106.0%
Programs	629.47	1,415.72	-55.5%
Prospect Hosting	1,650.49	1,555.95	6.1%
Rent	15,000.00	0.00	100.0%
Repairs	537.11	111.13	383.3%
Supplies	4,261.66	2,185.77	95.0%
Telephone	1,219.80	1,329.11	-8.2%
Transitional Expenses	1,748.48	0.00	100.0%
Travel & Ent	1,338.21	4,293.33	-68.8%
West River Business Serv Ctr	10,000.00	10,000.00	0.0%
Total Expense	202,259.11	179,017.54	13.0%
Net Ordinary Income	54,335.19	81,285.74	-33.2%
Net Income	54,335.19	81,285.74	-33.2%

Greater RC Area Economic Dev. Corp.
Balance Sheet Prev Year Comparison
As of August 31, 2006

	Aug 31, 06	Aug 31, 05	% Change
ASSETS			
Current Assets			
Checking/Savings			
Checking	17,776.81	10,690.14	66.3%
Pennco Cash	77,166.17	74,337.17	3.8%
Petty Cash Fund	50.00	50.00	0.0%
Savings	321,605.83	291,180.60	10.5%
Total Checking/Savings	416,598.81	376,257.91	10.7%
Accounts Receivable			
Accounts Receivable	400.00	7,890.00	-94.9%
Pennco Notes Receivable	141,450.00	141,450.00	0.0%
Total Accounts Receivable	141,850.00	149,340.00	-5.0%
Total Current Assets	558,448.81	525,597.91	6.3%
Fixed Assets			
Accum Depreciation	-13,754.71	-12,826.71	-7.2%
Computer Equipment	20,107.01	14,896.74	35.0%
Furniture / Fixtures	7,271.42	630.54	1,053.2%
Office Equipment	706.37	201.38	250.8%
Total Fixed Assets	14,330.09	2,901.95	393.8%
TOTAL ASSETS	<u>572,778.90</u>	<u>528,499.86</u>	<u>8.4%</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Credit Cards			
Advanta #9012	523.69	0.00	100.0%
Office Depot #7076	0.00	99.29	-100.0%
US Bancorp #7530	0.00	818.38	-100.0%
Total Credit Cards	523.69	917.67	-42.9%
Other Current Liabilities			
Payroll Liabilities	268.52	-54.48	592.9%
Total Other Current Liabilities	268.52	-54.48	592.9%
Total Current Liabilities	792.21	863.19	-8.2%
Total Liabilities	792.21	863.19	-8.2%
Equity			
Retained Earnings	380,177.42	308,876.85	23.1%
Unrestricted Net Assets	137,474.08	137,474.08	0.0%
Net Income	54,335.19	81,285.74	-33.2%
Total Equity	571,986.69	527,636.67	8.4%
TOTAL LIABILITIES & EQUITY	<u>572,778.90</u>	<u>528,499.86</u>	<u>8.4%</u>