

**ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING AGENDA**

12:00 P.M., (Noon) Tuesday, October 10, 2023  
East Grand Forks City Hall, 600 DeMers Ave NW  
Training Room – First Floor South Wing  
East Grand Forks, MN

*The **mission** of the Economic Development Authority is to maintain and improve the economic vitality of East Grand Forks by doing the following:*

- *By retaining & growing local businesses*
- *By creating & supporting investment & growth opportunities for commercial activities*
- *By creating & supporting opportunities for residential growth, including workforce housing*
- *By working to develop a workforce capable of meeting current & future needs of local employers.*

**REGULAR MEETING**

1. Roll Call: President Grinde, Board Members Black, Blair, Hecht, Helms, Horken, & Larson
2. Approval of the minutes
  - a. September 12, 2023, Regular Meeting
3. Bills and Communications
  - a. Review of Accounts Payable: September 19, 2023; October 3, 2023
4. Reports
  - a. Delinquencies Update – no delinquencies
  - b. Director's Reports: September 2023
  - c. Financial Reports: August 2023
5. Public Hearing
  - a. Use of Border Cities Tax Credits for Delisle Properties (Mayo Manufacturing)
6. Unfinished Business
  - a. Date for Strategy Meeting: 12 noon, Thursday, October 26, at the Fairfield Inn
7. New Business
  - a. Border Cities Tax Credits for Delisle Properties (Mayo Manufacturing)
  - b. 2024 Budgets: Sunshine Terrace, Infill Building
  - c. NAIC update for the EDA (Abdi)
8. Adjournment

*Upcoming Meetings:*

*1200 pm November 21, 2023*

*1200 pm December 19, 2023*

Individuals with disabilities, language barriers or other needs who plan to attend the meeting and will need special accommodations should contact Nancy Ellis, ADA Coordinator at (218)-773-2208. Please contact us at least 48 hours before the meeting to give our staff adequate time to make arrangements. Also, materials can be provided in alternative formats for people with disabilities or with limited English proficiency (LEP) by contacting the ADA Coordinator (218)-773-2208 five (5) days prior to the meeting.

# **UNAPPROVED MINUTES OF THE REGULAR MEETING OF THE BOARD MEMBERS OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AUTHORITY (EDA)**

A regular meeting of the Board Members of the East Grand Forks Economic Development Authority was held at Noon on September 12, 2023.

## **Roll Call:**

Meeting was called to order by President Grinde at 12:00 pm.

EDA Board present at roll, President Josh Grinde, Board Members: Daniel Black, Ben Horken, Justin Hecht, Diane Blair and Brian Larson

Absent: Dale Helms

Staff present: Paul Gorte (EDD), Economic Development Director; Brenda Ault (EA), Executive Assistant; Karla Anderson (FD) Finance Director

Also Present: Barry Wilfahrt, CEO Chamber of Commerce

**1. Roll Call:** President Grinde determined a quorum was present.

## **2. Approval of Minutes**

a. August 15, 2023, Regular Meeting

A Motion was made to approve the August 15, 2023, Regular Meeting Minutes, by Board Member Blair, seconded by Board Member Hecht. M/S/P-Blair, Hecht; 6-0, mc.

## **3. Bills and Communications**

a. Review of Accounts Payable, September 5, 2023

No questions

## **4. Reports**

a. Delinquencies – None

b. Director's Reports: August 2023- EDD Gorte stated that the report was in the packet. He has also been working on the Strategy to be discussed later in the meeting.

## **5. Unfinished Business**

a. \$100,000 Builder Incentive Program Status

EDD Gorte stated that the loan committee met to make loan parameters for the revised program. They identified the purpose of the program to provide an incentive to builders to buy City owned lots to build spec homes. The committee identified the following parameters to supplement and amend the current program.

No interest for the first 18 months, after the closing on the lot by the builder. 4% annual interest to be applied thereafter.

A Motion was made to approve the parameters set by the loan committee, by Board Member Larson, seconded by Board Member Horken; M/S/P- Larson, Horken; RCV: Larson -Y, Blair-Y, Black-Y, Grinde -Y, Hecht-Y, Horken-Y; 6-0, mc.

**6. New Business**

a. 2024 Administration Budget

EDD Gorte stated that he had the 620 and 280 fund budgets ready for the Board to review, The 620 account includes funds for a replacement EDA Director and reduces commodities by about \$20,000, including a reduced contribution to SBDC by \$5,000. FD Anderson asked where the Sunshine Terrace budget was, as the EDA needed to approve that as well. EDD Gorte stated that he would talk with Nancy Ellis the City Planner about that budget.

