

ECONOMIC DEVELOPMENT AUTHORITY

Thursday, January 15, 2009

Pursuant to due call and notice thereof, President Menk called the meeting of the Brainerd Economic Development Authority to order at 8:00A.M.

Present were Commissioners Ed Menk, Mark O'Day, Terrence Johnson, Lucy Nesheim, Shelly Trimble, and Tom Johnson.

Also present were City Administrator Vogt, Finance Director Goble, City Engineer Hulsether, Sheila Haverkamp representing BLADC, Mainstreet Coordinator Emily Roragen, and Council Member Anne Nelson Fisher.

#2 Approval/Amendment of Agenda – Approved.

President Menk asked if there were any changes or requests concerning the current agenda and as there were none, the agenda was approved as presented.

#3 Approval/Amendment of Minutes – Approved.

President Menk asked if there were any changes to the minutes being approved at today's meeting.

City Administrator Vogt stated that the December 11, 2008 minutes list the day of the week the meeting was held as a Monday, when it should read "Thursday, December 11, 2008.

As there were no other changes, the amended minutes were approved.

#4 Approval of Financial Reports – Approved.

President Menk asked if there were any questions concerning the financial reports being approved at today's meeting.

Commissioner Johnson asked for clarification on why there had been some funds "moved around."

City Administrator Vogt stated that, as mentioned at the last meeting (Commissioner Johnson was absent at the December 11, 2008 meeting) the Revolving Loan fund guidelines were adjusted a number of months ago to allow the utilization of funds for other types of projects and that, based on the fund balance in the EDA fund, excess revolving funds in the Commercial Revolving Loan fund were transferred back into the EDA Fund to cover costs associated with land purchases for industrial purposes. He stated that, as properties are sold in the Industrial Parks, the Commercial Revolving Loan Fund will be replenished.

MOVED AND SECONDED BY COMMISSIONERS TOM JOHNSON AND SHELLEY TRIMBLE, DULY CARRIED, TO APPROVE THE FINANCIAL REPORTS AS PRESENTED.

#5 Introduction of New EDA Member Terry Johnson.

President Menk asked new member Terry Johnson to introduce himself and tell the Commission about himself.

Commissioner Terry Johnson stated that he owns Liberty Tax in Brainerd and that he lives Pequot Lakes. He stated that his background includes financial corporate finance, and that he worked for Anderson Brothers Construction for nearly 18 years prior to starting Liberty Tax.

#6 Mildred Thiesse Property Rezoning – EDA’s Recommendation Upheld – Recommend to Council that All Land be Zoned Industrial – Approved.

City Administrator Vogt stated that he had included minutes from a recent Council meeting in which the rezoning of the Mildred Thiesse property rezoning was referred to the EDA and PUC. He stated that the Planning Commission’s recommendation is to include rezoning a portion of the property to R-3 (multi-family). He stated that City Planner Ostgarden is here as well as Patti Harrison on behalf of Ms. Thiesse.

Commissioner O’Day stated that he feels all land along the current Wright Street east of 13th Street SE should be zoned industrial because once the industrial zone is cut off the possibility of further similar development becomes impossible. He stated that this land will be deeded to the City and that the City has never owned residential property; the best use for the City is all industrial.

Commissioner Terry Johnson asked if the reason this issue is arising is because the Future Land Use Map showed some R-3, and asked if there is a reason behind the separate zoning.

The Chair recognized City Planner Ostgarden, who stated that the Planning Commission felt that the City did not need all the land for industrial purposes, and so they reduced the industrial land and added some residential.

Commissioner Tom Johnson asked if there was a plan that all ideas are being referred back to, and asked if the plan was established before or after Wright Street was developed.

City Planner Ostgarden stated that the Future Land Use Map was developed with the understanding of Wright Street, and confirmed that the Planning Commission wanted there to be some R-3 zoning from the beginning.

President Menk stated that he thought the EDA had agreed a few years back that they want to keep the land zoned as all industrial.

City Administrator Vogt confirmed that this was the case, and stated that City Planner Ostgarden had done a great job in his email explaining that the Planning Commission does not feel the whole thing needs to be industrial, and that the EDA and Planning Commission are not in agreement on this subject.

