

**City of Brainerd
Economic Development Authority
Meeting Agenda**

7:30 A.M.

December 6, 2018

Council Chambers

- | | |
|---|----------------------|
| 1. Call to Order | _____ Ed Menk |
| | _____ Dale Parks |
| 2. Roll Call | _____ Matt Mallie |
| | _____ Jerry Sinner |
| 3. Approval/Amendment of Agenda | _____ Wayne Erickson |
| | _____ Kelly Bevans |
| 4. Approval of Minutes of August 16, 2018 | _____ Gabe Johnson |
| 5. Financial Report | |
| 6. Update from HRA | |
| a. Revolving Loan Fund (RLF) | |
| b. Small City Development Program (SCDP) | |
| c. Other | |
| 7. Update from BLAEDC | |
| a. Unified Fund | |
| b. Other | |
| 8. 2019 Budget Discussion | |
| 9. Other Business | |
| 10. Commissioners' Comments/Questions | |
| 11. Adjourn | |

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

Financial Report for EDA

As of October 31, 2018

	Cash & Investments	Receivable Balance	Deferred Loans (as of 12/31/17) **	Awarded Grants
General Funds:				
EDA Fund - #295	\$ 25,016	\$ -	\$ -	\$ -
Total	\$ 25,016	\$ -	\$ -	\$ -
CDBG (Housing/Commerical (Slum & Blight/Federal Objective)):				
Downtown - #298	\$ (164,424)	\$ 51,936	\$ 16,480	\$ 238,056
SE Brainerd - #215	55,548	-	520,722	-
Willows Project - #209	9,850	-	87,150	-
Old Housing - #209	46,978	-	65,475	-
Local Income - #275	2,604	26,851	27,452	-
Total	\$ (49,444)	\$ 78,787	\$ 717,279	\$ 238,056
Federal & State MIF (Commerical (Jobs)):				
Commerical - #210 ^^^	\$ 4,069	\$ 648,799	\$ -	\$ -
Federal MIF - #296	9,652	8,002	-	-
Total	\$ 13,721	\$ 656,800	\$ -	\$ -
Grand Total	\$ (10,706)	\$ 735,588	\$ 717,279	\$ 238,056

** Portion of the loan that is forgivable with the passage of time

^^^ The Receivable Balance **DOES** include the \$646,427 borrowed to pay for the industrial park land.

MEMO



TO: EDA Board of Commissioners

FROM: Cassandra Torstenson, City Administrator
Connie Hillman, City of Brainerd Finance Director

DATE: December 4, 2018

RE: 2019 EDA Fund Budget

The final budget and levy needs to be adopted and certified, respectively, by December 28, 2019. Attached is the current 2019 EDA budget and history for 2017 and 2018. The items below have been placed on the agenda for discussion/direction:

- **Current Ad Volorem:** The \$124,351 is the maximum allowed for Brainerd per state statute.
- **Personnel Services:** Currently 20% of the City Administrator's and 5% of the Administrative Specialist's wages and benefits are allocated to the EDA fund. None of the Community Development Director's wage and benefits are currently being allocated to the EDA.
- **Professional Services – BLAEDC Funding:** Following the budget document is:
 - o BLAEDC 2019 Funding request. The 2019 funding request is \$78,500 or \$1,000 increase over 2018.
 - o City of Brainerd's Financial Contribution & Return on Investment.
 - o Summary of Brainerd BLAEDC Projects from 2016 – Summer of 2018.
 - o 2019 Draft Agreement for Professional Services between the EDA and BLAEDC.
- **Memberships:** Historically the EDA Fund has paid for the funding request to the Initiative Foundation. Attached is the 2019 request from the Initiative Foundation for \$5,350 which is the same amount as 2018.

Please feel free to contact us if you have any questions.