A Motion was made to approve the budgets as presented, by Board Member Blair, seconded by Board Member Horken. M/S/P- Blair, Horken; RCV: Larson-Y, Blair-Y, Black-Y, Grinde -Y, Hecht-Y, Horken-Y: 6-0, mc.

b. Waters Edge 1<sup>st</sup>, Lots 10 & 11, Block 2-2 houses?

EDD Gorte stated that when the EDA revised the pricing for the lots in WE, it combined Lots 10 & 11, Blk 2, WE 1<sup>st</sup> for sale as a single lot and adjusted the pricing accordingly. No formal action was taken to combine the lots into a single lot. A realtor has contacted him about someone who would like to buy the two lots at the reduced price but building a home on each lot.

After discussion, the EDA Board felt that because of the easements on the property, it might be difficult to fit two homes on the lots. Because of that they felt that the purchase of the combined lots was fair. They also want the purchase agreement to spell out the lot lines, easements and that they will not buy the lots back if the two houses do not fit on the property.

A Motion was made to approve the sale of the two lots for the reduced rate of \$69,999, with a purchase agreement stating the lot lines, easements and that they will not buy the lots back if the two houses do not fit on the property by Board Member Horken, seconded by Board Member Black; M/S/P- Horken, Black; RCV: Larson -Y, Blair-Y, Black-Y, Grinde -Y, Hecht-Y, Horken-Y; 6-0, mc.

c. Business Retention and Tax Base Expansion Strategy

EDD Gorte stated that the EDA adopted a Strategic Plan in late 2018. After 5 years, it is time to look at it again. In 2023 Minnesota and North Dakota took different approaches toward the business climate in each state. Minnesota imposed new laws and regulations on businesses. Monies made available by the federal government to the states to assist with economic development were largely, but not exclusively, made available through programs located in the Twin Cities or through regional partners. North Dakota, however, acted to spread the same dollars throughout the state, choosing to strengthen the local economic development effort in cities like Grand Forks. Where there had been a competitive balance between the two states, the balance is now tilted toward North Dakota cities and businesses compared to the situation in Minnesota. This change poses real and immediate challenges to Minnesota

September 12, 2023

MINUTES OF THE REGULAR MEETING OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AUTHORITY (EDA) (continued)

cities with businesses that are footloose and able to relocate to take advantage of the changed circumstances. We need to act now to create and implement a strategy to deal with the changed business climate.

He has met with the Chamber President (Barry Wilfahrt) and Praxis (Mark Shill) about how to develop and implement a strategy to maintain and grow the tax base in East Grand Forks. Remember that economic development is a long-term process. The work we do now will come to fruition in 5 or 10 years or longer. Grand Forks is now seeing the benefits of work begun a decade ago. We have come a long way in the last 8 years and have put ourselves in a position to move forward. We now need to create and implement a proactive strategy to remain competitive locally and grow our tax base.

Praxis prepared a strategy for creating and implementing a proactive strategy, attached. The Chamber strongly supports this effort and has generously agreed to pay ½ of Phase 1. The Director has looked at the unspent funds in the 2023 budget and has found dollars adequate to cover the remaining costs to complete the activity. (The Director did not attend some normal events and activities, saving funds that would have otherwise been spent.)

Recommendation:

That the EDA authorize the Director to move forward to engage Praxis to create a new tax base growth strategy.

The Board asked Chamber President Wilfahrt to give his feelings on this project. Wilfahrt stated that with EDD Gorte's retirement and this transition period, this is a perfect time for this sort of study, to determine what needs EGF has and that is why the Chamber is offering to pay for half of the first phase.

A Motion was made to authorize EDD Gorte to move forward to engage Praxis to create a new tax base growth strategy, by Board Member Hecht, seconded by Board Member Blair. M/S/P- Hecht, Blair; RCV: Larson-Y, Blair-Y, Black-Y, Grinde -Y, Hecht-Y, Horken-Y: 6-0, mc.

## **7. Adjournment**

Motion to adjourn the meeting was made at 12:38 by Board Member Larson, was seconded by Board Member Blair. M/S/P- Larson, Blair; mc.

The next regular meeting is October 10, 2023.

