

City of Brainerd
Economic Development Authority
Meeting Agenda

Council Chambers
October 10, 2019
7:30 A.M.

- I. Call to Order
- II. Roll Call
 - _____ E. Menk
 - _____ K. Bevans
 - _____ J. Sinner
 - _____ W. Erickson
 - _____ G. Johnson
 - _____ Y. Campbell
- III. Approval/Amendment of Agenda
- IV. Approval of Minutes from August 8, 2019
- V. Financial Report
- VI. Updates
 - a. HRA
 - i. Revolving Loan Fund (RLF)
 - ii. Small Cities Development Program (SCDP)
 - iii. Housing Updates
 - iv. Other
 - b. BLAEDC
 - i. Unified Fund
 - ii. Other
- VII. Old Business
 - a. Budget
 - i. BLAEDC
 - ii. Professional Services – Other
 - iii. Misc. Services
 - b. Call for Applicants

- VIII. New Business
 - a. Darkow Farms
 - b. Industrial Lots/Marketing
- IX. Informational
 - a. December Meeting
 - i. 2020 Goals and Priorities
 - ii. 2020 Budget
- X. Commissioner's Comments/Questions
- XI. Adjournment

BRAINERD ECONOMIC DEVELOPMENT AUTHORITY

Thursday, August 8, 2019

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, Kelly Bevans, Jerry Sinner, Wayne Erickson and Gabe Johnson. Commissioner Campbell was noted as absent. Also present were City Administrator Torstenson, Community Development Director Chanski, Finance Director Hillman, Bruce Buxton, representing BLAEDC and John Schommer, HRA rehab director.

Approval/Amendment of Agenda

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

Approval of Minutes

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND SINNER, DULY CARRIED, TO APPROVE THE MINUTES FROM THE JULY 11, 2019 EDA MEETING AS PRESENTED.

Approval of Financial Report

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

Update from HRA – John Schommer

Revolving Loan Fund

Mr. Schommer stated they have received two inquiries regarding the program this week and he sent out the program detail paperwork to the interested parties.

Housing Updates

Mr. Schommer said he is meeting with the Brainerd Oaks and Serene Pines developer later today. He stated there are three homes in construction with four staked out at Brainerd Oaks. He explained there has been no new activity for Serene Pines.

Small Cities Development Program (SCDP)

Mr. Schommer indicated a project is taking place at the Iron Hills Gun & Pawn that is a part of the previous downtown grant. He said the tentative completion time will be the end of August. He stated Dave Pueringer is working on arrangements to start the store front at Bob & Fran's Furniture, with a completion time the end of August as well.

Mr. Schommer stated a construction contract has been completed for the old Iron Rail building owned by Sarah Hayden Shaw for larger windows and facade work for the Knotty Pine Bakery. He indicated Ms. Hayden Shaw has submitted the application for the nine apartments above and is currently obtaining bids.

Update from BLAEDC – Bruce Buxton

Mr. Buxton stated Mr. Tyler Glynn could not attend this morning and he distributed a flow chart to the group.

New Business

Fund Allocation / Budget

City Administrator Torstenson stated a worksheet is included in the packet to view the line items and blank areas for the EDA to fill in as desired. She indicated the packet also includes allocation requests from the Initiative Foundation and BLAEDC to consider for 2020.

Discussion took place regarding the levy.

MOVED AND SECONDED BY COMMISSIONERS SINNER AND ERICKSON, DULY CARRIED, FOR THE LEVY TO BE SET AT THE MAXIMUM AMOUNT ALLOWED BY STATE STATUTE.

Commissioner Bevans suggested the City Administrator and the Finance Director salary allocations be listed as one sum.

Commissioner Johnson stated there needs to be a contract between the EDA and the City for using city staff for EDA duties.

Mayor Menk suggested a draft contract to be drawn up and presented to the EDA at the meeting in October.

Commissioner Sinner stated the contract should be a single line item showing the dollar amount.

MOVED AND SECONDED COMMISSIONERS SINNER AND BEVANS, DULY CARRIED, FOR \$30,000 TO BE THE SET LEVY AMOUNT.

Discussion took place.

The previous motion was rescinded.

MOVED AND SECONDED BY COMMISSIONERS SINNER AND BEVANS, DULY CARRIED, TO MODIFY THE AMOUNT LEVIED TO \$32,500.

