

- A. Resolution to Accept MN DEED Redevelopment Grant for the Downtown Moorhead Redevelopment Project and Approve Budget Adjustment #25-011



City Council Communication

April 14, 2025

SUBJECT:

Resolution to Accept MN DEED Redevelopment Grant for the Downtown Moorhead Redevelopment Project and Approve Budget Adjustment #25-011

RECOMMENDATION:

A The Mayor and City Council are asked to accept a \$1 million Redevelopment Grant awarded by the Minnesota Department of Employment and Economic Development and related budget adjustment.

BACKGROUND/KEY POINTS:

The Redevelopment Grant Program helps communities with the costs of redeveloping blighted industrial, residential, or commercial sites and putting the land back into productive use. Grants pay up to half of redevelopment costs for a qualifying site, with a 50% local match.

In 2024, Moorhead was awarded a \$1 million grant in support of the Downtown Moorhead Redevelopment project for demolition of the Moorhead Center Mall east and south of City Hall. The first phase of this demolition was completed in 2024. The final section of this demolition has begun and is expected to be complete in approximately six weeks.

In 2025, Moorhead submitted another DEED Redevelopment application for the remainder of the demolition east of City Hall. On March 14, 2025, Mayor Carlson received an award letter from Commissioner Varilek announcing that Moorhead had been selected to receive a second \$1 million grant award, recognizing the significance of this downtown redevelopment project.

A budget adjustment is necessary because the award increases the overall Economic Development Fund (231) budget.

FINANCIAL CONSIDERATIONS:

Budget Adjustment #25-011

Fund Name	Acct. Description	Expenditure	Funding Source
Economic Development	State Grants		\$1,000,000
Economic Development	Project Costs	\$1,000,000	
	Total	\$1,000,000	\$1,000,000

Voting Requirements: 3/4 of Council (6)

Submitted By:

Dan Mahli, City Manager

Amy Thorpe, Economic Development Program Administrator

Attachments: Award Letter
Draft Resolution

March 14, 2025

The Honorable Michelle Carlson
Mayor, City of Moorhead
403 Center Ave
Moorhead, MN 56560

Sent via email to: shelly.carlson@moorheadmn.gov

RE: Grant Awards – Redevelopment Grant Program

Dear Mayor Carlson:

The Department of Employment and Economic Development is pleased to announce the recent awards from the Redevelopment Grant Program. Following is a list of the projects selected for funding along with the grant amounts.

GRANTEE	PROJECT	GRANT AWARD
Alexandria, city of	Park and 3rd	\$292,024
Duluth EDA	True North Goodwill Resource	\$250,000
Moorhead, city of	Downtown MCM Phase 2	\$1,000,000
Norwood Young America, city of	Norwood Flats	\$238,500
Oakdale, city of	Tanners Lake	\$430,937
	Total	\$2,211,461

The Redevelopment Grant Program continues to be a very popular program that is often over-subscribed with funding requests. We are very proud of this program and the positive effects it has on communities. We are pleased to partner with our grantees to revitalize areas and provide opportunities for job creation and tax base increases that help our communities and State thrive.

Congratulations to the above grant recipients! They can be proud of a job well done!

For additional information, contact Kristin Lukes, Brownfields and Redevelopment Director at 651-259-7451.

Regards,



Matt Varilek
Commissioner

cc: Senator Robert Kupec
Representative Jim Joy and Representative Heather Keeler

RESOLUTION

Resolution to Accept MN DEED Redevelopment Grant for the Downtown Moorhead Redevelopment Project and Approve Budget Adjustment #25-011.

WHEREAS, the City Council of the City of Moorhead did approve Resolution 2025-0113-D to approve an application to the Minnesota Department of Employment and Economic Development (DEED) "Redevelopment Grant Program" for a portion of the Downtown (MCM) Redevelopment Project; and

WHEREAS, on March 14, 2025, Commissioner Varilek notified the City of Moorhead that DEED had awarded a Redevelopment Grant in the amount of \$1M to the City of Moorhead; and

WHEREAS, a Grant Agreement between the City of Moorhead and the State of Minnesota is required to be executed by the Mayor and City Manager prior to beginning the project or receiving reimbursement; and

WHEREAS, the City Council finds the grant will support phase two demolition of the Downtown Moorhead Redevelopment Project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead, Minnesota that the City Council does hereby accept the grant and authorize and direct the Mayor and City Manager to execute any related Grant Agreement and any amendment thereto, if any, or other related documents as necessary.

BE IT FURTHER RESOLVED by the City Council of the City of Moorhead, Minnesota Budget Adjustment 25-011 is hereby approved.

PASSED: April 14, 2025 by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk