

City of Brainerd
Economic Development Authority
Meeting Agenda

City Council Chambers
March 4, 2021
7:30am

Members of the public may attend in-person or monitor the meeting via phone.

Meeting Number: 1-844-992-4726

Access Code: 187 755 1693

- | | | |
|---|-------|-------------|
| I. Call to Order | _____ | G. Johnson |
| II. Roll Call | _____ | M. O'Day |
| III. Approval/Amendment of Agenda | _____ | K. Bevans |
| IV. Approval of Minutes from the January 7 regular meeting | _____ | Vacant |
| V. Financial Report | _____ | T. Bieser |
| VI. Updates | _____ | M. Kirsch |
| a. Executive Director | | W. Erickson |
| b. HRA | | |
| c. BLAEDC | | |
| VII. Old Business | | |
| a. EDA-BLAEDC Shared Services Agreement | | |
| b. Strategic Planning | | |
| VIII. New Business | | |
| a. Resignation of Ed Menk | | |
| IX. Informational | | |
| a. Parking Commission | | |
| X. Commissioner's Comments/Questions | | |
| XI. Adjourn to the Joint EDA-City Council Workshop on Monday, March 8 @ 5:00pm. | | |

BRAINERD ECONOMIC DEVELOPMENT AUTHORITY

Thursday, January 7, 2021 7:30 a.m.

WebEx Teleconference Meeting

Pursuant to the call and notice thereof, President Sinner called the meeting of the Brainerd Economic Development Authority to order at 7:30 a.m.

Present were Commissioners Kelly Bevans, Wayne Erickson, Gabe Johnson, Marie Kirsch, Michael O'Day, and Jerry Sinner. Commissioner Ed Menk was noted as absent. Also present were City Administrator Bergman, Finance Director Hillman, Eric Charpentier, HRA director, Tyler Glynn, BLAEDC executive director and John Schommer, HRA rehab coordinator.

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 ERICKSON AND JOHNSON TO APPROVE THE AGENDA AS PRESENTED.

Upon roll call, Commissioners Bevans, Erickson, Johnson, Kirsch, O'Day, and Sinner voted "aye". No member voted "nay". The Chair declared the motion carried.

Election of Officers

Commissioner Sinner announced he will be resigning from the EDA after this meeting concludes.

Commissioner Erickson nominated Commissioner O'Day to serve as president.

Commissioner Bevans nominated Commissioner Erickson to serve as president. He stated Michael O'Day is now a Council Member and may be serving as a Council Liaison.

Commissioner Erickson respectfully declined the nomination.

Commissioner Johnson nominated Commissioner Kirsch to serve as president.

Commissioner Sinner asked for information on the restrictions or regulations for Council Members to serve on the EDA. Community Development Director Chanski indicated Commissioner O'Day is serving as a community member, and Commissioners Bevans and Johnson are the current liaisons.

Commissioner Bevans said he feels it would not present itself well by allowing three Council Members on the board and feels a separate board would not be necessary in that case.

Commission discussion took place.

Commissioner Erickson withdrew his nomination for Commissioner O'Day and accepted the nomination to serve as president.

Upon roll call, Commissioners Bevans, Johnson, Kirsch, O'Day, and Sinner voted "aye". Commissioner Erickson abstained from voting. No member voted "nay". The Chair declared the nomination carried.

Commissioner Johnson nominated Commissioner Kirsch to serve as vice-president.

Upon roll call, Commissioners Bevans, Johnson, Erickson, O'Day, and Sinner voted "aye". Commissioner Kirsch abstained from voting. No member voted "nay". The Chair declared the nomination carried.

Commissioner Johnson nominated Finance Director Hillman to serve as secretary/treasurer.

Commissioner Johnson withdrew his nomination for Finance Director Hillman, as the Finance Director already serves as vice secretary.

Commissioner Bevans nominated Commissioner Menk to serve as secretary/treasurer for 2021.

Upon roll call, Commissioners Bevans, Erickson, Johnson, Kirsch, and O'Day voted "aye". Commissioner Sinner voted "nay". The Chair declared the nomination carried.

Approval of Minutes

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND O'DAY TO AMEND THE NEXT MEETING DATE SHOWN UNDER NEW BUSINESS FROM FEBRUARY 3, 2021 TO FEBRUARY 1, 2021 AND APPROVE AS AMENDED.

