

City of Moorhead
Economic Development Authority
Meeting Minutes
April 22, 2013 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 April 22, 2013, at 11:45 AM.

Roll call of the members was made as follows:

Board Member:	Les Bakke	Present
Board Member:	Bob Buth	Present
Board Member:	Violet Deilke	Present
3rd Ward Council Member:	Brenda Elmer	Present
Board Member:	Jeff Frider	Present
4th Ward Council Member:	Steve Gehrtz	Present
Board Member:	Ray Grefsheim	Present
Board Member:	Kris Gulsvig	Present
Board Member:	Charley Johnson	Present
Board Member:	Jim Steen	Present
Board Member:	Dave Sederquist	Present

Others Present:

Peter Doll, Development Services Manager
Paul Hyde, Hyde Development
Scott Hutchins, Director of Community Services
Raime Lavelle, Hyde Development

Matt Maslowski, Business Development Manager
Michael Redlinger, City Manager
Amy Thorpe, Economic Development Program Administrator

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

2. [Agenda Amendments](#)

Minutes: Add Item 9 - Amend Tax Incentive Agreement with 3IE/Invie Consulting
Add Item 10 – Update on fire at Mill Creek Custom Cabinets

3. [Approve Minutes](#)

A [March 25, 2013](#)

Motion to Approve made by Brenda Elmer and seconded by Violet Deilke
Motion to Approve Minutes of March 25, 2013

Motion Passed: For: 11; Against: 0; Abstain: 0; Absent: 0

B [April 8, 2013](#)

Motion to Approve made by Steve Gehrtz and seconded by Charley Johnson
Motion to Approve Minutes of April 8, 2013

Motion Passed: For: 11; Against: 0; Abstain: 0; Absent: 0

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

5. [Commissioners' Reports](#) - None

6. [Introduce Business Development & Retention Services Manager \(Matt Maslowski\) - Redlinger](#)

Minutes: Hutchins introduced Matt Maslowski, Business Development and Retention Services Manager, to the board. Chair Steen formally welcomed him and board members invited him to attend to the Moorhead Business Association meeting on Wednesday morning at 7. Commissioners also suggested holding an open house or a press release announcing the new position.

7. [Actions Related to Redevelopment of City Owned Property on 1st Avenue North "Aggregate Site" – Doll](#)

Minutes: Hutchins provided a brief overview and Doll added that there had been no changes to the project or business terms. He stated there are multiple layers of financing for this project: 1) TIF Financing as outlined in the Development Assistance Agreement; 2) Contamination Cleanup Grant and Revolving Loan Fund; 3) Developer's (Private) Financing.

Commissioners asked for clarification of the following:

- \$350,000 represents the City's investment in the properties formerly known as Aggregate Industries and Hedgemaster.
- \$1.17 million – Represents the City's pledge of anticipated TIF Revenues to reimburse the Developer for TIF eligible site development and remediation costs. There are no other City funding sources. The City's TIF Counsel, Springsted, analysis shows that, based on projected values, the project will be made whole.

Hyde complimented the work of city staff and stated the project had come a long way in a very short period of time. He indicated that Hyde Development staff recently presented the project to members of DEED staff who had provided positive comments and recommended that the cleanup be applied for in a single phase. City staff members Doll and Thorpe were also present at the meeting with DEED in Minneapolis.

Commissioners requested the following clarification:

- Basic Timeline:
 - May 1 – DEED Application Deadline
 - June 2013 – Find out if the project was awarded funding
 - Summer-Fall 2013 - Hire cleanup contractor and begin cleanup
 - Fall 2014 - Phase I ready for students
 - Fall-Winter 2014 - Phase II begins shortly after.
- Revolving Loan Fund (EPA) would apply for all phases of cleanup.
- Competition from other Greater Minnesota cities. There are no other known projects in greater Minnesota. Hyde was confident that if there was a shortfall, the project would get funding in another grant round.

