



**City of Moorhead
Economic Development Authority**

**Meeting Agenda
September 25, 2017 at 11:45 AM
1st Floor, Council Chambers, Moorhead City Hall**

ITEM

REMARKS

1. Call meeting to Order / Roll Call

2. Agenda Amendments

3. Approve Minutes

A August 14, 2017

4. Citizens Addressing the Board

5. Commissioners' Reports

6. Director's Report

7. Upcoming Transportation Projects - 20/21st Street Grade Separation
and Center Ave - Dr. Bob Zimmerman

8. EDA Office Relocation Update

9. Information / Update

A GFMEDC Activity Reports - July and August

B Building & Permit Evaluation Summary - August

10. Adjourn

Upon request, accommodations for individuals with disabilities, language barriers, or other needs to allow participation in Economic Development Authority meetings will be provided. To arrange assistance, call the City Clerk's office at 218.299.5166 (voice) or 711 (TDD/TTY).

Visit our website at www.cityofmoorhead.com



City of Moorhead
Economic Development Authority

Meeting Minutes
August 14, 2017 at 3:30 PM
1st Floor, Boardroom, Moorhead City Hall

Pursuant to due call and notice thereof, a regular meeting of the Economic Development Authority was held in the 1st Floor, Boardroom, Moorhead City Hall, on August 14, 2017, at 3:30 PM.

Roll call of the members was made as follows:

Board Member:	Bob Buth	Present
Board Member:	Bruce Bekkerus	Present
Board Member:	Kathy Cochran	Absent
1st Ward Council Member:	Mari Dailey	Present
Board Member:	Violet Deilke	Present
4th Ward Council Member:	Chuck Hendrickson	Present
Board Member:	Charley Johnson	Absent
Board Member:	Wyatt Johnson	Present
Board Member:	Pat Kovash	Present
Board Member:	John Rogalla	Present
Board Member:	Marsha Weber	Absent

Others Present:

Cindy Graffeo, EDA Executive Director
Mary Schmitt, Office Specialist
John Shockley, Ohnstad Twichell PC

1. Call meeting to Order / Roll Call

2. Agenda Amendments

Minutes: None

3. Approve Minutes

A July 24, 2017

Motion to Approve made by Violet Deilke and seconded by Bruce Bekkerus

Motion Passed: For: 8; Against: 0; Abstain: 0; Absent: 3

4. Citizens Addressing the Board

Minutes: None

5. Resolution to Approve Documents between the Moorhead Economic Development Authority and Dragon Development LLC (Five Stone Development)

Minutes: Graffeo provided background on the purchase agreement with the preferred developer. Shockley went over purchase agreement and development assistance agreement. Graffeo explained the incentives that Five Stone Development will apply for and how they will be dispersed. Shockley explained potential City liabilities. Construction must be commenced

by June 30, 2018, and substantially completed by December 31, 2019.

A Purchase Agreement

Motion to Approve made by Chuck Hendrickson and seconded by Mari Dailey

Motion to Recommend Approval of Purchase Agreement between the City of Moorhead and Dragon Development LLC (Five Stone Development)

Motion Passed: For: 8; Against: 0; Abstain: 0; Absent: 3

B Development Assistance Agreement

Motion to Approve made by Chuck Hendrickson and seconded by Mari Dailey

Motion to Recommend Approval of Development Assistance Agreement between the Moorhead Economic Development Authority, City of Moorhead, and Dragon Development LLC (Five Stone Development)

Motion Passed: For: 8; Against: 0; Abstain: 0; Absent: 3

6. Performance Review Summary

Minutes: Bob Buth, Vice Chair, read the performance review summary of the EDA Executive Director, as found in packet materials.

Motion to Approve made by Bruce Bekkerus and seconded by Pat Kovash

Approval of Performance Review Summary of the EDA Executive Director

Motion Passed: For: 8; Against: 0; Abstain: 0; Absent: 3

7. Commissioners' Reports

8. Adjourn

APPROVED BY:

ATTEST:

Charley Johnson
Chair

Marsha Weber
Secretary

The proceedings of this meeting are digitally recorded and are available for public review.

