

**City of Moorhead
Economic Development Authority**

**Meeting Agenda
November 24, 2008 at 11:30 AM
1st Floor, South Board Room, Moorhead City Hall**

		<u>REMARKS</u>
1.	Call meeting to Order/Roll Call	_____
2.	Agenda Amendments	_____
3.	Approve Minutes of October 27, 2008, regular meeting.	_____
4.	Citizens Addressing the Board	_____
5.	Continued Discussion of 2009 EDA Levy and Budget - Scott Hutchins, CSD	_____
6.	Appoint EDA Representative to McCara Development Control Board - Peter Doll, CSD	_____
7.	Public Hearing for and Approval of the Issuance of Bonds to Eventide - Brian Neugebauer, City Attorney	_____
8.	Information / Update	_____
	A 1st Avenue North Report: Complete report on city's website at http://www.cityofmoorhead.com/whats_new/index.asp	_____
	B Community Reporting September 2008 (GFMEDC)	_____
9.	Adjourn	_____

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**CITY OF MOORHEAD
ECONOMIC DEVELOPMENT AUTHORITY
Meeting Minutes
Monday, October 27, 2008
Room 107, Hagen Hall, Moorhead State University Moorhead**

1. CALL TO ORDER/ROLL CALL

Pursuant to due call and notice thereof, a meeting of the Moorhead Economic Development Authority was held in Room 107, Hagen Hall, Moorhead State University Moorhead, Moorhead, Minnesota, on the 27th day of October, 2008. Chair Parries called the EDA meeting to order. Roll call of members was made as follows:

EDA Members Roll Call:

P	Werner Golling (Concordia)	P	Gane' Skatvold (Atomic Coffee)
P	Mark Hintermeyer (City Council)	P	James Taylor (702 Communications)
P	Kay Parries (K & Krafts)	P	Mark Wallert (MSUM)
P	Kelli Poehls (Public Service Commission)	A	Jim Welch (YHR Architects)
P	Robert Remark (Stein's Inc)	P	Lauri Winterfeldt. (City Council)
P	Jon Riewer (Eventide) – via conference call		

Others Present:

Michael Redlinger	City Manager
Harlyn Ault	Finance Director
Wanda Wagner	Assistant Finance
Scott A. Hutchins	Director of Community Services
Peter Doll	Manager of Business & Development Services
Kristie Leshovsky	Community Services Planner
Amy Thorpe	Community Services Program Assistant
Kevin Bartram	MBA
Brian Neugebauer	City Attorney
Neil Qualey	State Bank

2. AGENDA AMENDMENTS - None

3. MINUTES – September 29, 2008

Remark moved, seconded by Taylor, to approve the September 29, 2008, minutes. Motion approved by unanimous vote.

4. CITIZENS ADDRESSING THE BOARD

No citizens requested to be heard.

5. Continued Discussion of 2009 EDA Levy and Budget

1. MSUM Wetlab Discussion:

Dr. Joseph Provost, Ph.D., Professor of Chemistry, MSUM, was introduced to the group and led the wet lab discussion with a tour of the various science labs at MSUM that currently make up their “wet labs.” The tour showed the configuration of space, equipment, and the practical application and use of wet labs. The group was then led to the lower level of the building where the existing shell space has been constructed to hold the public (Phase I) and private (Phase II) portions of the incubator wetlab. The funding of the public portion of the wetlab has been discussed in previous meetings as a possible use of a significant portion of the 2009 and 2010 EDA Levy.

Upon returning to the meeting room, Dr. Provost made a presentation to the group summarizing the community and economic benefits of supporting the development of this wetlab. Included in the presentation were floor plans of the proposed space, cost of construction and placing equipment for Phase I of the development. Dr. Provost also described to members how Phase II, the private portion of the project, would bring and support new startup companies to the area with needs for a trained work force and employees.

After the presentation by Provost, board member Jon Riewer was brought to the discussion via conference call. Hintermeyer asked what issues would arise with DEED, MSUM, private versus public space, and the hurdles that would be encountered. City Attorney Neugebauer stated that there are hurdles in the Minnesota bureaucracy. One hurdle would be that the “place” must be owned by a city / county political subdivision. It cannot be owned by the University of Minnesota or MnSCU. Currently, the building is owned by MnSCU and it would not be easy for MnSCU to transfer a portion of the building to the city. Neugebauer stated that Mankato is having a similar issue. DEED is proposing a legislative fix to allow the grant to be made directly to the University of Minnesota or MnSCU which seemed more logical because wetlabs are not typically in city hall.

Hutchins summarized a couple of legislative options and other models used for projects like this one, such as funding the entire project rather than bifurcating the public and private aspect. Hutchins noted the financial considerations for the project and the possibility of fully funding the project in the future. Neugebauer interjected that there may be fewer hurdles if the project were funded as all “public space” and incubate the space slightly differently for the private sector companies. Neugebauer stated the project may be eligible for more state aid to build more labs, faster, and still providing space for the private sector.