/clh

EDA Fund

	2017			2019		
	Budget	Actual	2018 Budget	Requested Budget	Difference	
Revenues						
Taxes & Penalties						
31010	Current Ad Volorem **	118,980	117,665	122,223	124,351	2,128
31020	Delinquent Current Ad Volorem	-	1,248	-	-	-
		118,980	118,913	122,223	124,351	2,128
Other Revenue						
36210	Interest Income	250	188	100	250	150
39200	Sale of Land	-	-	-	-	-
		250	188	100	250	150
TOTAL REVENUE		119,230	119,101	122,323	124,601	2,278
Expenditures						
Personnel Services ^						
-1101	Salary	26,023	23,724	24,527	25,852	1,325
-1121	PERA	189	135	1,840	1,939	99
-1122	FICA	1,613	1,474	1,521	1,603	82
-1123	Medicare	377	344	356	375	19
-1131	Health Ins	1,613	1,329	4,551	4,892	341
-1133	Life Ins	22	20	26	48	22
-1134	LTD	40	42	24	47	23
		29,877	27,067	32,845	34,756	1,911
Services						
-3300	Professional Serv - BLADC	77,500	77,500	77,500	-	(77,500)
-3361	Ins. General Lib	95	117	127	135	8
-3365	Ins.- Other	-	-	-	-	-
-3430	Miscellaneous	250	34	500	500	-
-3435	Memberships *	6,350	5,350	5,350	-	(5,350)
		84,195	83,001	83,477	635	(82,842)
-7720	Transfers Out	-	-			
TOTAL EXPENDITURES		114,072	110,068	116,322	35,391	(80,931)
NET REVENUE OVER EXPEND.		5,158	9,033	6,001	89,210	83,209

** Max allowed by state statute

^ Currently 20% of City Administrators and 5% of Administrative Specialist

* Initiative Foundation



The following pages were
distributed at the meeting

Brainerd Lakes Area
ECONOMIC DEVELOPMENT
Corporation

We're ready. Let's grow!

June 4, 2018

Mayor Ed Menk
Brainerd City Council & EDA
501 Laurel Street
Brainerd, MN 56401

RE: BLAEDC 2019 Funding Support

Dear Mayor Ed Menk, City Council and EDA Members,

The Brainerd Lakes Area Economic Development Corporation is a private, non-profit economic development organization that has been working in the community since the mid-eighties with a mission to expand business, build community, and grow jobs in Crow Wing County. Our traditional work was expanded this past year to include the BLAEDC Unified Fund. This program, along with BLAEDC's Workforce Development and KEY Recruitment Program have brought a heightened awareness of economic development to our communities that will help us to grow our area economy.

Attached is BLAEDC's 2017 Annual Report with more information.

Recognizing that you are at the stage of considering your 2019 budget, we respectfully request that you continue your support to BLAEDC. We ask that you make a contribution of **\$78,500** which represents a \$1,000 increase for the upcoming year. We have incurred increased costs and need your support to keep our programs relevant and successful. Your funding support helps us to continue to be proactive in our approach and minimize the missed opportunities for our area.

Please advise if you would like BLAEDC representatives to meet with you to discuss our funding request. Your on-going support and participation is greatly appreciated and also critical for the growth and prosperity of the Brainerd Lakes Area.

Sincerely,

Sheila Haverkamp, Exec. Director
Brainerd Lakes Area Economic Development Corp.

2019 Funding Request = \$78,500 out of BLAEDC's \$441,700 total budget

This funding request **reflects a 1.2% increase** compared to 2018. Brainerd's contribution represents **17.5%** of BLAEDC's total budget. Brainerd contributes **36.5%** of all government funding.

2018 Government Funding Overview

	Traditional	Enhanced 2020*	Retail**	Total
Brainerd	\$47,200	\$18,850	\$11,450	\$77,500
CWC	\$44,750			\$44,750
Baxter	\$29,500			\$29,500
CWC-HRA	\$20,000			\$20,000
CREDI	\$20,300			\$20,300
Pequot Lakes	\$6,850	\$650		\$7,500
Crosslake	\$6,000	\$1,500		\$7,500
Others	\$4,850			\$4,850
Total	\$179,450	\$21,000	\$11,450	\$211,900

*Recommendations following paper mill closure **Enhanced retail related services.

Return on Investment

Below are just a few examples of success stories and projects in the City of Brainerd.