Accept Final Audit Statement

MOVED AND SECONDED BY COMMISSIONER JOHNSON AND BEVANS TO NEGOTIATE A ONE YEAR COMMITMENT TO BLAEDC WITH AN AMOUNT OF \$50,000 TO BE ALLOCATED FOR BLAEDC SERVICES.

Commissioners Johnson and Bevans votes “aye”. Commissioners Erickson, Sinner and Menk voted “nay”. The Chair declared the motion failed.

Commission discussion took place.

Mayor Menk will contact BLAEDC for them to present to the EDA in October to explain the benefits of their services.

Annual Report to Council

City Administrator Torstenson requested direction from the EDA as to what information is desired in the annual financial report, as there was no past reports located.

Old Business

Call for Applicants – one seat available

Commissioners' Comments/Questions and Other Business

Mayor Menk stated progress is taking place downtown with the bakery and a new art business on 6th Street.

Informational

- o October Meeting – Future Development Opportunities, Industrial Lots, Budget Discussion, Other
- o December Meeting – 2020 Goals and Priorities

Adjournment

The Authority adjourned at 8:19 a.m.

Connie Hillman, Secretary/Treasurer

Financial Report for EDA - PRELIMINARY

As of September 30, 2019

	<u>Cash & Investments</u>	<u>Receivable Balance</u>	<u>Deferred Loans (as of 12/31/18) **</u>	<u>Awarded Grants</u>
General Funds:				
EDA Fund - #295	\$ 68,428	\$ -	\$ -	\$ -
Total	\$ 68,428	\$ -	\$ -	\$ -
CDBG (Housing/Commerical (Slum & Blight/Federal Objective)):				
Downtown - #298	\$ (78,742)	\$ 35,849	\$ 11,020	\$ 22,922
SE Brainerd - #215	25,173	-	439,852	-
NE Brainerd - #218	(3,344)	-	-	638,338
Willows Project - #209	6,189	-	87,150	-
Old Housing - #209	9,280	-	65,475	-
Local Income - #275	17,987	17,968	26,489	-
Total	\$ (23,458)	\$ 53,817	\$ 629,985	\$ 661,260
Federal & State MIF (Commerical (Jobs)):				
Commerical - #210 ^^^	\$ 6,540	\$ 646,427	\$ -	\$ -
Federal MIF - #296	17,332	641	-	-
Total	\$ 23,872	\$ 647,068	\$ -	\$ -
Grand Total	<u>\$ 68,842</u>	<u>\$ 700,884</u>	<u>\$ 629,985</u>	<u>\$ 661,260</u>

** 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.

BALANCE SHEET

AS OF: SEPTEMBER 30TH, 2019

295-EDA FUND

ACCOUNT#	TITLE		
ASSETS			
=====			
10100	CASH	68,427.63	
10700	DELINQUENT TAX RECEIVABLE	6,625.40	
10800	ALLOWANCE FOR UNCOLLECT (	4,771.17)	
16160	FA-LAND HELD FOR RESALE	488,252.22	
			558,534.08
			=====
TOTAL ASSETS			558,534.08
			=====
LIABILITIES			
=====			
22200	DEFERRED REVENUE	488,252.22	
TOTAL LIABILITIES		488,252.22	
			=====
EQUITY			
=====			
28900	FUND BALANCE/EQUITY ACCT	33,987.52	
TOTAL BEGINNING EQUITY		33,987.52	
TOTAL REVENUE		69,430.73	
TOTAL EXPENSES		33,136.39	
TOTAL SURPLUS/(DEFICIT)		36,294.34	
TOTAL EQUITY & SURPLUS/(DEFICIT)		70,281.86	
			=====
TOTAL LIABILITIES, EQUITY & SURPLUS/DEFICIT			558,534.08
			=====

