

**City of Moorhead**  
**Economic Development Authority**  
**Meeting Minutes**  
**August 27, 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 August 27, 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	<i>Absent</i>
Board Member:	Jon Riewer	<i>Absent</i>
Board Member:	Jim Steen	Present
Board Member:	James Taylor	Present
Board Member:	Mark Wallert	<i>Absent</i>

**Others Present:**

Scott Hutchins, Director of Community Services	Michael Redlinger, City Manager
Paul Hyde, Real Estate Recycling	Sam Skaff, Skaff Apartments
Raime Lavelle, Real Estate Recycling	Amy Thorpe, Community Services Planner

**1. Call meeting to Order / Roll Call**

**2. Agenda Amendments**

Minutes: Add update on Residential Property Tax Abatement

**3. Approve Minutes**

A [July 23, 2012](#)

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

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

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

Minutes: Les Stenerson, owner of Stenerson Lumber, and Moorhead Business Association President, Offered a show of support for the proposed business liaison position and stated that the Moorhead Business Association would like to be involved in the process.

**5. [Commissioners' Reports](#)**

Minutes: Frider announced that MBA's weekly breakfast meeting, held Wednesdays at 7 a.m. at the Fryin' Pan Restaurant, is open to anyone interested in the business community. The MBA's purpose is to build better communication and educate business community.

Frider requested that the packet be distributed at least one business day in advance of a meeting. Elmer added that City Council changed their "rules and procedures" to get agenda items to the public earlier. Asked staff to consider other ways to get reports to members and

the public earlier.

**6. [Director's Report \(Attachment\)](#)**

Minutes: Hutchins announced that Sanford is accelerating their construction timeline for the Moorhead Campus. They intend to be operational by the spring of 2014. He also showed board members new renderings of the project.

**7. [Business Development & Growth - Doll \(Attachment\)](#)**

A Action Items

i [Recommendation for Letter of Support for Real Estate Recycling Application to MPCA for Environmental Investigation - Doll/Paul Hyde, RER \(Attachment\)](#)

Minutes: Doll provided the board with a brief background of the project and introduced Paul Hyde and Raime Lavelle, Real Estate Recycling (RER). He asked for the board's recommendation for a letter of support for RER and application to the MPCA.

Paul Hyde, RER, provided the board with a brief history of their company which was formed to redevelop contaminated property. He stated that the current owner of the Moorhead property was interested in selling the property but that the contamination on the site must be cleaned up that could occur. RER has used this MPCA program in the metro area and states that the MPCA is eager for projects in "greater" Minnesota.

RER has prepared an application to the MPCA Minnesota Targeted Brownfield Assessment Program for approximately \$35,000 for additional environmental investigation. After the investigation is complete, RER would apply for a DEED Contamination Cleanup Grant. Redevelopment would occur after that time.

Commissioners requested clarification of the following:

- The rendering included in the packet is the project going into Brooklyn Center but would be similar to the Moorhead project.
- The project timeline is typically eighteen months from today to being in the ground but is dependent upon DEED's Contamination Cleanup Grant cycle of Nov. 1 or May 1.
- Staff contacted Transport Inc. who indicated they did not intend to move and staff offered the City's help if they needed to relocate.

**Motion to Approve made by Steve Gehrtz and seconded by Jim Steen**

Motion to Approve Recommendation to City Council for Letter of Support for Real Estate Recycling Application to MPCA for Environmental Investigation

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

ii [Recommendation for Skaff Apartment Project](#)

Minutes: Doll stated that project was for a 3-story, 10 unit "high end" apartment complete with underground parking and an office for his management team. He stated that Mr. Skaff has applied for a property tax exemption and qualifies for a four year exemption because of the "per unit" investment greater than \$55,000 and the addition of the underground parking.

Commissioners requested clarification of the following:

- Taxation laws and classification govern. The office and storage area are considered part and parcel the residential use and the building is rated as an apartment. If the space were leased to another business, that space would be considered commercial and taxed as such. And if the commercial use was substantial enough to stand on its own, it would require two separate applications for property tax exemptions: one for

the commercial and one for the residential.