*Respectfully submitted by:
Mary Schmitt, Office Specialist*

Monthly Board Report

Cindy Graffeo, Executive Director

Greetings to the Board,

With the cancelation of the August EDA meeting, we last met back in July. As a result, this update is quite lengthy with the progress that has been made on several outstanding projects.

Property Tax Exemptions

On August 24, 2017 City Council held public hearings for two property tax exemptions (PTEs), both of which were approved.

DBP Holding LLC received a PTE for their project located at 1605 30th Ave S. DBP Holdings LLC, intends to construct an approximately 7,500 square foot commercial office building and will lease the space to their businesses: Franke & Associates (tax and accounting services) and Edward Jones (financial advisor). The office building will include three office suites with common space with parking for clients and employees. The third suite will be for a future tenant or expansion. The businesses will employ ten full-time equivalent positions. Existing land value of \$112,900 remains taxable during the duration of property tax exemption. Based upon details provided in the application, the City Assessor has estimated the new assessed building value will likely be in the approximately of \$900,000. The total benefit to the applicant is estimated at \$57,600 in property tax exemptions using a projected new assessed value of \$900,000 and current tax rate (1.6%) for a period of four (4) years.

North Moorhead Apartments received an UP Zone PTE for their project located at 2500-2700 3rd Ave N. North Moorhead Apartments LLC will construct a three, 4-story, 72-unit multi-family housing development which includes a mixture of one- two- and three-bedroom apartments. The total project has 216 units. Garages will provide 84 parking spaces, with an additional 375 at-grade off-street parking totaling 459. The City Assessor's office has estimated that the project's final tax assessed value will be approximately \$17,280,000 (current land value of \$593,400 included). Existing land value of \$593,400 remains taxable during the duration of property tax exemption. Five full-time jobs and two part-time jobs will be created and located on site, for a total of six FTE. The total benefit to the applicant is estimated at \$2.1 million in property tax exemptions using projected value of \$16.6 million and current tax rate (1.6%) for a period six (6) years with a four (4) year ramp up period.

This evening, September 25, 2017, City Council will hold a public hearing and vote on the application from Five Stone Development for a modified UP Zone PTE for the 8th and Main project. Five Stone Development LLC, who was named the preferred developer through the RFP process, has established a project-specific entity 8th & Main LLC. 8th & Main LLC will be the end owner of the land upon which Five Stone Development LLC will construct a four-story, mixed-use building, with approximately 10,000 square feet per floor. The first and second floors are commercial/office spaces with 11-12 residential units on floors three and four. The project also includes a public plaza, underground and at-grade parking. This project is receiving a modified UP Zone incentive in that both the commercial and residential portions of the project will receive a full exemption but additional 4-year "ramp up" period

was not offered due to prior negotiations with the development group. The second floor will be leased to Eventide for their corporate offices. Eventide will employ 22 full-time positions. Existing land value of \$596,900 remains taxable during the duration of property tax exemption. Based upon the preliminary plans submitted with the application, the City Assessor has estimated the new assessed building value will likely be approximately \$5.2 million. The total benefit to the applicant is estimated at \$748,800 in property tax exemptions using projected value of \$5.2 million and current tax rate (1.6%) for a period of nine (9) years.

Internship Program

We will have Meghanne Quam joining the team as a Fall 2017 intern, starting October 2nd. Meghanne is a Business Administration major, with an emphasis in Marketing from MSUM. She has promotions and social media experience. We look forward to her starting!

Startup Moorhead

We have launched Startup Moorhead! We are now in full promotions mode for this program. We have leveraged our strategic partnerships for introductions, referrals, and announcements at various events such as One Million Cups and Folkways. The first SBDC training event was this week, with three more scheduled. All the Startup Moorhead information can be found at www.cityofmoorhead.com/startup

We will be working with MSUM to start planning the awards banquet for December.

Professional Development

I will be in Orlando October 4-12, in part, to attending the Managing Economic Development Organizations IEDC Training. This training meets an elective requirement for Certified Economic Developer (CEcD) Certification.

Website Development

JB Systems has gone live with our site! Right now, we are in "soft launch" mode. It is live, and available to the public, but we are not promoting it, and still direct users to the City site for information. This "soft launch" period allows us to do testing and troubleshooting. Information will remain active on the City website, and duplicated on the EDA site for a period of time, before we transition into information removal from the City site.

EDA Retreat

On September 20, 2017 the EDA Executive Committee met and began discussion and planning around the 2017 EDA Retreat. The retreat will happen sometime in October, final date to be set soon. The retreat will take place at MSUM. The preliminary agenda covers the following topics:

- Looking Back
 - EDA Role and Activities as defined in founding documents
 - EDA History (what we've done and where we've been)
- Current Events
 - Industry Trends and Best Practices
- Looking Ahead – 2018 and Beyond



- EDA Vision
- EDA Goals
- Role
- Strategy
- Embedded Discussions – These topics will be used as examples/case studies during discussion
 - Center Ave Reconstruction
 - Financial Support of local Economic Development Drivers
 - Changes to existing programs (i.e. Façade Loan Program)
 - Any corresponding impacts to reserves and budget

MCCARA Expansion

The planning process to expand MCCARA remains ongoing.

EDA Articles

The EDA articles in The Extra Newspaper:

- 7.31.17 – Woodlawn Pointe TIF Established
- 8.15.2017 – 8th and Main Documents Approved
- 8.29.2017 – Startup Moorhead
- 9.8.2017 - SBDC Business Trainings

Since the Last Meeting:

Business Retention & Expansion

- PortaCo, Inc. –Partnership with GFMEDC (7/24/2017)
- Ecliptic Technologies –Partnership with GFMEDC (7/24/2017)
- Moorhead Boy Scouts (8/3/2017)

Developers and Landowners

- Five Stone Development (various)

Business Prospect

- Relocation Prospect – Specialty Service Provider (7/18/2017, 8/7/2017)
- Moorhead Business Purchase Prospects (8/9/2017)

Strategic Partners

- GFMEDC – Startup Moorhead/Entrepreneur Promotions Meeting (8/25/2017)

Professional Development

- DEED/MN Marketing Partnership – Data Center Attraction Webinar (9/13/2017)
- DEED Contamination Grants and Loans (9/14/2017)

Boards and Committees

- Center Avenue Steering Committee (8/21/2017)

Community Outreach

- TEDxFargo (7/27/2017)
- Churches United (8/30/2017)
- 1 Million Cups – Startup Moorhead Announcement (9/6/2017)
- Emerging Prairie Entrepreneur Ecosummit (9/22/2017)



Activity Report –August 2017

Planning and Strategic Positioning

<i>date</i>	<i>person, activity</i>
8/2/17	Mark Vaux BRE visit with Ecliptic Technologies
8/7/17	Mark Vaux had a Commercial Lending Meeting with Bruce Tellefson at Valley Premier Bank
8/9/17	Mark Vaux attended Moorhead Business Association meeting
8/16/17	Mark Vaux attended Moorhead Business Association meeting
8/23/17	Jim Gartin met with President Peggy Kennedy and Dr. Carrie Brimhall
8/25/17	Meeting between Cindy Graffeo, Mark Vaux and John Machacek regarding the Moorhead startup business plan competition. Application information has been shared via social media channels and inclusion in the local version of StartupDigest.com.
	Shared Value Added Ag Lead