Upon roll call, Commissioners Bevans, Erickson, Johnson, Kirsch, O'Day, and Sinner voted "aye". No member voted "nay". The Chair declared the motion carried.

Updates

Executive Director

City Administrator Bergman stated there is a potential downtown development project that the Brainerd HRA is working on that is currently in the first stages.

She indicated the City is currently working on labor union negotiations and hope to have these settled by the first week of February.

Community Development Director Chanski announced a Parking Commission has been reestablished to address parking concerns in the City and will be meeting monthly. The recommendations made from that Committee will be brought to the Planning Commission to discuss, and then forwarded to Council.

HRA

Mr. Eric Charpentier gave an update on the Housing Trust Fund that is being refined. He also gave a review of discussion that took place with the Destination Downtown Business Coalition (DDBC).

Mr. John Schommer gave a brief update to the progress of the SCDP NE Brainerd grant, as well as the Brainerd Oaks, Serene Pines, and Dalmar Estates projects.

BLAEDC Update

Mr. Tyler Glynn thanked Jerry Sinner for his time served on the Commission.

Mr. Glynn explained the details of another business grant program that BLAEDC is currently working on with Crow Wing County of funds received from the State for an Economic Relief Funds package.

Old Business

Shared Services Agreement

Community Development Director Chanski explained the packet contains the Shared Services Agreement between the EDA and the City for this year.

MOVED AND SECONDED BY COMMISSIONERS SINNER AND O'DAY TO ADOPT THE SHARED SERVICES AGREEMENT BETWEEN THE EDA AND THE CITY OF BRAINERD AS PRESENTED.

Upon roll call, Commissioners Bevans, Erickson, Johnson, Kirsch, O'Day, and Sinner voted "aye". No member voted "nay". The Chair declared the motion carried.

New Business

Strategic Planning

Community Development Director Chanski and City Administrator Bergman gave an update regarding the 2021 plans for strategic planning sessions. They explained this training could not take place in 2020 due to COVID but would like to proceed with plans for this year.

MOVED AND SECONDED BY COMMISSIONERS ERICKSON AND JOHNSON TO DIRECT STAFF TO MOVE FORWARD AND SCHEDULE STRATEGIC TRAINING SESSIONS IN FEBRUARY AND MARCH.

Upon roll call, Commissioners Bevans, Erickson, Johnson, Kirsch, O'Day, and Sinner voted "aye". No member voted "nay". The Chair declared the motion carried.

Informational

Anderson Brothers – Industrial Park Property Acquisition

Community Development Director Chanski announced that Anderson Brothers Construction will no longer be pursuing the purchase of the Industrial Park lots. He indicated Anderson

Brothers has entered into an agreement to purchase the property they are located on currently. He said they will be working on improvements to the property and adding staff at that location.

Comments/Questions

City Administrator Bergman and Commissioner Johnson both thanked Jerry Sinner for leading the EDA this past year and for the business expertise he has shared.

Adjournment

The Authority adjourned at 8:15 a.m.

Ed Menk, Secretary/Treasurer

Financial Report for EDA

As of January 31, 2021

	<u>Cash & Investments</u>	<u>Receivable Balance</u>	<u>Deferred Loans (as of 12/31/19) **</u>	<u>Awarded Grants</u>
General Funds:				
EDA Fund - #295	\$ 53,269	\$ -	\$ -	\$ -
Total	\$ 53,269	\$ -	\$ -	\$ -
CDBG (Housing/Commerical (Slum & Blight/Federal Objective)):				
Downtown - #298	\$ 46,876	\$ 24,399	\$ 600,617	\$ -
SE Brainerd - #215	44,036	-	358,377	-
NE Brainerd - #218	(7,197)	-	81,462	638,338
Willows Project - #209	-	-	99,650	-
Old Housing - #209	3,270	-	59,286	-
Local Income - #275	49,490	16,476	17,775	-
Total	\$ 136,476	\$ 40,876	\$ 1,217,167	\$ 638,338
Federal & State MIF (Commerical (Jobs)):				
Commerical - #210 ^^^	\$ -	\$ 646,427	\$ -	\$ -
Federal MIF - #296	18,188	-	-	-
Total	\$ 18,188	\$ 646,427	\$ -	\$ -
Grand Total	\$ 207,933	\$ 687,303	\$ 1,217,167	\$ 638,338

