

BRAINERD ECONOMIC DEVELOPMENT AUTHORITY
Thursday, May 7, 2020 6:00 P.M.
WebEx Teleconference Meeting
Official Minutes

Pursuant to the call and notice thereof, President Sinner called the meeting of the Brainerd Economic Development Authority to order at 6:05 p.m.

Present were Commissioners Ed Menk, Kelly Bevans, Jerry Sinner, Wayne Erickson, Yvette Campbell, and Gabe Johnson. Also present were City Administrator Bergman, Finance Director Hillman, Community Development Director Chanski, John Schommer, HRA rehab director, and Tyler Glynn, BLAEDC executive director.

Due to conducting the meeting electronically, all motions will be voted on by a roll call vote for accuracy.

Approval/Amendment of the Agenda

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND ERICKSON TO APPROVE THE AGENDA.

Upon roll call, Commissioners Menk, Bevans, Sinner, Erickson, Campbell, and Johnson voted “aye”. No member voted “nay”.

Approval of Minutes

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND JOHNSON TO APPROVE THE MINUTES FROM THE FEBRUARY 13, 2020 MEETING AS PRESENTED.

Upon roll call, Commissioners Menk, Bevans, Sinner, Erickson, Campbell, and Johnson voted “aye”. No member voted “nay”.

Approval of Financial Report

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND ERICKSON TO APPROVE THE FINANCIAL REPORT AS PRESENTED.

Upon roll call, Commissioners Menk, Bevans, Sinner, Erickson, Campbell, and Johnson voted “aye”. No member voted “nay”.

Updates

Executive Director

City Administrator Bergman gave a brief update to the actions being taken by city staff in response to the COVID-19 pandemic. She indicated almost 100% of staff continue to work with many working from home with no change to the services being provided.

HRA Update

John Schommer indicated they are continuing the process to fill the executive director position with interviews scheduled for May 27, 2020.

Mr. Schommer stated the Destination Downtown contest resulted in three businesses receiving prizes from the Brainerd HRA in the form of lease subsidy. He gave an update to the businesses due to locate downtown.

Mr. Schommer indicated the Workforce Housing Study has been completed and updates will be given as they occur. He gave a brief update of the newly developed Housing Trust Fund Ordinance that will go before the HRA Board next week. He said the CWC Tax Forfeited Property Policy will go hand in hand with the Housing Trust Fund Ordinance .

Small Cities Development Program (SCDP)

Mr. Schommer explained the program continues with rehab being completed on the Knotty Pine Bakery and two owner occupied homes. He said they are currently working on eight units of multi-family rentals and nine units of mixed-use rental are in the bidding process.

Housing Updates

Mr. Schommer indicated the developer of Brainerd Oaks will be closing on five lots with another five pending. He explained the developer has not experienced a loss in activity or interest in construction during the pandemic.

BLAEDC Update

Unified Fund

Mr. Tyler Glynn stated the board approved two new loans; one in Pequot Lakes and the other one was for the Mid-Town Depot and Kelly's Service Station building. He indicated a pending project is in development and further details will be provided once available. Mr. Glynn gave a brief update to the pending Unified Fund loan activity.

Mr. Glynn indicated the Key Recruitment Program had a great start the first three months of 2020 but has understandably decreased significantly due to COVID-19.

Old Business

Call for Applicants

President Sinner announced there is one vacancy on the commission and encouraged anyone interested to apply.

New Business

Brainerd Economic Recovery Program

Community Development Director Chanski stated staff has been involved in many conversations on what the City can do to assist small businesses economically during the pandemic. He gave a brief update on the programs offered by the federal and state government. He reviewed the available funds and programs that are shown in the packet, such as MN Investment Funds (MIF) and Small Cities Development Program.

Tyler Glynn explained the state is allowing each city to determine the use of MIF dollars at their discretion as funds can be used due to the COVID pandemic. He said it is also at the discretion of the City to determine how those funds are used whether it be a grant or a loan to be repaid.

Commission discussion took place regarding the details of the Small Cities Development Program.

Community Development Director Chanski explained the actions that have been taken by the City in response to the COVID pandemic to help relieve some of the burden on businesses.

Community Development Director Chanski gave a brief outline of the potential requirements of a grant or loan program and directed Tyler Glynn to give more detailed information.

Tyler Glynn explained some of the actions and programs that other Minnesota cities are doing regarding economic incentives for businesses. He also gave some ideas and benefits regarding offering a grant versus a loan.