<u>Traditional</u>	<u>Enhance</u> 9/4/20189/17/20189/17/20189/17/2018d 2020	<u>Retail Related</u>
Brainerd Distillery Company	River to Rail Initiative	Downtown Projects / Redev.Efforts – Pueringer, Brainerd Eyecare, etc.
Mann Lake	River to Rail Video	Redevelopment – Royal Tire
Green Forest Recycling	EXECS Program	Redevelopment – BLACC/BLAEDC Offices
Luminary Fern	EXEC Coaching of Downtown Destination Finalists	Downtown Destination- Business Support
Fed Ex	Tech Services	Brainerd Hotel
Brainerd Industrial Center	Shovel Ready Site Certification (SRSC) – Brainerd Industrial Park	Hwy 210 East Side Redevelopment – Jimmy John's, Taco Johns, Brainerd Mall Redevelopment, etc.
Lexington Manufacturing	Positively MN/FAM Tour – Site selectors	
Stern Companies	Marketing – Business Climate Special Section	Several Housing Projects including The Willows – MN DEED Grant \$277,000
Brainerd IP Phase 4 – \$500,000 grant		
ED MIF Grants/Loans - \$865,000 (Missota/ Wausau, LTD, Range Printing, Lakeland Mold Co., Universal Printing)	Workforce Development Programs	Community Development SCDP Grants Brainerd DT - \$1.1 M Franklin Arts Center \$875,000

Approximately **40%** of BLAEDC's success stories occur in Brainerd, which equates to 170 of the 440 over the past 30 years. Brainerd receives 57.3% of \$437,370, paid annually from a sample size of 7 companies (Bang Fulfillment Facility, Lexington Manufacturing, Fed Ex, Range Printing, Stern Assembly, Lakeland Mold Company and BTB) with whom BLAEDC was integral in helping them to locate and make investments in Brainerd. These 7 companies alone contribute more than **\$250,000** per year to the city.

- **Inquiries Fielded** - Inquiries range from business start-ups, companies and individuals looking for information, site options and financing programs, industry attraction leads, to community development project opportunities.
- **Other Services and Programs** – BLAEDC has several programs we provide and manage including the KEY Recruitment Program, The BLAEDC Unified Fund, The EXEC Initiative, an Economic Development website, and others.
- **Current and Future Marketing and Special Projects** - In the past month BLAEDC hired Chelby Rediske as our Marketing Coordinator to help promote economic development opportunities in Brainerd and the area.
- **The Crow Wing County Connection** - A unique factor in Crow Wing County is that the average commute distance to work is 20 minutes. A number of companies located outside of the Brainerd city limits employ residents of Brainerd. Where the city may not benefit directly from the associated tax base, their citizens have employment that benefits everyone.

BLAEDC represents a multi-government economic development program that is affordable for all area communities including Brainerd.

Updated 9/4/2018

Brainerd BLAEDC Projects

2016-Summer 2018

0-12 Months

Purple Fern

Brainerd Distilling Company

Boat Manufacturer

Brainerd Hotel

River to Rail

- Video
- BNSF Relationship
- Community Event
- And many more activities

Brainerd Shovel Ready Site – Application Re-certification completion

Luminary Fern

Rylie Fussy New Business start up

Blue Ox/The Sage Project

DT Business Competition Assistance (Exec's Coaching/Financial Asst. - Going into Business Class)

Opportunity Zone Application & Designation – Brainerd obtained 2 tracts for Opp. Zone investments

12-24 Months

Fed Ex – Total Value \$1,795,800, estimated tax \$62,067/year

Bang Printing

Stern Companies

Royal Tire – Total Value \$521,000, estimated tax \$17,363/year

Bruce Isebrand Industrial Property Tenants - BTD

CTC Tech Services “Cool and Connected” Grant for Brainerd

NP Center

Pueringer Downtown Brainerd Project

Franklin Art Center Enhancement Project

Green Forest Recycling – Financing assistance and expansion

Brainerd Industrial Center Vehicle Recall Project

BIC Developer and Tenant Support:

- Mann Lake
- Barrett Pet Food Innovation
- Lexington Manufacturing

BUF Program: Management of \$2.9 million lending pool

2 Brainerd projects funded to date:

Green Forest Recycling

Brainerd Distilling Company

Key Recruitment Program:

Direct Hires of Key Talent for Brainerd Companies:

- Lexington
- Stern Companies
- CTC
- Essentia Health



**AGREEMENT FOR PROFESSIONAL SERVICES
BY AND BETWEEN THE BRAINERD EDA
AND
THE BRAINERD LAKES AREA
ECONOMIC DEVELOPMENT CORPORATION

FOR CALENDAR YEAR 2019**

Whereas, the Brainerd EDA desires to actively implement an ongoing program to assist in the retention and support of its existing business community, promote the location of new businesses in the community, and support economic development in Crow Wing County; and

Whereas, the Brainerd Lakes Area Economic Development Corporation (BLAEDC), a private non-profit organization created "To Expand Business, Build Community, and Grow Jobs in Crow Wing County", has established a comprehensive program to accomplish this mission;

Therefore, the Brainerd EDA does hereby enter into this agreement with the Brainerd Lakes Area Economic Development Corporation.

