

**AGENDA
OF THE WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, JANUARY 23, 2024 – 5:00 PM**

CALL TO ORDER:

CALL OF ROLL:

DETERMINATION OF A QUORUM:

- 1. Review of Draft Economic Development Strategy – Paul Gorte & Mark Schill**
- 2. Update on Neighborhood Revitalization Program – Paul Gorte**

ADJOURN:

Upcoming Meetings

Council Meeting – Tuesday, February 6, 2024 – Council Chambers – 5:00 PM
Work Session – Tuesday, February 13, 2024 – Training Room – 5:00 PM
Council Meeting – Tuesday, February 20, 2024 – Council Chambers – 5:00 PM
Work Session – Tuesday, February 27, 2024 – Training Room – 5:00 PM

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.

Request for Council Action

Date: January 23, 2024

To: East Grand Forks City Council Mayor Steve Gander, Council President Mark Olstad, Council Vice-President Tim Riopelle, Council members Clarence Vetter, Ben Pokrzywinski, Dale Helms, Brian Larson, and Karen Peterson.

Cc: File

From: Economic Development Director

RE: Draft Economic Development Strategy

Last October the EDA began, with the City Council, Planning Commission, and businesses, to update its economic development strategy. About 40 people met at the Eagles Aerie to discuss economic development and identify future directions and priorities for the EDA.

Based upon the input from that meeting, the Director has worked with Mark Shill from Praxis to develop an updated strategy. The draft strategy is now ready for discussion and confirmation. The draft strategy will be presented to the EDA and City Council on January 23 and then to all the invitees on January 30. Upon confirmation that the strategy fairly and accurately reflects the thoughts of the people involved in the process, the strategy will be used to guide future directions and to structure the EDA and City economic development to achieve the desired work. The strategy and the restructuring will be used to update the job description for the Economic Development Director for the person who will replace the current, retiring Director.

Recommendation:

Discuss the proposed strategy and evaluate whether it fairly and accurately represents the future direction for City economic development.

East Grand Forks Economic Development Priorities and Work Plan -- DRAFT



January 2024

This strategic framework comprises two parts: 1) cross-cutting priorities that impact all of the City's and EDA's efforts and 2) set of core work areas that define economic development in East Grand Forks. This framework was created with input from local businesses, staff, EDA Board, Planning and Zoning Commission, and City Council.

Economic Development Strategic Priorities

1. Place highest priority on helping existing businesses grow.
2. Increase commercial real estate space and development sites.
3. Increase marketing and communications efforts for East Grand Forks.
4. Create explicit mechanisms to engage and cooperate with the local business community.
5. Continue to facilitate housing development in the city, but discontinue land development projects by the EDA and devote capacity to other efforts.

Core Work Areas

The EDA's economic development work is defined by four key work areas:

1. Local business development
2. New business development
3. Connect / Convene / Communicate
4. Land and Site Development

Local Business
Development

New Business
Development

Connect
Convene
Communicate

Land and Site
Development

Local Business Development

Support for existing businesses in East Grand Forks.

- Local Business Retention / Expansion
 - Regular visits with local businesses
 - Periodic business meetings
 - Ensure availability with an open door policy
- Administer and Coordinate Assistance Programs
 - Revolving Loan Funds
 - Border Cities Development Zone
 - Tax Abatements
 - DEED / State programs
 - Federal programs
 - Other programs
- Support Existing Retail

- Support for downtown
- Support for 220 Corridor
- Support for 2 Corridor
- Use financial assistance programs
- Identify ways to support façade improvement and similar programs

New Business Development

Support for businesses new to East Grand Forks.

- Business Attraction
 - Target businesses
 - Agribusinesses
 - UAV
 - Medical
 - Retail
 - Contact targeted businesses
 - Work with DEED to coordinate RFP opportunities
- Identify and Support Entrepreneurs
 - Work with USAF discharges
 - Work with high schools
 - Work with universities and colleges

Connect / Convene / Communicate

Play a coordination and capacity-building role to further important issues in East Grand Forks

- Marketing Campaigns
 - City as a whole
 - Spaces and facilities
 - Events
 - Social media
- Communications / Facilitation
 - Filter and share appropriate information
 - Maintain business lists by type
 - Maintain distribution lists by type
- Quality of Life
 - Play supporting role in City activities that support quality of life to retain existing and attract new residents
 - Schools
 - Childcare
 - Parks and Recreation
 - Public safety
 - Public works
- Maintain workforce partnerships and information
 - NVCE
 - NWPIC