Respectfully Submitted,  
Brenda Ault, Executive Assistant

**Bills 09/19/23**

<b>Account Number</b>	<b>Vendor</b>	<b>Description</b>	<b>GL Date</b>	<b>Check No</b>	<b>Amount</b>
620-49-870-43100	Galstad Jensen & McCann PA	EDA Civil Services August 2023	09/19/2023	41228	681.75
620-49-870-43100	Kennedy & Graven, Chartered	Legal Services	08/31/2023	41238	322.00
620-49-870-43190	Midstates Valuation LLC	Inv ND01-23-0415-000 Appraisal Service	09/19/2023	41251	3,500.00
620-49-870-44000	US Bank Corporate Payment System	Copier for Community Dev/Eco Dev Office	09/19/2023	41279	83.08
620-49-870-44300	SJA Thunder Corp	EDA Board Meeting Meal	09/19/2023	41273	137.91
620-49-870-44390	Forum Communications Company	Greater Grand Forks Promo	08/31/2023	41227	1,345.00
Report Total:					6,069.74
630-46-410-43040	Galstad Jensen & McCann PA	Sunshine Terrace Civil Services August 20	09/19/2023	41228	270.00
630-46-410-43200	Allstream	Long Distance Service	08/31/2023	41203	11.52
630-46-440-43190	SimplyMaid, Inc	Cleaned Apt 309	08/31/2023	41272	316.25
630-46-440-43190	Thur-O-Clean	Cleaning in Apts 123 and Apt 309	09/19/2023	41278	1,280.45
630-46-440-43800	Water & Light Department	005041-000/Sunshine Utilities/07/10/23-0	08/31/2023	41282	6,761.81
630-46-440-43800	Water & Light Department	005041-065/Sunshine 207/07/20/23-08/20	08/31/2023	41282	55.25
630-46-440-43800	Water & Light Department	005041-146/Sunshine 309/07/20/23-08/20	08/31/2023	41282	62.43
630-46-440-43800	Water & Light Department	005041-148/Sunshine 313/07/20/23-08/01	08/31/2023	41282	37.59
630-46-440-43800	Water & Light Department	005041-147/Sunshine 103/07/20/23-08/20	08/31/2023	41282	32.70
630-46-440-43800	Water & Light Department	005041-149/Sunshine 123/07/20/23-08/20	08/31/2023	41282	50.76
630-46-440-43800	Water & Light Department	005041-139/Sunshine 117/07/20/23-08/20	08/31/2023	41282	48.46
630-46-440-43800	Water & Light Department	005041-145/Sunshine 113/07/20/23-08/01	08/31/2023	41282	25.14
630-46-440-43800	Xcel Energy	Sunshine Terrace	08/31/2023	41285	249.32
630-46-440-43890	US Bank Corporate Payment System	Cable for Sunshine Terrace	09/19/2023	41279	390.10
630-46-440-44000	Eagle Electric	Repairs in Apts 108 & 120	08/31/2023	41225	476.66
630-46-440-44000	US Bank Corporate Payment System	Regular Pest Control Maintenance Sunshin	09/19/2023	41279	225.00
630-46-440-44000	US Bank Corporate Payment System	Sunshine Terrace Move-in Prep	09/19/2023	41279	216.17
630-46-440-44000	US Bank Corporate Payment System	Key Cylinder Repair	09/19/2023	41279	22.00
630-46-440-44000	US Bank Corporate Payment System	Waste Disposal	09/19/2023	41279	148.41
630-46-440-44000	US Bank Corporate Payment System	Sunshine Terrace Paint	09/19/2023	41279	93.93
630-46-440-44000	US Bank Corporate Payment System	Sunshine Terrace Misc	09/19/2023	41279	23.34
630-46-440-44000	US Bank Corporate Payment System	Sunshine Terrace Toilet Repair	09/19/2023	41279	103.38
630-46-440-44000	US Bank Corporate Payment System	Sunshine Terrace Smoke Detectors	09/19/2023	41279	105.14
630-46-440-44000	US Bank Corporate Payment System	Sunshine Terrace Misc	09/19/2023	41279	70.95

630-46-440-44000	US Bank Corporate Payment System	Sunshine Terrace Paint Supplies	09/19/2023	41279	97.98
630-46-440-44300	US Bank Corporate Payment System	Background check	09/19/2023	41279	66.00
630-46-440-44300	Verizon Wireless	9Cell#5814 S.Perez	09/19/2023	41280	49.31
630-46-440-44380	Dakota TV & Appliance	Refrigerator for Apt 223	08/31/2023	41223	734.95
630-46-440-44380	Dakota TV & Appliance	Refrigerator for Apt 309	08/31/2023	41223	734.95
Report Total:					12,759.95
682-46-503-43200	Allstream	Long Distance Service	08/31/2023	41203	11.52
682-46-503-43800	Water & Light Department	005003-000/Infill/07/13/23-08/20/23	08/31/2023	41282	910.13
682-46-503-43800	Xcel Energy	302611407 - 411 2nd St NW	08/31/2023	41285	24.27
682-46-503-44000	US Bank Corporate Payment System	Pest Control Maintenance at Infill Building	09/19/2023	41279	175.00
682-46-503-44230	SJA Thunder Corp	September Cleaning	09/19/2023	41273	600.00
Report Total:					1,720.92