C I T Y O F B R A I N E R D
INCOME STATEMENT BUDGET TO ACTUAL
AS OF:SEPTEMBER 30TH, 2019

295-EDA FUND
REVENUES

	CURRENT BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>TAXES AND PENALTIES</u>					
295-31010 CURRENT AD VALOREM	124,351.00	0.00	67,947.47	56,403.53	54.64
295-31020 DELINQUENT AD VALOREM	<u>0.00</u>	<u>0.00</u>	<u>1,148.38</u> (	<u>1,148.38</u>)	<u>0.00</u>
TOTAL TAXES AND PENALTIES	124,351.00	0.00	69,095.85	55,255.15	55.57
 <u>PROGRAM INCOME</u>	 	 	 	 	
 <u>STATE GRANTS & AIDS</u>	 	 	 	 	
 <u>PRINCIPAL & INTEREST</u>	 	 	 	 	
 <u>OTHER REVENUE</u>					
295-36210 INTEREST INCOME	<u>100.00</u>	<u>0.00</u>	<u>334.88</u> (	<u>234.88</u>)	<u>334.88</u>
TOTAL OTHER REVENUE	100.00	0.00	334.88 (	234.88)	334.88
 TOTAL REVENUE	 124,451.00	 0.00	 69,430.73	 55,020.27	 55.79
	=====	=====	=====	=====	=====
 <u>OTHER FINANCING SOURCES</u>	 	 	 	 	
 TOTAL REVENUE & OTHER FINANCING SOURCES	 124,451.00	 0.00	 69,430.73	 55,020.27	 55.79
	=====	=====	=====	=====	=====

C I T Y O F B R A I N E R D
INCOME STATEMENT BUDGET TO ACTUAL
AS OF:SEPTEMBER 30TH, 2019

295-EDA FUND
ECONOMIC DEVELOPMENT AUTH
DEPARTMENTAL EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>PERSONAL SERVICES</u>					
295-46510-1101 SALARY	28,066.00	2,030.27	18,630.09	9,435.91	66.38
295-46510-1121 PERA	2,105.00	152.26	1,397.24	707.76	66.38
295-46510-1122 FICA	1,740.00	108.47	999.81	740.19	57.46
295-46510-1123 MEDICARE	407.00	25.37	233.84	173.16	57.45
295-46510-1131 HEALTH INSURANCE	4,892.00	375.51	3,555.61	1,336.39	72.68
295-46510-1133 LIFE INSURANCE	48.00	0.32	3.20	44.80	6.67
295-46510-1134 LTD INSURANCE	47.00	0.39	3.75	43.25	7.98
TOTAL PERSONAL SERVICES	37,305.00	2,692.59	24,823.54	12,481.46	66.54
<u>SUPPLIES</u>					
<u>SERVICES</u>					
295-46510-3300 PROFESSIONAL SERVICES	0.00	0.00	2,796.74 (	2,796.74)	0.00
295-46510-3330 PROFESSIONAL DEVELOPMENT	78,500.00	0.00	0.00	78,500.00	0.00
295-46510-3361 INS - GENERAL LIABILITY	125.00	0.00	126.11 (	1.11)	100.89
295-46510-3430 MISCELLANEOUS	500.00	40.00	40.00	460.00	8.00
295-46510-3433 COALITION ASSMT	5,350.00	0.00	5,350.00	0.00	100.00
TOTAL SERVICES	84,475.00	40.00	8,312.85	76,162.15	9.84
<u>CAPITAL OUTLAY</u>					
<u>DEBT PAYMENTS</u>					
TOTAL ECONOMIC DEVELOPMENT AUTH	121,780.00	2,732.59	33,136.39	88,643.61	27.21
	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	121,780.00	2,732.59	33,136.39	88,643.61	27.21
	=====	=====	=====	=====	=====
<u>OTHER FINANCING USES</u>					
TOTAL EXPENDITURES & OTHER FINANCING (USES)	121,780.00	2,732.59	33,136.39	88,643.61	27.21
	=====	=====	=====	=====	=====
REVENUE & OTHER SOURCES IN EXCESS (DEFICIT) OF EXPENDITURES & OTHER (USES)	2,671.00 (	2,732.59)	36,294.34 (	33,623.34)	1,358.83
	=====	=====	=====	=====	=====

*** END OF REPORT ***



BLAEDC 2020 Funding Request Documentation

BLAEDC 2019 Budget

Revenue

Gov. \$216,625 (42%)

Private and Other \$242,775

BLAEDC Reserves \$21,000

TOTAL- \$513,000

Expenditures

Salary and Benefits - \$365,000 (71%)

3 Professionals plus 1.5 FT office staff

Marketing and Spec. Initiatives - \$37,000 (7.5%)

Annual range - \$15,000-\$60,000+

Office, Admin, Consultants - \$111,000 (21.5%)

Staffing –

Executive Director: organizational oversight, public relations, new initiatives, funding, government liaison, economic development support as needed

ED Officer – Projects and BUF

Workforce Officer – Workforce initiatives, key recruitment, consulting, marketing, training

