**ECONOMIC DEVELOPMENT AUTHORITY**
**Tuesday, July 21, 2009**

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

Present were Commissioners Ed Menk, Mark O'Day, Terrence Johnson, Shelly Trimble, Wayne Erickson, Lucy Nesheim, and Kelly Bevans.

Also present were City Administrator Vogt, Elissa Rogers and Sheila Haverkamp representing BLADC, Chamber Director Lisa Paxton and Main Street Coordinator Emily Roragen.

**BLADC and Main Street Program – Requests for 2010 Funding – Recommend Approval to City Council as Presented – Approved.**

The Chair recognized Ms. Sheila Haverkamp, BLADC, who stated that the "2020" program has been funded by the City of Brainerd as well as other groups for the past few years and that additional projects have been taken on such as the "Shovel Ready – Site Certification" program for the Brainerd Industrial Park (Phase IV). She stated that DEED representatives will be in Brainerd on Thursday to review information on this program, and that Brainerd is one of the first two sites that are "Shovel Ready – Site Certified" properties in the State, which will put Brainerd on the forefront for companies looking to expand to new territory. She stated that the 2020 Program also launched a video system at the Airport which showcases local as well as national information on flat screen televisions for travelers, and showed the Commission videos showing local information that is being broadcast. She stated that BLADC is requesting funding for continued support from the City for 2010, and pointed out the information included in the July 14, 2009 EDA Packet which indicates returns recognized by the City form BLADC efforts. Projects discussed were the Small Cities Development Grant for Downtown, Industrial Park expansion infrastructure, Artspace, Wausau Paper, and now the Adventure Creative Group RLF application, and the tax base and job creation that all of these projects create for Brainerd. She stated that the financial request from BLADC has been reduced by 5% because of the current economic and budget situation. She introduced Mr. Tom Anderson, upcoming BLADC President.

The Chair recognized Mr. Tom Anderson, BLADC, who stated that BLADC is a great organization to have in the community because the agency can take care of so many needs of a company looking to locate or grow in the area. He stated that BLADC has also been working to get area businesses involved in business development. He stated that BLADC truly appreciates the City's support and plans to continue their return investment into the City.

The Chair recognized Brainerd Chamber CEO, Ms. Lisa Paxton, who thanked the City and EDA for their support of the Main Street Program. She stated that if the heart of a City is not healthy the City is not healthy so it is very important to reinvest in the central business district. She stated that a request for funding this year was submitted in the amount of $45,000 for 2010 as compared to the $50,000 per year originally approved for a 3-year period; however, based on the discussion had last week by the EDA and the limitations to the City budget, the Brainerd Main Street and its Advisory Committee are approaching the EDA today with a request for $28,000 and anticipating the other money to be raised by fundraising. She stated that initially the Chamber expected this to be at least a 5-year plan before Main Street can show significant return; however, there is still a ways to go for this long-term investment.

Commissioner Trimble asked how the volunteer hours in the budget are calculated, what the Chamber "in-kind" amount is, and what fundraising efforts are seen towards the Main Street goals.

The Chair recognized Main Street Coordinator Emily Roragen, who stated that the Chamber In-Kind has been estimated at a value of $13,000 each year that includes office space, equipment and staff support. She stated that the volunteer time is based on a national non-profit organization's estimation of a volunteer hourly wage, which in this case was about $19.40 per hour.

Ms. Paxton stated that there will be more information forthcoming on the fundraising plans, and it was stated that Commissioner O'Day's suggestion at the last meeting to ask Downtown business owners to contribute to the costs would be taken into consideration.

Commissioner O'Day stated that he has had the opportunity to work with BLADC over the past 15 years and he feels that the agency is very important to the area. He stated that if a business is interested in coming into Brainerd, BLADC is able to keep a level of confidentiality until the details are set, whereas any information that comes to the City has to be made public. He stated that he is in favor of supporting their funding as presented as well as the funding for the Main Street program as he feels they are moving in the right direction.

City Administrator Vogt distributed information and discussed how the requested funding will affect the EDA's budget. He stated that $136,000 is the amount being used from the revenue standpoint for 2010 which is the same as 2009 as we don't have data from the County at this point which could make that amount fluctuate slightly. Also, it was stated that on the expense side there is a salary freeze in place which will keep salaries at the same level but we don't yet know about health insurance rates. He stated that because of the majority of the EDA members having financial interest in the Downtown project caution should be exercised relating to the potential for a conflict of interest.

Commissioner Johnson stated that he would abstain from votes specific to Main Street.

President Menk stated that he does not feel each member that has any business interest necessarily should abstain from any vote concerning the Downtown project. He stated that every Council member lives in the City and would obviously not abstain from any vote that affected their home. He stated that he will abstain from motions that affect the Downtown Main Street program, but wanted to state his opinion for the record.