**Bills 10/03/2023**

<b>Account Number</b>	<b>Vendor</b>	<b>Description</b>	<b>GL Date</b>	<b>Check No</b>	<b>Amount</b>
620-36-000-36230	Gold Childcare Center	First Children's Finance Grant	09/30/2023	41311	15,000.00
630-46-440-43190	Thur-O-Clean	Cleaning Services at Sunshine Terrace	09/30/2023	41346	622.50
630-46-440-43800	Xcel Energy	Sunshine Terrace Acct 51-5171995-8	09/30/2023	41351	227.76
630-46-440-43890	Midcontinent Communications	Cable 9/8-10/7	09/30/2023	41326	2,632.17
630-46-440-44000	Marco Technologies LLC	Copier Lease Sunshine Terrace	09/30/2023	41323	91.61
Report Total:					3,574.04
682-46-503-43200	Century Link	#1635infilbldg	09/30/2023	41299	46.66
682-46-503-43200	Midcontinent Communications	Infill Building Phone Services	09/30/2023	41326	47.68
682-46-503-43800	Xcel Energy	302611407 - 411 2nd St NW	09/30/2023	41351	1.86
Report Total:					96.20

MONTHLY REPORT  
September 2023

Working with the Businesses & Chamber

- Direct contact with businesses
  - Hawkes Manufacturing: sales tax rebates from State; Border Cities tax credits; training costs
  - Palmiscno: loan inquiry
  - On the Fritz (new business): referred to SBDC for assistance with MN requirements and business plan
- Worked with Chamber President and staff on various items
  - Participated in Grow MN! visits
    - American Crystal Sugar
    - Fert-L-Lawn
    - Lumber Mart
    - Mayo Manufacturing
    - Northland Custom Woodworking
  - Participated in Chamber Directory
  - Attended Business After Hours
- Worked on use of Border Cities tax credits for Delisle Properties (Mayo Manufacturing) with Polk County; drafted resolution; posted Notice to Competitors
- Provided information about forgivable loan for Little Bangkok to City Administrator
- Participated in DEED Small Business Call
- Worked with AE2S regarding social media and Facebook posts
- Worked on Business Growth Strategy; prepared invitation list; worked on possible meeting dates and location; talked with Herald about Strategy
- Paid second half of SBDC annual request
- Met with Abdi who asked to meet with EDA about NAIC
- Participated in AARP Community Challenge program about economic development; biggest takeaway was the need to support small scale manufacturing enterprises
- Participated in OSA program on changes to the TIF laws

Increasing Industrial Space – Land and Buildings

- No action

Workforce (Northern Valley Careers, NWPIC)

- Participated in NVCE meetings
- Contacted potential sponsors for the Expo

Child Care

- Worked with First Children's Finance and local Team on RCCIP project:
  - Conducted monthly group ZOOM call; prepared meeting report; discussed funding for Foundation and fingerprinting options; prepared meeting report
- Prepared paperwork to transmit FCF grant funding for Gold Child Care Center

Wave Academy

- Worked with School District

### Residential Growth & Sale of City Lots

- Provided information about City lots and incentives; closing costs
- Worked on Polk County Housing Advisory Board loans
- Worked with realtors and public on lot sales
- Responded to inquiry about covenants in Waters Edge 2<sup>nd</sup>; none were recorded
- Talked with potential purchaser Received about buying the combined lots in Waters Edge 1<sup>st</sup> and building 2 houses at the reduced purchase price
- Talked with Fannie Mae about Down Payment Assistance programs
- Talked with Jim Sandbeck (Tripple J Construction, FORX) about construction issues and the FORX lot
- Executed Mercil subordination
- Responded to inquiry about dirt
- Provided information about Gate City Home Improvement Program to resident; transmitted application to Gate City Bank
- Responded to inquiry about Coulee View lot

### Infill Building

- No action

### Infrastructure/Bridges

- No action

### Other

- Prepared reports and agendas
- EDA meeting
- Provided information about Small Cities Development Plan program to City Administrator
- Updated 2024 budgets
- Participated in Showcase
- Participated in bi-monthly CEDS update meeting
- Worked with Business Review Magazine about possible resiliency article regarding East Grand Forks