A [Approval of Development Assistance Agreement between Moorhead Economic Development Authority and Hyde Development LLC](#)

Motion to Approve made by Steve Gehrtz and seconded by Brenda Elmer

Motion to Approve Development Assistance Agreement between Moorhead Economic Development Authority and Hyde Development LLC

Motion Passed: For: 11; Against: 0; Abstain: 0; Absent: 0

B [Recommend Resolution to Approve and Authorize Submission to the Minnesota Department of Employment and Economic Development \(DEED\) of "Contamination Cleanup Grant" Application](#)

Motion to Approve made by Charley Johnson and seconded by Violet Deilke

Motion to Recommend Resolution to Approve and Authorize Submission to the Minnesota Department of Employment and Economic Development (DEED) of "Contamination Cleanup Grant" Application

Motion Passed: For: 11; Against: 0; Abstain: 0; Absent: 0

C [Recommend Resolution to Approve and Authorize Submission to the Minnesota Department of Employment and Economic Development \(DEED\) the "Minnesota Cleanup Revolving Loan Fund" Application](#)

Motion to Approve made by Violet Deilke and seconded by Jeff Frider

Motion to Recommend Resolution to Approve and Authorize Submission to the Minnesota Department of Employment and Economic Development (DEED) the "Minnesota Cleanup Revolving Loan Fund" Application

Motion Passed: For: 11; Against: 0; Abstain: 0; Absent: 0

8. [2013 Legislative Update – Hutchins](#)

Minutes: Hutchins referred to report found in packet and responded to the following questions:

- Bonding Bill – What other projects is the City pushing other than MSUM? The university system is separate and does not compete with other Moorhead initiatives.

9. **Mill Creek Custom Cabinets**

Minutes: Doll stated that Mill Creek Custom Cabinets had sustained severe fire damage on Friday, April 19. He said that he had been out to the facility but had not connected with the owners but he would continue the City's outreach efforts.

10. **Amend Tax Incentive Agreement between the City of Moorhead and 3IE Resources /Invie Consulting Inc.**

Minutes: Doll was contacted by Chad Invie who indicated that his business had been purchased by Joe Peterson and was considering an expansion at this or another site.

In 2008, 3IE Resources/Invie Consulting was granted a property tax exemption which contemplated two phases. With the recession, the company fell on lean times and phase 2 of the project stalled. Now, as part of the sales agreement, Invie has a long term employment contract with Peterson and has requested an immediate modification to the agreement to allow for the construction of another 6,500 square foot office building adding at least 5 to 10 additional engineers. Invie stated that Peterson has land in Fargo and will decide in the next few weeks whether to expand at the Moorhead location or in Fargo.

The first phase of the project becomes taxable this year (2013) and will remain taxable. The second phase, \$650,000 new building value, would be eligible for a four-year exemption. Asking for a recommendation from the board to approve an amended Tax Incentive Agreement which would be brought to the City Council this evening.

Motion to Approve made by Charley Johnson and seconded by Les Bakke

Motion to Approve Recommendation to Amend the Tax Incentive Agreement between the City of Moorhead and 3IE/Invie Consulting to allow a property tax exemption for Phase II.

Motion Passed: For: 11; Against: 0; Abstain: 0; Absent: 0

11. **Information / Update**

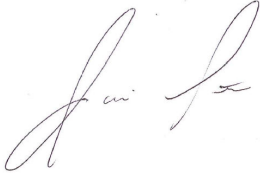
A [Marketing & Communication Plan Update](#)

Minutes: Commissioners inquire about scheduling the next "Builder's Summit." Staff indicated that the Homebuilders thought that smaller group meetings were a better, more focused approach. Staff is currently working with the homebuilders to arrange these meetings.

12. Adjourn

Minutes: Adjourned at 12:24 pm

APPROVED BY:



Jim Steen
Chair

ATTEST:



Charley Johnson
Secretary

The proceedings of this meeting are digitally recorded and are available for public review.

Respectfully submitted by:
Amy Thorpe, Economic Development Program Administrator