President Menk stated that he feels the land should be zoned all industrial at this time because it is easier to zone “down” rather than “up”.

Commissioner Trimble asked if the utilities and sewer are all taken care of regardless of how it's zoned, and this was confirmed.

Commissioner Nesheim stated that the PUC has not had discussion on this, but she is certain that they feel it should be industrial because of the high voltage transformers located in the area and because the land could always be rezoned "down".

The Chair recognized Mr. Jeff Czczok, 501 D Street, Brainerd, who asked if there is an infrastructure in place and asked if it's been platted and if that would determine how it is zoned.

City Engineer stated that it has not been platted, but infrastructure is in place, and that the sewer and roads are constructed for either type of zoning.

MOVED AND SECONDED BY COMMISSIONERS TOM JOHNSON AND MARK O'DAY, DULY CARRIED, TO UPHOLD EDA'S PREVIOUS RECOMMENDATION TO KEEP ALL OF THE MILDRED THIESSE LAND ZONED AS INDUSTRIAL.

City Administrator Vogt stated that he will wait for the PUC recommendation before going to the Council. He also stated that the City is still looking for tenants for all lots.

#7 Industrial Park Lot Pricing – No Action Taken – Informational.

City Administrator Vogt stated that at the last meeting, this subject was requested. He stated that the attached information included pricing for 2008, and that the cost of lots is \$24,000 per acre plus assessments. He stated that in Phase II, assessments are increased annually based on the amount of interest on the bond issue, and not on the price per acre. He stated that in the Phase IV Industrial Park, the cost of the lots is \$24,000 per acre plus assessments, which are approximately \$35,000. He stated that the Phase II has 6 acres left to sell, and Phase IV has 34 acres of buildable property, and that he also included the information from BLADC which compared lot prices of surrounding communities.

Commissioner O'Day asked for pricing on Wright Street properties to be presented at the next meeting. He asked if Wright Street lots will be comparable with these lots being priced at around \$24,000.

City Engineer Hulsether stated that the engineering department could come up with estimates, and stated that assessments will be substantially higher because the City is picking up a ¼ mile of utilities and roadway before the assessments start.

Commissioner O'Day stated that the City also received a \$300,000 grant from the State for Phase IV.

Commissioner Tom Johnson commented on storm sewer, and asked how it is factored in to pricing.

City Engineer Hulsether stated that in Phase II, those accommodations were not made; however, in Phase IV a community storm water management system to accommodate 70% impervious coverage on each lot. He stated that as the area becomes more developed the City will see how total run-off goes, but he feels 70% is a good number. He stated that for the Wright

Street extension, he believes the existing storm water drainage swales can be utilized so on the Thiesse and Isebrand property, on-site management will be somewhat less than Phase II.

Commissioner Tom Johnson stated that he feels this is a significant factor to be considered when pricing these lots. He stated that he hopes the pricing in Phase IV will be reflected as a little more desirable.

Patti Harrison asked whose responsibility it is to maintain storm sewer ponds.

City Engineer Hulsether stated that in Phase IV where there is the one shared pond, it is the responsibility of the City to maintain, and in Phase II it is up to the individual property owner.

Commissioner Tom Johnson stated that he is also concerned with the liability of the ponds.

City Administrator Vogt stated that information will be listed on the City's website and with BLADC at a price of \$24,000 plus assessments, and that more analysis could be done on the "raw land" price to be presented at a future EDA meeting.

Commissioner Terry Johnson asked if the price-per-acre listed on the BLADC presentation is an "average" or a target number put per acre for each development.

City Administrator Vogt stated that the \$24,000 plus assessments, which usually run around \$35,000 is what is used for that average. He stated that the pricing can be different per lot based on the size of the lot.

Ms. Haverkamp stated that Phase IV usually ends up being around \$60,000 per lot and that Phase II usually is around \$50,000.

City Engineer Hulsether stated that land and assessments for both parks are very similar.

Commissioner Tom Johnson stated that the City needs to be more innovative on getting the lots sold, such as offering different prices for different lots, a "special" on hookups or prices, or even something like a raffle.

Ms. Haverkamp stated that Pequot Lakes did that exact thing, offering a discount price if you moved into a park within a certain time, and that the state is also very close to launching the "site certified, shovel ready" program so that the City can compete on the State level.