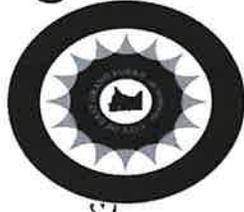
# General Ledger

# CASH

## Summary Trial Balance

AS OF AUGUST 31, 2023

User: kanderson  
 Printed: 10/03/2023 - 12:18PM  
 Period: 08, 2023



**City of East Grand Forks**  
 P. O. Box 373  
 East Grand Forks, MN 56721  
 (218) 773-2483

Account Number	Description	Budget	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
<b>Fund 280</b>	<b>Housing/Lot Sale</b>					
ASSETS						
280-00-000-10100	Cash In Banks	0.00	54,893.94	147,867.83	4,400.00	198,361.77
	ASSETS Totals:	0.00	54,893.94	147,867.83	4,400.00	198,361.77
	Fund 280 Totals:	0.00	54,893.94	147,867.83	4,400.00	198,361.77
<b>Fund 620</b>	<b>EDA General</b>					
ASSETS						
620-00-000-10100	Cash In Banks	0.00	-104,529.62	0.00	17,024.00	-121,553.62
	ASSETS Totals:	0.00	-104,529.62	0.00	17,024.00	-121,553.62
	Fund 620 Totals:	0.00	-104,529.62	0.00	17,024.00	-121,553.62
<b>Fund 625</b>	<b>EDA IRP Loan Subfund</b>					
ASSETS						
625-00-000-10100	Cash In Banks	0.00	321,345.38	5,072.35	0.00	326,417.73
	ASSETS Totals:	0.00	321,345.38	5,072.35	0.00	326,417.73
	Fund 625 Totals:	0.00	321,345.38	5,072.35	0.00	326,417.73
<b>Fund 626</b>	<b>MIF (DRLF-97-0003-V-FY98)</b>					
ASSETS						
626-00-000-10100	Cash In Banks	0.00	1,708,850.98	19,560.85	1,314.06	1,727,097.77
	ASSETS Totals:	0.00	1,708,850.98	19,560.85	1,314.06	1,727,097.77
	Fund 626 Totals:	0.00	1,708,850.98	19,560.85	1,314.06	1,727,097.77
<b>Fund 627</b>	<b>MN DEED MIF</b>					
ASSETS						
627-00-000-10100	Cash in Bank	0.00	19,973.56	1,314.06	788.44	20,499.18
	ASSETS Totals:	0.00	19,973.56	1,314.06	788.44	20,499.18
	Fund 627 Totals:	0.00	19,973.56	1,314.06	788.44	20,499.18
<b>Fund 630</b>	<b>Sunshine Terrace</b>					
ASSETS						
630-00-000-10100	Cash In Banks	0.00	1,677,038.93	45,927.00	24,820.80	1,698,145.13
	ASSETS Totals:	0.00	1,677,038.93	45,927.00	24,820.80	1,698,145.13
	Fund 630 Totals:	0.00	1,677,038.93	45,927.00	24,820.80	1,698,145.13

**Fund 633**  
**ASSETS**

633-00-000-10100

Cash In Banks 0.00 237,129.77 0.00 26,100.00 211,029.77  
ASSETS Totals: 0.00 237,129.77 0.00 26,100.00 211,029.77  
Fund 633 Totals: 0.00 237,129.77 0.00 26,100.00 211,029.77

**Fund 682**  
**ASSETS**

682-00-000-10100

Cash In Banks 0.00 488,371.16 6,621.25 2,819.16 492,173.25  
ASSETS Totals: 0.00 488,371.16 6,621.25 2,819.16 492,173.25  
Fund 682 Totals: 0.00 488,371.16 6,621.25 2,819.16 492,173.25

GL-Summary Trial Balance (10/3/2023 - 12:18 PM)



## MEMORANDUM

Date            October 10, 2023

To              EDA

From            ED Director

Subject        Public Hearing – Notice to Competitors – Delisle Properties (Mayo Manufacturing)  
Border Cities Tax Credits

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When Delisle Properties built its addition for its expansion, it was contemplated, when the building came up to full value and the required jobs were added, that Border Cities Tax Credits would be used to reduce the property taxes for the property owner for one year. The building has been completed. The building has come up to full taxation. The jobs promised under the Revolving Loan Fund Agreement have been created and filled. Now it is timely to apply the Border Cities Tax Credits to the property.

The estimated tax credits needed for the property is about \$36,000. The City has over \$200,000 of tax credits available under the program.

### Recommendation

1. Hold the public hearing on the Notice to Competitors.
2. Recommend that the City Council approve the use of up to \$36,000 in Border Cities Tax Credits for Delisle Properties.