Hintermeyer asked if GFMEDC had discussed a possible contribution to the project. Hutchins responded stating that Walters indicated at the September meeting the GFMEDC would consider the matter at some future date. Hutchins stated that the

project's scope had not changed significantly since GFMEDC previous funding approval (except for the separation into public and private phases), so it was anticipated that there would be some level of continuing commitment.

Hintermeyer and Winterfeldt provided insight and discussed how the city council may react to the current proposal and the feasibility of the proposal financially. Redlinger provided additional information regarding the use of the city's general reserve funds and the repayment of such funds.

Hutchins ended by stating that the board anticipated setting its levy at the November meeting and that the recommendation would go forward to the City Council at that point.

The board further discussed details of the project and determined that a presentation to the city council prior to the levy recommendation would be appropriate. Redlinger suggested presenting at the November 17 Committee of the Whole meeting. EDA members were polled for their thoughts on the levy and their support of the project, the majority in favor of proceeding with the project.

NOTE: *After presenting his point of view, Riewer excused himself from the meeting at this point and the conference call was discontinued and he did not participate in any further board actions.*

No board action was taken.

2. **Business Outreach Position:**

Neil Qualey, Greater Moorhead Development (GMD) Corporation, spoke to the group regarding the Business Outreach Position. Qualey gave a brief history of the GMD and their current role in today's economy. Qualey described for the board their desire to allocate some of their funds to support this outreach position in an effort to help Moorhead business. Qualey opened the discussion to questions from board members. Hutchins and Redlinger added comments and support.

No action was taken.

6. **Downtown Development Phase 4 – Kevin Bartram, MBA**

Hutchins opened with a summary of the Downtown Redevelopment Project and introduced Kevin Bartram, MBA. Bartram briefly described the previous phases of the downtown redevelopment project. He explained that the fourth and final phase had been intended for the construction of condominiums but that the economy had slowed and the sales of condominiums were down. Bartram stated that the apartments that were built as part of the previous phase of the redevelopment project have maintained a high rental rate. They were

built to be individualized units with very few shared facilities and could be divided at any time and sold as condominiums, although that is not the intention. He stated that the proposal before the board would change the direction of the fourth phase from condominiums to apartments. Bartram also asked for an extension of the timeline to begin construction sighting contaminated soil conditions and changing market conditions as reasons to approve the delay.

Doll described for the board the unstable soil conditions found at the sight and the need to address those conditions. He stated that the discovery and remedy for the unstable soils has added \$180,000 to the cost of the project that was not anticipated.

Hutchins stated that staff was anticipating filing a grant application with DEED in November and that it would be brought before the city council that evening. In addition, before the board is a recommendation to modify the Development Assistance Agreement to allow for the take down of the land in a different manner than was anticipated when the project was initially put together several years ago. The proposal would allow land payments to be spread over a 5-year period rather than one lump sum payment. To reduce any city risk, the developer will provide the city a 100% Letter of Credit. Hutchins also mentioned the use of additional Border City Tax Credits (to be approved next year) to help with the project.

ACTION: Winterfeldt moved, seconded by Skatvold, to approve the following changes to the Development Assistance Agreement:

1. Allow the new facility to be constructed as an apartment building rather than a condominium. The building would be designed and constructed in such a manner that the units could be also sold as condos, if desired, at a future date.
2. Sell the property to the Developer with financing over a 5 year term, at a simple interest rate of 6.5% (matches the rate of interest on TIF payments). Interest and equal principal payments would be due annually. City security would be in the form of a second mortgage and the Developer would guarantee full payment by means of a 100% Letter of Credit. In addition the City would retain a portion (unbuildable) of the southwest corner of the last phase. This area is contiguous to Woodlawn Park; it is sloped and has little utility for the project. This area is estimated to be five to ten thousand square feet of the existing parcel which is 52,551 square feet in size. The sales price is \$5 per square foot of property.
3. Apply for a DEED Clean up grant which pays up to 75% of the soil remediation costs not anticipated in the first grant.
4. Increase the Sale Tax Credit from \$50,000 for these four stages to \$100,000 to be funded by state paid 2009 Border City Enterprise Credits.

to assist in some of the unforeseen soil and contamination issues in order to move forward with Phase Four of the Downtown Redevelopment Project. Motion approved by unanimous vote.

7. Eventide Tax Exempt Conduit Financing – Brian Neugebauer, City Attorney

Brian Neugebauer, City Attorney, summarized for the board the reason they were being asked to approve bonds for Eventide. He reiterated that there is no financial risk to the EDA or the City of Moorhead. Wade Stubson, Eventide, described the new phase of the Eventide project. Hutchins stated that the action before the board today was to establish a public hearing and sale for the next EDA meeting on November 24.

