



**City of Moorhead
Economic Development Authority**

**Meeting Agenda
March 26, 2018 at 11:45 AM
1st Floor, Council Chambers, Moorhead City Hall**

<u>ITEM</u>	<u>REMARKS</u>
1. Call meeting to Order / Roll Call	_____
2. Agenda Amendments	_____
3. Approve Minutes	_____
A February 26, 2018	_____
4. Citizens Addressing the Board	_____
5. Commissioners' Reports	_____
6. Director's Report	_____
7. Workforce Development Scholarship (Remove from Table)	_____
8. EDA Structure Discussion Update	_____
9. Information / Update	_____
A GFMEDC Activity Report - February	_____
B Building & Permit Valuation Summary - February	_____
10. Adjourn	_____

Upon request, accommodations for individuals with disabilities, language barriers, or other needs to allow participation in Economic Development Authority meetings will be provided. To arrange assistance, call the City Clerk's office at 218.299.5166 (voice) or 711 (TDD/TTY).



**City of Moorhead
Economic Development Authority**

**Meeting Minutes
February 26, 2018 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 February 26, 2018, at 11:45 AM.

Roll call of the members was made as follows:

Board Member:	Bruce Bekkerus	Present
Board Member:	Michael Burns	Present
Board Member:	Kathy Cochran	Absent
Council Member:	Mari Dailey	Absent
Board Member:	Violet Deilke	Present
Council Member:	Chuck Hendrickson	Present
Board Member:	Charley Johnson	Present
Board Member:	Wyatt Johnson	Present
Board Member:	Pat Kovash	Present
Board Member:	John Rogalla	Present
Board Member:	Marsha Weber	Absent

Others Present:

Cindy Graffeo, EDA Executive Director
Amy Thorpe, Economic Development Program Administrator

1. Call meeting to Order / Roll Call

2. Agenda Amendments

3. Approve Minutes

A January 22, 2018

Motion to Approve made by Pat Kovash and seconded by Violet Deilke

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

4. Citizens Addressing the Board

Minutes: None

5. Commissioners' Reports

Minutes: Rogalla reported that a listening session was held between Center Avenue business owners and MPS regarding reconstruction of Center Avenue. He stated that the preference of owners would be to limit construction to one construction season rather than two, as currently planned.

Deilke reported that Jay's Smoking BBQ opened in the Moorhead Center Mall.

Kovash reported that Burlington Northern Railroad presented at the most recent MBA breakfast.

6. Director's Report

Minutes: Graffeo provided a summary of activities this month as found in packet materials.

7. Workforce Development Scholarship

Minutes: Johnson and Graffeo summarized events which occurred since the last meeting. The City Attorney determined that EDAs may not legally provide scholarship money to religious institutions such as Concordia College. Therefore, an alternative would be to offer a generic workforce development scholarship which would be available to any Moorhead small business. Commissioners had detailed discussion.

Motion to Rescind made by Bruce Bekkerus and seconded by Chuck Hendrickson

Rescind motion of January 22, 2018, action approving Concordia's Executive Education Scholarship Request.

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

Motion to Table made by Bruce Bekkerus and seconded by Pat Kovash

Table Scholarship Program for further study and review.

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

8. EDA and City Council Workshop Discussion

Minutes: Johnson stated that if members were not able to attend the City Council workshop session later in the afternoon, to reach out to him with thoughts.

9. Information / Update

- A GFMEDC Activity Report - January
- B Building & Permit Valuation Summary – January
- C Other Information

Minutes: Rogalla reported that he's reading a book on the topic of "re-employment" of Baby Boomers as a possible solution to today's workforce issues.

10. Adjourn

Minutes: Meeting adjourned at 12:23 p.m.

APPROVED BY:

ATTEST:

Charley Johnson
Chair

Marsha Weber
Secretary

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

Respectfully submitted by:
Amv Thorpe, Economic Development Program Administrator

Monthly Board Report

Cindy Graffeo, Executive Director

Greetings to the Board,

While incentive applications and projects seem to be off to a quieter start this spring than last, this has allowed for significant progress to be made on state and federal programs. Specifically, our Shovel Ready site work is in full swing and Moorhead's submission to DEED for Opportunity Zone consideration is complete.

