

City of Moorhead
Economic Development Authority
Meeting Minutes
August 23, 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 August 23, 2010, at 11:30 AM.

Roll call of the members was made as follows:

3rd Ward Council Member:	Brenda Elmer	Present – Joined meeting at 11:35 a.m.
4th Ward Council Member:	Mark Hintermeyer	Present
Board Member:	Werner Golling	Present
Board Member:	Kay Parries	Present
Board Member:	Kelli Poehls	<i>Absent</i>
Board Member:	Robert Remark	Present
Board Member:	Jon Riewer	<i>Absent</i>
Board Member:	Gane Skatvold	<i>Absent</i>
Board Member:	James Taylor	Present
Board Member:	Mark Wallert	Present
Board Member:	James Welch	Present

Others Present:

Harlyn Ault, Finance Director	Michael Redlinger, City Manager
Chuck Chadwick, GMEDC Business Outreach	Les Stenerson, Stenerson Lumber
Pete Doll, Development Services Manager	Luther Stueland, City Council
Scott Hutchins, Director of Community Services	Amy Thorpe, Community Services Planner
Kristie Leshovsky, City Planner	Wanda Wagner, Assistant Finance Director

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

2. **Agenda Amendments**

3. **Approve Minutes**

A [June 28, 2010](#)

Motion to Approve made by James Taylor and seconded by Mark Wallert

Motion Passed: For: 7; Against: 0; Abstain: 0; Absent: 4

4. **Citizens Addressing the Board**

5. [2011 EDA Budget and Levy - Redlinger/Ault](#)

Minutes: Redlinger stated that City Council must approve a preliminary 2011 EDA Levy/Budget in mid-September with the final budget approved before year's end.

Ault presented the board with a report on the cash balance of the Economic Development Special Revenue Fund. A summary of the fund is attached on page 9. He stated the cash balance was due largely to interest received for repayment from the Capital Improvement Funds for the purchase of industrial park land. Hutchins stated a portion of this fund is used for general operating expenses of the department with the largest portion spent on employee salaries.

Board members had general questions regarding fluctuations in the fund balance. Also requested to see the City Council's guidelines for the activities accounted by this account

reference in Ault's report.

Hintermeyer stated that Council Members are reviewing the City's budget and spending for outside agencies and suggested that the funding for West Central Initiative might be more aligned with the EDA and therefore might be considered for funding in the 2011 EDA Budget. Board members were alerted that it would be a multi-year commitment (5 years).

Board members discussed the inclusion of this item. They decided to add \$15,000 to the proposed levy (\$230,000 to \$245,000) to preserve the option for funding the West Central Initiative with the knowledge that this amount could be revised or deleted at a later date. They asked for West Central Initiative to make a presentation to their board so they understand how the WCIF mission aligns with the EDA.

Motion in Amend the recommended levy amount from \$230,000 to \$245,000 to preserve the option of funding West Central Initiative made by Mark Hintermeyer and seconded by Kay Parries.

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

Minutes:

6. Incentives Subcommittee Recommendations - Golling/Parries/Riewer

Minutes: Parries stated that the committee had met and reviewed the financial status of the Border City Enterprise Fund and the incentives pulling from that fund. She said that the committee recommended limits be placed on the incentive programs utilizing this account in an effort to preserve the fund balance and still allow for equitable distribution.

Hutchins outlined the specific program modifications suggested by the committee and how it may affect the fund balance. He stated the goal was to keep the important objectives of the Border City Programs but recognize the current fund limitations. Hutchins stated that if allocations were not made to the fund, new ideas were needed to provide incentive in the future. He stated the subcommittee agrees to continue meeting to discuss these issues.

Following discussion, the board took action to endorse the recommendations of the EDA Incentive Subcommittee.

Motion to Endorse the recommendations of the EDA Incentives Subcommittee made by Kaye Parries and seconded by Brenda Elmer.

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

Recommendations are as follows:

1. Continue the Citywide Business Credit (a/k/a Enterprise Zone Tax Credit program) at the 10% level for 2010 program year with possible suspension of the program in 2011
2. Adopt the CPI Wage Floor for 2010
3. Modify Border City Programs as follows:
 - Enterprise Zone Target Area – Limit purpose to primary sector businesses
 - Sales Tax Exemption
 - Limit purpose to primary sector with the exception of infill or redevelopment
 - Increase minimum building value to \$500K with minimum equipment purchase of \$150,000 and 4 new jobs
 - Discontinue use in conjunction with a Property Tax Exemption or TIF
4. Subcommittee continues to meet for the purpose of reviewing EDA "incentive assets" and how they might be strategically used.

7. 1st Avenue N Gateway Redevelopment Project Update - Doll

Minutes: Doll outlined the project timeline and area. He stated the initial project was designed to include the acquisition of both the Aggregate and Hedgemaster properties. He stated that he had spoken with Doug Gullekson which led to Mr. Gullekson's counter-offer of \$125,000. Doll stated that he believed the acquisition of the property was a positive for the project. He stated that although this additional expense was not contemplated in the approved budget, the cost of the environmental oversight would likely be under the budgeted amount and the addition expense

could be adsorbed without adding to the budget.

Board members discussed the cost of acquisition and the overall value added to the project. They stated that while small, the property was a valuable parcel due to the proximity to the larger Aggregate parcels.

Motion to Approve the Purchase of Hedgemasters (1725 1st Avenue N) from Doug Gullekson for the amount of \$125,000 made by Mark Wallert and seconded by Brenda Elmer.

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

Minutes Doll briefly introduced the concept of formulating a new zoning district for the 1st Avenue North Corridor as recommended in the 1st Avenue Plan. He stated there were a number of reasons to pursue a mixed use district for this area with the private market being the main decision driver. He stated that standards, much like covenants, would assure developers and property owners of a certain level of investment for the area.

8. [Kinsella Land Donation 1615 Main Ave S - Doll](#)

Minutes: Doll stated that staff was approached by owners of this property who stated they wished to donate the land to the City for a tax benefit. Hutchins stated that but for minimal maintenance cost there would not be a great expense to the City to own this property. He stated that due to its location of a major corridor, the property may be useful for future redevelopment.

Motion to Accept the Kinsella Donation of Land located at 1615 Main Ave S made by Mark Hintermeyer and seconded by Mark Wallert.

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

9. [Public Works Warehouse Facility Update - Doll](#)

Minutes: Doll provided an update for the sandbag warehouse as reported in the packet.

10. [Halliday Motel Site - Request for Proposals - Leshovsky](#)

Minutes: Leshovsky introduced the project and opened discussion for comments from the board. After discussion, the board moved to accept and recommend approval of the RFP to the Planning Commission.

Motion to Accept the Request for Proposals related to the Halliday Motel Site and recommend approval of such to the Planning Commission made by Kay Parries and seconded by Werner Golling.

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

11. Information / Update

A [Articles](#)

B [Wetlab Construction Update](#)

Minutes: Wallert updated board members on the progress of the wetlab space. He stated the completion date of November 27, 2010, was on time and on budget. One change to the plan was to add interactive television to one lab to facilitate off-site presentations.

C [Industrial Park Signs](#)

Minutes: Hutchins stated that he had been contacted by a land owner in the industrial park who inquired about the ownership of the industrial park sign on his property stating that he would like it

removed. Staff research has found no recorded easement allowing access or acknowledging ownership of the sign. He stated that it is not the City's policy to own or maintain signage for the private sector and that the sign will likely be removed at some point.

D [Proposal for Straw Manufacturer](#) (DEED)

E [MCCARA Advisory Committee](#)

12. 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