** 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.

Fund 295 EDA FUND

GL Number	Description	Balance
*** Assets ***		
295-0000-10100	CASH	53,268.51
295-0000-10700	DELINQUENT TAX RECEIVABLE	7,330.90
295-0000-16160	FA-LAND HELD FOR RESALE	488,252.22
Total Assets		548,851.63
*** Liabilities ***		
295-0000-20600	DEPOSITS PAYABLE	2,555.75
295-0000-22200	DEFERRED REVENUE	488,252.22
295-0000-22210	DEFERRED TAXES RECEIVABLE	5,521.89
Total Liabilities		496,329.86
*** Fund Balance ***		
295-0000-28900	FUND BALANCE/EQUITY ACCT	39,602.39
Total Fund Balance		39,602.39
Beginning Fund Balance - 2020		39,602.39
Net of Revenues VS Expenditures - 2020		11,846.26
*2020 End FB/2021 Beg FB		51,448.65
Net of Revenues VS Expenditures - Current Year		1,073.12
Ending Fund Balance		52,521.77
Total Liabilities And Fund Balance		548,851.63

* Year Not Closed

REVENUE AND EXPENDITURE REPORT FOR CITY OF BRAINERD

PERIOD ENDING 01/31/2021

ACCOUNT DESCRIPTION	ACTIVITY FOR		YTD BALANCE	AVAILABLE	% BDGT USED
	2021 MONTH	01/31/2021	01/31/2021	BALANCE	
	AMENDED BUDGET	CHANGE (DECREASE)	NORMAL	(ABNORMAL)	
Fund 295 - EDA FUND					
Revenues					
Dept 0000					
Account Type: Revenue					
TAXES & PENALTIES					
31010 CURRENT AD VALOREM	133,789.00	3,386.93	3,386.93	130,402.07	2.53
31020 DELINQUENT AD VALOREM	0.00	186.19	186.19	(186.19)	100.00
TAXES & PENALTIES	133,789.00	3,573.12	3,573.12	130,215.88	2.67
OTHER REVENUE					
36210 INTEREST INCOME	400.00	0.00	0.00	400.00	0.00
OTHER REVENUE	400.00	0.00	0.00	400.00	0.00
Total Revenue:	134,189.00	3,573.12	3,573.12	130,615.88	2.66
Total Dept 0000	134,189.00	3,573.12	3,573.12	130,615.88	2.66
TOTAL REVENUES	134,189.00	3,573.12	3,573.12	130,615.88	2.66
Expenditures					
Dept 6510 - ECONOMIC DEVELOPMENT AUTH					
Account Type: Expenditure					
SERVICES					
43300 PROFESSIONAL SERVICES	95,000.00	2,500.00	2,500.00	92,500.00	2.63
43361 INS - GENERAL LIABILITY	150.00	0.00	0.00	150.00	0.00
43430 MISCELLANEOUS	5,500.00	0.00	0.00	5,500.00	0.00
43434 ECONOMIC INITIATIVES	30,000.00	0.00	0.00	30,000.00	0.00
43435 BOOKS/PAMPHLETS/DUES	5,350.00	0.00	0.00	5,350.00	0.00
SERVICES	136,000.00	2,500.00	2,500.00	133,500.00	1.84
Total Expenditure:	136,000.00	2,500.00	2,500.00	133,500.00	1.84
Total Dept 6510 - ECONOMIC DEVELOPMENT AUTH	136,000.00	2,500.00	2,500.00	133,500.00	1.84
TOTAL EXPENDITURES	136,000.00	2,500.00	2,500.00	133,500.00	1.84
Fund 295 - EDA FUND:					
TOTAL REVENUES	134,189.00	3,573.12	3,573.12	130,615.88	2.66
TOTAL EXPENDITURES	136,000.00	2,500.00	2,500.00	133,500.00	1.84
NET OF REVENUES & EXPENDITURES	(1,811.00)	1,073.12	1,073.12	(2,884.12)	59.26

To: EDA Board of Commissioners
From: John Schommer, Rehab Coordinator
Date: February 24, 2021
Re: Brainerd HRA Update

General Agency Update

We continue to assist a developer in the preliminary steps of a redevelopment project in Downtown Brainerd. We have been providing assistance and will be preparing a grant application through DEED for funding for infrastructure and demolition at this site. We have also recently been in contact with a local developer who is looking for land to build single family residences as they near the end of their current housing development. We spoke about the possibility of utilizing the Tax Forfeited Land policy to provide some infill homes as well as providing additional workforce housing in the community. We expect to keep in contact with this individual to provide assistance and guidance where we can. We have also been in contact with an interested individual that is looking at developing land that they own into multifamily housing. John met with the interested party and their architect and they are in the very early stages of looking into their options.

Rehab

The NE Brainerd SCDP grant has rehab completed on one commercial unit and two owner occupied units. We have three owner occupied units, one single family rental rehab and one duplex unit in construction and work is substantially complete on nine mixed use units. The owner of the triplex that we were getting ready to sign contracts on has since backed out. There is one multi-family and five single family rental rehab applications in the verification process.

Brainerd Oaks/Serene Pines/Dalmar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	47	44	3	8
Serene Pines	23	14	12	1	3
Dalmar Estates	7	1	1	0	0

*Originally 83 lots, 2 have been merged/combined into a single parcel



Crow Wing County Economic Assistance Grant

The county received \$1.2 million from the State to be used for these particular grants. We received 365 grant applications. The county commissioners had a difficult task in front of them to help out as many businesses that they could with limited funds. So, they funded a priority 1 and priority 2 bucket and then we created a priority 3 bucket to help out those businesses that are still feeling the impact of the pandemic. The businesses in priority 3 will receive some assistance, although it was not at the level in which they received funds through the CARES act grant.

Inside the Priority 1 and Priority 2 buckets, the funding was provided to those businesses at the amount requested, up to the \$10,000 maximum grant amount. The priority 3 bucket included those businesses that had received funding through the CARES Act. Here is a breakdown of that funding:

- 365 applications were received in 3 weeks
- \$834,443.14 (91 approved applications)
- 184 businesses split the remaining fund balance which provided \$2,266.69 per approved application
- 4 businesses were funded that did not request the split amount, so they were funded at a lesser amount per their request

Breakdown of Brainerd businesses located inside the city limits that received assistance through this grant.

- 74 applications approved
- \$328,466 total funds distributed



BRAINERD LAKES AREA ECONOMIC DEVELOPMENT CORPORATION

2021 ANNUAL MEETING

Join us!

**TUESDAY, MARCH 9TH, 2021
7:30 AM - 9:00 AM
ZOOM VIDEO CONFERENCE**

REGISTER TODAY!



SHIRLEY BLOOMFIELD

Registration Link: <https://blaedc.growthzoneapp.com/ap/Events/Register/Qra1zwvr>

MEMO



TO: EDA Board of Commissioners

FROM: David Chanski, Community Development Director

DATE: March 4, 2021

RE: EDA-BLAEDC Shared Services Agreement

On December 11, 2020, the EDA approved their 2021 budget, which included contracting with the City of Brainerd and the Brainerd Lakes Area Economic Development Corporation (BLAEDC) for professional services at \$30,000 and \$60,000, respectively. Per the opinion of legal counsel, the EDA should enter into shared services agreements with each entity for the services they will be providing the EDA, and the EDA should approve these agreements by resolution.

The EDA approved the shared services agreement with the City of Brainerd during its regular meeting on January 7.

Attached is the shared services agreement between the EDA and BLAEDC for 2021. Staff recommends approval of this agreement by resolution.

SHARED SERVICES AGREEMENT

This agreement is entered into this ____ day of _____, 2021; between the Brainerd Lakes Area Economic Development Corporation (BLAEDC), a nonprofit organization, and the Brainerd Economic Development Authority (EDA), a public body, corporate and politic.

WHEREAS, BLAEDC historically provided these services to the EDA; and

WHEREAS, the parties desire to enter into an agreement memorializing the existing arrangement between them.