In other news, on March 12, we received notice that the Family Fare location in Moorhead is closing. It is our understanding that the decision was made at the corporate level out of state, and local store representatives were not given advance notice. Since then, I received several questions regarding business retention activities here in Moorhead. My column in the Moorhead Extra attempted to outline what we do and what the EDA and City can and cannot do for business retention. In addition, my attendance at the IEDC's business retention and expansion training was timely and informative.

Opportunity Zones

The City of Moorhead has completed the information necessary for consideration to have Moorhead's three qualifying census tracts be designated Opportunity Zones. The submission went to MN DEED by the County. With our application, letters of support were submitted from West Central Initiative, Downtown Moorhead Inc., FM Convention and Visitors Bureau, Greater Fargo Moorhead EDC, and the EDA.

Small Business Week Bus Tour

The Small Business Bus Tour will be April 30 or May 1. Final date selection will depend on other events on the community calendars and availability of the businesses. Final save the date information will be sent.

We plan to run the tour similar to last year. Starting at the Moorhead Center Mall, visiting 4-5 businesses and returning to the Mall. The bus has room for approximately 30 people, so once again invitations will be sent to EDA Board, MBA Board, and City Council for priority registration before opening up to MBA members and the general public.

Shovel Ready Application

We owe a big "Thank you" to the City of Moorhead Public Works Division for their assistance clearing the snow on the approaches to allow for Bolton & Menk to begin their site work in MCCARA for our Shovel Ready work.

At this point, the title work has been completed, the soil borings are done, and Bolton & Menk are starting the desk research on the land.

GFMEDC and DEED Relations

On March 22, 2018, Mark Vaux and I traveled to Fergus Falls to meet with Jeff Rossate of DEED to discuss our membership in the Minnesota Marketing Partnership. We discussed ways to leverage our membership to receive more benefits, and we discussed concerns around the DEED RFP distribution process. It was a positive and productive conversation, and we were encouraged to hear his philosophy and understanding of our unique situation.

Professional Development

March 14-16, I attended the IEDC's training course on Business Retention and Expansion. This course is a core requirement for certification.

My next training is scheduled for May 3-4 for IEDC's Real Estate Development and Reuse training. This is the last course I need to complete the education requirement to be eligible for certification testing.

EDA Articles

The EDA articles in The Extra Newspaper:

- 3.12.2018 – Business Retention

Since the Last Meeting:

Prospects

- Bar Prospect (3/21/2018)

Business Retention & Expansion

- Dixon Diebold – East 10 (2/27/2018)

Strategic Partners

- Downtown Moorhead Inc. and City Staff (2/27/2018)
- City of Moorhead Strategic Planning (2/27/2018)
- Downtown Moorhead Inc. (2/28/2018)
- MBA Executive Director (3/1/2018)
- GFMEDC – EVP Business Development (3/1/2018)
- Community Partners and City Staff (3/2/2018)
- Downtown Moorhead Inc. (3/13/2018)

Community Engagement

- SBDC SBA Lunch and Learn (3/7/2018)
- CVB Annual Meeting (3/13/2018)
- Miss North and South Dakota Miss United States Judges Panel (3/24/2018)



Developers and Real Estate Agents

- Land Elements (3/1/2018)
- RKAK Realty (3/21/2018)

Memorandum

To: Chair Johnson and EDA Board
From: Cindy Graffeo, Executive Director
Date: 3.26.2018
Re: EDA Workforce Development Scholarship Program

Background and Information

At the January 2018 EDA meeting, the Board voted unanimously to fund \$4,260 in workforce training scholarships to Concordia's Executive Education program in an effort to address the known workforce development needs in our market. After this meeting, the concern was raised that the scholarship funding may constitute a donation to a religious institution, as is prohibited by MN State Statute. The EDA's legal counsel advised against proceeding with the program as outlined during the meeting. At best, the issue would need further research before they would endorse it.

The EDA's legal counsel offered a variety of approaches that would accomplish the stated goals of the EDA while meeting all legal requirements and restrictions.

Work began to create a generic Workforce Development Scholarship that would be available to any Moorhead small business or non-profit organization that would go toward employee training and development. Funds would be given directly to the business and they can in turn use them at any Moorhead higher education institution.

At the February 2018 meeting the EDA rescinded its prior approval of funding directly to Concordia for scholarships and discussed the proposed program and requested clarifying modifications to several areas of the program. Changes were requested to the approval process, qualifying expenses, and whether funds can be spent across state lines. Staff was also directed to have EDA Legal Counsel review the program to ensure compliance with MN Statute.