1.5 FTE – Support staff, marketing, event coordination, etc.

- *The 2019 budget estimated a need of \$21,000 in reserves*

2019 Staffing Estimates To Brainerd

Tyler Glynn – 75%

Meetings (City Council and EDA), Brainerd Projects, Children's Museum, EDA Steering Committee, Youth Initiatives, Junior Achievement (Brainerd High School), YMCA Youth Entrepreneur Program/JA , Marketing Plan for EDA/Brainerd Industrial Lots, R2R, BLAEDC Unified Fund Director (5/12 BUF Loans have been made to Brainerd Companies)

Mike Bjerkness – 25% - *Based on Hires for Brainerd Companies*

Workforce Marketing, Workforce Trainings, Housing Task Force, YMCA Board Member, CLC Foundation Board Member, Manufacturer's Alliance, Chamber Ambassador, Rotary Board Member, AED Entrepreneur Job Shadow Program, Bridges Workplace Connection, Broadband Initiatives, Childcare Initiatives

Sheila Haverkamp's Time and Commitment to Brainerd

BLAEDC's EXECs – R2R, SCORE, Downtown Destination, Youth programming, etc.

Bruce Buxton – R2R Volunteer Time, R2R Incentive Program (adopted by City Council 7/1/2019)

2020 Staffing Estimates to Brainerd

2020 budget increases are needed to pay for:

1. Professional wages to compete with market rates.
2. Entire annual operating needs vs. tapping into organization's reserves.

Revenue

Gov. \$250,000 (43%)

Private and Other \$257,000

BLAEDC Reserves \$21,000

TOTAL- \$582,000

Expenditures

Salary and Benefits - \$400,000 (69%)

3 Professionals plus 1.5 FTE office staff. BLAEDC staff do not receive compensation for benefits aside from pto, short term disability and FMLA. Staff do not receive health, dental or retirement benefits.

Marketing and Spec. Initiatives

\$40,000 (6.9%)

Annual range - \$15,000-\$60,000+

Office, Admin, Consultants

\$117,000 (20%)

Tyler Glynn – 75%

Meetings (City Council and EDA), Brainerd Projects, Children's Museum, EDA Steering Committee, Youth Initiatives, Junior Achievement (Brainerd High School), YMCA Youth Entrepreneur Program/JA , Marketing Plan for EDA/Brainerd Industrial Lots, R2R, BLAEDC Unified Fund Director

Mike Bjerkness – 25%

Workforce Marketing, Workforce Trainings, Housing Task Force, YMCA Board Member, CLC Foundation Board Member, Manufacturer's Alliance, Chamber Ambassador, Rotary Board Member, AED Entrepreneur Job Shadow Program, Bridges Workplace Connection, Broadband Initiatives, Childcare Initiatives

BLAEDC's EXECs – R2R, SCORE, Downtown Destination, Youth programming, etc.

Bruce Buxton – R2R Volunteer Time, Entrepreneur Coach and Judge

MEMO



TO: EDA Board of Commissioners

FROM: Connie Hillman, City of Brainerd Finance Director

DATE: October 8, 2019

RE: 2020 EDA Budget

The City adopted the preliminary levy at the end of September. The preliminary levy included the EDA's recommendation to levy the maximum allowed per state statute. The items below have been placed on the agenda for discussion/direction:

- **Current Ad Volorem:** The \$127,817 is the maximum allowed for Brainerd per state statute.
- **Professional Services:**
 - o **City:** At the last EDA meeting, the Board's recommendation was to develop a service contract with the City of Brainerd in the amount of \$32,500. This amount is reflected in the current budget, and staff will present a draft agreement at the next meeting.
 - o **BLAEDC Funding:** Representative from BLAEDC will be at the meeting to discuss the 2020 funding request from the organization. The attached information has been included in this packet again for your reference:
 - BLAEDC 2020 Funding Support request
 - Funding from Local Units of Government for BLAEDC Operations – 3 Year Commitment
 - 2019 Agreements between the Brainerd EDA and BLAEDC
 - o **Other:** To date in 2019, the EDA has spent \$2,797 in attorney fees (presentation done by City Attorney, and on general financial matters to Kennedy & Graven – the City's Bond Council). Perhaps the Board would like to discuss budgeting an amount for services from attorneys and/or municipal advisors as we explore options for marketing the industrial lots.
- **Miscellaneous:** Historically, \$500 has been budgeted for miscellaneous items that may come up during the year. At the last meeting it was discussed looking into strategic planning, a budget for new marketing of the industrial lots, and/or professional development for EDA members. These ideas are listed out for discussion purposes.