- There are no issues with zoning

**Motion to Approve made by Jeff Frider and seconded by Werner Golling**

Motion to Approve Recommendation to City Council for a property tax exemption for the Skaff Apartment Project

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

iii [Recommendation for Marketing Aggregate Properties \(Attachment\)](#)

Minutes: Hutchins stated that the consensus from the last meeting was to find a middle ground between listing the property with a real estate agency without any restrictions or limitations and the RFQ-RFP process? Staff has discussions with the City Attorney and realtors regarding the extent to which limitations could be placed on a listing contract. He referred to the packet materials for details. He stated that the development project would need to be substantial enough to generate revenues sufficient to clean up the substantial contamination found on the site. Another interesting issue is on the use of the property and appropriate mix of commercial and residential development. There was some discussion that the residential use should be restricted totally. He stated that residential development, as a part of a total redevelopment project, is valuable to the private market. If there is an interest in insuring that a project could have some residential but not be exclusively residential, the Planning Commission would be the body to review and make changes to the zoning district. Issues to be aware of: You may have an obligation to pay commission to a realtor if there is an active buyer and the board refuses the offer. Deed restrictions are difficult to track and enforce.

Commissioners requested clarification of the following:

- Doll spoke to three or four of the largest commercial brokers regarding the elimination of the residential component who offered that when you remove uses, you reduce the pool of buyers. Additionally, when you look at downtown or corridor redevelopment, there is a heavy residential component because the residential helps “pay the bills.” Developers are reviewing several properties within the TIF district and their projects will likely have residential component.

Commissioners directed staff to communicate with existing stakeholders and coordinate a meeting between City staff and property owners along 1st Ave N.

8. [2013 EDA Budget and Levy - Hutchins \(Attachment\)](#)

Minutes: Hutchins referred to the Budget/Levy chart and noted the addition of scenario 2. He stated that the difference between the scenario 1 and 2 was the additional funding for the business liaison position and a contribution to GFMEDC to help support their efforts and the services they provide to the City. He stated that today’s recommendation would set the maximum levy amount but that line items within the budget could be adjusted at a later date.

A suggestion was made to increase the levy rather than depleting cash reserves to fund additions of scenario 2.

Commissioners asked for a brief overview of the relationship with GFMEDC and who has funded that relationship. Hutchins stated that historically, the EDA funded the City's portion of the support but that Clay County also provided funding and still does. He stated that the relationship with GFMEDC grew stronger when Kevin McKinnon was hired by GFMEDC and that relationship now continues with Mr. Garvin. He added that MPS provides a yearly contribution of \$50,000 for economic development.

**Motion to Approve made by Brenda Elmer and seconded by James Taylor**

Motion to Approve Recommendation to City Council for a maximum levy of \$245,000 and Scenario 2 budget.

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

## 9. Strategic Economic Development Plan: 2012-2013 - Redlinger

Minutes: Redlinger reported on meetings he's had with some of the council members and Chuck Chadwick, MBA, regarding investing more time and resources for economic development activities. He highlighted activities the City Council has been busy doing this year with a number of activities related to marketing and communications.

Top of the Councils' List of Goals: Goal 2 - Promote the longer sustainable growth and development of the City of Moorhead's residential, commercial, industrial, and educational sectors fostering a healthy Moorhead environment.

Buckets:

- **Internal Business Outreach.** Defined as existing Moorhead businesses. Tactic may be to expand existing MBA partnership or City staff outreach through position growth.
- **External Outreach and Recruiting.** GFMEDC. Define specific functions to perform in a professional services agreement. Specialize in Business Park positioning and Bioscience. Speak on Moorhead's behalf at conferences.
- **Commercial Property Support.** Strategy includes commercial marketing and communications plan, trade area analytics, legislative strategy such as next generation Border City initiatives
- **Invest in Staff Resources.** Fill 1.5 vacant positions in the Community Services Department. Stretching staff too thin. Allow existing staff to do more in marketing and communications work, project management – point of contact, business outreach, and commercial brokers/owners keep better tabs on.

Can accomplish within existing EDA budget and general fund dollars. About 10% of city's workforce is doing 85-90% of the City Council's work plan and strategic plan implementation. Very close, real market competition exists. Retain skilled technical workers.

EDA participation - budget is critical to achieve critical objectives. Need to make deliberate, purposeful investment in staff and outside partnerships and organizations that can help sell Moorhead.

Commissioners discussed or commented on the following:

- Acknowledged that City staff has key relationships that shouldn't be ignored but that realtors and developers have asked for someone to "shepherd" things through the City so things to fall through the cracks. A fulltime EDA person working with developers/realtors/potential businesses as their main focus, not distracted by other duties, would eliminate some of the issues. Whether it's an executive director that answers to the EDA, a City staff person, a contract staff person still needs to be flushed out.
- MPS funding part of the position
- Looking for a new personality in the mix

## 10. Information / Update

Minutes: Update on the Residential Property Tax Abatement program

## 11. Adjourn

Minutes: Adjourned at 1:19 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*