ACTION: Wallert moved, seconded by Poehls, to approve the establishment of a public hearing at the next meeting of the EDA on November 24, 2008. Motion approved by unanimous vote.

8. Approve 2008 Border City Enterprise Zone Tax Credit Program – Peter Doll, CSD

Hutchins briefly summarized the Border City Enterprise Zone Tax Credit Program and the process for approving the 2008 program. Board members agreed that the program was worthwhile and necessary for many Moorhead businesses.

ACTION: Winterfeld moved, seconded by Skatvold, to approve 2008 Border City Enterprise Zone Tax Credit Program. Motion approved by unanimous vote.

9. Information / Updates

10. ADJOURN

Chair Parries adjourned the meeting.

APPROVED BY:

ATTEST:

Kay Parries
Chair

Kelli Poehls
Secretary

*Submitted by:
Amy L. Thorpe
Community Services Program Assistant*

Please Print!

ATTENDANCE RECORD

Meeting: EDA

Date: Oct. 27, 2008

Location: msum-Hagen Hall, 107

Time: 11:30 am

NAME	ADDRESS OR AFFILIATION
Kay Parris	K+Krafts
Cheri Jabrota	Atomic Coffee
Kelli Poehls	Moorhead Public Service
Scott Hutchins	City
Mark Wallert	MSU Moorhead
Laura Winterfeldt	City Council
Maude Stutzman	City Council
Peter Oall	City
Kristie Leshovsky	City Staff
Jim Taylor	702 Communications
Bob Remark	Stein's Inc.
Werner Golling	Moorhead, MN
Michael Redlinger	Staff
Pat Myhr	City
Wade Stubson	EVENTIDE
Kevin Bartram	Sterling Companies
Haley Auld	City Staff
Wanda Wagner	City Staff

Memorandum

To: Chair Parries and Members of the Moorhead EDA Board
From: Scott A. Hutchins, CSD
Date: November 24, 2008
Subject: Final 2009 EDA Levy/Budget Discussion

The EDA Board will continue discussion of its proposed 2009 EDA Levy/Budget at Monday's meeting, with the intention of acting upon its final recommendation which will then be forwarded to the Moorhead City Council. As you recall the City Council may accept or reject, but not modify, the levy/budget recommendation of the EDA Board. I would ask you please refer to materials previously distributed to the Board and contained within the September 29 and October 27 EDA Board agenda packets as well as the Moorhead City Council Committee of the Whole agenda packet for its meeting of November 17. These materials, which can be found at www.cityofmoorhead.com, provide a comprehensive array of information with respect to the EDA Levy/Budget, including: historical expenditure patterns, statutory authority and eligible uses, new and emerging economic development initiatives such as the proposed MSUM wet lab facility and a partnership with Greater Moorhead Development Corporation to fund a portion of the cost for a "business outreach position" and other pertinent information.

A matter which significantly affects the 2009 final EDA Levy/Budget is the proposed wet lab project. In this regard the EDA Board must determine: first, whether or not to proceed with the proposed partnership among MSUM, DEED and the City, whereby the City by means of the EDA Levy would assist in financing one-half the cost of constructing and equipping a wet lab facility on the campus of MSUM and second, should the EDA wish to proceed how will it structure its 2009 EDA Levy/Budget to accommodate the project's timeline and financing objectives.

At the suggestion of City Council and EDA Board Members Winterfeldt and Hintermeyer the proposed wet lab project was placed on the November 17 City Council Committee of the Whole meeting for discussion. Members Winterfeldt and Hintermeyer, EDA Board Chair Parries along with Dr. Joe Provost, MSUM, explained the project and its economic development value to the community, project timing and financing options. The City Council was appreciative of the opportunity to discuss the project and I believe, appeared to be very supportive and inclined to move forward should the project be included in the final 2009 EDA Levy/Budget recommendation.

Notwithstanding this general support for the project, the City Council did focus on project timing and finance, especially use of the City's General Fund Reserves. Clarification was provided to the City Council that the 2010 EDA Levy would repay to the City's General Fund Reserves for the proposed "bridge loan" of approximately \$120,000, plus interest. With regard to the capacity of the City's General Fund Reserves to finance the \$120,000 bridge loan, please note that at 12/31/08 the City's reserves are estimated to be approximately \$10,500,000. Importantly, it is the "bridge loan" that will allow the project to proceed next year and avoid any inflationary increases which might occur if it were delayed until 2010.

Please do not hesitate to contact me with any questions you may have on this matter. Thanks

To: Chair Parries and Members of the Moorhead EDA Board

From: Scott A. Hutchins, CSD

Date: November 24, 2008

Subject: Appoint EDA Representatives to the MCCARA Park Development Control Board

The EDA established a Development Control Board (DCB) for MCCARA Park in 2006. The purpose of the DCB is to assure the prompt review of development / building plans and advise the EDA within thirty (30) days from the time plans are received.