- ***Memberships:*** Historically the EDA Fund has paid for the funding request to the Initiative Foundation. Attached again for your reference is the 2020 request from the Initiative Foundation for \$5,350 which is the same amount as 2019. This number appears in the budget as it was agreed upon at the last meeting.

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

EDA Fund

	2018			2020	
	Budget	Actual	2019 Budget	Requested Budget	Difference
Revenues					
Taxes & Penalties					
31010 Current Ad Volorem **	122,223	120,504	124,351	127,817	3,466
31020 Delinquent Current Ad Volorem	-	1,705	-	-	-
	122,223	122,209	124,351	127,817	3,466
Other Revenue					
36210 Interest Income	100	247	100	250	150
39200 Sale of Land	-	-	-	-	-
	100	247	100	250	150
TOTAL REVENUE	122,323	122,456	124,451	128,067	3,616
Expenditures					
Personnel Services ^					
-1101 Salary	24,527	24,343	28,066	-	(28,066)
-1121 PERA	1,840	1,810	2,105	-	(2,105)
-1122 FICA	1,521	1,313	1,740	-	(1,740)
-1123 Medicare	356	307	407	-	(407)
-1131 Health Ins	4,551	4,523	4,892	-	(4,892)
-1133 Life Ins	26	4	48	-	(48)
-1134 LTD	24	6	47	-	(47)
	32,845	32,305	37,305	-	(37,305)
Services					
-3300 Professional Services	-	-	-	-	-
City	-	-	-	32,500	32,500
BLAEDC	77,500	77,500	78,500	-	(78,500)
Legal/Municipal Advisors	-	-	-		-
-3350 Legal Publ	-	38	-	-	-
-3361 Ins. General Lib	127	83	125	100	(25)
-3430 Miscellaneous	500	160	500	500	-
Strategic Planning			-	-	-
Marketing			-	-	-
Training/Events/Conferences			-	-	-
-3435 Memberships *	5,350	5,350	5,350	5,350	-
	83,477	83,131	84,475	38,450	(46,025)
-7720 Transfers Out	-	-			
TOTAL EXPENDITURES	116,322	115,437	121,780	38,450	(83,330)
NET REVENUE OVER EXPEND.	6,001	7,019	2,671	89,617	86,946

** Max allowed by state statute

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

* Initiative Foundation



**Brainerd Lakes Area
ECONOMIC DEVELOPMENT
Corporation**

RECEIVED

JUL 11 2019

**CITY OF BRAINERD
ADMINISTRATION**

June 2019

Re: BLAEDC 2020 Funding Support

Dear Mayor and Chair Menk,

As you know, BLAEDC has been exploring options to restructure and sustain funding for the organization to provide economic development services within the City of Baxter and all of Crow Wing County. This past year we held several *Informational Sessions* to share:

- BLAEDC's history,
- the traditional economic development services we provide,
- new programming developed including our workforce programs and the BLAEDC Unified Fund, and
- our need to have widespread support by all.

Based on the impact of our work and the need to have a professional economic development organization serving Crow Wing County, the BLAEDC board of directors has asked us to focus on the following:

1. Enhanced government funding needs to increase. BLAEDC's funding from government is a critical component of our annual budget. We have identified a 3-year goal to increase government funding from \$216,625 to \$250,000 by 2022 to eliminate negative budgets and retain our professional staff.
2. Private sector business membership is a priority. In the last few years we have increased contributions by nearly 60% to \$135,000 annually. We have a 3-year plan to continue securing private sector contributions, and hopefully reach \$150,000-\$200,000 by 2022.
3. New economic development programs, including our KEY Recruitment Program and the BLAEDC Unified Fund, have been positive for BLAEDC and the business community and need to continue. We plan to fine-tune and operate programs that will provide critical services and generate revenue that will help to alleviate long term funding increases needed from you.
4. Other opportunities are being explored by BLAEDC staff to continue bringing robust economic development programs to our community including entrepreneurial initiatives and succession planning.

