

City of Moorhead
Economic Development Authority
Meeting Minutes
July 27, 2009 at 11:30 AM
1st Floor, South Board Room, Moorhead City Hall

Pursuant to due call and notice thereof, a regular meeting of the Economic Development Authority was held in the 1st Floor, South Board Room, Moorhead City Hall, on July 27, 2009, at 11:30 AM.

Roll call of the members was made as follows:

3rd Ward Council Member:	Lauri Winterfeldt	Present
4th Ward Council Member:	Mark Hintermeyer	Present
Board Member:	James Welch	Present
Board Member:	James Taylor	Present
Board Member:	GaNe' Skatvold	Present
Board Member:	Jon Riewer	Present
Board Member:	Kay Parries	Absent
Board Member:	Kelli Poehls	Present
Board Member:	Mark Wallert	Present
Board Member:	Robert Remark	Absent
Board Member:	Werner Golling	Absent

Others Present:

Neil Qualey, Greater Moorhead Development Corporation
Chuck Chadwick, Business Liaison
Brian Neugebauer, City Attorney
Michael Redlinger, City Manager
Harlyn Ault, Finance Director
Scott Hutchins, Director of Community Services
Pete Doll, Manager of Business & Development Services

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

2. [Agenda Amendments](#) – None.

3. [Approve Minutes of May 18, 2009, and June 1, 2009](#)

Motion to Approve Minutes of May 18, 2009 and June 1, 2009, made by Kelli Poehls and seconded by James Taylor

Motion Passed: For: 8; Against: 0; Abstain: 0; Absent: 3

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

5. [Greater Moorhead Development / City Business Outreach Agreement - Neil Qualey and "Guest"](#)

Minutes:	Chair Welch welcomed and invited Neil Qualey, Greater Moorhead Development Corporation, to introduce his "guest." Qualey introduced Chuck Chadwick to the EDA Board as the newly hired Business Outreach person. Neil stated that Chadwick started work on July 15, 2009. Chadwick addressed the board, giving a brief list of his qualifications and background. He stated he looked forward to working with the EDA. Qualey stated that Chadwick was working to build a database of business names to send a survey. Board members requested Chadwick's contact information.	11:49 AM
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Motion to Approve the agreement between the City of Moorhead Economic Development Authority and Greater Moorhead Development Corporation made by Jon Riewer and seconded by Kelli

Poehls

Motion Passed: For: 8; Against: 0; Abstain: 0; Absent: 3

6. Primary Sector Business Projects Update - Hutchins

A MSUM / City Wetlab Agreement

Minutes: Hutchins introduced the item and asked Brian Neugebauer, City Attorney, for his summary of the agreement between MSUM, MnSCU, and the City of Moorhead. Neugebauer stated that the only role the city would be responsible for is to provide the local match to the DEED grant. The city would have no responsibility for the paperwork and reporting associated with the grant or implantation of the project. 11:54 AM

Winterfeld asked what the role of GFMEDC has at this time? Hutchins stated that at this time, they do not currently have a financial role but they may at some time in the future. He stated that there may be opportunity for collaboration if and when a second phase may proceed.

Motion to Approve the Agreement between MSUM, MnSCU and the City of Moorhead for the MSUM Wetlab made by Lauri Winterfeldt and seconded by GaNe' Skatvold

Motion Passed: For: 8; Against: 0; Abstain: 0; Absent: 3

B Performance Based Rate Incentive

Minutes: Hutchins noted that the Moorhead Public Service Commission has scheduled a rate hearing on the incentive for August 3. He also stated that the company, Pactiv, has chosen the Moorhead site to expanding their production.

7. Recommendations of the EDA Incentives Task Force - Task Force Members

Minutes: Jon Riewer provided the board a report of the findings and recommendations of the Incentives Task Force. 12:07 PM

He stated that the group focused on three areas: 1) worker's compensation tax credit and recommended reduction from 20% to 10% 2) revisions to Sales Tax Credit policy to make the policy more clear and tied to specific levels of jobs and investment; and 3) an update of the CPI Wage Floor.

Riewer stated that in an effort to stay on track with the program administration timeline, the committee took the liberty of sending out the 2009 Border City Enterprise Zone Tax Credit application to participating businesses.

Board members thanked the task force for their work and recommendations.

Motion to Ratify Recommendations of the EDA Incentives Task Force made by Mark Wallert and seconded by Kelli Poehls

Motion Passed: For: 8; Against: 0; Abstain: 0; Absent: 3

8. 2010 EDA Budget and Levy - Redlinger/Ault

Minutes: Hutchins stated that the EDA establishes its preliminary budget in August. He stated that there was information included in the packet such as past levy amounts and uses, as well as an estimate of the maximum 2010 EDA levy amount. He invited City Manager Redlinger to provide additional background. 12:14 PM

Redlinger stated that on August 24 the EDA will be asked to approve their recommended 2010 EDA budget/levy. He reminded the board that the preliminary 2010 budget/levy may be lowered after that time but, once approved, it can't be raised. He reviewed the proposed 2010 City Budget information and summaries for revenue and expenses and explained that there

is a "soft hiring freeze" and several vacated positions will not be rehired at this time. He stated that wages have been frozen for all employees, including management, for 2010.

Harlyn Ault stated that the operating budget was reduced 5%, with the exception of wages, which were reduced to 3%. He stated that once the 5% reduction was implemented, individual budget items were reviewed and modified as necessary. Some of the increases were necessary to reflect actual costs, such as street lighting and overtime budgets.

Hintermeyer asked about the GFMEDC payment remaining in the 2009 EDA budget and where was the issue at now. Redlinger stated that GFMEDC was not asking for funding at this time.

Riewer asked if funds had been expended on marketing. Hutchins stated that aside from some limited local activities, no marketing was done at a regional or national level. Riewer stated that he would like to see the \$87,500 earmarked for GFMEDC allocated to such marketing if the money remained in the budget.

Wallert inquired about the relationship with the GFMEDC. Redlinger stated that in June, the city received the MOU (Memorandum of Understanding) from GFMEDC. He stated there is also the old agreement and he and the city attorney are examining the issue.

Riewer stated he was part of the meeting held in December and it seemed like the relationship with GFMEDC was moving beyond the "joint marketing relationship" that it had been in the beginning.

Hintermeyer asked Ault to establish what effect a reduction of +/- \$100,000 to the EDA Levy would have on the average household. Harlyn stated that it would not reduce the dollar amount significantly, just a few dollars per year.

Chair Taylor stated that just because we can levy \$370,000, doesn't mean we should. But at the same time, it is nice to have a pool to work with in the future. Wallert agreed that it would be nice to start building a pool to attract a start-up company. Poehls agreed.

Hintermeyer stated that there would likely not be the votes to raise the levy beyond \$283,000 and it would be a "good faith effort" to reduce the levy. He stated the council will be dealing with the city's match of the flood mitigation efforts which will affect every parcel west of 20th Street. He stated that this was not the time to be raising the levy.

9. Information / Update

Minutes: Doll briefed the board regarding commercial business projects as follows: 12:59 PM

Hardy Family Limited Partnership was approved to build a business center on SE Main.

1817 1st Ave N., Gateway Gardens, 3-4 million dollar project.

Roger Erickson was under construction with a 48-unit / 55 years and older building.

John Hauge, developer, platting a new area of land. Demand for apartments is up.

Staff continues to work with Aggregate Industries for the DEED fall cleanup grant cycle.

Doll stated there has been an increased interest for commercial investments in Moorhead. He said there is a strong interest to redevelopment but not without incentives because there is a greater expense and risk.

10. Adjourn

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 Program Assistant*