I consulted with Sarah Wear of Ohnstad Twichell, P.C. for the review of the proposed program modification. The outline included in your packet is a result of that consultation.

Program Funding

The program funding amount was changed to \$5,000 total and each scholarship set at up to \$700. I did not add a minimum scholarship amount, so that the EDA could fund smaller training, such as webinars, if it desired.

Religions Prohibition

When I sent the outline for Sarah's review, it included a restriction that the EDA is prohibited from providing funding for religiously based institutions. She advised that section be deleted.

"The prohibition previously discussed dealt with donations. In this instance, the position is that all parties here are receiving a benefit (the company/business and the university, and the EDA)."

Eligible Higher Education Institutions

I specifically asked the question if EDA funds can be spent with higher education or training organizations located outside of Minnesota. Her Response:

"There shouldn't be an issue with scholarships being spent outside Moorhead (or to benefit employees who do not live in Moorhead). The basis for the EDA's ability to do this is that it provides an economic benefit to Moorhead through the benefits of continuing education, leading to business success, not through where the money itself ends up."

General Legality

After reviewing the new program outline, Sarah's feedback was:

"...we read through the attachment and it looks fine except the first bullet on the top of page 2 (regarding contributions to religiously-based institution) should be removed. After discussing this, we want to note that while we think the law can allow this type of structure for use of EDA funds for continuing education, the law is not 100% clear. There is always a possibility this could be challenged. The structure you have set up at least allows you to work around the things that the law says are explicitly impermissible."

Financial Consideration

One-time scholarship program funding of \$5,000 total, to come from the 2018 EDA Community Projects budget line item.

Action or Recommendation

The Board is asked to consider approving the creation of a Workforce Development Scholarship program and funding it in the amount of \$5,000 for 2018.



Workforce Development Scholarship

Program Overview

The Economic Development Authority is committed to creating programs that support Moorhead's business community. Workforce training and development is a known need in our community, but is often out of reach for small businesses and non-profit organizations. The EDA is proud to announce the creation of a Workforce Development Scholarship fund open to all Moorhead businesses and organizations.

Eligibility

The Workforce Development Scholarship is open to all small businesses and non-profit organizations located within the city limits of Moorhead. Organizations that are located outside of Moorhead, but that have direct impact and investment in Moorhead will be considered on a case-by-case basis.

Scholarship

Up to \$5,000 of scholarships will be awarded in 2018. Each recipient can receive a scholarship of up to \$700 each.

Uses

Scholarship funds can be used for a variety of workforce training opportunities such as basic skills training, career training, or career advancement training. Funds can be used with any training, conference or higher education institution offering the credit course, class, seminar, workshop, webinar, or symposium that meets your workforce training needs.

Restrictions

- A single employee will receive no more than one scholarship per year.
- A single business will receive no more than two scholarships for employees per year.
- EDA scholarship funds must be used directly for workforce training.
- Scholarship recipients must be age 18 or older
- The business must be located in Moorhead, MN
 - Businesses or organizations located outside Moorhead, MN, but with direct impact and investment in Moorhead, MN will be considered on a case-by-case basis.
- Applicants with outstanding taxes payable to the City of Moorhead are not eligible to be awarded scholarship funds.

- The Moorhead EDA reserves the right to accept or reject any scholarship application.
- If an application does not meet the program criteria, as deemed by the EDA Executive Committee and/or EDA Board, scholarships will not be awarded.
- EDA Executive Committee and/or EDA Board determinations are final.

Application

Applicants will be asked to submit an application form and outline the type and location of their desired training. They will also be asked to explain how the EDA scholarship will benefit the employee, the business, and the community as a whole.

Program application can be found on www.MoorheadEDA.com

Applications will be accepted immediately, and should be submitted to:

**Moorhead EDA
500 Center Ave
PO Box 779
Moorhead, MN 56560**

Scholarship Consideration

Applications will be accepted on a first-come first-served basis and awarded until the program funding has been depleted. Should the EDA receive multiple applications, they will be ranked on submitted answers on the application form and with alignment to the program's goals and objectives. Applications will be reviewed by the EDA Executive Committee for recommendation before approval at the next regularly scheduled EDA Board meeting. Applications may take up to 8 weeks for approval.

Contact

For questions, please contact Cindy Graffeo, Executive Director, at 218.299.5302 or by email at Cindy.graffeo@cityofmoorhead.com.



