

**City of Moorhead**  
**Economic Development Authority**  
**Meeting Minutes**  
**May 29, 2012 at 11:45 AM**  
**1st Floor, Council Chambers, Moorhead City Hall**

**Note: Due to a technical difficulty, the audio portion of the videotaped meeting is difficult to hear.**

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 May 29, 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   | Present – Leaves at approximately 12:45 p.m. |

**Others Present:**

|   |  |
|---|--|
| Dave Anderson, Sanford Health                 | Scott Hutchins, Director of Community Services |
| Peter Doll, Development Services Manager      | Scott Kieper, Summit Housing Group             |
| Matt Durbin, Konrad Olson Commercial Realtors | Amy Thorpe, Community Services Planner         |
| Jeff Hoss, Sanford Health                     |  |

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

**2. Agenda Amendments**

**3. Approve Minutes**

A [March 26, 2012](#)

**Motion to Approve made by Les Bakke and seconded by Brenda Elmer**

Motion to Approve Minutes from March 26, 2012

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

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

Minutes: Sel Nygard, a resident of Riverview Heights in Moorhead, told commissioners he had made a request to merge the Clay County and City of Moorhead Housing Authorities and he asked where the EDA Board was with that request. Hutchins clarified for the Board that this was a matter that has been before the City Council and Public Housing Agency but they (EDA) have not heard of this request previous to today. Nygard asked why the board had not heard of this request. Hutchins responded that the request does not fall within within the jurisdiction of the EDA Board. Nygard stated that elected officials needed to be a part of the solution and not part of the problem. Elmer provided the board with a brief background of the matter before the City Council. Nygard believes there is room for improvement by merging the two authorities and that it would save City money.

## 5. Commissioners' Reports

Minutes: Steen reported on an open house held at the Hjemkomst Center.

Frider introduced himself and gave a plug for the Moorhead Business Association.

Elmer reported that the City Council had participated in development tour organized by City staff in concert with the "Parade of Homes" in Moorhead. She stated there was also a "Development Summit" held which was well attended and included area home builders, developers, real estate professionals. The summit served to renew relationships and create "buzz" about marketing Moorhead and highlighted ordinances changes to facilitate development and evening the playing field.

Wallert attended the GFMEDC Annual Meeting on May 10th. He stated that two MSUM students received the first "bio-med" scholarships at that meeting. These students will be trained in the labs that the EDA provided matching funds to build.

## 6. Sanford Clinic Moorhead Campus - Dave Anderson, Director of Public Affairs, Sanford Health

Minutes: Dave Anderson and Jeff Hoss, Sanford Health, made a presentation regarding their new project, Sanford Health Clinic - Moorhead. The project is creating excitement and jobs.

Jeff Hoss showed a several renderings of the new clinic campus to be located in the Horizon Shores area. The design was structured in such a way as to give every side of the building a nice look and not service entries. They have projected that in 2015, there will be 28 or 29 doctors employed in this clinic and well over 100 staff members. They estimate there will be 75,000 clinic visits in the first year. Phase One will be approximately 46,000 square feet and cost an estimated \$14 million to build.

Elmer asked if the Moorhead 8th Street clinic would remain open. Hoss stated the plan is to move all family and internal medicine doctors to the new clinic, to extend the hours of service and maybe even weekends, but he's not sure will happen with the current clinic on 8<sup>th</sup> Street. He stated that it may be repurposed.

Ground breaking for the project is expected to occur in 1 1/2 weeks. Site work will begin in the fall to get footings in the ground before winter. The opening date is expected in the summer of 2014.

Frider asked what is the current client base and how do you see that changing or expanding with the new campus. Hoss stated that a large number of Moorhead residents currently use Fargo facilities and is hoping that those residents will begin to use the Moorhead facility which would help relieve the pressure on the Fargo sites.

## 7. **1st Avenue N Redevelopment Updates**

### A Timeline Presentation - Hutchins

Minutes: Hutchins presented a PowerPoint as an introduction to new board members and a way to acquaint them with the 1<sup>st</sup> Ave N Redevelopment Project from its inception in early 2000s to the present day. Go to [www.cityofmoorhead.com/rfp](http://www.cityofmoorhead.com/rfp) to view the slides.

Gehertz asked if the timeline could be moved forward to allow application in the November grant round. Hutchins stated that the timeline could be streamlined but suggested that a "streamlined" process may not yield the kind of development goals and objectives the City is seeking.

Doll discussed the steps for applying for the DEED Cleanup Grant and was of the opinion that finding a project and applying for the fall round was too tight.

Elmer and Frider concurred with Gehrtz. Hutchins stated that staff would come up with suggested timeline and distribute this week. The consensus of the group was to move this forward as soon as possible.

**B** [Summit Housing Group Proposal - Harlan Wells, Summit Housing Group/ Terry Fortier, Corsair Investments](#)

Minutes: Chair Wallert excuses himself from the meeting and Vice Chair Bakke continues.

Scott Kieper, Summit Housing Group, stated that the company is based in Missoula, Montana, and specializes in affordable multi-family and senior housing which utilized low income housing tax credits. They have 14 completed in Montana and Wyoming and look to expand to Colorado, North and South Dakota, and Minnesota. He stated that the communities of Fargo and Moorhead are very favorably viewed in the investment community. He stated the economic diversity and strength of the community is an asset and complimented the City for their redevelopment plan and commitment to the remediation of environmental issues.

