

City of Moorhead
Economic Development Authority
Meeting Minutes
November 26, 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 November 26, 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	Present
Board Member:	Ray Grefsheim	Present
Board Member:	Robert Remark	Present
Board Member:	Jon Riewer	Absent
Board Member:	Jim Steen	Present
Board Member:	James Taylor	Present
Board Member:	Vacant Position	Vacant Position

Others Present:

Peter Doll, Development Services Manager
Scott Hutchins, Director of Community Services
Michael Redlinger, City Manager

Amy Thorpe, Community Services Planner
Wanda Wagner, Finance Director

1. **[Call meeting to Order / Roll Call](#)**

2. **[Agenda Amendments](#)**

3. **Approve Minutes**

A **[October 29, 2012](#)**

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

Motion to Approve Minutes of October 29, 2012

Motion Passed: For: 9; Against: 0; Abstain: 0; Absent: 2

4. **[Citizens Addressing the Board](#)**

Minutes: Neil Qualey, GMDC, and Les Stenerson, MBA, requested to address the board.

Qualey gave a brief history of the Greater Moorhead Development Corporation. He said the organization was formed in 1955 by Moorhead business owners to grow and promote business development. Described current funding of the MBA. (Funding \$25,000/year). Feels it will take more time and money for MBA to become self-sufficient. GMDC is committed to providing support but continues to need the EDA's contribution of \$15,000 to continue. Requests the EDA's continued support.

Commissioners requested the following clarification:

- GMDC will continue to fund \$25,000 for 2013 and beyond (2014, 2015).
- See a transition over the next few years. Stronger push for paid membership. EDA's

role would become less. Within the next year or two, paid membership dues would replace what the EDA's contribution.

Stenerson summarized the formation of the Moorhead Business Association and described the organizations accomplishments to date noting: Main Ave ramps reopened, social events held for business owners to network, response to Forum's "Moorhead Bashing," support of SBDC, Yellow Ribbon Program, and articles in the FM Extra.

Coalition of Greater Minnesota Cities presented the MBA with an award for their efforts to save disparity reduction credit.

MBA is very excited about the business development specialist and the organization provides immediate relationships for the new person.

MBA has organized a membership drive for 2013. Suggests scheduled meetings with City staff to review issues such as snow plowing in the fall and parks in the spring, etc. They will work to build community partnerships and provide ramped up support of border city issues. Suggested joint sessions of City Council, EDA, and MBA Boards to strategize.

He stated the goal is to become self-sufficient and proposed a 3-year phase out. He stated that the investment is small compared to many of the other projects with great returns.

Requested \$15,000 for 2013 and will come back midyear with updates and requests for 2014 funding.

Gehertz requested that the MBA to provide a quarterly report to be included in the packet.

Frider feels the relationship has grown and built a stronger engine. There is better communication when you understand. He feels the return on investment has been great. Suggested that once per year, MBA and EDA have a "retreat."

5. Commissioners' Reports

Minutes: Gehertz announced that the City Manager indicated he will work with a few members of the EDA regarding the interview process for the new economic development position.

6. Approve Transfer of \$10,000 from Economic Development Fund Reserves to new City Special Revenue Fund to fund miscellaneous costs associated with City's Acquisition of Tax Forfeit Lots – Hutchins

Minutes: Hutchins stated that this action was adjunct to the approval to purchase tax forfeit property passed last month. He stated that as a property owner, there are a number of ongoing costs to maintain the property and that this transfer would fund those expenses until land was sold and the project would cash flow.

Commissioners asked for the following clarification:

- Concerned that there are adequate reserves. Staff responded that when reserve funds can be increased, that would be good so that there isn't so much "interfund" borrowing
- Economic Development Fund (City Fund) – This is a City fund which has been around since before the EDA took advantage of their power to levy taxes. Funds come from a transfer from MPS (\$50,000) and General Tax Levy. The primary purpose of this fund is for the general operation of the department for things such as salaries, travel and training, office supplies, etc.
- EDA Tax Levy Fund (EDA Fund) – This fund is support by the EDA levy only and the primary purpose of this fund is for projects initiated by the EDA.