- Wave Academy
- Liaison to employers

Land and Site Development

Facilitate development of critical real estate in East Grand Forks

- Identify sites and resources to increase space available for economic development
 - Industrial
 - Retail
 - Office / service
 - Land
 - Buildings
 - Zoning flexibility (regulatory update)
- Housing
 - Promote development of workforce housing, including home ownership
 - Refine standards to reduce costs without reducing quality.
 - Larger units for New American larger families

Next Steps

1. Refine and ratify strategic priorities.
2. Refine and ratify core work areas.
3. Prioritize work areas and specific actions.
4. Allocate resources for economic development.
5. Redefine priorities in the context of diminishing resources.
6. Restructure the EDA to facilitate the implementation of new strategy.

The Future of Economic Development in Grand Forks

Planning Session
October 2023



East

In late October 2023 more than 30 local businesspeople, elected leaders, City staff, and other stakeholders gathered for an afternoon discussion to help chart the course for the future of economic development efforts by the City of East Grand Forks. This report is a summary of that discussion.

Nearly half of the meeting’s attendees were private sector businesspeople, including several business owners and entrepreneurs. Several City Council members attended, along with members of the Planning Commission and Economic Development Authority Board.

The community has seen several successes in recent years, including:

- Construction and maintenance of the flood protection system,
- Quick creation of COVID impact relief programs, including a loan program,
- Establishing its downtown as a regional magnet,
- Creation and operation of many locally-owned, unique businesses,
- Administration of successful housing lot development programs,
- Shared infrastructure systems with Grand Forks, and
- Creating a safe community that does a good job delivering basic services.

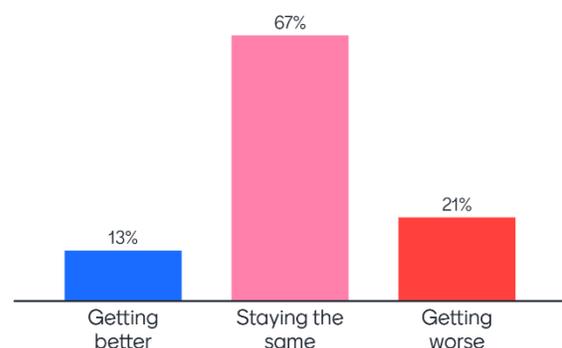
The Current Situation

While all agree that East Grand Forks is a high-quality community and a good place to live, there is a growing sense of stagnancy in the community.

The local economy is...

Key challenges include:

1. Lack of land for manufacturing or light industrial development,
2. Shortage of commercial real estate for new business opportunities,
3. Need for more housing, particularly starter homes and workforce housing,
4. Unfriendly business climate in the state of Minnesota,
5. Perception of a lack of intercity bridge hampering development in East Grand Forks.



Increasing immigration is growing the community and adding to the workforce but also stressing the limited affordable housing market. There is a need for more childcare.

Growth in the community has slowed. The City is facing a critical challenge for its economic development efforts: the cost of basic services is rising, leaving less financial capacity for economic development. There is no appetite for raising taxes. Commercial and residential growth could help with this public revenue shortage. Even though the Minnesota business climate is an obstacle, the state also offers many programs for individuals and

businesses. East Grand Forks should identify and promote the programs to its residents and businesses. While the business climate may be weaker, there are likely other elements of life in Minnesota that may appeal to some residents. This would differentiate East Grand Forks from other surrounding communities.

