

**City of Moorhead**  
**Economic Development Authority**  
**Meeting Minutes**  
**February 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 February 27, 2012, at 11:45 AM.

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

Board Member:	Les Bakke	Present
Council Member:	Brenda Elmer	Present
Board Member:	Jeff Frider	<i>Absent</i>
Council Member:	Steve Gehrtz	Present
Board Member:	Werner Golling	Present
Board Member:	Ray Grefsheim	Present
Board Member:	Robert Remark	Present
Board Member:	Jon Riewer	<i>Absent</i>
Board Member:	Jim Steen	Present
Board Member:	James Taylor	Present
Board Member:	Mark Wallert	Present

**Others Present:**

Scott Hutchins, Director of Community Services  
Peter Doll, Development Services Manager  
Justin Pearson, Greater Fargo Moorhead EDC

Amy Thorpe, Community Services Planner  
Lisa Vatnsdal, Neighborhood Services Manager

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

**2. Agenda Amendments**

**3. Approve Minutes**

A [January 23, 2012](#)

**Motion to Approve made by Brenda Elmer and seconded by Werner Golling**

Approve minutes from January 23, 2012.

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

**4. Citizens Addressing the Board**

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

Minutes: Elmer stated that at the Committee of the Whole meeting last week, City Council heard presentations from consultants on the housing study and marketing and communications plan. She stated that both were well received and the council is excited about the possibilities.

**6. [GFMEDC & Moorhead EDA Joint Activities - Peter Doll / Justin Pearson, GFMEDC](#)**

A Report on Economic Development Trip to Williston, ND

Minutes: Hutchins stated that city staff has met with GFMEDC staff on several occasions to identify joint interests and opportunities for cooperation.

Justin Pearson, Vice President of the Greater Fargo Moorhead Economic Development Corporation, stated that he has received calls from all over the region, United States, and even internationally with inquiries about the oil boom in western North Dakota. He stated that there has been a lot of interest in the possible opportunity for FM businesses to support the oil boom. He stated that he organized a bus trip to go to Williston for the purpose of making connections with key people in Williston. The trip was very successful and seeing the conditions in Williston first hand changed his perception dramatically. He expected to see the dirty, "Wild West" but instead found substantial commercial real estate and residential growth.

Doll added that the wild west was no more. He stated the jobs and machinery were very "high tech" and the regulated "man camps" were very nice, much like a college dorm. He provided the board with various statistics, such as:

- The average oil well cost \$10 million to construct
- There are 200 wells installed every month, or 2,000 per year depending upon the severity of the winter
- Investment of 2 billion dollars per month going into the ground in the Bakken
- There are 2,000 "Bakken Wells" in production, plus the old existing wells, which moves ND to the number 2 oil producing state in the US
- Capacity of the Bakken is 50,000 wells, taking 25 years to drill all of the wells
- Each well is expected to produce for 35 years
- 60 years of oil production in the Bakken at the current rate of capacity
- A well recovers it's cost in one year of being drilled
- Production cost per barrel of oil is \$18 while market rate for oil is \$80-100 (cost to profit rate of 1:5)
- Largest oil companies in the world are drilling in the Bakken
- Dickenson State is set up to provide mandatory safety training for Bakken workers
- No dry wells - 100% success due to new technology - with 4 to 8% recovery
- State extraction tax of 12%

Doll indicated that civil and industry leaders in western North Dakota acknowledge that there are two risk factors to the oil boom: 1) price of crude; and 2) federal government regulation (Environmental Protection Agency).

The City of Williston grew very fast with high population growth, truck traffic, and infrastructure. In 2011, Williston added over 2,000 dwelling units and 700 motel units. They have invested heavily in infrastructure and expect to add 4,000 dwelling units per year going forward in the next 5 years, targeting a population of approximately 40,000.

Primary sector businesses which were doing business in the area have been hit very hard due to the high cost of labor, increasing the cost of their product. This increase may make the product less competitive. If the manufactured product is not sold to oil companies, a business might not survive. Businesses looking to hire workers need to provide housing since affordable housing is scarce in Williston. As an example, when an apartment building is constructed, an oil company will lease the entire building for three years before it hits the market. Retail and service industries find it hard to keep employees even when paying them \$15-20 per hour.

How does this apply to our community? Don't focus on extremes because the supply and demand curves are out of balance. What is Moorhead's opportunity? It's technology, equipment and supplies which can all be supplied from Moorhead. And where Fargo-Moorhead is located, the focus should be on support for technology and mechanization of the

oil field.

Pearson stated that there is endless possibility for service oriented industries. He stated there no linen services, truck repair services, or tire shops. He stated that this trip laid the groundwork but another trip was warranted to bring interested businesses out there as well.

**B** [MREJ: Opportunities in North Dakota & The Bakken Conference](#)

Minutes: Hutchins stated that this conference would be a big event for Minnesota. He stated the timing was perfect and applied to the City's long term objectives for the industrial park. He stated the fundamentals for Moorhead were very good with location, transportation, available land and infrastructure.