Community Development Director Chanski stated in either case of using city funds, the request would be from the EDA to the City Council in efforts to help the businesses. He indicated this would be available to all businesses located in the city limits, not just downtown.

Commissioner Campbell stated there are other loan programs available elsewhere and her opinion is to offer these funds as grants. She said she has heard from businesses that are concerned with the requirements that may come forth in order to open.

Commissioner Menk indicated there are many variables to consider in the details of an application and prefers the grant option. He also stated local businesses need help with marketing and informing customers they are open for business, such as curbside, or by appointment.

City Administrator Bergman asked Mr. Schommer if DEED would allow the Small Cities Development Program income to be used for the COVID-19 necessary improvements. Mr. Schommer indicated commercial rehab is defined as exterior work, but he will reach out to them to inquire.

Commissioner Johnson stated when the City returned the 20% of the MIF funds, the guidelines were removed, which was confirmed by Tyler Glynn and Finance Director Hillman.

Commission discussion took place regarding offering a grant with the option of applying for more funds as a loan.

Commissioner Menk suggested a marketing campaign to announce that businesses are open and urged action be taken for the May 18, 2020 City Council meeting.

City Administrator Bergman stated the City has hired a communications intern that can work on this immediately.

MOVED AND SECONDED BY COMMISSIONERS MENK AND JOHNSON TO RECOMMEND THE CITY COUNCIL ALLOCATE \$50,000 FROM THE \$140,000 MIF FOR A CITYWIDE MARKETING CAMPAIGN.

Upon roll call, Commissioners Menk, Bevans, Sinner, Erickson, Campbell, and Johnson voted "aye". No member voted "nay".

Commissioner Menk stated he will be a member of a subcommittee to organize the details of the grant and/or loan program.

MOVED AND SECONDED BY COMMISSIONERS MENK AND BEVANS TO DIRECT THE SUBCOMMITTEE TO FINALIZE AN APPLICATION AND DETAILS FOR A \$3,000 PER BUSINESS GRANT PROGRAM WITH AN ADDITIONAL LOAN FUNDING OPTION OF UP TO \$4,000 AT A 2% RATE TO BRING TO THE MAY 18, 2020 CITY COUNCIL MEETING.

Commissioner Campbell indicated that using \$90,000 at a maximum of \$7,000 per application, that would only allow approximately 12 businesses to take advantage of the grant/loan program.

The above motion has been revised to the following:

MOVED AND SECONDED BY COMMISSIONERS MENK AND BEVANS TO DIRECT THE SUBCOMMITTEE TO FINALIZE AN APPLICATION AND DETAILS FOR A \$3,000 PER BUSINESS GRANT PROGRAM TO BRING TO THE MAY 18, 2020 CITY COUNCIL MEETING.

Upon roll call, Commissioners Menk, Bevans, Sinner, Erickson, Campbell, and Johnson voted "aye". No member voted "nay".

MOVED AND SECONDED BY COMMISSIONERS MENK AND JOHNSON TO FORM A SUBCOMMITTEE WITH THE FOLLOWING MEMBERS: CITY ADMINISTRATOR BERGMAN, COMMUNITY DEVELOPMENT DIRECTOR CHANSKI, BLAEDC DIRECTOR GLYNN, AND EDA COMMISSIONERS MENK, CAMPBELL AND ERICKSON.

Upon roll call, Commissioners Menk, Bevans, Sinner, Erickson, Campbell, and Johnson voted "aye". No member voted "nay".

Region 5 Children's Museum

Community Development Director Chanski explained a task force is being compiled to work on the Region 5 Children's Museum in Lum Park and a member if the EDA is requested.

MOVED AND SECONDED BY COMMISSIONERS MENK AND ERICKSON TO APPOINT COMMISSIONER CAMPBELL TO SERVE ON THE REGION 5 CHILDREN'S MUSEUM TASK FORCE.

Upon roll call, Commissioners Menk, Bevans, Sinner, Erickson, Campbell, and Johnson voted "aye". No member voted "nay".

Informational

City Administrator Bergman explained with the resignation of Ed Menk as Mayor, the City appointed Dave Badeaux as Mayor. She indicated that had left a vacancy on the City Council to which Wayne Erickson was appointed to fill that position.

She said that discussion continues regarding the 2020 Farmer's Market and more information will be available at the May 18th Council meeting.

Comments/Questions

Community Development Director Chanski will be in contact with the members regarding the subcommittee meeting schedule. He indicated the next regular EDA meeting is scheduled for June 4, 2020.

Adjournment

The Authority adjourned at 7:40 p.m.

Wayne Erickson, Secretary/Treasurer