

**City of Moorhead**  
**Economic Development Authority**  
**Meeting Minutes**  
**May 24, 2010 at 11:30 AM**  
**1st Floor, South Board Room, Moorhead City Hall**

Pursuant to due call and notice thereof, a regular meeting of the Economic Development Authority was held in the 1st Floor, South Board Room, Moorhead City Hall, on May 24, 2010, at 11:30 AM.

**Roll call of the members was made as follows:**

3rd Ward Council Member:	Brenda Elmer	Present
4th Ward Council Member:	Mark Hintermeyer	Present
Board Member:	Werner Golling	Present
Board Member:	Kay Parries	Present
Board Member:	Kelli Poehls	Absent
Board Member:	Robert Remark	Present
Board Member:	Jon Riewer	Present – Arrived after start of meeting
Board Member:	Gane Skatvold	Present
Board Member:	James Taylor	Present
Board Member:	Mark Wallert	Absent
Board Member:	James Welch	Present

**Others Present:**

Harlyn Ault, Finance Director	Michael Redlinger, City Manager
Chuck Chadwick, GMEDC Business Outreach	Amy Thorpe, Community Services Planner
Pete Doll, Development Services Manager	Wanda Wagner, Assistant Finance Director
Scott Hutchins, Director of Community Services	Wayne Gullekson, Hedgemasters
	Les Stenerson, Stenerson Lumber

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

**2. Agenda Amendments**

Minutes: None.

**3. [Approve Minutes](#)**

A [April 26, 2010](#)

**Motion to Approve made by Brenda Elmer and seconded by Gane Skatvold**

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

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

Minutes: None.

**5. [Director's Report - Hutchins](#)**

**6. First Avenue North Gateway Redevelopment Strategies - Doll (Attachments)**

A [Hedgemasters \(1725 1st Avenue N\)](#)

Minutes: Hutchins opened with a brief update of engineering projects moving forward on 1st Avenue N and previous board discussions regarding the voluntary acquisition of certain properties along

the corridor which the board hopes will spur a redevelopment.

Hutchins stated that Doug Gullekson came forward after the April board meeting and met with staff to present additional ideas he had for the development his property and his business. He stated those alternatives were different enough to warrant bringing them before to board for their review.

Doug Gullekson, Hedgemasters, presented the board with a new drawing of a single slope, steel building that he would like to build on the corner of 1st Ave N and 11th Street (the elevator site.) He stated that he would require 220 feet of frontage to make his plan work. He stated that besides his current business, Hedgemasters, he would also include power sports/small engine repair as well as a "take and bake" pizza shop, beauty salon and possible coffee shop. He stated that there are three offices that would be interested in locating on the second floor of the building. He stated that if the first phase of the project went well, he would consider adding and addition on to the rear of the building, much like ByteSpeed and possibly purchasing addition property for a "sister building."

Gullekson stated that because he could see that purchasing addition property adjacent to his current location (Aggregate property) would not be possible in the near future due to contamination issues, he would be willing to swap his property or a portion thereof with the elevator property.

Hutchins asked the board for their response to such a proposal. He stated that if there was interest, there would need to be a site plan prepared to show how the building would be situated on the property, materials, cost, value, performance, and a discussion of other business relationships between the developer and the City that are prudent for both parties.

Board members asked Gullekson what his timeline was for development. Gullekson stated that he would like to begin construction this summer and be completed before winter. He stated that he has financing in place and is ready to begin. He stated that in his conversation with staff, it was clear to him that this was a significant corner and that they were looking for a commensurate project. He stated the property has been vacant for a number of years and that his project was the type the city was looking for.

Hutchins stated that that corner was indeed important to spur redevelopment of the corridor for the purpose of generating value, jobs and tax base. He stated the timeline may be a bit aggressive.

Commissioners thanked Gullekson for his commitment to invest in this community. Considerable discussion followed. The topics ranged from the logistics of the "land swap" concept to what was the vision and dream for this prominent corner to this is a project that is "here and now." Hutchins asked the board to determine if they would like to have Gullekson move forward with sites plans or did they want to continue with the action agreed to in April to assemble additional properties and present them to the public in a "Request for Proposals" as was done in Downtown.

Hintermeyer clarified that the process would include City Council consideration and that the project would need the support of at least six members to proceed. He stated that there was a significant investment being made to 1st Avenue. He stated that as a board, the EDA has not had a detailed discussion of the vision for the 1st Avenue Corridor and he's not sure where this "proposal" fits in that plan. He would like to have a detailed discussion about this vision for 1st Avenue.

Les Stenerson spoke in support of the project. Board members asked Stenerson for his opinion about what businesses along 1st Avenue have for a vision of the corridor? Stenerson stated the businesses along 1st Avenue don't see the corridor as a gateway to the community but just a busy street and he doesn't think that people would flock to a coffee shop or live next to a homeless shelter and railroad track.

Board members agreed that the next step would be for staff to work with Gullekson and

continue discussing ideas for 1<sup>st</sup> Avenue redevelopment.

B [CarPort \(901 1 Ave N\)](#)

Minutes: Hutchins stated there is no action requested of the board but wanted the board to be aware of the request of the present property owner to sell his property to the City.

7. [MCCARA Business Park - Doll \(Attachments\)](#)

A [Moorhead Public Works Warehouse](#)

Minutes: Doll and Hutchins outlined the project as reported in the packet materials. Board members had questions about the financing of the building and the partnership with Pactiv.

Stenerson proposed that a private development group build the building. Hutchins and Doll explained that Pactiv had requested a proposal from the private market but Pactiv was not willing to pay the proposed cost per foot and the developer would not build for less than the amount proposed. Stenerson was satisfied with the response and stated that it sounded like a good idea.

B [Distribution Warehouse / Office](#)

C [Parcel Shipping Facility](#)

Minutes: Doll stated that the businesses projects listed in items B and C were interested in affordable land and incentives which made property in the MCCARA Business Park attractive. He stated that 42nd Street would need to be extended to provide access and the lot subdivided to provide the appropriate sized lots. Staff recommended support of these proposals with the packaging of the extension of the roadway, sale of land, and incentives (standard property tax abatement).

The board discussed the lack of MCCARA mid-sized lots to meet the needs of companies like those under discussion. A motion to recommend that the City subdivide existing larger lots in MCCARA Third Addition for development and extend 42<sup>nd</sup> Street South.

**Motion to Recommend made by Jon Riewer and seconded by Brenda Elmer**

Recommend to city council to expand the infrastructure of the MCCARA Business Park, extend 42nd Street, and split the 20 acre lot into five (5) mid-size lots to be "shovel ready" for development.

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

8. [Code Enforcement Action \(Tire/Trash Depot 2301 25 St S\) - Doll \(Attachments\)](#)

Minutes: Hutchins briefed the board on the progress of enforcement and cleanup.

9. [Legislative Wrap-Up / 2011 City - EDA Budget Update - Redlinger/Hutchins](#)

Minutes: Hutchins provided a brief summary as there was little time remaining.

10. [Former Halliday Motel Site \(1520 4 Ave S\) - \(Discussion Only\)](#)

11. **Information / Update**

A [Statistical Analysis and Demographics](#)

- i Commercial Property Taxes - City's Portion
- ii Comparative Property Tax Information
- iii Demographic Information

B [Articles](#)

## 12. Adjourn

Minutes: Riewer briefly mentioned GFMEDC and a desire to work on aspects of the partnership.

APPROVED BY:

ATTEST:

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Jim Welch  
Chair

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Gane' Skatvold  
Secretary

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

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