

City of Moorhead
Economic Development Authority
Meeting Minutes
January 24, 2011 at 11:30 AM
MSUM-Hagen Hall Room 104

Pursuant to due call and notice thereof, a regular meeting of the Economic Development Authority was held in the MSUM-Hagen Hall Room 104, on January 24, 2011, at 11:30 AM.

Roll call of the members was made as follows:

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|--------------------------|------------------|---------|
| 3rd Ward Council Member: | Brenda Elmer | Present |
| 4th Ward Council Member: | Mark Hintermeyer | Present |
| Board Member: | Werner Golling | Present |
| Board Member: | Kay Parries | Absent |
| Board Member: | Kelli Poehls | Absent |
| Board Member: | Robert Remark | Present |
| Board Member: | Jon Riewer | Absent |
| Board Member: | Gane Skatvold | Absent |
| Board Member: | James Taylor | Present |
| Board Member: | Mark Wallert | Present |
| Board Member: | James Welch | Present |

Others Present:

| | |
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| Harlyn Ault, Finance Director | Kristie Leshovsky, City Planner |
| Michael Abrahamson, Developer | Kevin McKinnon, GFMEDC |
| Mary Batcheller, GFMEDC | Michael Redlinger, City Manager |
| Brian Berg, Zerr Berg Architects | Bill Schwandt, MPS General Manager |
| Chuck Chadwick, Business Outreach Liaison, MBA | Les Stenerson, Moorhead Business Association (MBA) |
| Pete Doll, Development Services Manager | Amy Thorpe, Community Services Planner |
| James Elliot, Elliott Transport Systems | Wanda Wagner, Assistant Finance Director |
| Scott Hutchins, Director of Community Services | |

1. ***** WET LAB TOUR - 11:30 AM *****
2. **Introduction: Kevin McKinnon, GFMEDC President**
3. **Tour of Wet Lab - Mark Wallert, EDA Board & MSUM Faculty**
4. ***** REGULAR BUSINESS MEETING - 12:15 PM *****
5. [Call meeting to Order/Roll Call](#)
6. **Agenda Amendments**
7. [Approve Minutes](#)

A [December 6, 2010](#)

Motion to Approve made by Mark Hintermeyer and seconded by Brenda Elmer
Motion Passed: For: 8; Against: 0; Abstain: 0; Absent: 3

8. **Citizens Addressing the Board**

9. Director's Report - Scott Hutchins

Minutes: Hutchins stated that a board member had suggested at the previous meeting that the Moorhead Business Association (MBA) have a designated seat on the EDA board. He stated that it had been some time since the bylaws had been reviewed and that there may be additional changes which could be reviewed at the same time. He stated that in addition to the bylaws, other established documents such as the enabling resolution may need updating as well and suggested that the EDA create a subcommittee to review these matters.

Hintermeyer stated that it seemed to him to be a good match to include MBA on the EDA board to allow for better communication with the Moorhead business community but he suggested a subcommittee was not necessary. His idea was to increase the number of board members by one or designate one of the "citizens at large" positions for the MBA.

Hutchins offered to provide the board with a review of the bylaws and other establishing documents at the next meeting. He provided the board with a brief legislative and airport update.

10. **Warehouse Project - Jim Elliott, Elliott Transport Systems Inc.**

Minutes: Hutchins introduced Jim Elliott, owner of Elliott Transport in Moorhead, who brought forward a plan to construct a 40,000 square foot warehouse space to lease to Pactiv for their expansion needs.

Elliott stated:

- Elliott Transport already leases 12,000 square foot warehouse to Pactiv
- He has proposed to build a 40,000 square foot facility to lease to Pactiv for their expansion needs
- Elliott Transport would also supply transportation. Pactiv is currently warehousing north of Fargo making this location more efficient and convenient
- Elliott Transport has a 10-year relationship with Pactiv

Hutchins added:

- Staff had discussed offering a property tax incentive for this significant expansion project
- A review and possible modification of the property tax exemption language was necessary to make it clear that a tax exemption is available for a warehouse project when it supports a primary sector business in the community
- A project such as this supports the goal of the board to increase property tax base and jobs and is directly connected to a primary sector business - Pactiv
- Require the term of the lease agreement to extend beyond the term of the tax exemption

The proposal is being reviewed by Pactiv and what Jim is looking for from the board is a level of interest for the support of such project. Hutchins stated that Kristie Leshovsky, City Planner, had reviewed preliminary plans.

Board members collectively restated their support for Pactiv and their desire to see the project proceed.

11. 8th Street Redevelopment Project - Michael Abrahamson / Brian Berg, Zerr Berg Architects

Minutes: Hutchins introduced Abrahamson and Berg and gave a brief description of the redevelopment project brought forward by Abrahamson. He stated that preliminary plans have been reviewed and it appears that the project fits zoning and the comprehensive plan. He stated that a part of the request for this project would be for a pay-go tax increment due to the high cost of

acquisition, demolition, and structured underground parking.

Abrahamson stated:

- He has assembled ownership of the properties at the site and is committed to moving the project forward
- They have developed the project scope to a density sufficient to meet financing requirements
- Details regarding size of units and retail space are still in the planning stage
- Plans for the retail space is for a walk up, coffee shop type concepts and is not intended to be an intensive use
- Lot to east will be designated parking for employees and overflow

Berg stated:

- He was contacted to design the use types and concepts
- Determine how to best interact with surrounding area and help connect MSUM and Concordia Colleges
- Construction of the project would begin in the summer
- Significant contribution to the 8th Street corridor
- Hope the project will spawn other development – redevelopment of the corridor
- Project will use upscale building materials.
- Will have a connection to the scale of the street.
- Sensitive to the “walkability” factor

Discussion: board members asked what the makeup of the units would be. Berg stated he thought the majority would be 2-bed 2-bath units. He said there would be 1-bedroom units, efficiencies, and a few 3 bedrooms available as well. He stated the price point would remain similar to the dorm price plus a slight premium.

Hintermeyer asked if there will be neighborhood meeting scheduled to keep the neighborhood informed. He also suggested they may want to tone down the “gateway to MSUM” concept which may have the implication that the neighborhood will go away.

Abrahamson stated that he has spoken with key property owners in the neighborhood and they seem to be happy with the current concept for the upgraded property. He stated that what will kill the project is the building scale but, to some degree, the density needs to be higher for the project to be cost effective.

Hutchins stated that the developer was looking for feedback from the board. He said the project would be brought forward again when applying for tax increment financing. Board members voiced their support for the project.

12. [2011 Interfund Loan - Peter Doll](#)

Minutes: Doll reviewed the purpose and function of an interfund loan and stated that it was standard procedure to request an interfund loan to protect the City / EDA’s ability to be reimbursed for eligible expenses should a TIF district be established.

Motion to Recommend 2011 Interfund Loan made by Mark Wallert and seconded by Brenda Elmer
Motion Passed: For: 8; Against: 0; Abstain: 0; Absent: 3

13. Information / Update

A [Reports & Information](#)

B [Articles](#)

14. Adjourn

Minutes: Adjourned at 1:20 p.m.

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