We recognize the City of Brainerd's support and strong partnership with BLAEDC throughout the years. We also acknowledge that Brainerd has funded a large percentage of our budget. We hope to use you as an example for our other government entities to enhance their funding commitments to BLAEDC. However, in order to accomplish our goals, we are asking the City of Brainerd to maintain a level of commitment over the next three years as follows:

Current Year 2019 - \$78,500

Year 2020 - \$78,500

Year 2021 - \$78,500

Year 2022 - \$78,500

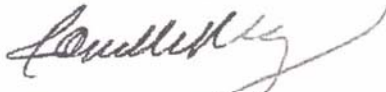
Please advise if you would like BLAEDC representatives to meet with you to discuss our funding request. Your support and commitment to BLAEDC and economic development is sincerely appreciated.

Attached: BLAEDC 2018 Annual Report

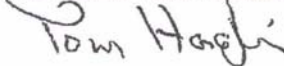
2020-2022 BLAEDC Funding 3-Year Commitment Request

Sincerely,
BLAEDC Board of Directors and Staff

Janelle Riley, Syvantis
Technologies
BLAEDC President



Tom Haglin, LINQAR
Corporation/Avantech
BLAEDC Vice President



Mike Larson, Essentia
Health
BLAEDC
Secretary/Treasurer



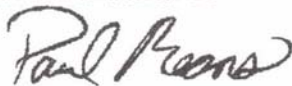
Sheila Haverkamp,
BLAEDC STAFF
Executive Director



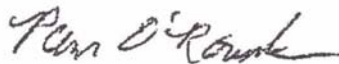
Karlo Goerges, Pequot
Tool & Manufacturing
BLAEDC Past President
and Board Member



Paul Means, Riverwood
Bank
BLAEDC Past President
and Board Member



Pam O'Rourke, Integrated
Retirement
BLAEDC Board Member



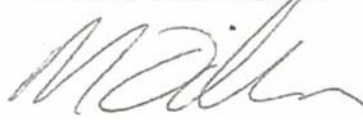
Mike Bjerkness,
BLAEDC STAFF
Workforce Director



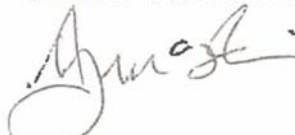
Jim Haakonson,
CliftonLarsonAllen
BLAEDC Board Member



Mike Dillon, Lexington
Manufacturing
BLAEDC Board Member



Terry McFarlin,
Anderson Brothers
BLAEDC Board Member



Tyler Glynn,
BLAEDC STAFF
Economic Development
Officer



FUNDING FROM LOCAL UNITS OF GOVERNMENT FOR BLAEDC OPERATIONS - 3 Year Commitment

	2018 APPROVED	2019 APPROVED	% Increase	2020 PROPOSED	% Increase	2021 PROPOSED	% Increase	2022 PROPOSED
Unit of Government								
Crow Wing County**	44,750.00	44,750.00	0.00%	44,750.00	3%	46,100.00	3%	47,500.00
CWC HRA**	20,000.00	21,000.00	100.00%	42,000.00	3%	43,260.00	3%	44,500.00
Brainerd	77,500.00	78,500.00	0.00%	78,500.00	0%	78,500.00	0%	78,500.00
Baxter	29,500.00	31,000.00	6.45%	33,000.00	6%	35,000.00	6%	37,000.00
Nisswa	2,000.00	2,050.00	34.15%	2,750.00	4%	2,850.00	4%	2,950.00
Pequot Lakes	7,500.00	8,500.00	17.65%	10,000.00	3%	10,300.00	3%	10,600.00
Breezy Point	2,000.00	2,030.00	35.47%	2,750.00	4%	2,850.00	4%	2,950.00
Crosslake EDA	7,500.00	7,650.00	30.72%	10,000.00	3%	10,300.00	3%	10,600.00
Jenkins	850.00	875.00	14.29%	1,000.00	3%	1,030.00	3%	1,060.00
Total	191,600.00	196,355.00		224,750.00		230,190.00		235,660.00
CREDI*	20,300.00	20,300.00	0.00%	20,300.00	0%	20,300.00	0%	20,300.00
Total Gov. Contract Rev	211,900.00	216,655.00		245,050.00		250,490.00		255,960.00

*CREDI adjustments TBD per conversations with CREDI board, Tim Houle, Bill Brekken, and Jennifer Bergman.

**Discussions with Jennifer Bergman and Bill Brekken are occuring to discuss funding strategy.



Brainerd Lakes Area
ECONOMIC DEVELOPMENT
Corporation
We're ready. Let's grow!

**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) 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 reports every other month 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 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**.

