

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 November 21, 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: Dale Helms, Ben Horken, Justin Hecht, Brian Larson, and Daniel Black

Absent: Diane Blair

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

Also Present: Abdirisak Duale, New American Integration Center, Barry Wilfahrt, Chamber President and CEO

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

2. **Approval of Minutes**

a. October 10, 2023, Regular Meeting

A Motion was made to approve the October 10, 2023, Regular Meeting Minutes, by Board Member Horken, seconded by Board Member Hecht. M/S/P-Horken, Hecht; 6-0, mc.

3. **Bills and Communications**

a. Review of Accounts Payable, October 17, 2023; November 7, 2023

No questions

b. Approval of Accounts Payable: November 21, 2023

A Motion was made to approve the accounts payable for November 21, 2023, by Board Member Horken, seconded by Board Member Black; M/S/P- Horken, Black; RCV: Larson-Y, Black-Y, Grinde -Y, Hecht-Y, Horken -Y, Helms-Y; 6-0, mc.

4. **Reports**

a. Delinquencies – None

b. Director's Reports: October 2023- EDD Gorte stated that the report was in the packet. No questions.

c. Financial Reports: September 2023, October 2023- FD Anderson stated that the fund reports were emailed out and the Cash Balance sheets are in the packet. Normal transactions. Account 633 is down \$26,000; \$8700 for 3 lots; for accounting purposes a check needed to be paid to the City for the Specials on those lots. No questions.

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6. Unfinished Business

- a. None

7. New Business

- a. New Americans Integration Center update for the EDA (Abdirisak Duale)
Abdirisak Duale was present to talk to the Board about what the NAIC does for new Americans; Refugee resettlement, food shelf, integration, immigration legal services, education, empowerment, employment opportunities, housing, transportation, translation, education in learning English, social services, community programs, youth & family programs, citizenship assistance, and driver education.

Council Representative Larson stated he had been to the Center for a tour; he thanked Abdi for the wonderful work they are doing.

- b. Strategy Summit Recap:

EDD Gorte stated that in October more than 30 people discussed Economic Development and he then reviewed the report by Mark Schill. 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,
- Expansions at several primary sector 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.

Key challenges include:

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

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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 benefits from Minnesota programs available to the Border Cities and 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

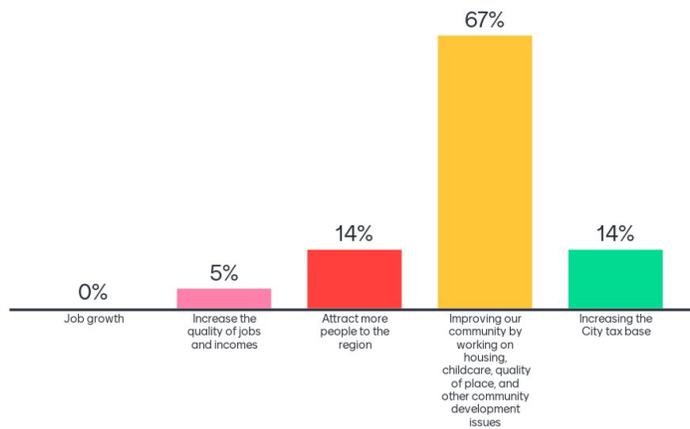
	Helpful to achieving the objective	Harmful to achieving the objective
Internal (relative to City/EDA)	<p>Strengths</p> <ul style="list-style-type: none"> • Successful housing lot development program with some remaining land to develop with high demand • Strong local business community ready to participate 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>Weaknesses</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>Opportunities</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>Threats</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.

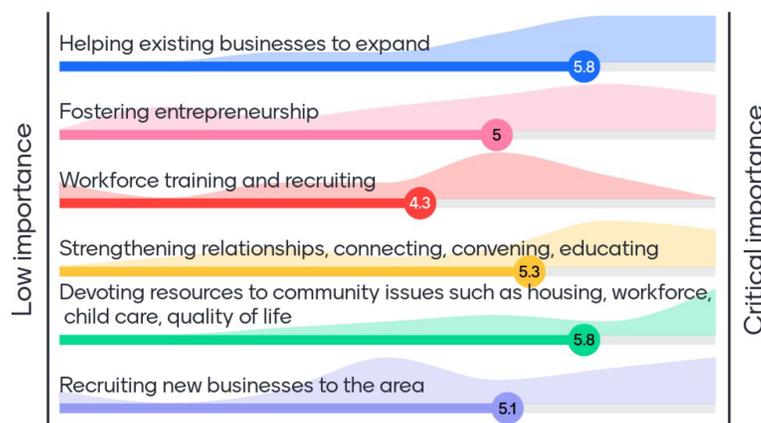
Participants in the planning discussion believe the primary economic development goal in East Grand Forks is to improve community development challenges, such as childcare, housing, and quality of life issues. Improving these areas of the community will lead to growth and more prosperity in the community.

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

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- 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:

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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
5. Supporting quality of life improvements

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

Key Takeaways and Issues

The October 2023 meeting 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.

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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 and spaces 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 “front 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

Council Representative Larson stated that the next steps should focus on business development and that EDD Gorte should figure out where we are short to kick off the development of the Industrial Park.

Council Representative Helms stated that the business district is past City Hall and downtown and that we should not forget about those businesses along Hwy 220.

Board Member Grinde stated that we need to focus on where our power is and market that.

c. Proposed Chamber Work Program as Related to the EDA

Chamber President and CEO Barry Wilfahrt was present to talk to the Board about the EDA/Chamber Partnership; The Chamber & EDA will work on ways to help EGF create a separate identity in 2024, they will continue to meet on a regular basis and continue to do the annual GROW MN business visits, they will work together to develop new ways to assist existing EGF businesses working with MN DEED, and to maintain a vibrant and thriving downtown entertainment district in EGF. The Chamber, GF EDC, EGF EDA, city administrators and both mayors meet several times a year to talk about how the

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two communities can collaborate more in the name of efficiency. The Chamber and EDA will partner on the possible sales tax vote in 2024.

d. 2024 Meeting Calendar with Deadlines.

EDD Gorte stated that in 2024, the EDA will meet on the 4th Tuesday of each month, except for the November and December meetings; because of the holidays, he is proposing a December 10th meeting to cover the November and December meetings.

Motion to approve the 2024 calendar and to combine the November and December meetings, and hold that meeting on December 10th, by Board Member Larson, was seconded by Board Member Horken. M/S/P- Larson, Horken; 6:0, mc.

8. Adjournment

Motion to adjourn the meeting was made at 12:36 by Board Member Hecht, was seconded by Board Member Black. M/S/P- Hecht, Black; mc.

The next regular meeting is December 19, 2023.

Respectfully Submitted,

Brenda Ault, Executive Assistant