

City of Moorhead
Economic Development Authority
Meeting Minutes
October 25, 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 October 25, 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 | *Absent |
| 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 | Scott Hutchins, Director of Community Services |
| Chuck Chadwick, Business Outreach Liaison | Les Stenerson, Stenerson Lumber |
| Pete Doll, Development Services Manager | Amy Thorpe, Community Services Planner |

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

2. Agenda Amendments

Minutes: None.

3. Approve Minutes

A [September 27, 2010](#)

Motion to Approve made by Brenda Elmer and seconded by Robert Remark

September 27, 2010

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

4. Citizens Addressing the Board

Minutes: None.

5. [Authorize Final 2011 EDA Budget and Levy - Redlinger / Hutchins](#)

Motion to Approve made by James Welch and seconded by Kay Parries

Approval of 2011 EDA Budget and Levy of \$245,000

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

6. [Incentives Subcommittee Update - Golling / Parries / Riewer](#)

Minutes: Parries stated that the Incentives Subcommittee had met and identified four economic development tools for review:

- Border City Property Tax Exemption for Multi-Family Housing

- Economic Development Special Revenue Fund
- New Business Start-up Revolving Loan Fund (administered by West Central Initiative
- City / EDA owned land

The consensus of the group was to focus primarily on the first two items: property tax exemption for multi-family construction and the Economic Development Special Revenue Fund. Parries invited Hutchins to summarize the multi-family housing incentive.

Hutchins stated that it was the opinion of the City's legislative attorneys who reviewed the development zone law that multi-family housing could be considered a business. Hutchins stated the subcommittee discussed the goals for structuring an incentive for multi-family housing:

- Housing Type (student, low & moderate income, seniors, etc)
- Area of City (New development or redevelopment)
- Amount of Incentive

Hutchins stated that there had been a housing study done for the downtown area prior to redevelopment of that area in 1999 and updated in 2004 that determined the amount and type of housing needed. He stated the incentives subcommittee had recommended that an updated housing market analysis be completed at this time to help with structuring this tool as effectively as possible. He contacted Mary Bujold of Maxfield Research who completed the prior housing study to provide the EDA with a scope of service and cost for updates to the study.

Hutchins also stated that there have been incentives in place for the past two years for single and multi-family construction within certain dollar limits as a result of the 2009-10 flood response which expires at the end of 2011. Hutchins stated that Fargo and West Fargo have had a non-State funded incentive for single family housing for a number of years. Hutchins said that it is unlikely that state paid funding of such a program (flood response legislation) is unlikely to continue but that it may be possible, through legislative changes to the current statute, to allow for a single family incentive which is not state paid (border city legislation) in order to remain competitive.

Hutchins mentioned that Maxfield Research has provided clients with an assessment of "highest and best use" for commercial corridors and that it might useful information as they move forward with the RFQ/RFP and the 1st Avenue N Gateway Redevelopment project. Hutchins stated that funding for a study could possibly be financed from the Economic Development Special Revenue Fund.

General discussion:

- Impact of incentives
- Most effective use of limited funds.
- Comprehensive approach to planning and zoning - look for opportunities

7. [1st Avenue N Gateway Redevelopment Project - Doll](#)

Minutes: Doll provided the board with the following updates regarding Hedgemasters, Aggregate, and Environmental site evaluation:

- Closing for Hedgemaster completed October 15, 2010
- Closing for Aggregate will occur in December 2010
- MPCA meeting was successful. Duluth and Moorhead seen as cutting edge.
- MPCA will not define the scope of cleanup until there is a redevelopment project to review
- MPCA will issue "No Association Determination" letter this week but additional tests are required for those chemicals not included in the initial testing to receive letters of assurance

Doll provided the board with the following updates regarding Tax Increment Financing:

- Hazardous substance sub-district recommended by attorneys.

- Differs in that tax base may be used to pay expenses. Example: Holiday Center
- Knock-Down rules explained: 4-year (physical) and 5-year (financial)
- Development Assistance Agreements become a very important tool for the City with a district this large.
- Advantages of a large TIF district
 - Multiple developers
 - Left over increment from one site may pay TIF qualified expenditures for other sites.
 - Increment can be used to pay off upfront costs such as acquiring the elevator sites.
 - Current owners have marketing possibilities.
- Meeting with M-State indicated a need for expansion. They were receptive to the possibility of moving a program or department to 1st Ave N and becoming an anchor for this project. Staff will continue to revue for opportunities to make it financially possible for the college.

Board members discussed the possibility of M-State locating on 1st Avenue N and creating an atmosphere much like NDSU / Downtown Fargo.

- 3,500 students enrolled at M-State
- Approximately 13,000 students citywide
- The need for student housing in Moorhead is great. Many students currently reside in Fargo.

8. Information / Update

- A [CSD Departmental Budget Presentation - As presented to the City Council on October 18, 2010.](http://www.cityofmoorhead.com/city_hall/agendaMinutesCouncil.asp)
[To watch the presentation on video:](http://www.cityofmoorhead.com/city_hall/agendaMinutesCouncil.asp)
http://www.cityofmoorhead.com/city_hall/agendaMinutesCouncil.asp
- B [Comprehensive Flood Risk Reduction and Property Acquisition Project Update - Zimmerman / Hutchins](#)
- C [Articles](#)

9. Adjourn

APPROVED BY:

ATTEST:

Jim Welch
Chair

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