The MCCARA Covenants indicate that once the DCB is established it is to consist of three (3) members from the EDA and two (2) members from MCCARA.

Upon establishment of the DCB in 2006, the following persons were appointed to serve:

**Development Control Board
McCara Industrial Park
Created 2006**

Name & Address	Phone #	Email Address	Status
Ken Moore United Structural Components, LLC 4141 30 th Ave S Moorhead MN 56560	B 218.236.4838 C 701.219.1218 F 218.236.4877	kmoore@usctruss.com	Member since 2006 Chair 5/9/06 (formally)
Jon Nelson Pactiv Corporation 3010 42nd St S Moorhead MN 56560	B 218.233.5000 x14 F 218.233.8933	jnelson@pactiv.com	Member since 2006
Jim Welch 3714 Rivershore Drive Moorhead, MN 56560	B 218.233.4422 H 218.236.6433	jwelch@yhr.com	Member since 2006
John Rogalla 1905 32nd Street South Moorhead, MN 56560	B 218.233.3437 H 218.236.0598	jrogalla@steneronlumber.com	Member since 2006
Neil Qualey 4511 3rd Street South Moorhead, MN 56560	B 218.233.3107 H 218.287.4607	nqualey@statebanks.com	Member since 2006

Neil Qualey and John Rogalla are no longer EDA members and the EDA should appoint two members to fill these positions. The covenants do not address term limits but existing City policy governing term limits would apply.

The time commitment required to serve on the DCB is limited. The DCB is called to respond to projects or issues as they arise. The brief history of the DCB indicates that one or two projects / issues per year arise for consideration and each project / issue take one or two informal, brief meetings held during the work day.

MEMO

To: EDA Member
From: Brian Neugebauer
Re: Public Hearing and resolution regarding Eventide Bonds

The EDA scheduled a public hearing for November 24, 11:45 AM on the issue of issuing bonds for Eventide for a new 62 bed skilled nursing care facility located adjacent to and connected to Eventide's senior housing facility in West Fargo. The EDA by approving the resolution included in the agenda is entering into a joint powers agreement with West Fargo so that the EDA may issue bank qualified tax exempt bonds for Eventide to finance this project. The City of West Fargo could not issue bank qualified bonds because of the amount of tax exempt bonds already issued this year. The EDA did the same thing for the initial construction of Sheyenne Crossings. The Resolution refers to the various financing documents that will be executed to finalize this transaction and authorizes EDA officers to execute those documents provided the interest rate upon the actual sale of the bonds later this year is 9% or less. These bonds will be payable solely by Eventide and neither the EDA nor the City of Moorhead will have any financial or moral obligation to make any bond payments. The issuance of the bonds will have no adverse effect on the EDA's or the City of Moorhead's bond rating and will have no effect on any other issue of bonds either entity may do in the future. The City of Moorhead by law must also approve this issue by resolution which is on its November 24th agenda.

Extract of Minutes of Meeting of the
Moorhead Economic Development Authority, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners of the Moorhead Economic Development Authority, Minnesota was duly held at First Floor Conference Room at City Hall in the City of Moorhead, on Wednesday, the 24th day of November, 2008, at 11:45 o'clock A.M.

The following Commissioners were present:

and the following were absent:

Member _____ then introduced and read the following written resolution and moved its adoption:

A RESOLUTION AUTHORIZING THE ISSUANCE
OF HEALTH CARE FACILITIES REVENUE
REFUNDING BONDS, SERIES 2008
(EVENTIDE WEST FARGO PROJECT)

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner _____, and upon vote being taken thereon the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

A RESOLUTION AUTHORIZING THE ISSUANCE
OF HEALTH CARE FACILITIES REVENUE BONDS, SERIES 2008
(EVENTIDE WEST FARGO PROJECT)

BE IT RESOLVED by the Board of Commissioners of the Moorhead Economic Development Authority, Minnesota (the "Authority"), as follows:

1. Authority. (a) The Authority is authorized by the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 469.152 - .1651, as amended (the "Act"), to issue and sell its revenue bonds for the purpose of financing the cost of skilled nursing care facilities and to enter into agreements necessary or convenient in the exercise of the powers granted by the Act. (b) Minnesota Statutes, Section 471.59, as amended, and North Dakota Century Code, Chapter 54-40.3, as amended, each provide that two or more governmental units, by an agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties, and may provide for the exercise of such power by one of the participating governmental units.

