

BRAINERD ECONOMIC DEVELOPMENT AUTHORITY

Thursday, August 16, 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, Kelly Bevans, Dale Parks and Gabe Johnson. Commissioner Erickson was noted as absent. Also present were City Administrator Cassandra Torstenson, Finance Director Connie Hillman, BLAEDC Workforce Director Mike Bjerkness, Brainerd HRA Executive Director Jennifer Bergman, and John Schommer, HRA Rehab Coordinator.

Approval/Amendment of Agenda

MOVED AND SECONDED BY COMMISSIONERS SINNER AND PARKS, DULY CARRIED, TO APPROVE THE AGENDA AS PRESENTED.

Approval of Minutes

MOVED AND SECONDED BY COMMISSIONERS SINNER AND PARKS, DULY CARRIED, TO APPROVE THE MINUTES FROM THE MARCH 27, 2018 EDA MEETING AS PRESENTED.

Approval of Financial Report

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

Update from HRA

Mr. John Schommer, HRA Rehab Coordinator gave a brief update on the current rehab programs. The downtown grant is nearing completion with the wheelchair lift being installed at the Last Turn Saloon property. Mr. Schommer indicated stone is being installed on the outside of the Downtown Mall building which should be completed within a couple weeks. They are still about two months from completing the new apartments.

Revolving Loan Fund

Mr. Schommer stated there are currently two applicants for the revolving loan program. One of the applicants is awaiting bids for improvements to her property. The other applicant is weighing the options of the program versus relocating from the area.

Small City Development Program (SCDP)

Mr. Schommer explained an application was submitted to DEED for the Small Cities Development Program (SCDP) for owner occupied and single-family rental rehab in northeast Brainerd. There was also the request for one commercial building in the downtown area with nine mixed units of rehab for rental above. The

application was approved, and we are awaiting the funding from HUD. The environmental review is currently being done, which needs to be completed before proceeding and policies will be brought to the board for approval.

Ms. Jennifer Bergman, HRA Executive Director gave an update on the progress of current projects. The Crow Wing County HRA purchased 113 lots in Brainerd Oaks, Serene Pines and Dal-Mar Estates, and the Brainerd HRA entered into an agreement with a developer to construct single-family homes on all three of the subdivisions. To date, the developer has purchased 25 lots in Brainerd Oaks. Of these 25 lots, 13 have homes completed and sold, four are currently in progress and three are having foundations put in. In Serene Pines, the developer purchased eight lots; two homes completed and sold, four near completion and three in progress. The agreement with the developer stated that for every one lot purchased in Serene Pines or Dal-Mar Estates, they must purchase two lots in Brainerd Oaks which is our main focus. Ms. Bergman announced the Brainerd HRA received an Award of Merit and an Award of Excellence through the Association of Housing and Redevelopment Officials. They commented how impressed they were with all our government entities in the area working together towards one common goal. The awards will be presented at the national conference in Atlanta.

Update from BLAEDC

Mr. Mike Bjerkness, BLAEDC Workforce Director indicated Ms. Sheila Haverkamp was not able to attend this morning, due to a family emergency. He distributed the annual report to the commission and reviewed his position as the head of the recruitment program for BLAEDC. Mr. Bjerkness handed out a brochure and explained the current projects and initiatives that BLAEDC are working on.

Unified Fund

Mr. Bjerkness informed the commission that the Unified Fund program to date has invested over \$504,000 and funded 7 projects with an eighth to close shortly. There have been 34 jobs created with 37 jobs retained. The Brainerd Hotel is one of the projects that are currently working out some financing options to move forward. Glacier Icehouses is a business that is located outside the city lines but is a beautiful facility in the area. Another business is Tri Tech Boat Manufacturing that has moved into the Brainerd Industrial Park.

Community Development Director

City Administrator Torstenson reviewed the new position due to the upcoming retirement of City Planner Ostgarden. This position will be for a broader community developer that will focus on economic development along with city planning. A new organizational chart was created for 2019 and shows the building department to fall under the Community Development Director. One of the goals is to have Brainerd become a face in the community and let everyone know we are here and willing to work with your business ideas; another is to model excellent customer service and be front and center with the community.

2019 Budget Discussion

Finance Director Hillman explained it is time for setting the 2019 budget. Historically, the City Council has adopted the maximum levy for the EDA that is allowed by state statute which is a percentage of the previous years' current property tax values. The EDA needs to determine if they want to recommend to Council to levy the maximum amount. The remainder left for the budget would be memberships and BLAEDC services

contract. The Initiative Foundation has requested an endowment that is equal to the previous year and BLAEDC has requested a \$1,000 increase to their funding.

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND BEVANS, DULY CARRIED, TO RECOMMEND THE EDA MAXIMUM LEVY TO THE CITY COUNCIL.

Economic Development Tools

City Administrator Torstenson stated there has been an increase in interest in economic development in our City. She has hopes to bring more information forward shortly about future potential businesses. She distributed a short list of tools that are available and most common for economic development.

The primary difference between Tax Abatement and TIF is the way in which the dollars are awarded to the project. When TIF is awarded to a project by the city, the other taxing jurisdictions are required to contribute their portion of the increased taxes to the project. Conversely, with Tax Abatement is requested, each political subdivision has the option of granting its portion of the increased taxes to the project. Subsequently, the dollars generated for the project with Tax Abatement are generally less than the dollars generated with TIF.

Frequency of Meetings

City Administrator Torstenson proposed a schedule of bi-monthly meetings at 7:30 a.m., for one hour or less, to discuss economic topics on a more frequent basis. With the increase of interest in economic development, there could be a lot more to work on and discuss.

Other Business

None

Commissioners' Comments/Questions

None

The Authority adjourned at 8:00 a.m.

Dale Parks, Secretary