



August 28, 2024

Dave Carlsrud, President
City of Valley City
254 – 2nd Avenue NE
Valley City, ND 58072

RE: Natural Gas Line Extension – Request for Funds

Dear Dave:

The Valley City – Barnes County Development Corporation is requesting approval of \$200,000 to extend natural gas to the south side of the interstate at 8th Avenue SE funded through the City Sales Tax dedicated to economic development. A similar request is being submitted to the Barnes County Commission for \$50,000.

The attached map shows the route of the extension as identified by Montana Dakota Utilities. Based on 28 homes, the total estimated cost is \$248,325 less the customer credit of \$68,343 or a contribution required of \$206,133. Based on 45 homes, the total estimated cost is \$327,129 less the customer credit of \$109,833 or a contribution required of \$248,864. We would require the developer to pay twenty-five percent (25%) of the cost and economic development funds would cover seventy-five percent (75%) of the cost.


\$206,133	25%	\$51,133	75%	\$155,000
\$248,864	25%	\$62,216	75%	\$186,648

This extension is important for the future development of the City and County as well as potentially serving existing residential and commercial properties.

Additional natural gas line extensions would need to be considered on a case-by-case basis. In order for a cost estimate and pipeline route to be secured, a plan must be provided to the Corporation and evaluated based on a number of factors including, but not necessarily limited to, business development, job creation, impact to future development, expanded tax base, the potential to increase population, and the overall benefit to Valley City-Barnes County.

We understand that MDU would contact existing residents in the area to determine the number of homeowners who may want to secure natural gas services; we would collaborate with MDU as needed.

Please approve the \$200,000 as requested. Thank you.

Sincerely,

Jennifer Feist
Director of Development