Moorhead Workforce Development Scholarship

Application

Submit this form to

Moorhead EDA
500 Center Ave - 4th Floor
Moorhead, MN 56560

Applicant Name _____

Business Name _____

Address _____

City _____ State _____ Zip _____

Email Address _____ Phone _____

In 500 words or less please outline the training you wish to pursue, and explain how this scholarship would impact the employee, the business, and the Moorhead community (attach additional pages as needed).

Applicant Signature _____ Date _____

Employer Signature _____ Date _____



Activity Report – February 2018

Planning and Strategic Positioning

<i>Date</i>	<i>Person, Activity</i>
2/14/2018	Mark Vaux, Moorhead Business Association meeting
2/14/2018	Jim Gartin, MSUM Finance Sector Breakfast
2/21/2018	Mark Vaux, Moorhead Business Association meeting
2/23/2018	Mark Vaux, Letter of support for Moorhead Opportunity Zone application
2/26/2018	Mark Vaux, Attended Moorhead EDA meeting
2/28/2018	Mark Vaux, Moorhead Business Association meeting
	Mark Vaux, working with a site selector who has a client interested in McCarra
	Mark Vaux, 2 new leads from DEED

Please note: We are looking at revamping our Moorhead activity report in the coming weeks to better illustrate the value, impact and importance of the Moorhead investment in the GFMEDC. More to follow, hopefully in the next report.

CITY OF MOORHEAD BUILDING CODES 2018 BUILDING AND PERMIT VALUATION SUMMARY SHEET

Includes Totals from Pages 2 & 3

PAGE 1

	434		437		438		Residential (page 2)		Commercial (page 3)		MOVE/ DEMO #	TOTAL PERMITS	TOTAL VALUATION
	Residential Remodel		Commercial Remodel		Garages								
	#	VALUATION	#	VALUATION	#	VALUATION	#	VALUATION	#	VALUATION			
JAN	21	312,607.50	6	1,526,050.00	0	0.00	0	0.00	1	3,247,000.00		28	5,085,657.50
FEB	16	116,942.00	2	87,000.00	0	0.00	0	0.00	3	2,685,660.00		21	2,889,602.00
MAR												0	0.00
APR												0	0.00
MAY												0	0.00
JUN												0	0.00
JUL												0	0.00
AUG												0	0.00
SEP												0	0.00
OCT												0	0.00
NOV												0	0.00
DEC												0	0.00
2018	37	429,549.50	8	1,613,050.00	0	0.00	0	0.00	4	5,932,660.00	0	49	7,975,259.50
2017	33	584,381.00	10	398,300.00	1	30,000.00	0	0.00	1	25,000.00	2	47	1,037,681.00
2016	48	553,912.00	5	33,067,781.00	0	0.00	3	750,000.00	2	1,546,000.00	0	60	35,917,693.00

**CITY OF MOORHEAD BUILDING CODES
2018 BUILDING PERMIT VALUATION REPORT - RESIDENTIAL**

PAGE 2

	101		102		103		104			105			213/214		TOTAL PERMIT	TOTAL VALUATION
	Single Family Detached		Single Family (Attached)		Two Family (Duplex)		Three and Four Family Buildings			Five or More Family Buildings			Hotels/Dorms, Frat, Board Rm			
	#	VALUATION	#	VALUATION	#	(U) VALUATION	#	(U)	VALUATION	#	(U)	VALUATION	#	VALUATION		
JAN	0	0	0	0	0	0	0	0	0	1	12	(see notes)	0	0	0	0
FEB	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAR															0	0
APR															0	0
MAY															0	0
JUN															0	0
JUL															0	0
AUG															0	0
SEP															0	0
OCT															0	0
NOV															0	0
DEC															0	0
2018	0	0	0	0	0	0	0	0	0	1	12	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	1	300,000	2	450,000	0	0	0	0	0	0	0	0	0	0	3	750,000

JAN/105: These 12 units are part of a new mixed use building (commercial and residential). The value of the entire building is noted on Page 3a under 327.