I. SERVICES

BLAEDC does hereby agree to provide the following services on behalf of the Brainerd EDA:

- a) BLAEDC agrees to provide a focal point for economic development in the Brainerd area, to assist businesses and industry with their site location needs, provide financial packaging services, and business planning assistance. BLAEDC will provide these services in cooperation with others such as the Brainerd office of the Small Business Development Center.
- b) BLAEDC will provide community services and marketing programs throughout the year to fulfill its mission to expand the tax base and increase employment.
- c) BLAEDC does hereby agree to maintain an office within the Brainerd Lakes area to conduct its services under this contract.
- d) BLAEDC will provide periodic reports to the Brainerd EDA on the activities and progress to fulfill the services identified above.

- e) A BLAEDC representative will attend Brainerd EDA meetings whenever appropriate or requested by the Brainerd EDA.

II. TERM OF CONTRACT

The term of this contract shall be one year, commencing January 1, 2019, and terminating on December 31, 2019.

This contract may be modified, amended or terminated upon the mutual agreement of the parties in writing and fully executed by both parties. If either party desires to modify, amend or terminate this contract, it shall give written notice of such intent to the other party not less than 30 days prior to the date such modification, amendment or termination shall take effect.

III. COMPENSATION

Services Relating to Accomplishing Our Mission

The Brainerd EDA agrees to pay BLAEDC **\$47,200** for these services, payable in payments of **\$23,600** on or about **July 1, 2019** and **December 1, 2019**.

Additional Services Including Retail Related projects

The Brainerd EDA agrees to pay BLAEDC **\$11,950** for these services, payable in payments of **\$5,975** on or about **July 1, 2019** and **December 1, 2019**.

IV. REPRESENTATION

- a) The Brainerd EDA does hereby acknowledge that BLAEDC will be conducting similar and complimentary services throughout the 1,000 square miles of Crow Wing County. This acknowledgment recognizes that when BLAEDC successfully helps a company expand or locate in Crow Wing County, it ultimately helps the community of Brainerd. Depending on the locality of the business, there could be employment opportunities for residents in your area and increased spending with local businesses. With the expansion of the economic base of Crow Wing County, it enables the community to stabilize and hopefully lower property taxes, and allow an expansion and enrichment of community amenities such as parks, service programs and the like.
- b) Each party to this agreement binds himself and his partners, successors, executors, administrators, and assigns to the other party of this agreement and to the partners, successors, executors, administrators, and assigns of such other party, in respect to all covenants of this agreement. Except as above, neither party shall assign, sublet, or transfer his interest in this agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the parties to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement in the
Brainerd EDA, Minnesota on this _____ day of _____, 2019.

BRAINERD EDA

BRAINERD LAKES AREA
ECONOMIC DEVELOPMENT
CORPORATION

By Its

By Its President
Janelle Riley

ATTEST:

Its

BLAEDC Representative
Sheila Wasnie Haverkamp

AGREEMENT TO SUPPORT ENHANCED ECONOMIC
DEVELOPMENT MARKETING ENDEAVORS (20/20)

FOR CALENDAR YEAR 2019

Whereas, the Brainerd Lakes Area Economic Development Corporation (BLAEDC), has established a comprehensive work plan guided by community and industry representatives, to enhance its economic development program. This enhanced effort will require community wide support plus additional financial resources to implement. BLAEDC will secure additional funding from business and industry, as well as requesting local units of government to support this program, and

Whereas, the Brainerd EDA desires BLAEDC to continue this enhanced economic development program and will provide funding in 2019, as well as consider funding in future years,

Enhanced Economic Development Marketing Endeavors (20/20)

Therefore, the Brainerd EDA agrees to pay BLAEDC **\$19,350** for these services in 2019, payable in payments of **\$9,675** on or about **July 1, 2019** and **December 1, 2019**.