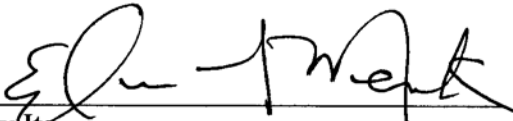
IV. REPRESENTATION

- 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 6th day of December 2018.

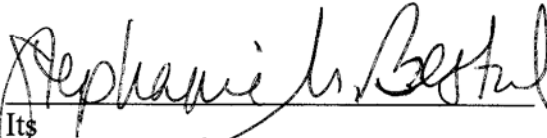
BRAINERD EDA

BRAINERD LAKES AREA
ECONOMIC DEVELOPMENT
CORPORATION

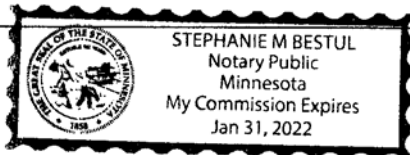

By Its Mayor


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

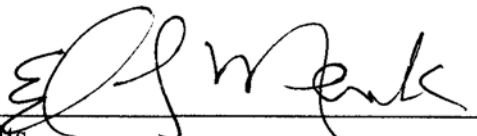
Whereas, the Brainerd EDA desires BLAEDC to continue this enhanced economic development program and will provide funding in 2019, as well as consider funding in future years,

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**.

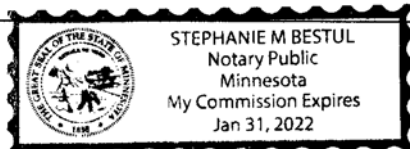
IN WITNESS WHEREOF, the parties have executed this agreement in the Brainerd EDA, Minnesota on this 6th day of December, 2018.

BRAINERD EDA

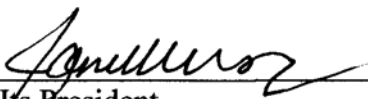

By Its Mayor

ATTEST:


Its



BRAINERD LAKES AREA
ECONOMIC DEVELOPMENT
CORPORATION


By Its President
Janella Riley


BLAEDC Representative
Sheila Wasnie Haverkamp

Addendum to 2019 BLAEDC and Brainerd Contract

1. Provide a Focal Point for Economic Development:

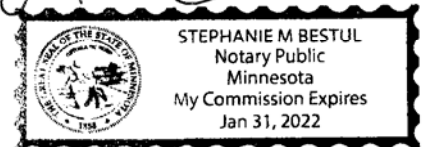
BLAEDC, during the one-year term of this agreement, will:

- 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

Ed Mark
Brainerd Mayor

JB
BLAEDC

Stephanie M Bestul



June 17, 2019

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

RECEIVED

JUN 20 2019

CITY OF BRAINERD
ADMINISTRATION



ifound.org

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

Dear Mayor Menk, City Council and Ms. Torstenson,

For 33 years the Initiative Foundation has focused on building strong local economies and vibrant communities. In Crow Wing County, we have contributed a total of \$4,352,234 in grants to support nonprofit organizations and local government projects, as well as \$8,619,264 in business loans to secure 1,865 quality jobs.

City and county partners are vital to our ability to support business growth, and the creation and maintenance of quality jobs in our region. We appreciate your past investment and request continued support in 2020.

We respectfully request that you consider allocating \$5,350 to the Initiative Foundation in your 2020 budget.

This appropriation is essential to our ability to provide a climate for economic success in our region. An Initiative Foundation contribution has historically generated a substantial return on investment, as local contributions make it possible for us to leverage additional resources from a variety of sources outside Central Minnesota. Specifically, for every dollar we raise locally, we are able to invest an average of \$3.83 back into the communities we serve in grants, loans and scholarships.

Our strategic priorities for 2020 support economic and community development across the region. The Initiative Foundation's grant-making, lending and programmatic activities will continue to support existing for-profit and nonprofit business growth, empower new entrepreneurs, address workforce shortages, and increase access to quality childcare for the region's workforce. These initiatives work in league with cities and counties to make Central Minnesota a destination of choice to live, work, and play.

Please contact us if you have any questions or to request a presentation at an upcoming council meeting. If possible, after your budget for 2020 is finalized, please let us know your decision by signing and returning the enclosed confirmation form. Thank you for your consideration.

All the best,

Matt Varilek
President

Enclosures



Powering Possible

Equal opportunity lender, provider and employer.