**NOTICE TO COMPETITORS OF APPLICATION FOR  
TAX INCENTIVES AND PUBLIC MEETING**

Notice is hereby given that the Economic Development Authority of the City of East Grand Forks, Minnesota (the "EDA") will meet at or after 12:00 p.m. on Tuesday, October 10, 2023, at City Hall, 600 DeMers Ave NW, East Grand Forks, Minnesota, 56721 to consider the application of Delisle Properties LLC or any affiliate thereof, for tax incentives to retain jobs and investment for a business expansion located at 2108 Business Highway 2, East Grand Forks, MN 56721, legally described as follows:

The following described Property located in Polk County, State of Minnesota:

That part of the Northwest Quarter of the Northeast Quarter (NW1/4NE1/4) of Section Seven (7), Township One Hundred Fifty-one (151) North, Range Forty-nine (49) West of the Fifth Principal Meridian, which part is described as follows, to-wit:

Beginning at the Northwest corner of the NE1/4 of Section 7, Township 151 North, Range 49 West, said point being the true point of beginning; thence south along the west line of said NE1/4 of a distance of 812.0 feet more or less to the Northeasterly right of way limit of Minnesota Trunk Highway Business 2; thence proceeding southeasterly along said northeasterly right of way limit for a distance of 299.61 feet more or less to an intersection with a line lying parallel with and 270.00 feet distant easterly from the aforesaid west line of the NE1/4 of Section 7; thence proceeding northerly parallel with and 270.00 feet distant easterly from the aforesaid west line of the NE1/4 of Section 7, for a distance of 944.36 feet more or less to the North line of the said Section 7; thence proceeding westerly along the said north line of Section 7, for a distance of 270.01 feet, to the true point of beginning, said described tract being comprised of 5.443 acres lying wholly in the NW1/4NE1/4 of Section 7, Township 151 North, Range 49 West, County of Polk, State of Minnesota, and said tract being subject to County roadway easement along its northerly edge;

Together with all hereditaments and appurtenances belonging thereto.

Parcel Number: 83.03242.00

All Economic Development Authority meetings are open to the public. A competitor of the applicant or any other interested person or governmental unit may provide written comments to the City of East Grand Forks prior to the above referenced EDA meeting date by mailing the same to the City of East Grand Forks, Attention: Economic Development Director, 600 DeMers Ave NW, East Grand Forks, Minnesota 56721. This notice is given by the above-named applicant/project operator pursuant to the provisions of Minnesota Statutes, Section 469.1734, Subdivision 7. Published 9/13/2023, and 9/20/2023.

Dated: September 13, 2023

**BY ORDER OF THE CITY COUNCIL OF  
THE CITY OF EAST GRAND FORKS,  
MINNESOTA**

/s/ Paul Gorte  
Economic Development Director  
Economic Development Authority  
City of East Grand Forks, Minnesota

**CITY OF EAST GRAND FORKS**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION GRANTING BORDER CITY DEVELOPMENT  
ZONE TAX CREDITS PURSUANT TO A BUSINESS SUBSIDY  
AGREEMENT BETWEEN CITY AND DELISLE  
PROPERTIES, LLC**

WHEREAS, Delisle Properties, LLC, doing business as Harriston-Mayo LLC, Mayo Manufacturing, or an affiliate thereof (the “Developer”) desired to remain doing business in East Grand Forks in a certain property containing buildings located at 2108 Business Highway 2 (Parcel 83.02342.00) in the City of East Grand Forks, Minnesota (the “City”) for use by the Developer as a manufacturing facility and related office space as part of the Developer’s operation of its business (collectively, the “Minimum Improvements”); and

WHEREAS, the Developer has continued to expand and add quality jobs in the City and had continued to invest in the Minimum Improvements by adding equipment to the site in an amount of \$793,000; and

WHEREAS, the City has designated a Border City Development Zone (“BCDZ”) and has the authority pursuant to Minnesota Statutes, Section 469.1732, subd. 1 and 469.1734, subd. 3 to grant a partial or complete exemption from property taxation of all buildings, structures, fixtures, and improvements used in or necessary to a qualifying business within or outside the BCDZ; and

WHEREAS, under Minnesota Statutes, Section 469.169, subdivisions 14 through 21, the City has received an award of state funds to provide tax credits under Minnesota Statutes, Section 469.171, 469.1732, 479.1732, so long as the municipality determines that the granting of the tax reduction or offset is necessary to retain a business within or attract a business to the zone; and

