

BRAINERD ECONOMIC DEVELOPMENT AUTHORITY

Thursday, January 04, 2018

Official Minutes

Pursuant to the call and notice thereof, President Menk called the meeting of the Brainerd Economic Development Authority to order at 7:30 a.m.

Present were Commissioners Ed Menk, Jerry Sinner, Matt Mallie, Wayne Erickson, Kelly Bevans, Dale Parks and Gabe Johnson. Also present were City Administrator Cassandra Torstenson, Finance Director Connie Hillman, BLAEDC Executive Sheila Haverkamp, Brainerd HRA Director Jennifer Bergman, and John Schommer, HRA Rehab Coordinator.

Approval/Amendment of Agenda - Approved

MOVED AND SECONDED BY COMMISSIONERS ERICKSON AND JOHNSON, DULY CARRIED, TO APPROVE THE AGENDA.

Approval of Minutes - Approved

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND PARKS, DULY CARRIED, TO APPROVE THE MINUTES FROM AUGUST 29, 2017 EDA MEETING AS PRESENTED.

Approval of Financial Report - Approved

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND MALLIE, DULY CARRIED, TO APPROVE THE FINANCIAL REPORT AS PRESENTED.

Update on SCDP/Downtown Grant - Informational

The Chair welcomed Mr. John Schommer, HRA Rehab Coordinator to present an update on the progress of downtown projects. Mr. Schommer indicated the City was awarded \$650,105 through the Department of Employment & Economic Development (DEED) program for commercial and rental rehabilitation in the downtown area. There are currently nine projects started with two being complete with only the lien remaining to be filled. Mr. Schommer explained the downtown properties and projects that are underway.

Request for Funds to Assist with Asbestos Abatement - Approved

The Chair welcomed Ms. Jennifer Bergman, Brainerd HRA Director to explain an application received for assistance in asbestos removal. The property at 707 Laurel Street was recently purchased by Sarah Hayden Shaw. The commercial space is vacant and the 2nd floor residential property will soon be vacated in order to remove the asbestos, replace the insulation and install new furnaces. Ms. Shaw is requesting assistance from Crow Wing County HRA and the City of Brainerd to remove the hazardous material for the safety of the residents. The Crow Wing County HRA authorized \$24,999 contingent upon the contribution from the City. After the contribution from Crow Wing County, the balance would be \$73,001. Based on the Policies and

Procedures, staff recommends \$24,333 Revolving Loan; \$24,333 Deferred Loan and \$24,335 Owner Contribution.

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND JOHNSON TO APPROVE THE RECOMMENDATION FROM STAFF TO FUND THE PROJECT FROM FUND 209 AS PRESENTED.

Commissioners Sinner, Erickson, Bevans, Parks and Johnson voted “aye”. Commissioner Mallie abstained from voting. The Chair declared the motion passed.

HRA Update - Informational

Ms. Bergman indicated a pre-application has been submitted to DEED for Small Cities for 2018. Funds have been requested for owner occupied and renter occupied rehab program in northeast Brainerd. There is a need for rental rehab and the focus is on northeast Brainerd. The HRA has also applied for additional funds through Small Cities for the Iron Rail to assist in the rehab of the nine rental units and the commercial space. In February, the HRA will be coming before the City Council with a public hearing to accept comments on the Small Cities application that is due February 22, 2018. The Brainerd HRA was part of the team for Destination Downtown as well as BLAEDC. There were 49 applications received for this project – it shows the interest in locating a business in downtown. The project was awarded to The Purple Fern located at 719 Laurel Street and will be opening April 1, 2018. The Main Street Small Business Revolution through Deluxe Corporation will be in Brainerd on January 10th and 11th as Brainerd is in the top ten for the program for the \$500,000 prize. They will be touring our downtown and a reception is taking place on January 10th at 5:30 p.m. at Roundhouse Brewery.

Mayor Menk introduced Ms. Cassandra Torstenson to the commission and had the members introduce themselves.

Discussion of State MIF Funds - Approved

Ms. Sheila Haverkamp, BLAEDC executive explained a history of the programs available at the state level, as well as regional and federal programs. The State MIF fund was explained and the options for the fund were given. A decision regarding these funds needs to be in place and submitted to DEED by June 30, 2018; and submit a report to the legislative committee by February 15, 2019 detailing how the 80% of the funds were used.

Finance Director Hillman informed of the City Council decision to allocate the cash balance in our Federal MIF Funds 296. The agreement was approved by DEED in December 2017 and \$463,000 was transferred to the Unified Fund. The City has the following options for use of the State MIF Funds:

- 1) Status Quo - City Retains the Funds
- 2) Participate in BUF (BLAEDC Unified Fund)
- 3) Exercise One-Time Use Exception; Return 20% of the cash balance to DEED and use 80% for:
 - o Economic or Community Development
 - o Equipment

o General Fund

Commission discussion took place.

MOVED AND SECONDED BY COMMISSIONERS SINNER AND BEVANS, DULY CARRIED, TO RECOMMEND TO CITY COUNCIL TO PLEDGE THE CASH BALANCE OF THE STATE MIF TO THE BLAEDC UNIFIED FUND.

BLAEDC Update - Informational

Ms. Haverkamp informed the Commission that the Unified Fund is up and running. The fund board held their second meeting this week and a recommendation was made to fund another loan in the community. The feedback and inquiries have been very positive about the program. The Key Recruitment Program, which started last year, had initial hopes of placing five potential candidates in the workforce. The program ended up placing eleven, in which ten came from outside the area. The River to Rail initiative have engaged WSN to complete a video project to help promote and market. The video may be shown at an upcoming EDA meeting if there is interest if doing so.

Commissioners' Comments/Questions

Mayor Menk again reminded the commission that The Deluxe Corporation will be in downtown Brainerd next week for the Main Street Small Business Revolution. If anyone is interested in attending the reception on January 10th at Roundhouse Brewery, please call the Chamber of Commerce to R.S.V.P.

The next meeting will be arranged once an agenda is compiled.

The Authority adjourned at 8:25 a.m.

Dale Parks, Secretary