2. Description of Project. Eventide, a Minnesota nonprofit corporation (the "Company") has proposed to this Board of Commissioners that the Authority issue and sell its Health Care Facilities Revenue Bonds, Series 2008 (Eventide West Fargo Project) in an aggregate principal amount not to exceed \$9,000,000 (the "Bonds"), in substantially the form set forth in the Indenture (as hereafter defined), pursuant to the Act and loan the proceeds thereof to the Company to finance costs of construction and equipping of a 62 bed skilled nursing facility to be located adjacent to and connected with the senior housing facility known as Sheyenne Crossing located at 225 13th Avenue West in the City of West Fargo, North Dakota (the "Project"). Forms of the following documents relating to the Bonds have been submitted to the Authority:

(a) Loan Agreement (the "Loan Agreement") dated as of May 1, 1998 as amended by a First Amendment to Loan Agreement dated as of May 1, 1999, a Second Amendment to Loan Agreement dated as of November 1, 2006, as further amended by a Third Amendment to Loan Agreement dated as of January 1, 2007, and a Fourth Amendment to Loan Agreement dated as of December 1, 2008 each between the Authority and the Company, whereby the Authority agrees to make a loan to the Company of the proceeds of sale of the Bonds and the Company agree to pay amounts sufficient to provide for the full and prompt payment of the principal of, premium, if any, and interest on the Bonds; and

(b) Indenture of Trust (the "Indenture") dated as of May 1, 1998, as amended by a First Supplemental Indenture of Trust dated as of May 1, 1999, a Second Supplemental Indenture of Trust dated as of November 1, 2006, a Third Supplemental Indenture of Trust dated as of January 1, 2007, and a Fourth Supplemental Indenture of Trust dated as of December 1, 2008 each between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), authorizing the issuance of and pledging certain revenues, including those to be derived from the Loan Agreement, as security for the Bonds, and setting forth proposed recitals, covenants and agreements relating thereto; and

(c) Mortgage and Security Agreement (the "Mortgage"), dated as of May 1, 1998, as amended by a First Amendment to Mortgage and Security Agreement, dated as of May 1, 1999, a Second Amendment to Mortgage and Security Agreement dated as of November 1, 2006, a Third Amendment to Mortgage and Security Agreement dated as of January 1, 2007, executed by the Company in favor of the Trustee, by which the Company grants to the Trustee a mortgage lien on and security interest in certain mortgaged property, as described therein, as further security for the payment of the Bonds; and

(d) An Assignment of Leases and Rents (the "Assignment of Leases and Rents") dated as of May 1, 1998, as amended by an Amendment to Assignment of Leases and Rents dated as of May 1, 1999, a Second Amendment to Assignment of Leases and Rents dated as of November 1, 2006, by a Third Amendment to Assignment of Leases and Rents dated as of January 1, 2007, and a Fourth Amendment to Assignment of Leases and Rents dated as of December 1, 2008 each executed by the Company in favor of the Trustee by which the Company assigns to the Trustee certain leases and rents of the Project; and

(e) Bond Placement Agreement (the "Bond Placement Agreement"), by and between Dougherty & Company, LLC (the "Underwriter"), the Company and the Authority, providing for the placement of the Bonds for sale by the Underwriter and setting the terms and conditions of placement; and

(f) Joint Power Agreement (the "Joint Powers Agreement") dated as of December 1, 2008 between the Authority and West Fargo, North Dakota, pursuant to which the Authority will issue the Bonds on behalf of West Fargo, North Dakota.

3. Plan of Financing. In order to finance the Project, the Company has proposed to this Board that the Authority enter into a Joint Powers Agreement (the "Joint Powers Agreement") with the City of West Fargo, North Dakota ("West Fargo") to issue the Bonds pursuant to Minnesota Statutes, Section 471.59 and North Dakota Century Code, Chapter 54 – 40.3.

4. Documents Presented.

5. Findings. It is hereby found, determined and declared that:

(a) Financing the Project will further the policy of the Act, by providing skilled nursing care facilities.

(b) It is desirable that the Bonds be issued by the Authority upon the terms set forth in the Indenture, under the provisions of which the Authority's interest in the Loan Agreement will be pledged to the Trustee as security for the payment of principal of, premium, if any, and interest on the Bonds.

(c) The Loan Agreement provides for payments by the Company to the Trustee for the account of the Authority of such amounts as will be sufficient to pay the principal of, premium, if any, and interest on the Bonds when due. The Loan Agreement

obligates the Company to pay for all costs of operation and maintenance of the Project, including adequate insurance, taxes and special assessments. A reserve fund has been established under the provisions of the Indenture in connection with the issuance of the Bonds.

(d) Under the provisions of the Act, and as provided in the Loan Agreement and Indenture, the Bonds are not to be payable from nor charged upon any funds other than amounts payable pursuant to the Loan Agreement and moneys in the funds and accounts held by the Trustee which are pledged to the payment thereof; the Authority is not subject to any liability thereon; no owners of the Bonds shall ever have the right to compel the exercise of the taxing power of the Authority to pay any of the Bonds or the interest thereon, nor to enforce payment thereof against any property of the Authority; the Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Authority (other than the interest of the Authority in the Loan Repayments to be made by the Company under the Loan Agreement); and each Bond issued under the Indenture shall recite that such Bond, including interest thereon, shall not constitute or give rise to a charge against the general credit or taxing powers of the Authority.