Economic Development and EGF EDA SWOT Analysis

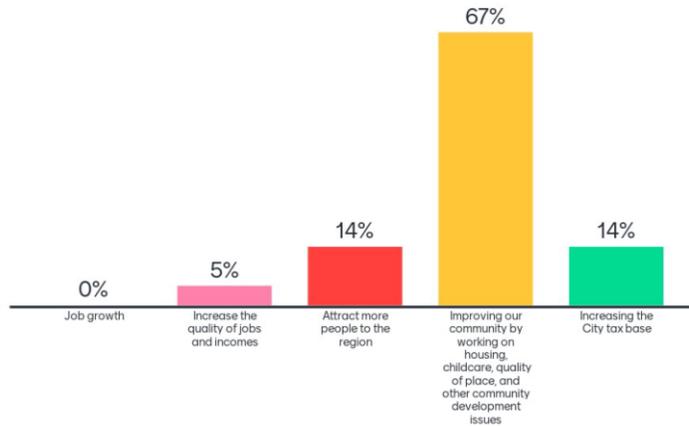
	Helpful to achieving the objective	Harmful to achieving the objective
Internal (relative to City/EDA)	<p><u>Strengths</u></p> <ul style="list-style-type: none"> • Successful housing lot development program with some remaining land to develop with high demand • Strong local business community ready to participate in development efforts • Significant state assistance programs for residents and economic development projects • Successful past partnerships with Chamber, Convention and Visitors Bureau, and Grand Forks • City is approachable and EDA has shown nimbleness in pandemic response 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> • Diminishing resources for economic development as City costs increase and commercial growth is slow • Need for prioritization and focus in economic development efforts • Perception that some in community may be opposed to growth
External (relative to City/EDA)	<p><u>Opportunities</u></p> <ul style="list-style-type: none"> • Safe community with quality public services • Many successful lifestyle assets including downtown, campground, greenway, swimming pool, library, and outdoor amenities • Intercity bridge could catalyze commercial and residential development in southern East Grand Forks • Quality schools and two-year higher education training • Proximity to a multi-billion-dollar manufacturing industry in NW Minnesota 	<p><u>Threats</u></p> <ul style="list-style-type: none"> • Limited land for industrial development • Shortage of commercial property • Need for more housing, particularly starter homes and workforce housing • Unfriendly business climate in the state of Minnesota

Defining the Role of EDA

The East Grand Forks EDA is a critical organization with a key role to play in the city’s future. The organization is a critical conduit for economic development efforts and program. Perhaps more importantly in the short term, the organization can elevate its voice in the community showing leadership, vision, and big thinking. There is a call for a shift in mentality in East Grand Forks towards more aggressive efforts and channeling the support in the community.

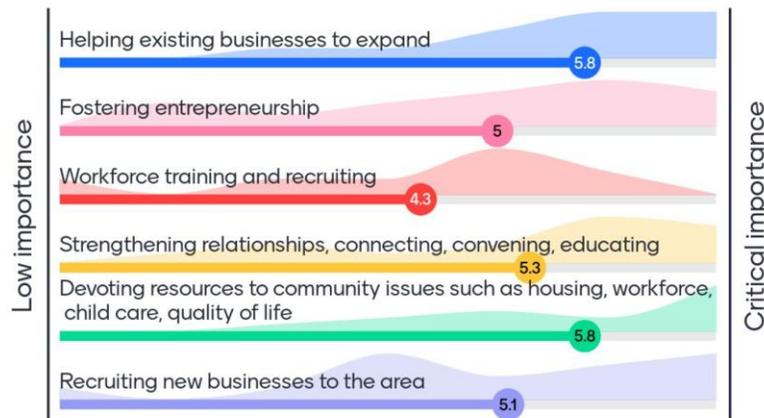
Participants in the planning discussion believe the primary economic development goal in East Grand Forks is to improve community development challenges, such as childcare, housing, and quality of life issues. Improving these areas of the community will lead to growth and more prosperity in the community.

What's the most important goal for East Grand Forks?



Generally, the City and EDA should focus on assisting existing business to expand, focusing on community development work, and serving a role as a connector and broker.

Rate the importance of each potential role for EGF to execute.



Defining Success

Growth resonates as a key success measure for East Grand Forks economic development. Suggested success measures include:

- Growth of tax base and sales tax receipts
- Population growth
- Increased housing starts and more available housing
- Growth of business establishments

The Way Forward

The group defined a series of initial potential ideas and action steps for the City, EDA, and community to pursue across several categories: business development, retail business, housing, and workforce.

Overall, there is a crosscutting desire to focus on “marketing” the city, yet this comes in many different forms based on audience. At the same time other partners in the region are already executing some of this work. Audiences for marketing in the community could include: businesses and citizens already in the community, businesses outside the community looking to expand, individual people and entrepreneurs considering moving to East Grand Forks, and potential visitors. Each of these target groups require specific tactics and specific messages. The City/EDA should first inventory current marketing efforts on behalf of the region – including its own – and assess where it can best assist and fill gaps in the marketing landscape.

There is some desire to eliminate the regional brand and moniker of “Grand Cities” in favor of “The Forks” because it aligns better with local lexicon. Making this shift would require significant collaboration with Grand Forks.

Business Development Work

1. Expand industrial land in East Grand Forks. This work will require continued relationships with landowners and investments in key infrastructure.
2. Assess the commercial property market and develop a plan to increase access to space.
3. Assess the landscape of MN DEED assistance programs and maximize local impact of programs.
4. Monitor changes to Minnesota power generation policy and maintain strong relationships with Crystal Sugar and other key local power users to minimize impact.
5. Increase specific focus on individual entrepreneur assistance and recruitment.
6. Create explicit mechanism to continue to engage and involve local businesspeople in economic development work.

Retail Business Development

There is some question whether retail development can be significantly effective. Major retail chains have specific individual criteria for new locations and overall retail has contracted nationally in recent years. Many major retailers have reduced operations or ceased business entirely. Decisions made by these large retailers are unlikely to be significantly influenced by the City. Yet, East Grand Forks has seen success of locally-owned smaller retailers and hospitality businesses. Focusing on these local businesses may be the most effective way forward.

East Grand Forks is home to many unique local businesses and personalities, such as Molly Yeh. This could become a key platform for establishing community identity and promotion.

To assist retail the City should:

1. Assess and modify existing land use policies and land development processes to maximize opportunities.
2. Work to ensure that development sites and businesses are accessible to development.

Housing

Though the City and EDA has successfully developed land in the past and there continues to be demand, there is consensus that the City should no longer own residential lots. It should find other ways to promote housing supply in East Grand Forks. Site planning, platting, and lot sales are laborious activities, and EDA's capacity could be better spent on other business development work.

1. Liquidate existing residential land in a way that promotes residential lot and home development.
2. Create a plan and cost estimates to serve the land on 23rd with infrastructure.

3. Assess possibilities and limitations of state tax increment financing law.
4. Consider programs to incentivize multifamily housing rehabilitation.
5. Assess potential to increase code enforcement for non-conforming deteriorating structures

Workforce Development

EDA currently serves as a connector and broker, working to link and leverage businesses and workers to existing workforce development programs. This role should continue and workforce development should not be the primary purpose of EDA.

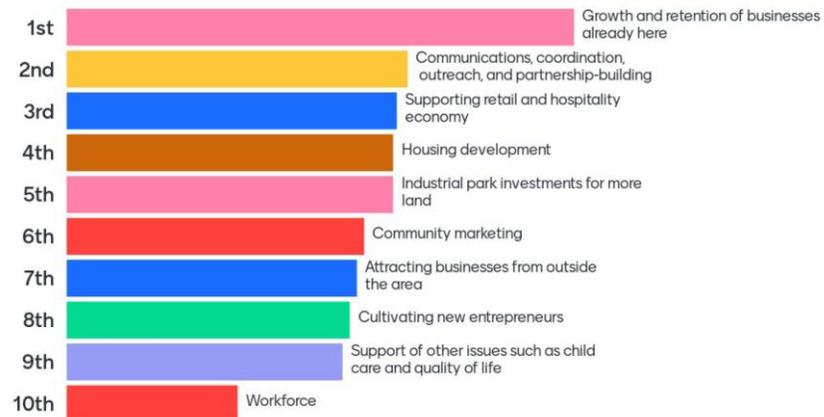
Core Priorities

Participants see assisting existing business – including supporting retail and hospitality business -- as the critical immediate priority for economic development work. Other core economic development priorities are:

1. Positioning as a broker, connector, and convenor for business, education, and government
2. Promoting housing development
3. Increasing access additional industrial and commercial sites and properties
4. Augmenting community marketing

Workforce development remains a key issue, but this work is better defined as “connecting and convening.”

Rank these priorities in order of importance in the short term



Key Takeaways and Issues

The October 2023 was a constructive and robust discussion. Several key themes emerged that can serve as guideposts for the immediate future of the EDA:

1. The business community is engaged and ready to support economic development in East Grand Forks.
2. The City is approachable, yet it should create more explicit ways to collaborate with the business community on economic development and community growth.
3. While housing remains a community challenge, EDA should not continue to serve as a primary developer of residential lots. This would allow EDA to shift staff resources to other activities.
4. Lack of industrial and commercial land is the most critical limitation to growth of the tax base.
5. There is a desire to adopt an aggressive mentality and to amplify marketing efforts across all of the City/EDA’s business development activities.