CITY OF MOORHEAD BUILDING CODES 2017 BUILDING AND PERMIT VALUATION SUMMARY SHEET

Includes Totals from Pages 2 & 3

PAGE 1

	434		437		438						MOVE/ DEMO	TOTAL PERMITS	TOTAL VALUATION
	Residential Remodel		Commercial Remodel		Garages		Residential (page 2)		Commercial (page 3)				
	#	VALUATION	#	VALUATION	#	VALUATION	#	VALUATION	#	VALUATION			
JAN	18	295,048.00	4	8,000.00	0	0.00	0	0.00	1	25,000.00	1	24	328,048.00
FEB	15	289,333.00	6	390,300.00	1	30,000.00	0	0.00	0	0.00	1	23	709,633.00
MAR	38	603,912.00	7	551,392.00	0	0.00	10	2,873,000.00	0	0.00	0	55	4,028,304.00
APR	49	387,777.00	10	2,499,655.00	1	15,000.00	21	3,843,000.00	4	30,020,000.00	0	85	36,765,432.00
MAY	63	707,006.00	14	7,031,570.00	1	15,000.00	14	2,618,500.00	11	21,977,227.00	2	105	32,349,303.00
JUN	45	504,294.00	7	470,125.00	3	47,000.00	8	1,740,000.00	2	401,200.00	1	66	3,162,619.00
JUL	63	584,159.00	8	7,090,477.00	1	30,000.00	16	7,061,500.00	4	1,160,840.00	1	93	15,926,976.00
AUG	44	285,023.50	8	223,745.00	2	80,000.00	15	2,845,400.00	5	2,113,750.00	3	77	5,547,918.50
SEP												0	0.00
OCT												0	0.00
NOV												0	0.00
DEC												0	0.00
2017	335	3,656,552.50	64	18,265,264.00	9	217,000.00	84	20,981,400.00	27	55,698,017.00	9	528	98,818,233.50
2016	365	4,529,394.85	52	71,573,275.75	13	432,593.33	126	32,587,054.98	22	31,176,915.02	35	613	140,299,233.93
2015	353	3,461,701.00	61	7,117,832.03	18	588,200.00	173	52,633,779.00	17	8,381,214.22	16	638	72,182,746.25

JAN/DEMO: 1 single family home; **FEB/DEMO:** 1 single family home; **MAY/DEMO:** 1 commercial building; 1 commercial loading dock; **JUN/MOVE:** 1 mobile home into Moorhead;
JUL/DEMO: 1 single family home; **AUG/DEMO:** 1 single family home; **AUG/MOVE:** 2 mobile homes into Moorhead

**CITY OF MOORHEAD BUILDING CODES
2017 BUILDING PERMIT VALUATION REPORT - RESIDENTIAL**

PAGE 2

	101		102		103			104			105			213/214		TOTAL PERMIT	TOTAL VALUATION
	Single Family Detached		Single Family (Attached)		Two Family (Duplex)			Three and Four Family Buildings			Five or More Family Buildings			Hotels/Dorms, Frat, Board Rm			
	#	VALUATION	#	VALUATION	#	(U)	VALUATION	#	(U)	VALUATION	#	(U)	VALUATION	#	VALUATION		
JAN	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	
FEB	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	
MAR	10	2,873,000	0	0	0		0	0	0	0	0	0	0	0	10	2,873,000	
APR	19	3,593,000	2	250,000	0		0	0	0	0	0	0	0	0	21	3,843,000	
MAY	14	2,618,500	0	0	0		0	0	0	0	0	0	0	0	14	2,618,500	
JUN	8	1,740,000	0	0	0		0	0	0	0	0	0	0	0	8	1,740,000	
JUL	15	2,661,500								1	45	4,400,000	0	0	16	7,061,500	
AUG	15	2,845,400	0	0	0		0	0	0	0	0	0	0	0	15	2,845,400	
SEP															0	0	
OCT															0	0	
NOV															0	0	
DEC															0	0	
2017	81	16,331,400	2	250,000	0		0	0	0	1	45	4,400,000	0	0	84	20,981,400	
2016	105	21,653,300	4	750,000	12	24	3,600,000	0	0	0	5	84	6,583,755	0	0	126	32,587,055
2015	114	24,080,899	48	8,106,000	0		0	5	15	2,476,880	5	225	17,750,000	0	0	172	52,413,779

NOTES:

- 1 -

UNITS CONSTRUCTED

YEAR	MOORHEAD				OAKPORT
	SINGLE FAMILY ATTACHED/ DETACHED	TWO, THREE, & FOUR UNITS	FIVE OR MORE UNITS	MOORHEAD TOTAL UNITS	OAKPORT TOTAL UNITS
2017 YTD	83	0	45	128	
2016 CY	145	24	318	487	*
2015 CY	197	15	293	505	*
2014 CY	180	24	245	449	4
2013 CY	129	2	274	405	2
2012 CY	86	3	60	149	1
2011 CY	80	21	60	161	4
2010 CY	160	0	0	160	5
2009 CY	175	0	124	299	2
2008 CY	190	5	217	412	2
2007 CY	225	38	68	331	8

* Oakport Tract 2 was annexed to the City of Moorhead January 1, 2015. Oakport permit data for 2015 forward is reported in the appropriate citywide data categories.

CITY OF MOORHEAD BUILDING CODES 2017 BUILDING PERMIT VALUATION REPORT - NEW COMMERCIAL

PAGE 3A

	JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE	
	#	VALUATION	#	VALUATION	#	VALUATION	#	VALUATION	#	VALUATION	#	VALUATION
318												
319												
320												
321												
322												
323												
324									2	13,276,527.00		
325												
326												
327									2	7,703,000.00		
328							2	30,000,000.00	3	942,700.00		
329	1	25,000.00	0						4	55,000.00	2	401,200.00
MONTHLY TOTAL	1	25,000.00	0	0.00	0	0.00	2	30,000,000.00	11	21,977,227.00	2	401,200.00
YEAR TO DATE TOTALS:												
2017	1	25,000.00	1	25,000.00	1	25,000.00	5	30,025,000.00	16	52,002,227.00	18	52,403,427.00
2016	2	1,546,000.00	2	1,546,000.00	3	8,399,773.00	5	8,476,018.00	9	10,687,758.00	12	11,112,758.00
2015	0	0.00	1	3,100,000.00	3	3,175,000.00	3	3,175,000.00	6	5,753,997.00	11	6,402,387.81
APR/328: \$29,500,000.00 - Clay County Jail												

318 = Amusement, Social, Recreational
 319 = Churches and other religious
 320 = Industrial
 321 = Parking Garages
 322 = Service Stations and Repair Garages
 323 = Hospitals and Institutional

324 = Office, Banks and Professional
 325 = Public Works and Utilities
 326 = Schools and Other Educational
 327 = Stores and Customer Services
 328 = Other Nonresidential Buildings
 329 = Structures other than buildings

**CITY OF MOORHEAD BUILDING CODES
2017 BUILDING PERMIT VALUATION REPORT - NEW COMMERCIAL**

	JULY		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER	
	#	VALUATION	#	VALUATION	#	VALUATION	#	VALUATION	#	VALUATION	#	VALUATION
318			1	32,000.00								
319												
320												
321												
322												
323												
324	1	500,000.00										
325												
326												
327			2	2,025,000.00								
328	2	620,840.00	2	56,750.00								
329	1	40,000.00										
MONTHLY TOTAL	4	1,160,840.00	5	2,113,750.00								
YEAR TO DATE TOTALS:												
2017	22	53,564,267.00	27	55,678,017.00								
2016	15	12,112,758.00	22	31,176,915.00								
2015	16	8,340,714.22	17	8,381,214.22								

318 = Amusement, Social, Recreational
 319 = Churches and other religious
 320 = Industrial
 321 = Parking Garages
 322 = Service Stations and Repair Garages
 323 = Hospitals and Institutional

324 = Office, Banks and Professional
 325 = Public Works and Utilities
 326 = Schools and Other Educational
 327 = Stores and Customer Services
 328 = Other Nonresidential Buildings
 329 = Structures other than buildings

