

**CITY OF MOORHEAD
ECONOMIC DEVELOPMENT AUTHORITY
Meeting Minutes
Monday, December 15, 2008
First Floor Boardroom, Moorhead City Hall**

1. CALL TO ORDER/ROLL CALL

Pursuant to due call and notice thereof, a meeting of the Moorhead Economic Development Authority was held in the First Floor South Board Room, City Hall, Moorhead, Minnesota, on the 15th day of December, 2008. Jim Welch called the EDA meeting to order. Roll call of members was made as follows:

EDA Members Roll Call:

P	Werner Golling	A	Gane' Skatvold
P	Mark Hintermeyer (City Council)	P	James Taylor
A	Kay Parries	P	Mark Wallert
A	Kelli Poehls	P	Jim Welch
P	Robert Remark	P	Lauri Winterfeldt. (City Council)
P	Jon Riewer		

Others Present:

Harlyn Ault	Finance Director
Peter Doll	Manager of Business & Development Services
Scott A. Hutchins	Director of Community Services
Kristie Leshovsky	Community Services Planner
Michael Redlinger	City Manager

2. AGENDA AMENDMENTS - None

3. MINUTES – None

4. CITIZENS ADDRESSING THE BOARD

No citizens requested to be heard.

5. Proposed 2009 EDA Budget/Levy Update

Hutchins provided an overview of past levy discussions and the City Council action at the December 8, 2008 Council meeting. He noted that staff met with Greater Moorhead Development (GMD) to discuss the possibility of providing bridge loan financing for the proposed MSUM Wet Lab project. GMD offered to loan the city \$120,000 for bridge loan

financing. Therefore, interim financing through the city's general fund reserve would no longer be required and the proposed components of the EDA levy remain the same.

Hintermeyer requested information on whether the EDA would have a fall back option if the City Council did not approve the proposed EDA financing plan. Hutchins reported that GMD may have additional funding available for an additional loan, but that was not discussed with GMD. Ault added that \$50,000 may be available from previous EDA carryover.

Wallert stated that the Department of Employment and Economic Development (DEED) may not have grant dollars available after this grant cycle. Hutchins added that it would be best to begin the grant process as soon as possible.

Riewer asked what the alternative financing options included. Hutchins stated that the alternatives would be additional GMD funding, borrowing upon general fund reserves or the council could remand the issue back to the EDA for future deliberation.

Welch asked if \$50,000 of EDA carryover funds were available and if asking the Council for \$50,000 from general fund reserves was an option. Hutchins stated that if the EDA Levy were proposed at \$230,000 and GMD provided a \$120,000 bridge loan and \$50,000 was transferred from EDA carryover funds, \$50,000 would be required from somewhere.

Wallert praised GMD for assisting with the project and providing the loan for the EDA.

6. Continue Discussion on Economic Development Incentives

Hutchins briefed the Board on Pactiv's possible investment in a new product line at its Moorhead facility which would create an estimated 27 new primary sector jobs. Staff is proposing utilizing Enterprise Zone funds to provide job credits totaling approximately \$80,000 per year for a five year period. Enterprise Zone funds are allocated by the State of Minnesota and the City of Moorhead currently has a balance of approximately \$640,000.

Hutchins stated that, if the incentive credit is provided to Pactiv, the workers compensation credit would be reduced to 10%-15%. Hutchins added that staff is requesting confirmation from the EDA regarding this incentive package and, if the incentive package was approved, the City Council would need to modify the target area zone to include the Pactiv property.

Golling added that the creation of 27 new primary sector jobs is an excellent use of the job credits incentive. Hutchins added that if the new production line is received well, Pactiv may add additional lines of production in the future.

ACTION: Wallert moved, seconded by Riewer, to assist the Pactiv expansion by providing a \$3,000 job credit for newly created jobs using Enterprise Zone funds. Motion approved by unanimous vote.

7. Information / Updates

10. ADJOURN

Jim Welch adjourned the meeting.

APPROVED BY:

ATTEST:

Kay Parries
Chair

Kelli Poehls
Secretary