6. Approval and Execution of Documents. Subject to the provisions of paragraphs 7, 10 and 11, hereof, the forms of Loan Agreement, Indenture, Bond Placement Agreement and Joint Powers Agreement referred to in paragraph 2 (collectively, the "Bond Documents"), are approved in substantially the forms submitted. Subject to the provisions of paragraphs 7, 10, and 11 hereof, the Bond Documents shall be executed in the name and on behalf of the Authority by the Chair and the Secretary.

7. Approval, Execution and Delivery of Bonds. Subject to the provisions of paragraph 11 hereof, the Authority shall proceed forthwith to issue the Bonds, in an aggregate principal amount of not to exceed \$9,000,000, in the form and upon the terms set forth in the Indenture, which terms are for this purpose incorporated in this resolution and made a part hereof; provided, however, that the aggregate principal amount of, the maturities of the Bonds, the interest rates thereon, and any provisions for mandatory redemption thereof shall all be as set forth in the final form of the Indenture to be approved, executed and delivered by the officers of the Authority authorized to do so by the provisions of this Resolution, which approval shall be conclusively evidenced by such execution and delivery; and provided further that, in no event, shall such rates of interest produce a net interest cost in excess of 9.00% per annum, and the final maturity shall not be later than December 1, 2039. The Underwriter has agreed pursuant to the provisions of the Bond Purchase Agreement, and subject to the conditions therein set forth, to purchase the Bonds at the purchase price set forth in the Bond Purchase Agreement, and said purchase price is hereby accepted. The Chair, Secretary and other Authority officers are authorized and directed to prepare and execute the Bonds as prescribed in the Indenture and to deliver them to the Trustee, together with a certified copy of this Resolution and the other documents required by Article II of the Indenture, for authentication, registration and delivery to the Underwriter. As provided in the Indenture, each Bond shall contain a recital that it is issued pursuant to the Act, and such recital shall be conclusive evidence of the validity and regularity of the issuance thereof.

8. Designation of Qualified Tax Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the Authority hereby makes the following factual statements and representations:

- (a) the Bonds are issued after August 7, 1986;
- (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code, treating "qualified 501(c)(3) bonds as not being private activity bonds;
- (c) the Authority hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Authority (and all entities treated as one issuer with the Authority, and all subordinate entities whose obligations are treated as issued by the Authority) during this calendar year 2008 will not exceed \$10,000,000; and
- (e) not more than \$10,000,000 of obligations issued by the Authority during this calendar year 2008 have been designated for purposes of Section 265(b)(3) of the Code.

9. Records and Certificates. The Chair, Secretary and other officers of the Authority are authorized and directed to prepare and furnish to bond counsel and the purchaser of the Bonds, when issued, certified copies of all proceedings and records of the Authority relating to the Bonds, and such other affidavits and certificates as may be required to show the facts appearing from the books and records in the officers custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Authority as to the truth of all statements contained therein.

10. Changes in Forms Approved; Absent and Disabled Officers. The approval hereby given to the various documents referred to above includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate, the appropriate Authority staff person or by the officers authorized herein to execute or accept, as the case may be, said documents prior to their execution; and said officers or staff members are hereby authorized to approve said changes on behalf of the Authority. The execution of any instrument by the appropriate officer or officers of the Authority herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board of Commissioners by any member of the Board of Commissioners or any duly designated acting official, or by such other officer or officers of the Board of Commissioners as, in the opinion of Counsel to the Authority, may act in their behalf.

11. Effect of Resolution. The approval given herein to the issuance of the Bonds and the Bond Documents, and the authorization to the Chair and Secretary to execute and deliver the

Bond Documents shall not be effective, and this resolution shall be of no force and effect until and unless the City Council of the City of Moorhead, approves the issuance of the Bonds following a public hearing thereon.

Adopted by the Board of Commissioners of the Moorhead Economic Development Authority this ___ day of November, 2008.

JOINT POWERS AGREEMENT

PROVIDING FOR THE ISSUANCE OF TAX EXEMPT REVENUE BONDS TO FINANCE HEALTH CARE FACILITIES (EVENTIDE WEST FARGO PROJECT)

THIS AGREEMENT is entered into as of the 1st day of December, 2008, between the Moorhead Economic Development Authority (“Moorhead”) and the City of West Fargo, North Dakota (“West Fargo”) (collectively, the Municipalities,” or individually, a “Municipality”). Moorhead is a body corporate and politic, duly organized under the laws of the State of Minnesota, and West Fargo is a municipality duly organized under the laws of the State of North Dakota.

