



**City of Moorhead
Economic Development Authority**

**Meeting Minutes
June 29, 2020 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 29, 2020, at 11:45 AM.

Roll call of the members was made as follows:

1. Call meeting to Order / Roll Call

Board Member:	Nate Anderson	Present
Board Member:	Michael Burns	Present
Board Member:	Chad Cota	Present
Board Member:	Alexandre Cyusa	Present – Entered 11:50 a.m.
Board Member:	Zachary Heuring	Present
Board Member:	Pat Kovash	Present
Board Member:	Joel Paulsen	Present
Board Member:	Jeff Schaumann	Present
Council Member:	Larry Seljevold	Present
Board Member:	Roberta Solien	Present
Council Member:	Deb White	Present

Others Present:

Lisa Bode, Governmental Affairs Director
Derrick LaPoint, DMI / Economic Development
Dan Mahli, Acting City Manager
Amy Thorpe, Economic Development Program Administrator
John Shockley, City Attorney

2. Agenda Amendments

Minutes: None

3. Approve Minutes

A [May 18, 2020](#)

Motion to Approve made by Deb White and seconded by Zachary Heuring

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

4. Citizens Addressing the Board

Minutes: None

5. Commissioners' Reports

Minutes: Pat Kovash and Sheri Larson, MBA, reported on Drive up and Tune in July 4th Celebration, MBA's 5th Annual Golf Tournament, Moorhead Alliance for Non-Profits, Let's Talk Business Zoom meeting, and MBA's Facebook page.

6. [Review Application of Kevin Bartram on behalf of 9Thirteen LLC for a Renaissance Zone Project Located at 113 10 Street S - Derrick LaPoint, DMI / Economic Development](#)

Minutes: Derrick LaPoint, DMI/Economic Development, presented the application of Kevin Bartram on behalf of 9Thirteen LLC for a multi-family residential housing project located on 10 Street S. He provided details from the application which supports the City's goals of the Renaissance Zone program. He stated that based on the developer's \$4.9 million investment, the project would qualify for a 15-year Renaissance Zone property tax exemption. A public hearing is scheduled for July 13, 2020 City Council meeting.

Kevin Bartram was present to answer questions. He explained that they have a few windows on the West side with no balconies or fencing.

Motion to Recommend Approval made by Chad Cota and seconded by Nate Anderson

Recommend to Moorhead City Council Approval of a Renaissance Zone Property Tax Exemption for 9Thirteen LLC for a Multi-family Residential Housing Project Located at 113 10 Street S

Motion Passed: For: 11; Against: 0; Abstain: 0; Absent: 0

7. Legislative Update - Lisa Bode, Governmental Affairs Director

Minutes: Lisa Bode, Governmental Affairs Director, reported on the 2020 regular Legislative Session which concluded May 18 and the first special session held June 12 - 19. Moorhead's legislative priorities included bonding requests for the Clay County Resource Recovery Center, 11 St Underpass, Flood mitigation, and the Moorhead Community and Aquatics Center project. The Legislature adjourned from both of these sessions without passing a bonding bill. Another goal was to get the legislative authority on a Local Option Sales Tax as a first step to the City Council's consideration to possibly ask voters to consider a sales tax for one or more capital projects as a ballot question in the 2022 election. No action was taken on any of the 22 City and County requests for Local Options Sales Tax authority. Some of Moorhead's bonding projects did make it into draft bill proposals. One Senate proposal included \$8.5 million for the Clay County Transfer Station and \$62 million the 11th St Underpass. Flood control statewide was proposed at \$18 million. The share of this statewide fund that would be allocated for Moorhead would not be sufficient to meet Moorhead's 2020 project schedule, nor that of the F-M Diversion.

The City of Moorhead expects to receive \$3.2 million of federal CARES funds as part of the distribution passed through the state to local units of government. These resources can be used for eligible municipal, individual, and business needs related to COVID-19.

8. Items Related to the MCCARA Industrial Park

A [Recommendation of the MCCARA Development Control Board for a Sprenger Midwest Site Improvements and New Construction at 4141 30 Ave S](#)

Minutes: Derrick LaPoint, DMI/Economic Development, presented project details for the expansion of Sprenger Midwest building at 4141 30 Ave S. In February 2020, an occupancy permit was approved by the MCCARA Development Control Board and EDA. This is a new expansion and includes site improvements and a new "dock height" building to the south of their existing building to unload rail cars. The proposed building is in the City's rail road easement which will require City Council approval. Commissioners had detailed discussion.

Motion to Approve made by Deb White and seconded by Larry Seljevold

Approve Site Improvements and New Construction for Sprenger Midwest at 4141 30 Ave S pending approval of Moorhead City Council for construction within an rail road easement.

Motion Passed: For: 11; Against: 0; Abstain: 0; Absent: 0

B [Budget Adjustment for Ottertail Valley Railroad to Provide Maintenance Service on MCCARA Spur](#)

Minutes: Derrick LaPoint, DMI/Economic Development, presented the information of the western side of the track has "slumping" that required repairs. Ottertail Valley Railroad, the rail service provider, performed an assessment and determined there were minor repairs that needed to be made. The repair estimate was \$900. Based on the cost of the repair, LaPoint suggested that the EDA could pay for the repairs from the EDA reserves. He stated that if any additional repairs were needed that businesses owners along the rail would need to submit a petition for the repairs and the cost would be assessed against their property. Commissioners had a detailed discussion.

Motion to Approve made by Pat Kovash and seconded by Deb White

Approve Budget Adjustment for Ottertail Valley Railroad to Provide Maintenance Service on MCCARA Spur to be paid from EDA reserves.

Motion Passed: For: 11; Against: 0; Abstain: 0; Absent: 0

9. [2020 Enterprise Zone Program - Amy Thorpe, Economic Development Program Administrator](#)

Minutes: Amy Thorpe, Economic Development Program Administrator, presented a report on the Enterprise Zone Program as found in packet materials. She stated that in July 2020, Moorhead's Enterprise Zone account would receive approximately \$520,000 which represented Moorhead's share of the new annual allocation. In light of the global pandemic (COVID-19) and its devastating effects on business, Thorpe recommended increasing the business credit from 20% to 25% and raising the program cap to \$30,000 to help our local businesses. Commissioners had a detailed discussion.

Motion to Recommend made by Pat Kovash and seconded by Joel Paulsen

Recommend approval to City Council of a 25% credit of the actual worker's compensation expense with a \$30,000 program cap for the 2020 Enterprise Zone Program.

Motion Passed: For: 11; Against: 0; Abstain: 0; Absent: 0

10. [Economic Development Report](#)

Minutes: Derrick LaPoint, DMI/Economic Development, provided the latest business updates related to the Coronavirus (COVID-19) pandemic as it related to local, State, and Federal programs available to support local businesses effected by COVID-19 shutdowns. He also provided an update on the Downtown Master plan and Woodlawn Point RFQ/RFP. Commissioners had a detailed discussion.

11. **Information / Update**

A 2021 EDA Budget & Tax Levy - Dan Mahli, Acting City Manager / Economic Development Director

Minutes: Dan Mahi, Acting City Manager, stated that at the August meeting the EDA will receive a preliminary budget and levy. In September, the EDA to approve the preliminary budget to set the maximum tax levy that can be used for Economic Development activities with a final budget approved at the November or December meeting.

B Building & Permit Valuation Report - Sign up for "Building and Housing" e-Notifications at: <https://www.ci.moorhead.mn.us/about-the-city/news/sign-up-for-e-notification>

12. **Adjourn**

Minutes: 1:00 p.m.

APPROVED BY:

ATTEST:



Michael Burns
Chair

Roberta Solien
Secretary

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

Respectfully submitted by:
Betty Hartley, Office Specialist