IN WITNESS WHEREOF, the parties have executed this agreement in the Brainerd EDA, Minnesota on this _____ day of _____, 2019.

BRAINERD EDA

BRAINERD LAKES AREA
ECONOMIC DEVELOPMENT
CORPORATION

By Its

By Its President
Janella Riley

ATTEST:

Its

BLAEDC Representative
Sheila Wasnie Haverkamp

Addendum to 2019 BLAEDC and Brainerd Contract

1. Provide a Focal Point for Economic Development:

BLAEDC, during the one-year term of this agreement, will:

- a. Document and provide to the City notation of all contacts with developers or individuals through e-mail, phone contact, personal visits and correspondence, any of which BLAEDC determines to be intentions to bring to, or expand a business/manufacturing firm/processing facility/storage space/hospitality industry/medical facility within the Brainerd EDA and throughout Crow Wing County; the City recognizes, until such time that public announcement is appropriate and/or legal, that contact information will remain confidential in order to protect the identities of prospective investors
 - b. Document the number of requests for assistance to plan, seek financing, acquire property or seek any publicly-offered financing assistance for retail projects in the City
- 2.
- a. Provide to the City a sample financing proposal to indicate the manner and method of offering a financing mechanism for applicants
 - b. Document “major business planning assistance” efforts provided to individuals or firms which require attention beyond a nominal inquiry regarding opportunities to invest in Brainerd and Crow Wing County
- 3.
- a. Provide access to the City to use any BLAEDC marketing materials and efforts
 - b. Provide to the city a report of the past year’s marketing efforts

June 18, 2018

(320) 632-9255
405 First Street SE
Little Falls, MN 56345



ifound.org

Cassandra Torstenson
Brainerd City Administrator
501 Laurel St
Brainerd, MN 56401-3595

Dear Mayor Menk, City Council and Ms. Torstenson,

Your partnership has proven to be a vital part of our ability to stimulate business growth, create and maintain quality jobs and ensure a climate for economic success. Together, we have provided favorable opportunities to advance community and economic health. We appreciate your past investment and request continued support in 2019.

For 32 years the Initiative Foundation has focused on building strong local economies and vibrant communities. In Crow Wing County, we have contributed a total of \$4,020,803 in grants to support nonprofit organizations and local government projects, as well as \$8,365,014 in business loans to secure 1,847 quality jobs. Our grant-making, lending and community development activities are designed to make Central Minnesota a destination of choice to live, work, and play.

Our 2019 strategic priorities continue to include efforts to support and grow existing for profit and nonprofit businesses, and assist entrepreneurs with the start-up of new businesses and social enterprises. The enclosed Strategic Framework provides additional detail. Please contact us if you have any questions or to request a presentation at an upcoming council meeting.

We respectfully request that you consider allocating \$5,350 to the Initiative Foundation in your 2019 Budget.

This appropriation is essential to our ability to provide a climate for economic success in our region. An Initiative Foundation contribution has historically earned a substantial return on investment. For every dollar we raise locally, we are able to send an average of \$4.52 out to the communities we serve in grants, loans and scholarships.

After your budget for 2019 is finalized, please let us know your decision by signing and returning the enclosed confirmation form.

Thank you for your consideration.

All the best,

A handwritten signature in black ink that reads 'Matt'.

Matt Varilek
President

A handwritten signature in black ink that reads 'Carrie'.

Carrie Tripp
Vice President for External Relations

Enclosures



Powering Possible

Equal opportunity lender, provider and employer.



**AGREEMENT FOR PROFESSIONAL SERVICES
BY AND BETWEEN THE BRAINERD EDA
AND
THE BRAINERD LAKES AREA
ECONOMIC DEVELOPMENT CORPORATION

FOR CALENDAR YEAR 2019**

Whereas, the Brainerd EDA desires to actively implement an ongoing program to assist in the retention and support of its existing business community, promote the location of new businesses in the community, and support economic development in Crow Wing County; and

Whereas, the Brainerd Lakes Area Economic Development Corporation (BLAEDC), a private non-profit organization created "To Expand Business, Build Community, and Grow Jobs in Crow Wing County", has established a comprehensive program to accomplish this mission;

Therefore, the Brainerd EDA does hereby enter into this agreement with the Brainerd Lakes Area Economic Development Corporation.