MOVED AND SECONDED BY ALDERMEN O'DAY AND NESHEIM, DULY CARRIED, TO RECOMMEND APPROVAL OF THE BLADC FUNDING REQUEST FOR 2010 WITHIN THE EDA BUDGET IN THE AMOUNT OF $71,250 AS PRESENTED.

Commissioner Nesheim stated that BLADC has been a great asset to the community and she is thankful that the City can continue to support them. President Menk agreed.

MOVED AND SECONDED BY ALDERMEN O'DAY AND ERICKSON TO RECOMMEND APPROVAL TO THE CITY COUNCIL OF THE REQUEST FOR THE SUPPORT OF THE

DOWNTOWN MAIN STREET COORDINATOR POSITION WITHIN THE EDA BUDGET IN THE AMOUNT OF $28,000 AS REQUESTED.

Commissioner Trimble stated that she feels the Main Street Coordinator is more of an Economic Development position rather than the Chamber.
Commissioners Mark O'Day, Shelly Trimble, Wayne Erickson, Lucy Nesheim, and Kelly Bevans voted "aye." Commissioners Menk and Johnson abstained.

City Administrator Vogt distributed copies of MN Statute 428A which deals with Special Service Districts and Housing Improvement Areas in preparation for discussion on how the Special Service District could be a factor in the Main Street Program funding and recommended that the statute should be reviewed by the Main Street Advisory committee. He stated that a 25% petition from property owners is needed in support of this type of district, which would require adoption of an ordinance, so he suggests that this be a starting point, and pointed out the "veto power of owners" section in statute.

**Staff Reports.**

City Administrator Vogt stated that there will be a stop from DEED "Summer Road Show" at CLC on Thursday, August 27, 2009 from 1:00 P.M. to 4:00 P.M. with presentations on DEED Programs.

He also stated that the Downtown Improvement Project is nearing completion. President Menk stated that there will be a ribbon-cutting on Tuesday, July 28, 2009 at the corner of 6th and Laurel.

City Administrator Vogt stated that the WWTP project is on schedule and on budget but will not be operational until 2011 because it is large project.

He stated that citizen Jeff Czeczok was in the audience and would like to speak to the EDA regarding last week's early adjournment. He stated that in general the meetings are adjourned as close to 9:00 A.M. as possible but he was open to suggestions if the Commission would prefer to change start time or running time of meetings, and that the reason he recommended for the adjournment last week is so all commissioners could be involved in the discussions held today.

The Chair recognized Mr. Jeff Czeczok, 511 "D" Street, Brainerd, who stated that he does not see a reason for a meeting to adjourn if there is a quorum and asked for the issue to be reconsidered should the situation happen again.

President Menk stated that the EDA would take this under advisement.

**Commissioners' Comments/Questions.**

Commissioner Johnson asked if there is anything happening on any of the Industrial Park properties. Due to the economy, it was stated that there are no prospects at this time.

City Administrator Vogt stated that the Council did approve the Adventure Creative Group proposal at last night's Council meeting. He stated that he did not know of anything else in the works and mentioned that the City is usually the last to know about projects which is a good thing because it avoids unnecessary media coverage before things are set to proceed.

Ms. Haverkamp stated that there have been some activity but nothing certain at this time.

Main Street Coordinator Emily Northey stated that the business activity subcommittee has a "Vacant Spaces" tour on Tuesday, August 4th from 5:00 P.M. to 6:00 P.M. to highlight vacant Downtown spaces. She asked that those interested call her to register.
Commissioner Trimble inquired about the "business plan" development that was discussed at the previous night's Council meeting in regards to there not being a business plan included in the Revolving Loan Fund that had been approved. City Administrator Vogt stated that this will be in the works and he will share the information with the EDA at their next meeting, if available.

Commissioner Johnson stated that he would prefer seeing a business plan before the next application is brought forth. He also asked if there would be an interest in having quarterly meetings even if there is nothing pressing on the agenda. Commissioner Trimble stated that she would be in agreement with this.

City Administrator Vogt and President Menk also agreed.

President Menk suggested the Tuesday after the 2nd Council meeting each quarter for meetings.

**<u>EDA Secretary Appointed – Shelly Trimble – Approved.</u>**

MOVED AND SECONDED BY ALDERMEN O'DAY AND BEVANS, DULY CARRIED, TO APPOINT COMMISSIONER TRIMBLE AS SECRETARY OF THE EDA.

**<u>Adjourn.</u>**

The Chair adjourned the meeting at 8:55 A.M.

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SECRETARY