

City of Moorhead
Economic Development Authority
Meeting Minutes
June 25, 2012 at 11:45 AM
1st Floor, Council Chambers, Moorhead City Hall

Pursuant to due call and notice thereof, a regular meeting of the Economic Development Authority was held in the 1st Floor, Council Chambers, Moorhead City Hall, on June 25, 2012, at 11:45 AM.

Roll call of the members was made as follows:

Board Member:	Les Bakke	Present
3rd Ward Council Member:	Brenda Elmer	Present
Board Member:	Jeff Frider	Present
4th Ward Council Member:	Steve Gehrtz	Present
Board Member:	Werner Golling	<i>Absent</i>
Board Member:	Ray Grefsheim	Present
Board Member:	Robert Remark	Present
Board Member:	Jon Riewer	Present – Left meeting at 1:15 (approx.)
Board Member:	Jim Steen	Present
Board Member:	James Taylor	Present
Board Member:	Mark Wallert	Present

Others Present:

Scott Hutchins, Director of Community Services
Peter Doll, Development Services Manager

Michael Redlinger, City Manager
Amy Thorpe, Community Services Planner

1. Call meeting to Order / Roll Call

2. Agenda Amendments

3. Approve Minutes

A [June 11, 2012, Special Meeting](#)

Motion to Approve made by Brenda Elmer and seconded by Steve Gehrtz

Motion Passed: For: 10; Against: 0; Abstain: 0; Absent: 1

4. [Citizens Addressing the Board](#)

Minutes: none

5. Commissioners' Reports

Minutes: none

6. [Resolution Approving Issuance of Tax-Exempt Health Care Revenue Bonds to EverCare Senior Living LLC \(Evergreens of Moorhead - 502 3rd Ave S\)](#)

Minutes: Hutchins provided a brief overview. He stated that in 2005, the City of Moorhead, along with other MN Jurisdictions, participated in tax exemption revenue bond financing for EverCare Senior Living. Today's request is to issue new bonds, refunding the original bonds. He stated that the EDA is a "conduit issuer" and that there is no financial or moral obligation to repay the bond. These points are clearly spelled out in the various loan/financing agreements.

Motion to Approve made by and seconded by James Taylor

Motion to Approve Resolution for the Issuance of Tax-Exempt Health Care Revenue Bonds to EverCare Senior Living LLC (*Evergreens of Moorhead - 502 3rd Ave S*)

Motion Passed: For: 10; Against: 0; Abstain: 0; Absent: 1

7. Director's Report

Minutes: Hutchins stated that two topics covered in the Director's report, restaurant/retail growth and "next generation" Border Cities programs, may impact future financing and budget decisions. He began by noting the EDA's interest in growing Moorhead's restaurant-retail economy. He referred to the attachment in the packet titled "Discussion Framework" which staff prepared to facilitate discussions with ownership groups and/or real estate professionals which represent them. He stated they had met with several of these owners/real estate professionals and asked what more the City could do to help facilitate this kind of growth and development. They stated that what the City is doing is good but noted that from a project management stand point; there may be opportunities for improvement.

Some of the points taken from these meeting include: 1) Develop a "single point of contact" or project manager to support larger projects; 2) Equip with information to help sell those properties such as providing marketing tools and data-analysis specific to those growth areas (microsite), trade area and consumer profile information (nation companies provide this data).

Hutchins stated that a number of national organizations provide such materials and data. He stated that it is important to begin this effort and get the information to the people who need it and referred to the timeline and communications strategy, an expansion of the existing Marketing and Communications Plan.

The board asked Hutchins to "jump ahead" and discuss the financing for this activity, tying it to the budget. Hutchins stated that for the activities proposed to begin in 2012, funding could be come from current reserves in the EDA tax levy fund. He also went through each line item of the 2013 budget found on page 31 of the agenda packet.

Wallert asked to clarify the amount budgeted for marketing. Hutchins responded that \$81,000 was for continuation of the residential marketing strategy (Make Moorhead Home) and \$10,000 estimated cost for sustaining the commercial strategy.

Wallert asked what kind of staffing challenges would a "single point of contact" create if this moved forward. Hutchins stated that a "single point of contact" or a project manager would be assigned to an internal staff person to track and manage. As for "marketing outreach – knocking on doors," the industry professionals were most interested in the City providing information and data for them to use to do their own prospecting and soliciting. He stated that senior CSD staff could benefit from additional support freeing up their time. He stated there are different types of "communication functions" within the City: 1) City Calendar, Insights, and Media Notices are one example; and 2) positioning the community is a different level and much more complex. Backfilling will provide the time for existing senior staff to do this work communications and messaging work.

