

APPROVED 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.

September 12, 2023

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

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 1st, 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 1st 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