CITY OF MOORHEAD BUILDING CODES 2017 BUILDING AND PERMIT VALUATION SUMMARY SHEET

CITY OF MOORHEAD BUILDING CODES 2017 BUILDING AND PERMIT VALUATION SUMMARY SHEET																			
PAGE 4																			
BUILDING PERMITS					MECHANICAL PERMITS				PLUMBING PERMITS			SIGN PERMITS							
	#	PERMIT VALUATION	PERMIT REVENUE	MN SUR-CHARGE	#	PERMIT VALUATION	PERMIT REVENUE	MN SUR-CHARGE	#	PERMIT REVENUE	MN SUR-CHARGE	#	PERMIT REVENUE	MN SUR-CHARGE	TOTAL # OF PERMIT	TOTAL PERMIT REVENUE	TOTAL MN SUR-CHARGE	OTHER FEES	TOTAL REVENUE
JAN	23	328,048.00	3,023.20	167.00	37	346,643.00	2,896.40	179.50	18	655.10	18.00	2	75.00	2.00	80	6,649.70	366.50	1,046.20	7,695.90
FEB	22	709,633.00	5,434.10	356.00	26	197,423.00	2,077.80	105.00	7	267.20	7.00	1	25.00	1.00	56	7,804.10	469.00	1,137.79	9,410.89
MAR	54	4,028,304.00	18,085.50	2,011.00	36	524,029.00	3,514.00	271.00	32	1,526.70	32.00	1	25.00	1.00	123	23,151.20	2,315.00	1,716.64	27,182.84
APR	85	36,765,432.47	151,544.40	6,324.70	45	625,919.00	4,270.20	321.50	54	2,920.60	54.00	1	25.00	1.00	197	158,760.20	6,701.20	4,900.15	170,361.55
MAY	103	32,349,303.00	137,416.60	8,504.00	54	871,456.00	5,051.00	446.50	44	2,608.80	44.00	4	175.00	4.00	205	145,251.40	8,998.50	29,658.16	183,908.06
JUN	65	3,162,619.00	16,624.30	1,571.50	71	2,303,074.00	8,473.00	1,143.00	38	4,243.90	38.00	4	175.00	4.00	178	29,516.20	2,756.50	6,260.65	38,533.35
JUL	92	15,926,976.00	69,950.40	5,604.00	65	854,652.50	5,903.00	442.00	47	2,993.50	47.00	1	25.00	1.00	205	78,871.90	6,094.00	15,006.76	99,972.66
AUG	74	5,547,918.50	25,864.20	2,731.00	63	581,445.00	4,832.80	303.50	30	1,720.60	30.00	3	150.00	3.00	170	32,567.60	3,067.50	4,843.71	40,478.81
SEP															0	0.00	0.00		0.00
OCT															0	0.00	0.00		0.00
NOV															0	0.00	0.00		0.00
DEC															0	0.00	0.00		0.00
2017	349	77,115,339.47	427,942.70	27,269.20	397	6,304,641.50	37,018.20	3,212.00	270	16,936.40	270.00	17	675.00	17.00	1214	482,572.30	30,768.20	64,570.06	577,544.06
2016	581	140,342,823.93	587,910.50	34,918.90	476	15,398,702.87	53,860.40	6,370.50	335	27,483.30	335.00	35	1,175.00	30.00	1427	670,429.20	41,654.40	73,688.67	784,649.77
2015	624	72,662,746.25	303,186.85	33,497.70	494	6,482,968.30	41,950.35	3,331.50	352	29,338.40	1,380.00	29	1,300.00	97.00	1499	375,775.60	38,306.20	62,057.44	476,139.24
JAN/OTHER FEES: \$580.00 Plan Review Fees; \$466.20 Investigation Fees; FEB/OTHER FEES: \$1039.59 Plan Review Fees; \$98.20 Investigation Fees; MAR/OTHER FEES: \$1511.94 Plan Review Fees; \$204.70 Investigation Fees; APR/OTHER FEES: \$4815.75 Plan Review Fees; \$84.40 Investigation Fees; MAY/OTHER FEES: \$28731.26 Plan Review Fees; \$926.90 Investigation Fees; JUN/OTHER FEES: \$5698.85 Plan Review Fees; \$561.80 Investigation Fees; JUL/OTHER FEES: \$14,714.06 Plan Review Fees; \$292.70 Investigation Fees; AUG/OTHER FEES: \$4465.11 Plan Review Fees; \$378.60 Investigation Fees																			