

City of Moorhead
Economic Development Authority
Special Meeting Minutes
May 09, 2011 at 4:30 PM
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 09, 2011, at 4:30 PM.

Roll call of the members was made as follows:

3rd Ward Council Member:	Brenda Elmer	Present
4th Ward Council Member:	Mark Hintermeyer	Present
Board Member:	Werner Golling	Present
Board Member:	Kay Parries	<i>Absent</i>
Board Member:	Les Bakke	Present
Board Member:	Robert Remark	Present
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 Outreach Liaison, MBA
Pete Doll, Development Services Manager

Scott Hutchins, Director of Community Services
Amy Thorpe, Community Services Planner

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

2. **[Agenda Amendments](#)**

3. **Approve Minutes**

A **[April 25, 2011](#)**

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

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

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

5. **[Approval of Tax Incentive Agreement Template - Hutchins \(Attachment\)](#)**

Minutes: Hutchins provided a brief overview. He stated that the EDA board had asked for several revisions and to involve the Moorhead Business Association for input. He stated that there had been several meetings with Chuck Chadwick, MBA, and that the discussion brought several changes to the template, including a section providing for non-binding mediation.

Elmer asked Hutchins to review the changes made to the document. Hutchins went through the document noting any new language added to clarify the agreement. Hutchins referred to Exhibit A which walks the project operator through the timeline. He stated the final column provided clarity and some flexibility to the Project Operator for beginning the exemption period. In addition, attached to each agreement are three "Fact Sheets" produced by the Department of Revenue for an overview of the property tax and assessment process.

Hintermeyer supported the revised agreement template and believed including MBA in the process was positive. He stated the new document provided more clarity and was much

improved.

Elmer asked where in the agreement the specific amount of the exemption was listed. Hutchins referred the board to Section 4 which states the estimated value of the tax incentive based on the estimated project value upon completion of the project, current tax rate, and the exemption period.

Riewer asked how often a business failed to meet goals and what protocol was in place to work through that. Hutchins referred to Thorpe who stated that there had been only one business in recent years that did not meet their job and wage goal. She stated that staff contacted the business and an amendment to the tax incentive agreement was sought and approved by City Council. The amendment extended the target attainment date and the business had now met all goals.

Motion to Approve made by James Welch and seconded by Les Bakke

Approval of Tax Incentive Agreement Template as included in the packet materials.

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

6. Resolution Finding Buildings Blighted / Substandard (Aggregate and Hedgemasters) - Doll (Attachment)

Minutes: Doll stated that as discussed at the April board meeting the proposed timeline for establishment of the 1st Ave N Gateway Redevelopment Tax Increment Financing District was June 27. Also at the April meeting, the board directed staff to bring back on a case by case basis properties which were blighted and may need to be declared (in order to be included in a future TIF district) prior to demolition. Doll stated that at this time the Aggregate and Hedgemasters sites were undergoing final environmental testing and may be ready to be demolished before June 27. He requested the board pass the blight finding resolution as found on page 26 of the packet materials.

Motion to Approve made by James Taylor and seconded by Werner Golling

Resolution Finding Buildings Substandard for the city properties known as Aggregate and Hedgemasters.

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

7. 1st Ave N Gateway Redevelopment Project - Hutchins / Doll (Attachment)

Minutes: Hutchins began by reviewing previous subcommittee and board discussions regarding economic development assets available to the EDA and the City, one of which was property tax exemption for multi-family housing. An outgrowth of that discussion was a request by the board for additional information which led to the City retaining Maxfield Research to do a Housing & Market Analysis Study. Currently staff is in the process of analyzing several factors related to providing such an exemption:

- What is the difference between exemption and tax increment?
- How would the private sector view the benefit of exemption vs. tax increment?
- What would work best to move a redevelopment project along?

Doll added that the major premise of a redevelopment project is that it 1) costs more than “green field” development; and 2) is a benefit to the city. He stated that the City has helped with those costs in the past through assemblage of property, environmental remediation, demolition of blighted buildings, sales tax credits, and TIF revenue. He stated that in North Dakota, the Renaissance Zone Program included both State and local funding and is difficult to compete with.

Doll reviewed the chart found on page 37 of the packet. To summarize, he stated that the findings of the analysis was that for residential multi-family development there was not a significant difference between receiving a property tax exemption and utilizing TIF but that for a commercial project, in general, it was more beneficial to the developer to utilize TIF.

Hutchins stated that the purpose of providing this analysis was to initiate discussion. He encouraged the board to contact staff with questions. He stated that goal of providing focused redevelopment incentives was to encourage private redevelopment and investment using a new model of a multifamily housing incentive through a property tax exemption.

8. [Information / Update](#)

9. [Adjourn](#)

Minutes: Meeting was adjourned at 5:17 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