

ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, December 13, 2011

Pursuant to due call and notice thereof, President Menk called the meeting of the Brainerd Economic Development Authority to order at 8:03 a.m.

Present were Commissioners Ed Menk, Wayne Erickson, Kelly Bevans, and Chris Hastings.

Also present were City Administrator Vogt, Finance Director Goble, Mainstreet Coordinator Amy Ellingson, Sheila Haverkamp and John Gunstad of BLAEDC, Council Member Cumberland, and City Planner Ostgarden.

#2 Agenda, Minutes of May 10, 2011, and Financial Report – Approved.

MOVED AND SECONDED BY COMMISSIONERS MENK AND ERICKSON, DULY CARRIED, TO APPROVE THE AGENDA, MINUTES AND FINANCIAL REPORT AS PRESENTED.

#3 Industrial Park – Recommend to the City Council the Transfer of \$128,606.77 from Commercial Revolving Loan Fund 210 to EDA Fund 295 as Recommended by Staff – Approved.

- Fund Transfer:

City Administrator Vogt discussed the 2008 amendment to the City's Revolving Loan Fund (RLF) policies for both the Commercial Revolving Loan Fund (#210 – State MIF Funds) and the Wausau Revolving Loan Fund (#296 – Federal MIF Funds) which stated that the RLF financing could be used "To provide capital for public economic development investments." He stated that due to an estimated negative balance in the EDA fund anticipated at the end of the year due to a recent payment made for Industrial Park property, it is recommended to transfer an amount equal to the payment made to the Thiesse's totaling \$128,606.77 from fund #210 into fund #295 as allowed by policy. It was noted that this is the final payment for the land and when property sells in the Industrial Park, funds will be repaid. Total cost of the Thiesse and Isebrand properties is just over \$1 million.

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND HASTINGS, DULY CARRIED, TO RECOMMEND TO THE COUNCIL THE TRANSFER OF \$128,606.77 FROM FUND 210 TO FUND 295 AS RECOMMENDED BY STAFF.

- Industrial Park Marketing – Status Report.

The Chair recognized Ms. Sheila Haverkamp, BLAEDC, who stated that although there has not been new activity in the Industrial Park, there is talk of existing companies considering expansion of their current businesses. She stated that she has been working on finding an "anchor company" for a business prospect.

#4 BTD Wood Powder Coating – Minnesota Investment Fund (MIF) Financing Application – Recommend to the Council to Move Forward with Application as Presented – Approved.

The Chair recognized Mr. John Gunstad, BLAEDC, who discussed the request for an equipment expansion at BTD Wood Powder Coating. He stated that the company will be pursuing

Minnesota Investment Fund (MIF) financing to acquire this piece of equipment which requires a Public Hearing to be held at the Council meeting on Monday, December 19, 2011. The City needs to be the applicant and takes on no liability in financing this project.

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND ERICKSON, DULY CARRIED, TO RECOMMEND MOVING FORWARD WITH THE APPLICATION FOR THE MINNESOTA INVESTMENT FUND (MIF) FINANCING APPLICATION FOR BTD WOOD POWDER COATING OF BRAINERD AS PROPOSED.

Commissioner Bevans stated that the inclusion of the City being the applicant for the MIF was left out intentionally to allow for flexibility when discussed at Council level.

#5 2012 Budget – Recommend Approval of 2012 EDA Budget to the City Council as Presented – Approved.

City Administrator Vogt discussed the budget information included in the Packet. He review various cost items that are part of the budget including BLAEDC and the Downtown Coordinator. He noted that the Council has eliminated CGMC funding and that a brief discussion was held at the recent budget workshop relative to funding for the Initiative Foundation.

MOVED AND SECONDED BY ALDERMEN BEVANS AND HASTINGS, DULY CARRIED, TO APPROVE THE EDA BUDGET AS PRESENTED.

Commissioner Menk stated that if there is money paid towards the Initiative Foundation, there should be some additional money contributed to the Mainstreet program.

City Administrator Vogt recommended that any suggestions related to the budget be directed to the Council as soon as possible because the final Budget adoption will be completed at the December 19, 2011 Council meeting.

#6 Main Street Program Coordinator – Update – Informational.

The Chair recognized Mainstreet Coordinator Amy Ellingson, who discussed the effort of the committee to clarify who they really are and what goals they have as well as changing the perception of what Brainerd's "Downtown" really includes. She stated that there will be focus on developing partnerships and promoting themselves as a community organization rather than only Downtown businesses and this focus will include the invitation for volunteers from outside that Downtown area to become involved. She stated that there has been focus on encouraging consumers to purchase locally to support not only the local businesses but the community as a whole. She stated that partnerships with the History Preservation and Brainerd Hotel on promotional opportunities such as having coupon books for guests as they check in and displays from local businesses.

#7 Brainerd Lakes Area Economic Development Corporation – Update – Recommend to City Council the Approval of Application to Access Downtown Revolving Loan Fund 238 for Roof Repair and Insulation at Downtown Art and Frame – Approved.

The Chair recognized Sheila Haverkamp, BLAEDC, who stated that although no money was used from the fund available for roof drain repair of Downtown businesses, Downtown Art and Frame has recently requested funds from the City for roof repair and insulation. She clarified that it would be a 1/3-1/3-1/3 loan at a 3% interest rate.

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND HASTINGS, DULY CARRIED, TO RECOMMEND ACCESS OF THE DOWNTOWN REVOLVING LOAN FUND 238 FOR ROOF REPAIR AND INSULATION AT DOWNTOWN ART AND FRAME WITH THE SIMPLIFIED APPLICATION PROCESS THE CITY IS FAMILIAR WITH.

Ms Haverkamp then discussed recent enhanced efforts to bring awareness to the economy using a site selector as well as a recent outreach meeting hosted by the Governor including a smaller forum with Wausau Paper that followed. She stated that BLAEDC has been reaching out to area executives that might be interested in expanding their companies in the area.

#8 Staff Reports.

City Administrator Vogt discussed the difficulty with bringing prospective businesses to town but also stated that BLAEDC is doing a great job in finding leads.

#9 Commissioners' Comments/Questions.

None.

#10 Adjourn.

The Chair adjourned the meeting at 8:52 P.M.
