BRAINERD ECONOMIC DEVELOPMENT AUTHORITY
Thursday, September 17, 2020 7:30 a.m.
City Hall Council Chambers
Official Minutes

Community Development Director Chanski stated President Sinner is unable to attend this morning, and with the recent resignation of Vice-Chair Yvette Campbell, the Commission needs to appoint a Chair to conduct the meeting today.

MOVED AND SECONDED BY COMMISSIONERS ERICKSON AND JOHNSON TO APPOINT COMMISSIONER MENK TO CHAIR TODAY'S MEETING.

Upon roll call, Commissioners Erickson, Johnson, O'Day, and Menk voted "aye". No member voted "nay". The motion carried.

Pursuant to the call and notice thereof, Commissioner Menk called the meeting of the Brainerd Economic Development Authority to order at 7:32 a.m.

Present were Commissioners Ed Menk, Wayne Erickson, and Gabe Johnson. Commissioner O'Day and Martha Ingram were in attendance via WebEx teleconference. Commissioners Sinner and Bevans were noted as absent. Also present were City Administrator Bergman, Finance Director Hillman, and Community Development Director Chanski.

Anderson Brothers Construction Request to Purchase Industrial Lots

Community Development Director Chanski explained Anderson Brothers Construction submitted a request to the EDA to purchase the remaining thirteen lots of Phase IV of the Industrial Park. They would like to relocate the business from their current location on Highway 210 by constructing new buildings and potentially expand the business. He said they would like to purchase the property at $1 per acre, which was previously discussed and agreed upon by the EDA and City Council. CDD Chanski explained the letter of intent from Anderson Brothers also includes a request to waive permits fees, which includes building permits, SAC/WAC and park dedication fees and would be a determination of the City Council. He explained and reviewed the documents that were provided in the packet.

The Chair welcomed CEO Mr. Terry McFarlin, 11325 State Hwy 210, Brainerd that stated Anderson Brothers started with this proposed project in 2019 by creating initial plans. They reached out to BLAEDC to start work with Tyler Glynn. He said the objective is to get all the facilities and staff under one roof as well as expand to include space for all the assets to be stored.

Commissioner Johnson asked Mr. McFarlin if their plan could allow for the purchase of less than the 25 acres they are requesting.

Mr. McFarlin stated even with the purchase of this property, it is probably not enough to store all the equipment and may need to store some at another location. He said they have experienced vandalism and theft at some of the unguarded facilities, which can be alleviated by this relocation.

Commissioner O'Day inquired what dollar amount the additional fees would be that they are asking to be waived, which may set a precedence going forward with other potential land activities. Community Development Director Chanski explained the process that was taken in order to estimate the permit fees of $106,088

Martha Ingram with Kennedy & Graven stated the next step is to adopt the resolution that would call for three public hearings which are granting of business subsidy, land sale and modification of development program. A separate discussion would need to take place whether the EDA recommends to the City Council to waive the building permit fees.

Commissioner Johnson stated he does not believe the Council will favor waiving the SAC/WAC fees, as these fees are used to expand infrastructure.

Commission discussion took place.

MOVED AND SECONDED BY COMMISSIONERS ERICKSON AND JOHNSON TO RECOMMEND TO THE CITY COUNCIL APPROVAL OF THE SALE OF THE PROPERTY TO THE ECONOMIC DEVELOPMENT AUTHORITY (EDA) FOR THE EDA TO SELL THE PROPERTY TO ANDERSON BROTHERS CONSTRUCTION AT $1 PER ACRE FOR THE PROPOSED PROJECT.

Commissioner Johnson asked if these properties may be established as a TIF District to recoup some of the funds that were put into them originally. Martha Ingram indicated this project does not qualify for any of the types of TIF Districts that currently exist. An economic development TIF district has requirements that must be met in order to qualify in an industrial park. She stated office space is not an approved use unless it is purely incidental to the primary purpose of the facility. She said that the primary purpose must be manufacturing/warehouse and this project does not fall under that category, as the product being stored in the warehouse must be merchandise intended to sell. City Administrator Bergman stated it was discussed if a redevelopment TIF district would be an option, but that did not meet the requirements either.

Community Development Director Chanski mentioned tax abatement was also discussed.

Upon roll call, Commissioners Erickson, Johnson, O'Day, and Menk voted "aye". No member voted "nay". The motion carried.

MOVED AND SECONDED BY COMMISSIONERS O'DAY AND ERICKSON TO RECOMMEND TO THE CITY COUNCIL THAT DEVELOPMENT FEES ARE NOT WAIVED AND WILL BE THE RESPONSIBILITY OF ANDERSON BROTHERS CONSTRUCTION.

City Administrator Bergman and Community Development Director Chanski explained other entities have come forward requesting the waiving of development fees and Council rejected these requests. They stated these are needed fees and it sets precedence for future projects.

Upon roll call, Commissioners Erickson, Johnson, O'Day, and Menk voted "aye". No member voted "nay". The motion carried.

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND ERICKSON TO ADOPT THE RESOLUTION CALLING FOR PUBLIC HEARINGS REGARDING A PROPOSED MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. TWO (2) AND LAND CONVEYANCE AND ASSOCIATED BUSINESS SUBSIDY TO ANDERSON BROTHERS CONSTRUCTION COMPANY OF BRAINERD, LLC.

RESOLUTION NO. 36:20

Upon roll call, Commissioners Erickson, Johnson, O'Day, and Menk voted "aye". No member voted "nay". The motion carried.

Adjourn

The Authority adjourned at 7:55 a.m.

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Wayne Erickson, Secretary/Treasurer