A. Minnesota Statutes, Section 471.59, as amended and North Dakota Century Code, Chapter 54-40.3, as amended, both provide that two or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties, and may provide for the exercise of such power by one of the participating governmental units.

B. Eventide, a Minnesota nonprofit corporation (the “Borrower”) proposes to construct and equip a 62 bed skilled nursing facility located adjacent to and physically connected to the senior housing facility at 225 13th Avenue West in West Fargo, (the “Project”).

C. The Borrower has proposed that the Municipalities enter into this agreement pursuant to the Joint Powers Act, pursuant to which Moorhead, on behalf of West Fargo, will issue tax exempt revenue bonds, in one or more series or issues (the "Bonds") under Minnesota Statutes, Chapter 469.152-.165 and North Dakota Century Code Chapter 40-57, amended (collectively, the "Act") in an aggregate amount not to exceed \$9,000,000 and loan the proceeds thereof to the Borrower to finance the Project.

NOW THEREFORE, in consideration of the mutual undertakings and covenants set forth below and other good and valuable consideration, the Municipalities hereby represent and agree as follows:

1. The Municipalities hereby agree to jointly finance the Project. Moorhead is hereby designated as the issuer of the Bonds to be issued pursuant to this Agreement.

2. Each Municipality represents to the other parties hereto that it has (i) held a public hearing with respect to the Project and (ii) has adopted a resolution authorizing issuance of the Bonds to finance the Project, and authorizing execution, delivery and performance of this Agreement.

3. Moorhead shall exercise the powers of the Act by adopting, approving and executing such resolutions, documents, and agreements as shall be necessary or convenient to authorize, issue, and sell the Bonds and such other resolutions, documents, and agreements as shall be necessary or required in connection with the issuance of the Bonds and giving effect to or carrying out the provisions of this Agreement and documents under which the Bonds are issued and/or secured.

4. Any Bonds to be issued pursuant to this Agreement shall be special, limited obligations of Moorhead, payable solely from proceeds, revenues and other amounts specifically pledged thereto. In no event shall the Bonds ever be payable from or charged upon the general credit, taxing powers or any funds of any of the Municipalities; the Municipalities are not subject to any liability thereon; no owners of the Bonds shall ever have the right to compel the exercise of the taxing power of any of the Municipalities to pay any of the Bonds or the interest thereon, nor to enforce payment thereof against any property of any of the Municipalities; the Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of any of the Municipalities; and the Bonds do not constitute an indebtedness of any of the Municipalities within the meaning of any constitutional, statutory, or charter limitation.

5. This Agreement shall terminate upon the retirement or defeasance of the last outstanding Bonds and this Agreement may not be terminated in advance of such retirement or defeasance.

6. This Agreement may be executed in counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

[Remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, each of the Municipalities has caused this Agreement to be executed on its behalf by its duly authorized officers, all as of the day and year first above written

MOORHEAD ECONOMIC AUTHORITY

By _____
Its Chair

By _____
Its Secretary

SIGNATURE PAGE TO JOINT POWERS AGREEMENT

CITY OF WEST FARGO, NORTH DAKOTA

By _____
Its President of the Board of
City Commissioners

By _____
Its City Auditor

SIGNATURE PAGE TO JOINT POWERS AGREEMENT



Activity Report – September 2008

Marketing/ Business Development

A. Projects

1. Proposals

a. One proposal sent

Manufacturing (Project #09-08-01)

Upon follow-up with company representatives, we have determined there is no potential for a project at this point.

B. Materials

The GFMEDC is currently working on redesigning the company website. The website, which has information for potential and existing businesses, employees and people relocating here, was scheduled to be done in October. However, we are experiencing some delays and it should be live by the end of November.

C. Memberships

The GFMEDC holds membership in a number of organizations, each for specific reasons. For the next few months we will be featuring a specific organization; for the month of September we are featuring LifeScience Alley.

According to their website, “LifeScience Alley, a Minnesota-based trade association serving more than 580 member organizations, provides access to top industry leaders, opportunities to build your business through education and networking, insights into current trends, regulations, research and emerging technologies, and the power of a collective voice at the state and federal levels.”

Their mission: Enabling business success in the life sciences. They accomplish this goal through leadership, collaboration, innovation, advocacy, and education.

Existing Businesses

A. Business Retention/Expansion Events

1. *Clinical Supplies Management.* Attended a groundbreaking ceremony at their current Fargo location. The company is starting a \$1.7 million

expansion that will create 14 new jobs. The Growth Initiative Fund has approved \$92,500 in funding for interest buydown through the PACE program. Other participants include the Bank of North Dakota and Alerus Financial.