Initiative Foundation at work in
CROW WING COUNTY

\$2.9 MILLION

in local donations to the Initiative Foundation.

\$13.3 MILLION

returned to Crow Wing County in grants, loans, and scholarships.

Our Mission:

To empower people to
build thriving communities
and a vibrant region
across Central Minnesota.

405 First Street SE
Little Falls, MN 56345
(877) 632-9255
ifound.org



Powering Possible

Return on Investment

For every local dollar contributed, the Initiative
Foundation has invested **\$4.54** back into Crow Wing
County.

Economic Impact

[1986 to present]

- Awarded 754 grants totaling **\$4.35 million**
- Awarded 18 scholarships totaling **\$19,050**
- 179 loans totaling **\$8.6 million**
- Secured **1,865 quality jobs**
- Leveraged **\$43.4 million** in private business financing
- Hosted **17** Partner Funds

CROW WING COUNTY **Investment Highlights**

For a full listing of Initiative Foundation investments in Crow Wing County, Contact us at (877) 632-9255.

Grants Thriving Economy, Thriving Communities

Advocates Against Domestic Abuse	Strategic Planning
Blandin Foundation	Sponsorship Grant for Border to Border Broadband Conference
Brainerd School District	Brainerd Lakes Area Early Childhood Coalition
Brainerd Lakes Area Chamber of Commerce Education Association	Bridges Career Depot: Researching High School Internship and Apprenticeship Models for Region Five
Central Lakes College Foundation, Brainerd	Small Business Growth and Success Initiative
City of Nisswa	Gull Lake Trail
City of Pequot Lakes	Thriving Communities Initiative
City of Riverton	Sanitary Sewer System Records Mapping
Crow Wing County United Way, Inc.	Imagination Library
Cuyuna Range Youth Center	Cuyuna Range Youth Development
Happy Dancing Turtle	Financial Resiliency through Social Enterprise Program Participation
Lakes Area Habitat for Humanity	Brainerd Lakes Area Habitat for Humanity ReStore Job Transition Training
Lakes Area Restorative Justice Project	Strategic Planning
Minnesota Association for Volunteer Administration	Enhancing the Skills of Volunteer Engagement Leaders
The National Loon Center Foundation	Sustainable Business Planning for a National Loon Center in Crosslake
Regents of the University of Minnesota	Tourism and Lodging Workforce Study
Salem Lutheran Church, Deerwood	Director Transition Project

Business Financing Local Ownership, Quality Jobs

Corral Auto Repair, LLC, Brainerd	Service
Dr. Spoden Investments, LLC, Brainerd	Tourism
GreenForest Recycling Resources, LLC, Brainerd	Recycling Center
JAO Properties, LLC, Little Falls	Service
Michelle L. Fussy, Fifty Lakes	Service
Up a Creek Campground, Fifty Lakes	Campground

Charitable Funds Activating Generosity

Cuyuna Lakes Education Foundation | Anderson Brothers Family Fund | Betty Ford Menzel Scholarship Fund | Conservancy Fund of Roosevelt and Lawrence Area Lakes Association | Crow Wing Environment Protection Advised Fund | Gaalswyk Family Fund | Gull Chain Preservation Endowment | Lake Region Christian School Education Foundation | Land and Waters Preservation Trust | Manufacturing Fund of Central Minnesota | Patriot Foundation | Pequot Lakes Community Foundation | Patriot Foundation | Bert and Helen LeBlanc Legacy Scholarship Fund | Bridges Manufacturing Workforce Development Fund | Lakes Area Medical Development Fund | Julius Kurpius Family Fund

Nonprofit Assistance Helping Organizations Thrive

ACES Resiliency Coalition and Fathers Reading Every Day (FRED)	Lunch and Learn
Brainerd Family YMCA	Financial Resiliency Program
Central Lakes College Upward Bound	Lunch and Learn
Lakes Area Restorative Justice Program	Financial Resiliency Program

Community Action The Power of Partnership

→ The Patriot Foundation, an Initiative Foundation-hosted education fund to support Pequot Lakes-area students, has grown tenfold thanks to an anonymous gift of

\$100,000 in December 2018. Superintendent Chris Lindholm says the group is "humbled, honored and energized by the incredible generosity of this anonymous donor." The

Patriot Foundation will now be able to provide \$7,500 in innovation grants to Pequot Lakes school staff in 2019 and five \$1,000 scholarships for graduates.