Gehertz asked if the Moorhead would have a presence at the "Opportunities in ND" conference in the twin cities in March. He stated he would encourage having a presence and market the industrial park. Hutchins stated that it is critical to be there and that GFMEDC will be part of the presentation roster and Moorhead has offered to be a cosponsor and will contribution to the sponsorship of that event. It is a tremendous opportunity.

**C** [Strategic Plan for Economic Growth](#)

Minutes: Staff is working with Kevin McKinnon, DEED, to solicit a proposal from Moran, Stahl & Boyer (MS&B) to develop a strategic plan for the park. MS&B submitted a draft proposal for a cost of \$48,000. He stated that staff, McKinnon, and GFMEDC all agreed the cost seemed high. He stated that one possibility would be to look at the value of the industrial park not only to the city but to the economic interest of the greater community and what that has to offer. He stated that this was a big undertaking for the economic interests of the entire area and suggested that when the new president of GFMEDC comes on board, staff would discuss the idea the idea of a broader joint study.

Pearson stated that it has been some time since their last plan and may be timely to take a look at this with the new president who would likely bring in new ideas.

Elmer agreed that the cost of the strategic plan was high. She asked if the EDA had authorized this expense in the EDA budget. Hutchins stated that this study was not specifically identified in the 2012 budget although funds are adequate to cover this cost.

**7.** [1st Ave & 11th Street Properties: Receive Subcommittee Report / Approve Property Listing with Coldwell Banker First Realty Encore - Grefsheim/Kovash/Taylor/Wallert](#)

Minutes: Wallert stated that the subcommittee (Grefsheim, Kovash, Taylor, Wallert) met with commercial realtors Scott Hildre and Tom Kiewel, Coldwell Bank First Realty Encore, at 7:30 a.m. that morning. He stated that the focus of the meeting was to discuss listing the city-owned properties known as the "elevator" sites which the city is preparing to sell. He stated that discussion included the strengths and weaknesses of the property, development goals, listing agreement, and general marketing approach. He stated Coldwell will have for sale signs installed within 2 to 3 weeks of an approved / signed listing agreement. He stated Coldwell has a plan to actively market the property and not just throw up a sign and hope someone calls. He stated the realtor will bring each written offer to the City/EDA for review. He stated that the action of the board would be to recommend to the City Council approval of the listing agreement.

Gerhertz asked if Coldwell knew of anyone who might be interested in the properties. Doll stated that the realtors have a number of developers they are associated with and that they will show this property to as soon as it is listed.

Hutchins stated that both parties are interested to see how this relationship will work. Coldwell would like to see a positive result which could result in working together in the future. He stated that Coldwell will have the full support of City Staff and its technical

resources.

**Motion to Approve made by Brenda Elmer and seconded by Ray Grefsheim**

Motion to Recommend to the City Council Approval of Listing Agreement with Coldwell Banker First Realty Encore

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

**8. Moorhead Housing Study and Marketing and Communications Plan Update - Hutchins / Vatsdal**

Minutes: Vatsdal stated that the consultants from Maxfield Research (Mary Bujold) and Flint Communications (Chris Hagen) were present at last week's City Council meeting. She stated that the Housing Market Study was in the final editing stage and would be ready for City Council approval in May. She said the Marketing and Communications Plan would be rolling out within the next few weeks. She stated that the housing development forum for builders and developers was in the process of being developed and EDA members would be invited to attend. The Public Service Commission has asked to be updated on these activities as well.

Questions or comments:

- Timeline to roll out the microsite. Vatsdal stated that it should be completed in a couple of weeks but does not want to begin marketing before the site is up and running.
- Excited that the marketing will be using a "non-traditional" marketing method but cautioned that web sites can be wonderful on the first day it's hosted but that someone will need to keep it updated.
- How will you measure goals and who will be attending to emails received, etc.
- Should find a way to link MLS listings for Moorhead homes for sale.
- People are doing more research online. If the information is not good, you will never get a call.

**9. 2012 Legislative Update – Hutchins**

A EDAM Minnesota Weekly Legislative Updates:  
<http://www.edam.org/displaycommon.cfm?an=1&subarticlenbr=29>

Minutes: Hutchins highlighted the 2012 Legislative objectives found on page 89 of the packet materials. He added that the revenue forecast coming out in the next week or two would set the tone for the remainder of the session.

**10. Election of Officers**

Minutes: Wallert stated that unless another commissioner wished to volunteer for an office, the current officers have indicated they would continue to serve another term.

**Motion to Approve made by Jim Steen and seconded by Werner Golling**

Approval of 2012 officers as follows: Mark Wallert, Chair; Les Bakke, Vice Chair; Jim Taylor, Secretary.

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

**11. Information / Update**

**12. Adjourn**

Minutes: Meeting adjourned at 12:57 p.m.

APPROVED BY:

ATTEST:

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Mark Wallert  
Chair

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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*