I. SERVICES

BLAEDC does hereby agree to provide the following services on behalf of the Brainerd EDA:

- a) BLAEDC agrees to provide a focal point for economic development in the Brainerd area, to assist businesses and industry with their site location needs, provide financial packaging services, and business planning assistance. BLAEDC will provide these services in cooperation with others such as the Brainerd office of the Small Business Development Center.
- b) BLAEDC will provide community services and marketing programs throughout the year to fulfill its mission to expand the tax base and increase employment.
- c) BLAEDC Economic Development Officer, Tyler Glynn, or his equivalent should he cease his employment with BLAEDC during the term of this contract, shall be the contact person for the Brainerd EDA ("BLAEDC Representative"). In consideration for the Brainerd EDA's financial support

of BLAEDC as set forth herein, the BLAEDC Representative shall devote 75% of his or her time providing the services outlined in this contract.

- b)d) With respect to the BLAEDC funds spent on activities and projects within or related to Brainerd, BLAEDC agrees to prioritize its expenditures by focusing primarily on the revitalization of Brainerd's central business district, and secondarily on Brainerd's industrial lots as well as enhancing existing and attracting new commercial, industrial and health care partners to the City.
- e) BLAEDC does hereby agree to maintain an office within the Brainerd Lakes area to conduct its services under this contract.
- f) BLAEDC will provide ^{semi-monthly} ~~periodic quarterly~~ reports to the Brainerd EDA and Brainerd City Council on the activities and progress to fulfill the services identified above. The reports shall contain sufficient detail concerning BLAEDC's activities for the Brainerd EDA to understand and assess the nature, extent and success of BLAEDC's efforts undertaken pursuant to this contract. The specific data to be included in the reports shall be determined by agreement between the BLAEDC Representative and the City Administrator.
- g) A BLAEDC representative will attend all Brainerd EDA meetings ~~whenever appropriate or except as otherwise~~ requested by the Brainerd EDA.

II. TERM OF CONTRACT

The term of this contract shall be one year, commencing January 1, 2019, and terminating on December 31, 2019.

This contract may be modified, amended or terminated upon the mutual agreement of the parties in writing and fully executed by both parties. If either party desires to modify, amend or terminate this contract, it shall give written notice of such intent to the other party not less than 30 days prior to the date such modification, amendment or termination shall take effect.

III. COMPENSATION

Services Relating to Accomplishing Our Mission

The Brainerd EDA agrees to pay BLAEDC \$47,200 for these services, payable in payments of \$23,600 on or about **July 1, 2019** and **December 1, 2019**.

Additional Services Including Retail Related projects

The Brainerd EDA agrees to pay BLAEDC \$11,950 for these services, payable in payments of \$5,975 on or about **July 1, 2019** and **December 1, 2019**.

IV. REPRESENTATION

- a) The Brainerd EDA does hereby acknowledge that BLAEDC will be

conducting similar and complimentary services throughout the 1,000 square miles of Crow Wing County. This acknowledgment recognizes that when BLAEDC successfully helps a company expand or locate in Crow Wing County, it ultimately helps the community of Brainerd. Depending on the locality of the business, there could be employment opportunities for residents in your area and increased spending with local businesses. With the expansion of the economic base of Crow Wing County, it enables the community to stabilize and hopefully lower property taxes, and allow an expansion and enrichment of community amenities such as parks, service programs and the like.

- b) Each party to this agreement binds himself and his partners, successors, executors, administrators, and assigns to the other party of this agreement and to the partners, successors, executors, administrators, and assigns of such other party, in respect to all covenants of this agreement. Except as above, neither party shall assign, sublet, or transfer his interest in this agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the parties to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement in the Brainerd EDA, Minnesota on this _____ day of _____, 2019.