WHEREAS, the Developer has represented that but for the public assistance it would be forced to relocate its current operations in the City out of the State of Minnesota and into another State, removing 38 jobs from the State as well as vacating a property with significant investment without the public assistance; and

WHEREAS, the City has received a completed application filed in accordance with applicable City procedures, policy, and guidelines from the Developer requesting a property tax exemption (the “Tax Incentives”) in order to make the Minimum Improvements economically feasible; and

WHEREAS, the application form filed with the City and all associated documentation have been reviewed and evaluated by City staff; and

WHEREAS, proper notice has been provided to competitors pursuant Minnesota Statute Chapter 469.1734, Subdivision 7; and

WHEREAS, granting the Tax Incentives is in the best interest of the City to enhance its property tax base, prevent an existing business from leaving the City and the State, and retain existing jobs and add new jobs in the City.

WHEREAS, the Tax Incentives requested by the Developer are a business subsidy under Minnesota Statutes, Sections 116J.993 through 116J.995, as amended;

WHEREAS, the City Council has approved a Business Subsidy Agreement, between the City and Developer (the "Business Subsidy Agreement") providing for the granting of the Tax Incentives to the Developer and the Developer's duties and responsibilities related to the business subsidy; and,

WHEREAS, Developer constructed the addition and added the jobs identified in the Business Subsidy Agreement and said structure has now come up to full value, making it timely to use the Border Cities tax credits to the maximum benefit of the business;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of East Grand Forks, that:

1. Based on representations of the Developer, the Council finds that the job loss was specific and demonstrable. Granting the Tax Incentives to the Developer is necessary for the company to remain and retain jobs in the City and is in the best interests of the City.
2. The City hereby approves the application and grants the Developer an exemption from property taxation of building value subject to the terms and conditions in this resolution, the Business Subsidy Agreement, and Minnesota Statutes in the amount not to exceed \$36,000.
3. The City Clerk is hereby directed and authorized to certify this grant of exemption from property taxation to the City Assessor and County Assessor.
4. The Mayor and the City Administrator are authorized and directed to execute the any documents or certificates necessary to carry out the transactions described in the Development Documents.

Approved by the City Council of the City of East Grand Forks this \_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Mayor

ATTEST:

City Administrator

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## MEMORANDUM

Date            October 10, 2023  
To                EDA  
From             ED Director  
Subject          EDA Budgets

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Last month the EDA recommended approval of the budgets for the 620 and 280 accounts. This month the 2024 budgets for Sunshine Terrace and the Infill Building are before you for review and recommendation. The budget for the Infill Building includes updated rental revenue data.

Recommendation

Recommend approval of the 2024 budgets for Sunshine Terrace and the Infill Building.

## Sunshine Terrace

Expenditure	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Sunshine Terrace	\$ 546,854	\$ 585,873	\$ 569,217	\$ 610,922
<b>Total</b>	<b>\$ 546,854</b>	<b>\$ 585,873</b>	<b>\$ 569,217</b>	<b>\$ 610,922</b>

Expenditure Type	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Personnel	\$ 114,325	\$ 112,850	\$ 127,327	\$ 133,105
Other operating	432,529	473,023	441,890	477,817
Capital Outlay	-	-	-	-
<b>Total</b>	<b>\$ 546,854</b>	<b>\$ 585,873</b>	<b>\$ 569,217</b>	<b>\$ 610,922</b>

Funding Source	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Rent	\$ 451,417	\$ 483,201	\$ 512,072	\$ 510,000
Other Revenue	14,433	14,902	14,500	14,500
Interest - Misc	(8,535)	23,009	7,000	12,000
<b>Total</b>	<b>\$ 457,315</b>	<b>\$ 521,111</b>	<b>\$ 533,572</b>	<b>\$ 536,500</b>

### PERSONNEL (FTE'S) SUMMARY BY ACTIVITY

	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Sunshine Terrace	2.00	2.00	2.00	2.00
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>