Specifics of the proposal is to construct two 24-unit, multi-family buildings, comprised of 24 2-bedroom units and 24 3-bedroom units as suggest by their market study. Forty-three of the units will be available to individuals or families making up the 50% of the area median income, four units are reserved for long-term homeless families or individuals, and one unit will be occupied by the on-site manager. The plan includes underground and surface parking, playground area, and exterior deck/patios. Summit Housing Group is seeking low-income housing tax credits through Minnesota Housing Authority and is requesting financial support of the City through TIF financing and participation in the DEED Cleanup Grant Program.

Hutchins referred the board to page 10 of the packet for detailed analysis of the estimated TIF revenues generated by this project. He stated this is provided as base line information for the staff and the developer to negotiate and develop a Development Assistance Agreement, which would then need City Council approval to move forward. He stated that Minnesota is highly competitive for this type of application.

Elmer stated this project is consistent with Moorhead's Housing Study and the needs of the community. Frider asked if this would be a permitted use to which the planner answered affirmatively. He also asked if there was a concern for a concentration of low-income housing in that area. Hutchins stated that the MHA would be ultimately responding to that issue and would take that into account when determining if the project should be funded.

**Motion to Approve made by Jeff Frider and seconded by James Taylor**

Recommendation to the City Council for a Resolution of Support for Summit Housing Group's Proposal to Minnesota Housing.

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

**8.** [Approval of Listing Agreement for Tire Depot Property - Matt Durbin, Konrad Olson Commercial Realtors](#)

Minutes: Hutchins stated that Matt Durbin, Commercial Realtor, was in the audience and available to response to any questions. He stated that the proposal is to list the "Tire Depot" property owned by the City due to tax-forfeiture with Konrad Olson Commercial Realtors, which is adjacent to a parcel that Durbin is currently listing and which functions together as a single property. Staff recommends

Gehrtz asked if consideration was given to other real estate firms. Hutchins stated that in this case, others were not solicited due the proximity to the other parcel listed by Konrad Olson. This matter will be brought to the City Council at a future meeting.

## 9. Director's Report – Hutchins

Minutes: Commissioner Gehrtz announced that once discussion would begin on Salvation Army, he would be required to recuse himself due to a potential conflict of interest. The minutes will reflect his recusal.

Hutchins began discussion of legislative issues with the residential property tax abatement which was not passed by the legislature this year. The question is how to proceed from here. Packet materials briefly reviewed a number of programs used in the past which reflected the problems of the times. A review of the State's current property tax abatement law is that it is not designed for "large volume" activities.

Gehrtz stated that it was the 3-2-1 program and that incentive that brought his family to Moorhead seventeen years ago. In comparisons between the two communities, Moorhead is favorable. One benefit is higher in elevation reducing the homeowners need for flood insurance. Regarding the abatement, there needs to be a conversation with county and school district to see if they may be in favor of partnering with the City. We need to put together something for builder's to put in their toolbox to sell homes and show that Moorhead wants your home in our community.

Frider concurred with Gehrtz to get together the other players – county and school district.

Hutchins stated that it would be a more powerful tool if the county and school district support this effort and would discuss this with the City Manager.

Hutchins continued with a discussion on commercial-retail outreach and asked for guidance on a process or approach. He said the city does not own commercial land but there are large tracts of land owned by private individuals or interests. He suggested getting together with consultants of the "Make Moorhead Home" campaign to see what kinds of ideas they would have and bring those ideas to the June meeting. He stated that the number one "getter" of restaurants and retail establishments are rooftops, people and population. But what separates Moorhead from others, is the financial incentive programs will apply to these activities which is usually not the case.

Steen stated that Moorhead is ripe for this and that we have a microsite for housing and there may be more we can do on the business-restaurant side. Moorhead has two business parks and a new intersection. Not all of those employees bring their lunch. Why aren't there fast food restaurants there?

Hutchins stated the those areas are owned by the private sector, Menard's owns their pad sites and has priced them according to their standards, Horizon Shores by the Sanford Campus, are all owned by the private sector. Find a way to support and enhance the marketing efforts of the private sector as they are talking with their networks with prospective buyers.

Elmer made reference to a popular Moorhead restaurant that recently closed and suggested that, maybe coordinated with MBA, the business receive an entrance and/or exit interview or survey to determine why they located in Moorhead or why they chose to leave so that legislators can be made aware of these problems. Hutchins stated that staff has spoken personally to each of those businesses. Each has their own story. Some reasons are market based and others were access and parking limitations, and in the case of others, it wasn't any of those. The facility was performing fine but it was not a core business and other business involvement. Steen agreed that exit interviews could be very important.

## 10. Information / Update

A [2012 Legislative Update Final Report](#)

B [2013 EDA Budget and Levy](#)

C [Other Updates](#)

Minutes: Elmer found marketing materials for the East Grand Forks and Crookston property tax abatement program. She will send link for members to review.

11. [Adjourn](#)

Minutes: Meeting adjourned at 1:39 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*