Wallert suggested that it may be time to discuss the EDA funding a position to allow City staff to continue doing the things the EDA asks of them. He stated that the EDA continues to ask more of staff and the numbers aren't increasing to do that work.

Gehertz asked if the proposed microsite would be tagged onto the "Make Moorhead Home" microsite? Hutchins stated that it would be its own site specifically designed for the commercial community. Gertz stated there would need to be a clearly defined job description for a staff person, whether a new or existing employee, but if they were supplied with good information to feed to the 100+ realtors to market the community, that would be a good

investment. Talked about following through, asking the right questions and providing follow through, really providing a service to them making their job easier in promoting Moorhead.

Bakke stated the in the past, Moorhead Public Service had a communications person on staff and found there wasn't a fulltime position for that person. He asked if there has been any discussion to share that position. Hutchins acknowledged there had been a discussion between Michael Redlinger (City Manager) and Bill Schwandt (MPS General Manager) about such a position but what staff was trying to convey in the Director's Report is that this type of communication position, needs a certain level of experience and background to develop those messages, which is different from past communications activities.

Frider stated that the "tools" should not be ignored – websites, personnel, focus groups all have merit, but you begin by looking at the "culture" which may not be supportive of business expansion or retention. The "feeling" of business community is not overwhelmingly positive. Is it justified? Probably not but perception becomes reality. He thinks we need to become city that the "feeling" needs to be that the City supports business. Many businesses feel that City Hall is a hurdle and not a partner in economic development. If the culture is not addressed, money spent on "tools" may not be money well spent. Hutchins stated that the group that staff talked to did not focus on attitude, good or bad, but how the City could add value and it was suggested information on trade area and customers would be the best way to support them in their efforts. He stated he doesn't know if we can wait for a time when all issues are known before beginning to help but that doesn't mean it should not be looked at and addressed as well. Frider wanted to clarify that this in not just on City staff but needs to be a partnership between policy makers, business community, and city staff. Closed by stated that culture was an important piece of the puzzle.

Wallert stated that is was most important to delineate what the city staff can control about this business climate and what they can't control, i.e. State of Minnesota. Need to find that balance.

Elmer stated that this feeling or concept was behind council retreats earlier in the year and triggered policy changes such as changing engineering standards to help even the playing field, recent staffing changes, communication changes and efforts beefed up. Time will tell if these efforts will bear fruit.

Redlinger stated that for the first time in three years, the City did not have to fight a major flood event allowing staff to time to refocus and reenergize efforts in branding and marketing and identity. City Council has laid out an aggressive work plan. In addition to the residential marketing efforts, adding restaurant-retail recruitment. He referred to page 23 (Famous Dave's) as a model of what the site selection process of a national chain looks like. He stated there are a number of national companies that this work for communities and commercial brokers and the question to the EDA Board, at a policy level, is should we be participating in a services agreement with such a firm to tell the Moorhead story better? Is it the value, purpose, and interest of this board to invest money to help the private sector to be armed with more data and information? Reaching out to the through a development forum, a tour of development, and candid visits (as noted on page 20 of the packet). He stated there has been a modest realignment of staffing with the hiring of an assistant city manager but overall FTEs are down. We must figure out how to do things differently and that these types of relationships, with outside vendors, may be the best we can do to add value and help the private sector sell Moorhead. In regards to culture and perception, we are hitting that "head on." There has been development team trainings scheduled to talk about culture and what the City needs to portray. It all comes back to adding value, that every single day, to assist private sector community to grow Moorhead.

Riewer asked what are the expectations? That it may be helpful to include other communities around Minnesota in the research and benchmark commercial or residential housing. All too often, we create a level of expectation that isn't fair to the city let alone the staff. Set expectations and then determine if Moorhead measures up and achieving what we wanted to with the limited funds. Redlinger stated that his comment was right on. What are other communities doing and how are they assisting commercial property owners to do their

job? Even with the public, is there a misunderstanding about what we do versus what the private sector does but how do we set the table for that to occur? From a best practices evaluation from across the state or region? What are we looking for and what do we want to see. What is the objective?

Riewer stated that Moorhead has put tremendous energy into Border City Legislation to keep us at par with what is seemingly an unachievable goal and is that money well spent. If we don't know what the end goal is, how do we know that these strategies will get us where we want to be?

Elmer asked to put into context the "consultant concept" we have to help us do this. With the \$15,000 investment in the Moorhead Business Association, to the concept of having a business outreach person. How do the three tie together and where do they align? Hutchins stated that the business outreach person is a concept only. Assistance is needed to backfill and support existing CSD division staff, giving them time to do communications, project management, and keeping the data package fresh.

Elmer stated that she has never seen a business plan but asked if that wasn't what the EDA envisioned the \$15,000 investment (MBA) would evolve into some of that? Redlinger stated that in partnering with Greater Moorhead Development Corp the vision was that some of that "door knocking" was to occur. Elmer suggested realigning goals and objectives with GMDC.

Gehertz agrees with Commissioner Elmer to get together with MBA to formulate what that position is and that it wouldn't do any good to duplicate efforts. He would also like to further the discussion of partnering with MPS for a communications person. Changing the culture occurs one step at a time. Needs buy-in from all partners. If staff is added, are we doing the right things, or is staff spending time doing things that are not "high impact". Set priorities. Redlinger responded that from a project management standpoint, it's that person between technical meetings, working with different department, a person to help with tracking, data flow. He stated the last ten years of growth, staffing levels have only grown in public safety areas and Moorhead Public Service, efficiencies have been gained but the development team is running at 110%. How do we add value to the private sector as they do their job but how best to invest these very limited resources in the organization to be sure it's delivering on the objectives of more business activity, more commercial real estate, and more restaurant-retail. We need to be prudent and cautious. We have to do everything we can to keep costs down, deliver it on time, and still be able to do that in a sustainable way in the future.

Frider asked what can the business community do to help city staff?

Summary

- How do we become a city where businesses feel supported and appreciated? MBA is a good sounding board but what should the relationship be in the future?
- Is the EDA going to support a position and what does that position look like? What is the cost and what do we expect the impact to be?
- Be purposeful on the investments and to scan the horizon and see what other Cities are doing. What we might do to move Moorhead or strategy to compete with Fargo

Minutes: Hutchins began the discussion of the "Next Generation" Border Cities Program. He stated that it was an active legislative year: protecting disparity reduction credit plus asking for a residential property tax exemption.

He asked for the Board's perspective on undertaking a comprehensive assessment of where we are and where we think our competition is going. What is the next border cities program? Maybe a disparity reduction credit that automatically adjusts for the competition. Thirty years ago, a study was commissioned by a State agency which became the basis of the

Border City Program. Maybe it is time for the City to actively gather third party resources, consultant services – public or private – to do some analysis to lay groundwork for in-depth study. And it may be time to get the border communities together - Breckenridge, East Grand Forks, Dilworth – to lay the foundation for the next and future legislative session. And recognize advocacy, we may be well served to have our legislative advocates to work with the EDA in get an approach(es) and doing some pre-session lobbying.

Gehertz stated that he hoped the other border city communities would come to the table and help with that groundwork.

Hutchins stated he would continue to look into this without making a commitment.

Elmer stated that she would support for looking into the “tip credit” issue. Hutchins stated that this was a good case where additional, third party analysis would be very worthwhile and to take a look at a restaurant who operates in both cities. He stated that in a recent conversation with a business owner with restaurants in both cities that it is a big money issue. He stated that there may be other partners such a food and beverage association who brought forward legislation which was similar. Opportunity for a well thought out analysis in advance of the next legislative session.

8. 2013 EDA Budget and Levy Discussion (No Action Required)

Minutes: Hutchins stated the levy amount was kept consistent with prior years. There is no recommendation required today and was provided for their information and discussion previous to the August meeting.

9. Information / Update

A 1 Ave N Redevelopment Update

Minutes: Hutchins stated that they would be sending out a reminder on the 1st Ave RFP. Once the RFP closes, a report will be sent to the board and will consult with the Chair to set up a review board.

Gehertz thanked staff for getting the RFP out. Also mentioned that last month the EDA supported the Summit Housing Group project moving forward and they received some “pushback” from the business community. He clarified that the corridor went through a process to rezone the properties for mixed use with allows for residential. In that instance, it was a private owner selling the property to a development group which fit within the zoning. He stated the EDA and City Council didn’t have much control over that but for the Aggregate/Hedgemasters site; the City would have more control and would like to see commercial business development on that site.

Frider brought up “curb cuts” on 1st Ave and the limited ingress and egress and wondered how flexible the City could be in that regard and would there be more in the future?

B Other

10. Adjourn

Minutes: Adjourned at 1:15 p.m.

APPROVED BY:

ATTEST:

Mark Wallert
Chair

Jim Taylor
Secretary

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

Respectfully submitted by:
Amy Thorpe, Community Services Planner