Commissioner Trimble asked about the previously discussed possibility of involving a real estate agent.

Ms. Haverkamp stated that this has been considered, including an incentive for someone bringing a prospective buyer to the City

Ms. Patti Harrison stated that she doesn't think attorneys are required to have real estate licenses and can sign up with MLS and list properties on www.realtor.com, so this could be a big boost. She stated that some of the marketing that's been done in the parks is on the "old fashioned" side.

Ms. Haverkamp stated that many of these ideas are very good, and maybe a group can be formed to explore marketing strategies for the industrial parks.

NOTE: President Menk left the meeting at 8:40 A.M. Commissioner Tom Johnson took over as Chair.

Commissioner Tom Johnson stated that the public should be asked to put a brain-storming group together in order to bring suggestions to the EDA with liaisons from the EDA itself. He asked City Administrator Vogt to make this known to the public, and it was decided that this could be in place near Spring of 2009 with the PUC involved as well.

#8 Neighborhood Stabilization Program – Recommend Application to Council to include Northeast Neighborhood/Washington Corridor and Brainerd Oaks Development – Approved.

Ms. Haverkamp stated that in these difficult times, more federal funds are being made available to the State, and is hoping that Crow Wing County would get involved in the Neighborhood Stabilization Program. She stated that needs and issues would have to be identified with eventual “target areas” being defined, and that unstable neighborhoods would be the focus, including demolition, rehabilitation, and down payment assistance. She went over steps that would be taken and costs affiliated, and mentioned the positive opportunities that could come from using this toward Brainerd Oaks, Northeast or Southeast Brainerd, Taco John’s area, and Downtown Motel area. She stated that the deadline for application is January 28th, so this needs to be developed quickly, and that all the counties eligible may not apply so the City should definitely move forward with this.

Commissioner Trimble stated that the Taco John’s/Jimmy Johns area would be a good area to target.

Commissioner Terry Johnson asked if an area needs to be targeted as part of the application or if the actual area targeted could be decided on after the application.

Ms. Haverkamp referred to a timeline, and stated that some direction for vicinities that need to be targeted should be included.

Commissioner Terry Johnson asked if there had been discussion in the City that involves areas of blight.

City Administrator Vogt stated that the City just received the utility and foreclosure map recently and has not yet had any discussion on the subject. He asked Ms. Haverkamp if BLADC is looking for conceptual approval of the application or if they need specific detail included in the motion.

Commissioner Nesheim stated that she likes the idea of helping people get into the Brainerd Oaks Development because the longer the development stays unoccupied, the worse it is for Brainerd.

Commissioner Tom Johnson stated that HRA owns the Brainerd Oaks development, and that they are choosing to leave the houses empty.

Commissioner Terry Johnson stated that the EDA should identify one or two areas for getting into the program to present to the City Council, and if the Council decides to add more they could do that as part of their motion.

MOVED AND SECONDED BY COMMISSIONERS TERRY JOHNSON AND MARK O'DAY TO RECOMMEND TO THE CITY COUNCIL THAT THEY WORK WITH THIS APPLICATION FOR FUNDS WITH FOCUS ON THE NORTHEAST BRAINERD/WASHINGTON CORRIDOR AND THE BRAINERD OAKS DEVELOPMENT.

Commissioner Trimble stated that she is opposed to Brainerd Oaks being included.

Members O'Day, Terry Johnson, and Lucy Nesheim voted "aye." Member Shelly Trimble voted "nay." Member Tom Johnson abstained. The motion was declared carried.

#9 Downtown Update/Monthly Report – Mainstreet Coordinator.

The Chair recognized Downtown Coordinator Emily Roragen, who summarized her December 2008 report, stating that many holiday events and decorating had taken place Downtown with many participants joining in. She stated that the Mainstreet Advisory Committee reviewed 9 "building design guideline" sections, and that 30 people attended the third open house for the 2009 Downtown Reconstruction project.

#10 Staff Reports.

City Administrator Vogt stated that TIF information is being worked on for the Jimmy John's property, and that a Public Hearing is set for February 2, 2009 at the regular Council meeting.

#11 Adjourn.

The Chair adjourned the meeting at 9:00 A.M.

Tom Johnson, Secretary.