- 6. The EDA should become a key conduit for promoting a positive business development mentality and big vision for East Grand Forks.

Next Steps

The EDA should develop a framework for action to help structure the next stage of work for the organization. A potential framework for action – for discussion purposes only – is outlined below:

Business Development	Connecting & Convening	Land Development	Community Marketing
<ul style="list-style-type: none"> • Support programs and incentives • Targeted recruiting • Identify and support small entrepreneurs • Serve as “frond door” to City services 	<ul style="list-style-type: none"> • Workforce development • Visioning • Convening business community 	<ul style="list-style-type: none"> • Divest existing residential lots • Incentivize housing development • Support multifamily rehabilitation 	<ul style="list-style-type: none"> • Assess and augment existing efforts for metro • Identify and execute EGF-specific marketing activities

Request for Council Action

Date: January 23, 2024

To: East Grand Forks City Council Mayor Steve Gander, Council President Mark Olstad, Council Vice-President Tim Riopelle, Council members Clarence Vetter, Ben Pokrzywinski, Dale Helms, Brian Larson, and Karen Peterson.

Cc: File

From: Economic Development Director

RE: 2024 Gate City Bank Neighborhood Revitalization Program Proposal (Home Improvement Program) (Informational)

Gate City Bank contacted the Director about renewing the Neighborhood Revitalization Program (Home Improvement Program) for 2024. Last year the staff had problems with loan recipients who were referred to the program but, after successfully receiving a loan, never returned to the City for a permit. Some of these loan recipients either performed the work without permits or called for inspections without having obtained permits. In addition, some loan recipients sought Utility rebates without having received a permit or having inspections. The City has requested that all successful loan recipients be provided with a written reminder to obtain a permit from the City. Gate City Bank is reviewing the request for a written reminder. The City may also look at having each person referred to Gate City Bank sign a release to allow the City to obtain information whether their loan application was successful.

Gate City Bank also asked the City to review the attached eligibility parameters for the loan program. Because of inflation, the Director suggests that the maximum assessed value be increased to \$400,000.

The City staff believes that the program provides a valuable opportunity for people to reinvest in their homes but is concerned about the non-compliance regarding permitting. The City staff will continue to seek ways to improve compliance with the permitting requirements.

The EDA will discuss this item at its January 23 meeting.



For a Better Way of Life.®



Home Improvement Partnership Program (HIPP) Application

Thank you for your interest in applying for the East Grand Forks Home Improvement Partnership Program. We look forward to working with you on a project that will improve your home and help to enhance the neighborhood in which you live.

APPLICATION DEADLINE

The deadline to apply for the 2024 HIPP Program is **October 31, 2024**.

ELIGIBLE IMPROVEMENT COSTS

Funds may be used to address code and structural corrections, energy improvements, and general property improvements. Loans are available to finance new improvements not yet under construction, and if there are code corrections identified during the inspection, they must be addressed as part of the project.

APPLICANTS

Loan applicant must be the owner-occupant of the home and meet Gate City Bank's credit standards for repayment of the improvement loan.

PROPERTY REQUIREMENTS:

- Located within the City of East Grand Forks Municipal Boundaries.
- Zoned for residential use
- Outside of 100-year floodplain
- Current assessed property value less than \$300,000
- Owner-occupied single family attached or detached units
- Current on property taxes and special assessments

LOAN TERMS

- Repayment options of 10 or 15 years with an APR as low as **4.99%****
- Minimum loan \$10,000/Maximum loan \$100,000
- Maximum loan-to-value 90%
- Property owner responsible for closing costs & customary fees (including possible appraisal fees if required)

*** Terms and conditions may apply. A \$50,000 home equity loan at 4.98% interest rate for 120 monthly payments of \$529.97 will have a 4.99% annual percentage rate.*

QUESTIONS on Property, Contractor, or Renovation Items?

Call or E-mail City of East Grand Forks Economic Development
Phone: 218.773.8939 Email: pgorte@egf.mn

QUESTIONS on Loan Processing/Appraisals?