**City of East Grand Forks, Minnesota  
Sunshine Terrace**

Account Number	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>Revenues</b>					
630-34-000-34100	Rent Income - Non Hap	236,706	247,242	249,362	250,000
630-34-000-34101	Rent Income - Hap	214,711	235,959	262,710	260,000
630-34-000-34200	Tenants Electrical Proceed:	2,488	2,756	2,500	2,500
630-34-000-34201	Excess Electrical/apartmen	0	-	-	-
630-34-000-34900	Non Dwelling Rent	11,945	12,146	12,000	12,000
	\$	465,850 \$	498,102 \$	526,572 \$	524,500
<hr/>					
630-36-000-36210	Interest Earnings	(18,240)	14,036	-	3,000
630-36-000-36901	Miscellaneous Revenue	9,705	8,974	7,000	9,000
	\$	(8,535) \$	23,009 \$	7,000 \$	12,000
<hr/>					
	<b>Total Revenues</b>	<b>\$ 457,315 \$</b>	<b>\$ 521,111 \$</b>	<b>\$ 533,572 \$</b>	<b>\$ 536,500</b>
<hr/>					
<b>Expenditures</b>					
<b>SS Terrace Admin</b>					
630-46-410-41010	Salaries & Wages	25,235	25,313	21,170	22,431
630-46-410-41020	Salaries & Wages - Overtir	0	-	-	-
630-46-410-41210	PERA Contributions	1,914	1,940	1,588	1,682
630-46-410-41220	FICA Contributions	1,935	1,962	1,619	1,716
630-46-410-41290	Sick Leave Contributions	0	-	-	-
630-46-410-41300	Insurance Contribution	(37)	424	25	25
630-46-410-41510	Worker's Compensation	1,961	2,198	2,528	2,528
630-46-410-43080	Educational/Training Fees	0	-	-	-
630-46-410-43200	Communications	368	374	380	600
630-46-410-43300	Travel Expenses	0	-	-	-
630-46-410-43610	L/P/F Insurance	27,522	15,734	17,307	19,464
630-46-410-44330	Dues & Subscriptions	340	458	600	600
630-46-410-44380	Property Betterment/Improv	0	-	-	-
630-46-410-49900	Pension Expenses	(7,506)	6,562	-	-



## Infill Building

Expenditure	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Infill Building	56,448	42,781	49,782	49,774
Depreciation	\$ 40,291	\$ 40,291	\$ 40,500	\$ 40,500
<b>Total</b>	<b>\$ 96,739</b>	<b>\$ 83,072</b>	<b>\$ 90,282</b>	<b>\$ 90,274</b>

Expenditure Type	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Personnel	\$ 628	\$ 846	\$ 3,397	\$ 3,389
Supplies	95	-	100	100
Other operating	55,725	41,935	46,285	46,285
Capital Outlay	-	-	-	-
Depreciation	\$ 40,291	\$ 40,291	\$ 40,500	\$ 40,500
<b>Total</b>	<b>\$ 96,739</b>	<b>\$ 83,072</b>	<b>\$ 90,282</b>	<b>\$ 90,274</b>

Funding Source	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Infill Building-Rent	69,758	86,804	77,490	81,029
General Fund - Transfer In	-	-	-	-
<b>Total</b>	<b>\$ 69,758</b>	<b>\$ 86,804</b>	<b>\$ 77,490</b>	<b>\$ 81,029</b>

### PERSONNEL (FTE'S) SUMMARY BY ACTIVITY

	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Infill Building	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## City of East Grand Forks, Minnesota Infill Building

Account Number	Description	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>Revenues</b>					
682-36-000-36210	Interest Earnings	(5,376)	11,234	-	
682-36-000-36220	Rental Revenue	75,134	75,570	77,490	81,029
682-36-000-36299	Miscellaneous Revenue	-	-	-	
		<b>\$ 69,758</b>	<b>\$ 86,804</b>	<b>\$ 77,490</b>	<b>\$ 81,029</b>
<b>Total Revenues</b>					
<b>Expenditures</b>					
682-46-503-41015	Saly &Wages-Bldng Mint	479	658	2,773	2,773
682-46-503-41210	PERA Contributions	36	49	208	208
682-46-503-41220	FICA Contributions	36	49	212	212
682-46-503-41300	Insurance Contributions	77	89	204	195
682-46-503-43610	L/P/F Insurance	1,391	2,623	2,885	2,885
682-46-503-42000	General Supplies	95	-	100	100
682-46-503-43200	Communications	1,020	968	1,100	1,100
682-46-503-43800	Utilities	12,601	14,633	15,000	15,000
682-46-503-44000	Repairs & Maintenance	24,925	8,118	11,000	11,000
682-46-503-44200	Depreciation	40,291	40,291	40,500	40,500
682-46-503-44230	Custodial Services	7,200	6,965	7,200	7,200
682-46-503-44300	Miscellaneous	-	-	100	100
682-46-503-44350	Real Estate Taxes	8,588	8,628	9,000	9,000
		<b>\$ 96,739</b>	<b>\$ 83,072</b>	<b>\$ 90,282</b>	<b>\$ 90,274</b>
<b>Total Expenditures</b>					
		<b>\$ 96,739</b>	<b>\$ 83,072</b>	<b>\$ 90,282</b>	<b>\$ 90,274</b>