

## **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 May 28, 2019, in the East Grand Forks City Council Room, East Grand Forks, MN.

1. **Roll Call:**

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

EDA Board present at roll, Board President Mike Pokrzywinski, Board Members Justin Hecht, Daniel Black, Dale Helms and Diane Blair.

Absent: Tim Johnson, Josh Grinde

Staff present: Paul Gorte (EDD), Economic Development Director; Brenda Ault (EA), Executive Assistant; Karla Anderson, Finance Director (FD), Megan Nelson, City Clerk (CC) and Ron Galstad (CA), City Attorney.

Also Present: Christine Anderson; Small Business Development Center

Roll Call: President Pokrzywinski determined a quorum was present.

2. **Approval of minutes of the May 15, 2019, Regular Meeting**

A Motion was made by Board Member Hecht, seconded by Board Member Black, to approve the minutes from the May 15, 2019 Regular Meeting. M/S/P- Hecht, Black, mc.

3. **Bills and Communications:**

a. Review of Accounts Payable May 21, 2019

No questions

4. **Reports:**

a. Delinquencies Update:

None

b. Monthly Financial Reports: April 2019

FD Anderson stated that April had normal transactions, she also wanted to remind the Board that the 280 Fund Lot Sale had a cash balance that is -26,887.21 in the hole. The Tax Abatements were paid out of this fund and this year it was \$72,000.

Board Member Black stated that he liked the reports emailed in full and just the cash balances for each fund on a separate sheet in the packet. The Board agreed stating that it was much easier to read and understand.

c. Director's Report

i. New City Platform: EDA web page options (CC Megan Nelson)

CC Nelson was present to talk to the Board about the City's new web page coming online this fall and showed them examples of other City websites. She explained the differences between a themed page and an un-themed page with the differences in costs. After

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discussion the Board was in agreement that they would like to go with the basic setup at a cost savings for the City and the EDA.

ii. Regional Market Capture Study Update – Board Member Black will be attending the meeting this afternoon.

CC Nelson left the meeting at 12:20 pm.

EDD Gorte stated he had been in contact with Mark Walker, from the City of Grand Forks in regard to the Demers Project. He has received a schedule on the project and would like to inform the Board.

Demers from 3<sup>rd</sup> to 6<sup>th</sup> St is closed currently and traffic is being detoured; 3<sup>rd</sup> and 6<sup>th</sup> intersections are open.

At the end of July or beginning of August, the 3<sup>rd</sup> to 6<sup>th</sup> St will open to vehicle traffic; 4<sup>th</sup>-6<sup>th</sup> Street intersections open; beginning to reconstruct Demers from the Sorlie Bridge to 3<sup>rd</sup> St with one lane of traffic open. Portable traffic signals will be used to control traffic.

Mid-September; all of Demers open to traffic while work continues on the sidewalks, traffic lights, street lights, streetscape items, etc.

Mid-October; sidewalks open

Mid-November; project complete.

5. **Unfinished Business:**

None

6. **New Business:**

a. Downtown Development

EDD Gorte stated that Blue could not make it today and would like to be added to the agenda at a later date.

b. Small Business Development Center: Christine Anderson will present:

Anderson introduced herself and said that she works out of the Crookston office. She further stated that NW MN entrepreneurs and small business owners can receive valuable assistance through 3 partnering entities. The University of MN EDA Center, the NW MN Small Business Development Center and the University of MN Crookston's Office of Outreach and Engagement.

Each semester the EDA and the SBDC integrates projects into courses offered on the campus; such as services for existing business, services for start-ups, training workshops and seminars and professional, confidential consulting. The SBDC is committed to use University resources to work with community partners on advancing high-growth entrepreneurship, business expansion and developing a high-skilled regional workforce.

They are currently recruiting new partners in these programs, any financial contributions are greatly appreciated and much needed.

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c. Mayo Manufacturing loan requests:

EDD Gorte reported that public hearings will be held at the City Council on June 4<sup>th</sup>. The local RLF loan to EDA on June 25<sup>th</sup> and the application to DEED for a State MIF Loans needs to be submitted as soon as the application is complete.

Mayo Manufacturing is a primary business that manufactures potato processing equipment and is seeking to expand its existing business by adding 70,000 square feet of industrial space at a cost of over \$600,000 to meet growing demand. The expansion will add 5 employees with wages starting at \$17-\$30 per hour. They are seeking a loan of \$150,000 from the State of MN through the City of East Grand Forks in the form of a MN Investment Fund Loan. Mayo is also seeking a loan of \$150,000 from the East Grand Forks Revolving Loan Funds.

They currently have 2 existing loans that are current; one loan will be paid off in 2022, the other in 2028.

He further stated that both DEED and the City require extensive information from an applicant. Mayo is working with him to assemble the information for review by the EDA and the City. The DEED process requires that the City approve a resolution early in the process, showing an intent to move forward provided everything is acceptable, once the applications are properly reviewed. The information to be reviewed requires analyses with a financial expert. He is asking for a motion to obtain the analyses as soon as all the documents have been submitted.

A Motion was made by Board Member Hecht, seconded by Board Member Blair, to obtain the analysis as soon as all the documents have been submitted. M/S/P- Hecht, Blair: 5-0, mc.

d. Realtor Commission on City-Owned Lots:

Currently is a realtor sells a lot, the commission fee is paid by the buyer; standard practice is that the commission for the sale is paid for by the seller. EDD Gorte stated that he has talked with the Mayor regarding this, who would like to see the EDA and City revisit this issue. Currently, it would cost the buyers \$3000 more to purchase a lot through a realtor, than it would if they bought it directly from the City.

After discussion, the Board instructed EDD Gorte to contact the realtors, find out what we would get for the funds to list the lots. Would they list them on the MLS as well as Zillow, etc., and then bring back the information at the next meeting.

7. **Adjournment:**

Motion to adjourn the meeting was made at 1:15 by Board Member Blair, was seconded by Board Member Black. M/S/P-Blair, Black; 5-0, mc.

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AUTHORITY (EDA) (continued)

The next regular meeting is **June 25, 2019 at Noon**, in the **East Grand Forks Training Room, First Floor in the South Wing, East Grand Forks City Hall**, East Grand Forks, MN.

Respectfully Submitted,  
Brenda Ault  
Executive Assistant