

City of Moorhead
Economic Development Authority
Meeting Minutes
May 23, 2011 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 May 23, 2011, at 11:45 AM.

Roll call of the members was made as follows:

3rd Ward Council Member:	Brenda Elmer	Present (Entered at 11:47 a.m.)
4th Ward Council Member:	Mark Hintermeyer	Present
Board Member:	Werner Golling	Present
Board Member:	Kay Parries	Present
Board Member:	Les Bakke	Present
Board Member:	Robert Remark	<i>Absent</i>
Board Member:	Jon Riewer	Present
Board Member:	Gane Skatvold	<i>Absent</i>
Board Member:	James Taylor	Present
Board Member:	Mark Wallert	Present
Board Member:	James Welch	Present

Others Present:

Chuck Chadwick, Business Liaison
Scott Hutchins, Community Services Director
Amy Thorpe, Community Services Planner

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

2. **[Agenda Amendments](#) – None.**

3. **[Approve Minutes](#)**

A **[May 9, 2011](#)**

Motion to Approve made by Jon Riewer and seconded by Les Bakke

Motion Passed: For: 8; Against: 0; Abstain: 0; Absent: 3 (Elmer, Remark, Skatvold)

4. **[Citizens Addressing the Board](#) – None.**

5. **[Incentive Subcommittee Report: Credit Levels for the 2011 Border City Enterprise Zone Tax Credit Program - Golling/Parries/Riewer \(Attachment\)](#)**

Minutes: Hutchins stated the Incentives Subcommittee had met to review the Border City Enterprise Zone Tax Credit Program which has been to reduce Worker's Compensation costs to Moorhead businesses for many years. He stated the discussion was focused on the level of incentive for 2011 program year based upon the Border City fund balance.

Riewer stated that the fund balance had been steadily declining with no State appropriation in recent years. The goal has been to maintain a small balance in the account and still provide businesses with a credit. He stated that it was the recommendation of the subcommittee to reduce the 2011 credit level from 10% to 5%. Golling added that there was discussion about whether the credit reduction was too small for some businesses on the low end of the spectrum but the group concluded that any business who took the time to apply must feel that it is a benefit to them.

Board members briefly discussed program participation, how businesses have historically learned of the program, and what would occur if there were a significant increase in the number of participating businesses. Also discussed were other options to fund the program such as using the EDA Tax Levy. Hutchins stated that although the program had not received an appropriation in recent years, he believed that the program would be funded once the State finds its way out of the current budget crisis.

Board members discussed and agreed with the Subcommittee's recommendation.

Motion to Approve made by Jon Riewer and seconded by Werner Golling

Establishing the 2011 Border City Enterprise Zone Tax Credit level at 5% with a program maximum of \$25,000.

Motion Passed: For: 9; Against: 0; Abstain: 0; Absent: 2 (Remark, Skatvold)

6. 1st Ave N Gateway Redevelopment Project - Doll

A [Recommend City Council Call for Public Hearing \(June 27\) with Respect to the Establishment of the 1st Ave North \(Central Corridors\) Redevelopment Tax Increment Financing District \(Attachment\)](#)

Minutes: Hutchins stated that the City Council would consider setting a public hearing to be held on June 27th for the establishment of the 1st Avenue North (Central Corridors) Redevelopment Tax Increment Financing (TIF) District. He stated that setting a public hearing was an important first step in the plan that the EDA had begun over a year ago. He stated that the map showing the proposed boundary included most of 1st Avenue and had been expanded, at the Board's recommendation, to include additional properties on adjacent gateway corridors. He stated that the establishment of a TIF district does not indicate approval of any specific project or guarantee that a project will move forward. He stated the purpose of establishing a TIF district is to aid in the redevelopment of areas within the district.

Bakke pointed out that the district did include corridors other than 1st Avenue. Hutchins stated that the title for the district had been modified to reflect the inclusion of the broader area.

There was considerable discussion related to the boundary of the TIF district and why certain properties such as the former Trader and Trapper (Coach's) building were not included within the boundary. Board members asked staff to review the corridors once more to determine if more parcels could be added and that this was their "one shot" to get the boundary right.

Hutchins stated that staff would conduct another corridor review for additional blighted parcels and perhaps schedule a special meeting to formally discuss boundary. He also stated that the timeline to establish the district would likely be delayed by approximately one month. Board members agreed that a delay would be in the best interest of the project in order to review boundary alignment.

Chair Wallert concluded that no action would be taken by the board today and the board tabled the item.

Motion to Table made by Mark Hintermeyer and seconded by Kay Parries

Motion Passed: For: 9; Against: 0; Abstain: 0; Absent: 2 (Remark, Skatvold)

B [Continue Discussion: Expanding and Integrating Redevelopment Incentives \(Attachment\)](#)

Minutes: Hutchins stated that staff had received information that they had requested from Briggs & Morgan regarding the "layering" of incentives. He stated that due to the type of development that may occur, project operators may find a property tax exemption more appealing or beneficial than tax increment financing. He stated that Moorhead's competition does have property tax exemption and tax increment as well and has used property tax exemption for multi-family housing extensively in their downtown area. The response from Briggs & Morgan

was affirmative; Moorhead can layer property tax exemption within a tax increment financing district. Staff is looking for direction from the board that it is interested in utilizing that incentive for multi-family housing property tax exemption, pursuing the layering of incentives and under what circumstances that would be advisable, and to approach it in a judicious manner to keep it restrictive applying the incentive in designated redevelopment areas of the community. He stated that the Incentive Subcommittee would take the Board's recommendation for a general policy and develop a "fact sheet" or policy that will be used when approached by applicants.

Hintermeyer stated that this discussion is very important and that Moorhead is at a crossroads to compete for development with our North Dakota neighbors. His reaction is to get creative, find ways to bundle incentives, and make it as attractive as possible. He hopes the Moorhead Business Association will be involved and finds the incentives beneficial.

Board members discussed marketing of industrial park land owned by the EDA by taking a comprehensive approach. Competition is getting more difficult and Moorhead must "think outside the box."

After further discussion, board members agreed that the incentives should be broader and designed to compete with incentive packages used by the North Dakota competition.

Motion to Approve made by Werner Golling and seconded by Les Bakke
Expanding and Integrating Redevelopment Incentives
Motion Passed: For: 9; Against: 0; Abstain: 0; Absent: 2

7. [2011 Legislative Update - Hutchins](#)

Minutes: Hutchins quickly summarized legislative happenings.

8. [Information / Update](#)

A [Sale of Land - Kovash](#)

B [2012 EDA Budget / Levy](#)

C [Greater Moorhead Development Corporation Agreement](#)

D [Outdoor Sandbag Storage](#)

E [Gateway Gardens - Completion of Voluntary Response Actions](#)

9. [Adjourn](#)

Minutes: Adjourned at 1:03 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