2. *Northern Grain Equipment.* Attended a ribbon cutting and luncheon at their new West Fargo location. The company recently purchased and expanded a building for an approximate cost of \$1.3 million and will create 21 new jobs. The Growth Initiative Fund will provide \$125,000 in funding through the PACE program. The project includes funding from the Bank of North Dakota, USDA Rural Development, and First International Bank & Trust.
3. *Wells Fargo Banker Connect.* Attended a ribbon cutting at their new location in Fargo. GFMEDC worked with Wells Fargo and the developer to obtain various tax incentives on this project. Wells Fargo Connect participates in the New Jobs Training Program through Job Service of North Dakota. GFMEDC acts as a pass-through entity for that program.
4. *Appareo Systems.* Attended the groundbreaking ceremonies for their new building that will be located in the NDSU Technology Park in Fargo.
5. *Case New Holland/Titan Machinery.* Attended the 50th Anniversary Celebration for the Steiger tractor. The event was held at the CNH plant in Fargo.

B. Business Retention Visits

1. Red River Software
Fargo
2. Neals Industrial Painting
West Fargo
3. RDO Equipment
Fargo
4. Aldevron
Fargo
5. Smuckers
West Fargo
6. Standard Industries
Fargo
7. Swanson Health Products
Fargo
8. SnoBear Industries
West Fargo
9. SpaceAge Synthetics
Fargo

Workforce Development

A. CareerFM Traffic Report

Visits: 10,027

Page views: 59,063

New Jobs Posted: 100

Average number of visits per day = 334.23

B. Community Experience Program/Community Tours

One of the services we provide our investor companies is the Community Experience Program. This program entails tours of the community for prospective employees that do not currently live in Fargo Moorhead. The purpose of the program is to help a prospective recruit see and learn about the community so they come away with a positive impression of life in Fargo Moorhead. We gave 2 community tours in the month of September for businesses that are recruiting candidates from out of town.

C. Tifanie Gelinske attended the Fargo Moorhead Chamber of Commerce Workforce Summit where the keynote speaker was Ed Barlow. His presentation focused on workforce development.

STEM – Minnesota and North Dakota

Sept 26th - The GFMEDC sponsored \$1,000 to the Concordia Science Academy at Ellen Hopkins Elementary, Moorhead. "The Concordia Science Academy is the flagship event of an outreach program designed to both introduce and maintain an interest in Science in elementary school children in the Moorhead area."

State Reports & Meetings

A. North Dakota State Meetings

- Sept. 5 – The GFMEDC hosted a Roundtable Discussion with US Senator Kent Conrad.
- Sept. 30 - Brian Walters and Mary Batcheller attended a meeting at the Bank of North Dakota in Bismarck. Bank of North Dakota (BND) officials and members of the Economic Development Association of North Dakota (EDND) reviewed BND's financial programs targeted at economic development, and discussed how these programs can be changed or improved.

- Brian Walters and Mary Batcheller continued work with North Dakota Legislative Counsel to craft language for an automation, lean manufacturing and innovation tax credit.

B. Minnesota State Meetings

- Sept. 24- 25 – Justin Pearson and Brian Walters attended the Minnesota Development Conference in Minneapolis. Brian gave a presentation on strategic planning in a knowledge based economy. They met privately with Kevin McKinnon, DEED and Jeremy Lenz, BIO Business Alliance.
- Brian Walters was appointed to the Bio Business Alliance Board of Directors; the only local economic development professional on the board. The BIO Business Alliance Board consists of representatives from 3M, Medtronic, Piper Jaffray & Co. University of Minnesota, Mayo Clinic, Xcel Energy, IBM, Fredrikson & Byron, PA and others. The Bio Business Alliance of Minnesota is an organization of people representing Minnesota companies, academia, and government, devoted to building the bioscience industry, retaining and creating jobs, and positioning Minnesota as a global leader in bio business with the ultimate goal of improving economic, health, social, and environmental well-being.

Community Meetings

- Sept. 13 – Christina Carleton attended a Coordinating Community Committee meeting for Official Visit from Martin, Slovakia. This group is exploring potential opportunities for Martin, Slovakia to become a sister city to Fargo. Brian Walters and Christina Carleton are on this committee and the GFMEDC will host a breakfast as well as company visits to Case New Holland and American Crystal Sugar.
- Multiple meetings with Greg Wald, DH Research, to conduct a Growth Plan survey in part funded by Fargo Cass Forward, with the purpose to understand the public's knowledge on the growth plan and economic development in the community.
- Sept. 17 – Brian Walters attended an entrepreneurial task force meeting with the NDSU Research & Technology Park.
- Sept. 18 – Investor meeting with representatives from Wells Fargo; Judd Graham, President and Lesa Jarding, Wells Fargo Community Development from Sioux Falls.
- Sept. 30 – Justin Pearson attended a 4 day conference in Austin, Texas to attend the Basic Economic Development Course.