BRAINERD EDA

BRAINERD LAKES AREA
ECONOMIC DEVELOPMENT
CORPORATION

By Its

By Its President
Janelle Riley

ATTEST:

Its

BLAEDC Representative
Sheila Wasnie Haverkamp

AGREEMENT TO SUPPORT ENHANCED ECONOMIC
DEVELOPMENT MARKETING ENDEAVORS (20/20)

FOR CALENDAR YEAR 2019

Whereas, the Brainerd Lakes Area Economic Development Corporation (BLAEDC), has established a comprehensive work plan guided by community and industry representatives, to enhance its economic development program. This enhanced effort will require community wide support plus additional financial resources to implement. BLAEDC will secure additional funding from business and industry, as well as requesting local units of government to support this program, and

Whereas, the Brainerd EDA desires BLAEDC to continue this enhanced economic development program and will provide funding in 2019, as well as consider funding in future years,

Enhanced Economic Development Marketing Endeavors (20/20)

Therefore, the Brainerd EDA agrees to pay BLAEDC **\$19,350** for these services in 2019, payable in payments of **\$9,675** on or about **July 1, 2019** and **December 1, 2019**.

IN WITNESS WHEREOF, the parties have executed this agreement in the Brainerd EDA, Minnesota on this _____ day of _____, 2019.

By Its

By Its President
Janella Riley

ATTEST:

Its

BLAEDC Representative
Sheila Wasnie Haverkamp

Addendum to 2019 BLAEDC and Brainerd Contract

1. Provide a Focal Point for Economic Development:

BLAEDC, during the one-year term of this agreement, will:

- a. Document and provide to the City notation of all contacts with developers or individuals through e-mail, phone contact, personal visits and correspondence, any of which BLAEDC determines to be intentions to bring to, or expand a business/manufacturing firm/processing facility/storage space/hospitality industry/medical facility within the Brainerd EDA and throughout Crow Wing County; the City recognizes, until such time that public announcement is appropriate and/or legal, that contact information will remain confidential in order to protect the identities of prospective investors
- b. Document the number of requests for assistance to plan, seek financing, acquire property or seek any publicly-offered financing assistance for retail projects in the City

2.

- a. Provide to the City a sample financing proposal to indicate the manner and method of offering a financing mechanism for applicants
- b. Document "major business planning assistance" efforts provided to individuals or firms which require attention beyond a nominal inquiry regarding opportunities to invest in Brainerd and Crow Wing County

3.

- a. Provide access to the City to use any BLAEDC marketing materials and efforts
- b. Provide to the city a report of the past year's marketing efforts

Downtown SCDP Grant Info

Name	Business	Address	SCDP Commercial \$	SCDP Rental \$	Owner \$
Ed Mattson	Last Turn - Apartments	214 S. 8th St.		\$87,395.70	\$37,455.30
Ed Mattson	Commercial Prop.	216 S. 8th St.	\$40,000.00		\$30,791.00
Jon and Debra Luhrs	Bridge of Harmony	216 S. 7th St.	\$40,000.00		\$17,055.00
Dave Pueringer	Downtown Mall	217 S. 7th St.	\$29,520.00		\$8,380.00
Dave Pueringer	Downtown Mall - Apartments	217 S. 7th St.		\$138,129.92	\$59,198.54
Jeff Hilborn	Olde Open Window	602 Laurel St.	\$16,315.79		\$4,078.95
Jeff Hilborn	Olde Open Window - Apartments	602 Laurel St.		\$58,016.00	\$24,864.00
Moore's Properties	Northwind Grill	605 Laurel St.	\$40,000.00		\$15,890.00
Moore's Properties	Northwind Grill - Apartments	605 Laurel St.		\$13,682.20	\$5,863.80
Sarah Hayden Shaw	Sage on Laurel	606 Laurel St.	\$40,000.00		\$10,566.00
Sarah Hayden Shaw	Ash Properties - Apartments	606 Laurel St.		\$37,716.70	\$16,164.30
NJMS Phelps Block	LAMF, Crossing Arts Alliance	711-717 Laurel St.	\$40,000.00		\$19,997.00
NJMS Chets	Purple Fern	719 Laurel St.	\$40,000.00		\$24,583.00
Dave Pueringer	Bob & Fran's Factory Direct	724 Laurel St.	\$35,000.00		\$10,000.00
Chris Vandeputte	iron Hills - Apartments	704 Front St.		\$20,000.00	\$10,000.00
Chris Vandeputte	Iron Hills Gun, Pawn & Antiques	704 Front St.	\$40,000.00		\$10,000.00
Totals			\$360,835.79	\$354,940.52	\$304,886.89

Grand Total \$1,020,663.20



Bob & Frans

FAMILY