

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 March 26, 2024

Roll Call:

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

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

Absent: Dale Helms

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

Also Present: Sarah Linda, Program Manager Northwest Minnesota Foundation, Chet Bodin, DEED, via TEAMS. Mark Shill, Praxis, Micheal Gornowicz and Randy Bosma, Fert-L-Lawn Lawn Care

1. **Roll Call:** President Grinde determined a quorum was present.
2. **Administration of Oath to Newly Appointed Board Member, Penny Stai**
CA Galstad administered the Oath to Stai. The Board Members welcomed her to the Board.
3. **Approval of Minutes**
 - a. February 27, 2024, Regular Meeting

A Motion was made to approve the February 27, 2024, Regular Meeting Minutes, by Board Member Black, seconded by Board Member Horken. M/S/P-Black, Horken; 6-0, mc.

4. **Bills and Communications**

- a. Review of Accounts Payable, March 5, 2024; March 19, 2024
No comments

5. **Reports**

- a. Delinquencies – None
- b. Director's Reports: February 2024- EDD Gorte stated that the report was in the packet. He also stated that MGI had contacted him because they had trouble getting workers. He worked with the Chamber and North Dakota Job Service to help fill the positions.
- c. Financial Reports: FD Anderson stated that they are currently working on the audit and will give a full report once the transfers have been completed.

She also informed the Board that she had completed a grant application for Childcare with DEED. They requested \$485,000 to open one daycare center and 3 family home based daycares. They are also having a childcare provider appreciation for the

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providers in East Grand Forks and are looking for donations for that event. If anyone has any questions on any of this information, they can contact her at City Hall.

6. Unfinished Business

a. Economic Development Strategy update (Schill)

EDD Gorte stated Praxis has been working with the EDA, City Council, Chamber, and the business community to update the EDA Strategic Plan. The updated Strategic Plan is designed to provide direction but be flexible to adjust as needed to accommodate the future. The Plan identifies priorities and core work areas. It also identifies actions where the EDA serves as the lead entity and other actions where the EDA supports broader, citywide actions.

The City Council will discuss the Plan at its work session on March 26. The Council may also make edits. The EDA will approve the updated Strategic Plan for adoption, on April 16th. The City Council will likely consider the Strategic Plan for adoption at its April 16 meeting as well. He invited Schill to address the Board. Schill stated that Economic Development Strategic Priorities were:

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 direct land development projects by the EDA and devote capacity to other efforts. Current City-owned lots should be sold organically over time until stock is exhausted.
6. For the next EDA Executive Director, prioritize communication, coalition-building, and sales skills.

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

Support for existing businesses in East Grand Forks.

- Local Business Retention / Expansion (including regular local business visits)
- Administer and Coordinate Assistance Programs
- Support Existing Retail

EDA Specific Actions

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1. Continue explicit business retention and expansion (BRE) visits and the new regular business needs meetings. Goal: at least two business contacts per month.
2. Continue targeted business financing programs and grants.

City Specific Actions (EDA Support)

1. Create and support opportunities to draw customers to town, including events, governor's fishing opener, concerts, youth sports tournaments, etc.
2. Support facilities – including sports – that host events and draw new customers to town.
3. Leverage service clubs for events and outreach.
4. Recommend signage and wayfinding for the city.

New Business Development

Support for businesses new to East Grand Forks.

- Business Attraction
- Identify and Support Entrepreneurs
- Continue advocacy and "sales" role, specifically targeting businesses in agriculture, UAS, medical, and retail sectors.

EDA Specific Actions

1. Maintain a strong relationship with Grand Forks Region EDC and the Chamber of Commerce.
2. Assess factors why businesses choose North Dakota over Minnesota and create a strategy to address what is possible to change.
3. Collaborate with DEED to coordinate economic development opportunities.

City Specific Actions (EDA Support)

Funnel economic development requests to the EDA.

Connect / Convene / Communicate

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

- Marketing Campaigns
- Communications / Facilitation
- Quality of Life Efforts
- Maintain workforce partnerships and information

EDA Specific Actions

1. Create a specific regular opportunity for EDA engagement with local businesses, such as a larger advisory committee.

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2. Create a strategy to incentivize businesses to improve aesthetics.
3. Create a strategy to improve aesthetics for entrances to the city.
4. Identify outside resources to support City beautification efforts and other quality of life initiatives.

City Specific Actions (EDA Support)

1. Assess marketing activities across City departments and coordinate where appropriate to maximize resources.
2. Play supporting role in City activities that support quality of life to retain existing and attract new residents.
3. Continue specific outreach regarding sales tax costs and benefits.
4. Support code enforcement activities.
5. Support adequate childcare availability in the community.

Land and Site Development

Facilitate development of critical real estate in East Grand Forks

- Commercial and industrial land development
- Housing development
- Infrastructure planning and investment
- City development policies and processes
- City-owned land sales and disposition policies and processes

EDA Specific Actions

1. Work to increase land available for industrial development.
2. Sell the existing residential lots held by the City.

City Specific Actions (EDA Support)

1. Support the creation of a strategy for infrastructure assessment and development.
2. Support improvements to the City's development agreement and land development processes and improve business friendliness where possible. Refine standards to reduce costs without reducing quality.
3. Assess access to utilities and services in industrial development areas:
 - a. Power
 - b. Natural gas
 - c. Water
 - d. Broadband and telecommunications
 - e. Sanitary and storm sewer

b. Economic Development Director Job Description as revised (Committee)

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EDD Gorte stated that at the last meeting, the EDA received a list of skills needed by the Economic Development Director and the current job description. President Grinde appointed an ad hoc committee to review the job description and recommend revisions. The Committee met and he invited the committee to speak to the Board.

