ECONOMIC DEVELOPMENT AUTHORITY
Monday, November 29, 2010

Pursuant to due call and notice thereof, President Menk called the meeting of the Brainerd Economic Development Authority to order at 8:07 a.m.

Present were Commissioners Ed Menk, Terry Johnson, Chris Hastings, and Wayne Erickson.

Also present were City Administrator Vogt, City Engineer Hulsether, City Planner Ostgarden, Chamber CEO Lisa Paxton, Council Member Cumberland, Sheila Haverkamp representing BLADC, and Kevin Close representing Close~Converse.

#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 of Minutes – October 25, 2010 – Approved.

President Menk asked if there were any changes or requests concerning the October 25, 2010 EDA minutes and as there were none the minutes were approved as presented.

#4 Approval of Financial Reports – Approved.

President Menk asked if there were any changes or comments concerning the financial reports and as there were none the financial reports were approved as presented. Commissioner Johnson requested that transactions that are not routine be noted on future financial reports.

#5 Industrial Park Fund Transfer – Recommend Transfer of $170,606.77 from the Commercial Revolving Loan Fund 210 to the EDA Fund 295 per the Revolving Loan Fund Policy for the Purpose of Making Payments for Industrial Park Purchases – Approved.

City Administrator Vogt stated that each year at this time there needs to be payments made to Harold and Alvina Thiesse and Bruce Isebrand for the purchase of property for Industrial Park purposes. He stated that in 2008 the City received approval from the State of Minnesota to be able to use funds on hand in the Revolving Loan Fund accounts in order to make the payments. Staff recommends the transfer of $170,606.77 from the Commercial Revolving Loan Fund 210 to the EDA Fund 295 per the Revolving Loan Fund policy.

Commissioner Menk confirmed that Isebrand will be paid off at the end of 2010 and that Thiesse will be paid off in 2011.

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND ERICKSON, DULY CARRIED, TO APPROVE THE TRANSFER OF $170,606.77 FROM THE COMMERCIAL REVOLVING LOAN FUND 210 TO THE EDA FUND 295 PER THE REVOLVING LOAN FUND POLICY FOR THE PURPOSE OF MAKING THE PAYMENTS FOR INDUSTRIAL PARK PROPERTY.

#6 Main Street Program Coordinator – Status of – Informational.

City Administrator Vogt stated that one of the items in the budget proposal developed by the Council President and Personnel and Finance Chair is to eliminate the payment supporting the Main Street Coordinator position. He stated that it had been approved in 2006 to provide support of $50,000 each year for three years for a total of $150,000 towards the Mainstreet program. He pointed out that the total paid since the inception of the program has been

$163,100 with proposal in 2011 for another $28,000. He reminded the EDA that the recommended budget adopted at the last meeting included the requested amount of $28,000 and questioned if they wish to amend their recommendation.

Discussion was held. As there was no motion to adjust the 2011 budget recommendation, no action was taken.

NOTE: The Chair later in the meeting recognized Ms. Lisa Paxton, Brainerd Lakes Area Chamber CEO, who updated the EDA on Mainstreet Coordinator hiring process stating that she has received around 100 applications, has reviewed them and selected the finalists. She will convene a committee to interview finalists this week. She stated that in the interim staff has been handling holiday activities. She stated that they are also proceeding with technical support from the Minnesota Mainstreet Program and because they are a member and designated as a "Minnesota Mainstreet Community" annual dues of $1,000 per year is paid to the new Minnesota Mainstreet Program and, in turn, receive technical assistance. She stated that this first year of technical assistance is $4,500 that the MN program is paying a consultant of the Chamber's choice to develop, in this case, a market position statement for the Mainstreet area. Finally, she stated that because Brainerd is participating in the Healthy Communities Partnership with the Initiative Foundation and has some funds to support enhancements to the City of Brainerd, she asked that group to allocate $1,500 to complete a consumer focus group.

Brainerd Lakes Area Economic Development Corporation – Informational.

The Chair recognized Ms. Sheila Haverkamp, BLAEDC, who discussed the new "branding" of the corporation which has changed the title to Brainerd Lakes Area Economic Corporation and includes their new logo and motto, "We're ready, let's grow." She presented a power point presentation from Positively Minnesota which outlined strategies for promoting the development of business and industry in a community.

Industrial Park Marketing Plan – Discussion of – Close~Converse.

The Chair recognized Mr., Kevin Close of Close~Converse, who stated that he had met with City Administrator Vogt and BLAEDC Representative Sheila Haverkamp recently and felt that an update should be provided to the Committee as to the current real estate market and property marketing situation. He summarized what has and will continue to affect the all realty sales, stating that sales are picking up, especially in retail, and that he feels industrial site sales will pick up as well. He stated that he expects land sales to remain low for another couple of years. He stated that the City needs to look at the development of jobs rather than just individual sales and that he feels the "new wave" will be more technical jobs rather than industrial. He stated that he feels the City made the right choice by choosing a broker to take the extra time involved with handling these types of sales and working with BLAEDC and other brokers to find and eventually finalize sales with interested parties. He stated that he feels the prices should not be lowered at this time before measuring demand and that issues with price can be handled after a party shows interest, but that the main goal is to "be ready" when interest is shown.

Commissioner Hastings questioned how long Mr. Close felt that it takes for a company to make a decision regarding a potential move and how quickly such a sale can take place.

Mr. Close stated that in his experience a company with 5-40 employees could happen as quickly as 3-6 months, and a larger company would obviously take longer. That's after they make contact with him with the understanding that the company has been thinking of the move for a while as well. It was stated that the City can complete the sale in a fairly short period of time.

Commissioner Menk asked if it would be a good strategy to assess the lots and have their prices based on desirability.

Mr. Close stated that an interested party would have first pick of the lots and the better lots are actually priced “cheaper” currently because of all the lots being priced the same, and that he feels the buyer will see that.

Commissioner Johnson asked about having in-house brokers and a marketing plan. He asked how the City can expand outside of Minnesota.

Mr. Close clarified that the sites are listed through the Brainerd and Minneapolis MLS system as well as the Industrial Brokers in Minneapolis, and that “Positively Minnesota” is networking with companies outside of the State because the budget of the City or Close~Converse is not large enough to do a lot of out-of-state advertising.

Staff Reports.

None.

Commissioners’ Comments/Questions.

None.

Adjourn.

The Chair adjourned the meeting at 9:01 a.m.

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Kim Ellingson, Secretary