Motion to Approve made by Les Bakke and seconded by Werner Golling

Approve Transfer of \$10,000 from Economic Development Fund Reserves to new City Special Revenue Fund to fund miscellaneous costs associated with City's Acquisition of Tax Forfeit Lots

Motion Passed: For: 9; Against: 0; Abstain: 0; Absent: 2

7. 2013 Final EDA Budget & Levy and Staffing Recommendation - Michael Redlinger, City Manager

Minutes: Redlinger directed the board's attention to page 10 for the areas of focus developed for the new economic development position. He stated that he anticipates meeting with the candidates possibly in early January and involve the EDA subcommittee to some extent at that time. Today's action is to approve the EDA's recommended budget to the City Council.

The board discussed modifying the "proposed" budget option (page 8), moving cash reserves of \$11,700 to fund the "Business Liaison Position" (GMDC/MBA) and transferring \$3,300 from the City's Economic Development Fund to finance the remaining amount to the "Business Liaison Position" for a total of \$15,000.

Commissioners asked for clarification of the following:

- Marketing – Implementation of Moorhead's community strategy "Make Moorhead Home" and development of commercial strategy to support economic development with community specific data such as demographic and income data.
- DEED "Shovel Ready" Program – In support of marketing the MCCARA Business Park
- MCCARA Strategic Plan - will be used to market industrial park.
- GFMEDC - Scope of service and areas of focus. GFMEDC has expertise and travel budget for recruitment in specialized areas which the City didn't have in previous years. A Professional Services Agreement will be approved by City Council in December.
- One Commissioner noted that the maximum levy was not utilized this year and the Board may consider raising that levy if there are worthy projects.
- Commercial Microsite – As noted to the City Council, the project is pending in order to be integrated with the City's complete website update. It is likely that the entire \$40,000 which was budgeted will not be used but that amount is unknown at this time. A breakdown as proposed at the July 23 meeting is as follows:
 - Microsite (*may not be necessary*) \$20,000
 - Other Activities (*i.e. Commercial Marketing*) \$10,000
 - Trade Area Analytics (*up to*) \$10,000
- Formalize a scope of service with Moorhead Business Association
- Supporting funds for the new economic development position. In addition to funds available in the City's Economic Development Fund for travel, etc., line items in the EDA's budget are in support of this position such as the commercial marketing strategy, DEED Shovel Ready Program, and the MCCARA Strategic plan.

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See Motion on Next Page

Motion to Approve made by Les Bakke and seconded by Steve Gehrtz

Approve Recommendation to City Council of the 2013 Final EDA Budget & Levy as follows:

Marketing	\$91,000
DEED Shovel Ready Program	\$15,500
MCCARA Strategic Plan	\$20,000
Business Liaison Position (GMDC)	\$11,700*
Gateway Redevelopment	\$4,000
West Central Initiative	\$15,000
GFMEDC	\$25,000
<u>Economic Development Position</u>	<u>\$62,800</u>
Total	\$245,000

***\$3,300 Allocated from the City's Economic Development Fund (231) to this line item**

Motion Passed: For: 9; Against: 0; Abstain: 0; Absent: 2

8. Information / Update

Minutes: Gerhtz asked for an update on the "Tip Credit" study being undertaken by Eide Bailly. Hutchins stated that letters to business owners had been sent but had received a modest response. Will continue to try to get businesses to join the discussion.

Hutchins added that he and Mike Redlinger were traveling to St. Paul tomorrow (Nov. 27) to meet with Tim Flaherty and Kevin Goodno, Moorhead's lobbyists. Key legislative topics identified and of interest to the City and EDA to be discussed are:

- Bonding to complete flood mitigation
- Protection of the Disparity Reduction Credit Program
- Appropriation for the Border Cities Program
- Restaurant Tax Credit
- Residential Property Tax Exemption

Elmer appreciated the update and requested a "pocket guide" of the legislative issues and priorities for the upcoming session to be used in various meetings and "networking" opportunities. She recognized that this document would likely be dynamic in that priorities change throughout the session.

A Small Business Incubation - Beth Pridday, BES

Minutes: Staff met with Beth Pridday, BES, to discuss business incubation and the possibility of creating an incubator in Moorhead. Meeting notes attached in packet. Ms. Pridday will likely meet with the EDA in the future to discuss.

B Reports

9. Adjourn

Minutes: Adjourned at 1:02 p.m.

APPROVED BY:

ATTEST:

James Steen
Chair

Jim Taylor
Secretary

*Respectfully submitted by:
Amy Thorpe, Community Services Planner*

DRAFT