CA Huttunen thanked the committee members and stated there was a lot of great brainstorming. He said the City had a market analysis of the Union Department Heads, but the EDA Director position was not one of them and the job description is several years out of date. They primarily focused on Essential Duties and Responsibilities.

He submitted the new job description to David Drown & Association, Human Resources Management Consultant for review of the position description and recommendation of a salary range on the City's 2024 pay plan. They had gotten back to him with a salary range of \$85,000-\$115,000, which is in line with what Thief River Falls has as a salary range for a fulltime Economic Development/City Planner.

Board Member Larson said he would like to see the Strategic Plan go out with the description of the Job to potential candidates.

CA Huttunen requested that CA Galstad meet with him to discuss whether this job would need to be sent through the Civil Service or not, since it is the EDA Board that determines the new hire.

CA Huttunen stated the timeline for this was approve the job description in April. Advertise in May/June. Interview June/July, offer the new employee and get them in so they will have 2 weeks with EDD Gorte.

After discussion, it was decided that there will be 2 panels who do the interviews. The EDA and the City Council, with city staff on the panels as well.

New Business

a. M & W services loan request

EDD Gorte stated that M & W Services wants to construct a new building on Business Highway 2 to house equipment for its business (Fert-L-Lawn). This is a \$330,000 project, M & W Services proposes to use \$110,000 in owner equity, \$110,000 in bank loans, and \$110,000 in EDA loans. The EDA loan would be at an annual interest rate of 4% for a term of 10 years. On March 20, the Loan Committee recommended approval of the loan.

He invited Micheal Gornowicz and Randy Bosma, Fert-L-Lawn Lawn Care to speak to the group. Mr. Gornowicz stated that he has had a loan in the past and that is almost paid off. He is using land he already owns and would like to expand his business in East Grand Forks.

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A Motion was made to recommend that the City Council approve a loan of \$110,000 to M & W Services at 4% interest for a term of 10 years, by Board Member Hecht, seconded by Board Member Horken; M/S/P- Hecht, Horken; RCV: Larson-Y, Black -Y, Stai -Y, Grinde -Y, Hecht-Y, Horken -Y; 6-0, mc.

b. Pierce land sale proposal

EDD Gorte stated Kevin Pierce read about the City's desire to increase the amount of commercial property available for use. Pierce submitted a proposal for the EDA/City to purchase 5-15 acres along the north side of Highway 2 at \$4.00 per square foot.

The Loan Committee considered this proposal and recommended against the purchase, based upon the land price and the lack of available funds.

A Motion was made to not purchase the land at this time, by Board Member Black, seconded by Board Member Larson. EDD Gorte stated he would like the motion revised to include that the EDA continue to work with Mr. Pierce on the development of that parcel.

A Revised Motion was made to not purchase the land at this time, the EDA will continue to work with Mr. Pierce on development of that parcel, by Board Member Black, seconded by Board Member Larson; M/S/P- Black, Larson; RCV: Larson-Y, Black -Y, Stai -Y, Grinde -Y, Hecht-Y, Horken -Y; 6-0, mc.

c. Promise Act Grand Program (Northwest Minnesota Foundation)

EDD Gorte stated The Northwest Minnesota Foundation (NMF) recently informed him that there will be a new grant program to assist small businesses. He invited Sarah Linda and Chet Bodin to speak to the Board.

They stated that the Northwest Minnesota Foundation will soon be accepting grant applications from small businesses and nonprofits to invest in existing operations or planned growth.

Through the PROMISE Act (Providing Resources and Opportunity and Maximizing Investments in Striving Entrepreneurs), created and funded by the Minnesota Legislature, the Northwest Minnesota Foundation, in partnership with the Department of Employment and Economic Development, has been awarded \$2.3 million to disperse one-time grants up to \$50,000 to businesses and qualified nonprofits. Businesses can use funds for working capital to support payroll expenses, rent or mortgage payments, utility bills, equipment, and other similar expenses that occur in the regular course of business.

The PROMISE Act program is intended to drive fair economic recovery by boosting small, rural, and minority-owned businesses, which face the largest barriers to accessing capital and resources.

The application process will consist of two steps:

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1. Applicants complete an application to assess eligibility. All businesses and nonprofits that believe they are eligible may complete the application.
2. If deemed eligible through the application, qualifying businesses and nonprofits will be invited to apply. The grant application window will be open no later than April 1, and will be open until April 30.

Black left at 12:59

Galstad left at 1:02

NMF expects more applications than there is funding available. Not all applicants can expect to receive funding.

This is the first of two rounds of the PROMISE Act grant program; the second round will be announced after July 1. Any awardees from the first round will be ineligible to receive a grant in the second round.

Priority will be given to businesses and nonprofits who received \$10,000 or less in previous financial assistance from state pandemic relief programs, and who meet the definition of financial hardship by showing a 10 percent decline in gross revenue or a decrease in net income from 2021 to 2022, as shown on tax returns.

Eligible applications will be businesses with \$750,000 or less in gross revenue that are located in the Northwest Minnesota Foundation's service area, which includes Red Lake Nation, White Earth Nation, and 12 counties (Beltrami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnomon, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau). For details on the grant process and how to apply, please visit <https://nwmf.org/grants-scholarships/grants/>. If you have any questions or need assistance completing the application, please email or call Mic McCrory at micm@nwmf.org or 218-558-5325 to be connected with a consultant.

8. Adjournment

Motion to adjourn the meeting was made at 1:09 by Board Member Black, was seconded by Board Member Hecht. M/S/P- Black, Hecht; mc.

The next regular meeting is April 16, 2024.

Respectfully Submitted,

Brenda Ault, Executive Assistant