UNITS CONSTRUCTED

	MOORHEAD				OAKPORT
	SINGLE FAMILY ATTACHED/ DETACHED	TWO, THREE, & FOUR UNITS	FIVE OR MORE UNITS	MOORHEAD TOTAL UNITS	OAKPORT TOTAL UNITS
2018 YTD	0	0	12	12	*
2017 CY	0	0	12	12	*
2016 CY	145	24	318	487	*
2015 CY	197	15	293	505	*
2014 CY	180	24	245	449	4
2013 CY	129	2	274	405	2
2012 CY	86	3	60	149	1
2011 CY	80	21	60	161	4
2010 CY	160	0	0	160	5
2009 CY	175	0	124	299	2
2008 CY	190	5	217	412	2
2007 CY	225	38	68	331	8

* Oakport Tract 2 was annexed to the City of Moorhead January 1, 2015. Oakport permit data for 2015 forward is reported in the appropriate citywide data categories.

CITY OF MOORHEAD BUILDING CODES 2018 BUILDING PERMIT VALUATION REPORT - NEW COMMERCIAL

PAGE 3A

	JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE	
	#	VALUATION	#	VALUATION	#	VALUATION	#	VALUATION	#	VALUATION	#	VALUATION
318												
319												
320												
321												
322												
323			2	2,647,500.00								
324												
325												
326												
327	1	3,247,000.00										
328												
329			1	38,160.00								
MONTHLY TOTAL	1	3,247,000.00	3	2,685,660.00	0	0.00	0	0.00	0	0.00	0	0.00

YEAR TO DATE TOTALS:

2018	1	3,247,000.00	4	5,932,660.00								
2017	1	25,000.00	1	25,000.00								
2016	2	1,546,000.00	2	1,546,000.00								

NOTES: Jan/327: This is a mixed use building that also contains 12 living units.

318 = Amusement, Social, Recreational

319 = Churches and other religious

320 = Industrial

321 = Parking Garages

322 = Service Stations and Repair Garages

323 = Hospitals and Institutional

324 = Office, Banks and Professional

325 = Public Works and Utilities

326 = Schools and Other Educational

327 = Stores and Customer Services

328 = Other Nonresidential Buildings

329 = Structures other than buildings

**CITY OF MOORHEAD BUILDING CODES
2018 BUILDING AND PERMIT VALUATION SUMMARY SHEET**

	BUILDING PERMITS			MECHANICAL PERMITS			PLUMBING PERMITS			SIGN PERMITS			TOTAL # OF PERMIT	TOTAL PERMIT REVENUE	TOTAL MN SUR-CHARGE	OTHER FEES	TOTAL REVENUE		
	#	PERMIT VALUATION	PERMIT REVENUE	MN SUR-CHARGE	#	PERMIT VALUATION	PERMIT REVENUE	MN SUR-CHARGE	#	PERMIT REVENUE	MN SUR-CHARGE	#						PERMIT REVENUE	MN SUR-CHARGE
JAN	28	5,085,657.50	23,743.50	2,171.40	53	517,609.00	4,012.00	269.00	7	324.00	7.00	1	75.00	1.00	89	28,154.50	2,448.40	5,499.16	36,102.06
FEB	21	2,889,602.00	13,597.20	1,242.90	38	279,251.00	2,820.60	147.00	12	1,169.00	12.00	1	100.00	1.00	72	17,686.80	1,402.90	5,751.55	24,841.25
MAR															0	0.00	0.00		0.00
APR															0	0.00	0.00		0.00
MAY															0	0.00	0.00		0.00
JUN															0	0.00	0.00		0.00
JUL															0	0.00	0.00		0.00
AUG															0	0.00	0.00		0.00
SEP															0	0.00	0.00		0.00
OCT															0	0.00	0.00		0.00
NOV															0	0.00	0.00		0.00
DEC															0	0.00	0.00		0.00
2018	49	7,975,259.50	37,340.70	3,414.30	91	796,860.00	6,832.60	416.00	19	1,493.00	19.00	2	175.00	2.00	161	45,841.30	3,851.30	5,499.16	60,943.31
2017	45	1,037,681.00	8,457.30	523.00	63	544,066.00	4,974.20	284.50	25	922.30	25.00	3	100.00	3.00	136	14,453.80	835.50	2,183.99	17,106.79
2016	58	35,917,693.00	143,218.30	4,453.50	70	346,012.59	4,355.60	185.00	31	1,111.30	31.00	5	200.00	5.00	164	148,885.20	4,674.50	36,044.91	188,482.11
JAN/OTHER FEES: \$5281.36 Plan Review Fees; \$217.80 Investigation Fees; FEB/OTHER FEES: \$5719.55 Plan Review Fees; \$32.00 Investigation Fees																			