Call or E-mail Brittney Clinton at Gate City Bank
Phone: 701.293.2565 Email: BrittneyClinton@gatecity.bank

PROJECT MUST INCLUDE AT LEAST ONE:

- Foundation work (drain tile, bracing)
- Siding, roofing, windows, or other major exterior upgrades
 - Garages must meet zoning code requirements for allowable square footage. Projects requiring variance requests for larger square footage will be ineligible.
- Addition of bedroom or new living space
 - Must meet the zoning requirements for allowable performance standards (i.e., setbacks, impervious coverage, square footage)
- Major interior remodeling (i.e., kitchen remodel, bathroom remodel)
- Replacement of major mechanical systems (furnace, electrical system, plumbing)
- Convert rental unit to owner-occupied

INELIGIBLE PROPERTY TYPES

- Duplex
- Condo
- Mobile Home
- 3-Plex
- Rental Property*

*unless being converted from rental to single-family, owner-occupied housing

PLEASE SUBMIT YOUR COMPLETED APPLICATION TO:

City of East Grand Forks
Attn: Paul Gorte, ACIP – Economic Development Director
600 DeMers Avenue NW
East Grand Forks, MN 56721
Email: pgorte@egf.mn

At the time of application, you will be required to obtain any relevant building permits and pay any associated fees for the work through the Economic Development Department. Completed applications will be forwarded to Gate City Bank for loan review and the loan decision will be provided by Gate City Bank. After the work is completed, an inspection may be necessary to complete the permit. Contact the City Building Inspections department for more information on permits, fees, and inspections process, 218.773.8939.



REPAYMENT OPTION APPLICANT IS INTERESTED IN**(check one box below):** 10-Year 15-Year**SECTION A: General Information**

Name - Applicant 1		Daytime Phone with Area Code	
Name - Applicant 2		Daytime Phone with Area Code	
Address			
E-mail – Applicant 1			
E-mail – Applicant 2			
Estimated Amount Requested			

SECTION B: Property Information

What type of work are you interested in completing? Check (✓) and describe below.	
Types of Work	Describe Work
<input type="checkbox"/> Electrical	
<input type="checkbox"/> Plumbing	
<input type="checkbox"/> Heating/Cooling	
<input type="checkbox"/> Foundation/Basement	
<input type="checkbox"/> Roof	
<input type="checkbox"/> Windows/Doors	
<input type="checkbox"/> Siding	
<input type="checkbox"/> Garage	
<input type="checkbox"/> Addition	
<input type="checkbox"/> Kitchen Remodel	
<input type="checkbox"/> Bath Remodel	
<input type="checkbox"/> Interior Finishes	
<input type="checkbox"/> Accessibility	
<input type="checkbox"/> Landscaping/Deck	
<input type="checkbox"/> Convert from Rental	
<input type="checkbox"/> Other	

SECTION C: Additional Property Information

How many bedrooms, above grade, are in your house?	How many bedrooms, below grade with egress, are in your house?	
How many bathrooms: Full _____ 3/4 bath _____ 1/2 bath _____	Total square footage?	Estimated current market value: \$ _____
What type of heating system is in your home? (circle one) Gas _____ Electric _____ Other _____	Cooling system? (circle one) Central Air _____ Wall Air _____ Other _____	
Basement finished, partially finished, or not finished? (if partial, please note what percentage is finished)	Homeowner's Insurance Company: _____ Agent's Name: _____ Agent's Phone: _____	

Please describe any existing, notable interior features or upgrades to your home (e.g., fireplace, sauna, hot tub, sunroom, bar, patio, deck, fence, home theatre, full kitchen/bathroom remodels, stone countertops, finished basement):

Amount Applicant would like to borrow: \$ _____

All information furnished is for confidential use of the City of East Grand Forks or Gate City Bank. Under North Dakota Law, it is a crime to use false or misleading information in this application in order to qualify for a loan.

Signatures: I certify that everything I have stated in this application and on any attachments is correct. You may keep this application whether or not it is approved. I authorize you to check my credit and employment history and to answer questions others may ask about my credit with you. I understand that I must update credit information at your request if my financial situation changes.

Signature

Date

Signature

Date



What you will need for the Home Improvement application with Gate City Bank:

- Estimated Completion Date – Up to 9 months to complete from date of closing
- Bids or estimates for the projects (from contractors or DIY projects needs to be priced out)
- Current income verification – (paystubs, W2's, tax returns)
- Current Mortgage Statement and/or escrow statement
- Current Homeowners insurance policy binder

After the loan has been closed Gate City Bank does disburse the funds directly to the contactor or reimburses for DIY projects. Will need to have invoices or receipts for reimbursement.