NOW, THEREFORE, IT IS HEREBY AGREED THAT:

I. Scope of Service

On behalf of the EDA, BLAEDC will provide the following services, consistent with State law and the directives of the EDA:

- a. Communicate potential problems to the EDA Board and offer viable solutions
- b. Create and manage a database of all Brainerd businesses
- c. Complete 25 Business Retention and Expansion visits that involve interviews and information gathering
- d. Maintain current programs and develop additional programs to address Brainerd business needs
- e. Manage and coordinate River to Rail activities
- f. Work in cooperation with the Brainerd Economic Development Authority and Brainerd Housing and Redevelopment Authority to advance economic development and redevelopment within the Brainerd community
- g. Guide developers, business owners, property owners, and the like through the development and redevelopment process
- h. Other projects as directed by the EDA Board

II. Compensation

In consideration for the services rendered by the City, the EDA shall compensate the BLAEDC \$60,000 annually, to be paid bi-annually by July 1 and December 1.

Monthly reports demonstrating execution of the Scope of Services shall be delivered to the EDA by the 30th of each month prior to payments being made.

III. Term

The term of this agreement shall be for a period of one year commencing on the 1st day of January 2021 and terminating on the 31st day of December 2021. This agreement shall automatically renew for successive one-year terms thereafter unless one of the parties hereto provides at least 60 days' notice of its intent to terminate this agreement at the end of the then current term. However, either party may terminate this agreement for any reason upon 60 day advance written notice. In the event either party terminates this agreement before its expiration any fees owed to the BLAEDC will be prorated through the last day of the 60-day termination period.

IV. Indemnification

To the fullest extent permitted by law, BLAEDC agrees to defend, indemnify and hold harmless the EDA, and its employees, officials, and agents from and against all claims, actions, damages, losses and expenses, including reasonable attorney fees, arising out of the BLAEDC's negligence or BLAEDC's failure to perform its obligations under this

Agreement.

V. Compliance with Laws

The City shall abide by all Federal, State or local laws, statutes, ordinances, rules and regulations now in effect, or hereafter adopted, pertaining to this Agreement or the subject matter of this Agreement. This Agreement shall be governed by and construed in accordance with the substantive and procedural laws of the State of Minnesota without giving effect to the principles of conflict of laws. All proceedings related to this Agreement shall be venued in the County of Crow Wing, State of Minnesota.

VI. Independent Contractor Status

BLAEDC is an independent Contractor and nothing herein contained shall be construed to create the relationship of an employer and employee between EDA and BLAEDC employees. BLAEDC shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide services. BLAEDC also acknowledges and agrees that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due BLAEDC and that it is the BLAEDC's sole obligation to comply with applicable provisions of all Federal and State tax laws.

VII. Authorized Representative

Notification required to be provided pursuant to this Agreement shall be provided to the following named persons and addresses unless otherwise stated in this Agreement or in a modification of this Agreement.

BLAEDC

Executive Director

Tyler Glynn

224 W. Washington St.

Brainerd, MN 56401

Brainerd EDA

Chair

Wayne Erickson

501 Laurel Street

Brainerd, MN 56401

VIII. Severability

The provisions of this Agreement shall be deemed severable. If any part of this Agreement is rendered void, invalid, or unenforceable such rendering shall not affect the validity and enforceability of the remainder of this Agreement unless the part or parts which are void, invalid or otherwise unenforceable shall substantially impair the value of the entire Agreement with respect to either party.

IX. Modifications

The EDA and the BLAEDC hereby acknowledge that they have read this Agreement and affirmatively states and represents that they understand its contents. Further, that the above constitutes the entire agreement by and between the EDA and BLAEDC and is binding upon themselves, their heirs, assigns and successors in interest and any alterations, variations, modifications or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing and signed by the authorized representatives of the EDA and BLAEDC.

Approved this the ____ day of _____ 2021.

Brainerd Economic Development Authority

By: _____
WAYNE ERICKSON
CHAIR

Brainerd Lakes Area Economic Development Corporation (BLAEDC)

By: _____
TYLER GLAYNN
EXECUTIVE DIRECTOR

MEMO



TO: EDA Board of Commissioners

FROM: David Chanski, Community Development Director

DATE: March 4, 2021

RE: Strategic Planning

In 2020, the EDA had discussed conducting a strategic planning session and budgeted \$5,000 toward that end. On February 10, 2020, the City Council also held a workshop at which the Council's opinion regard what the EDA should be working on was an item of discussion. The result of this discussion was direction to staff to organize a joint EDA-City Council workshop to discuss the role of the EDA and the City Council in achieving the City's economic development goals. However, neither the strategic planning session nor the joint EDA-City Council workshop was held due to the COVID-19 pandemic.

As part of the EDA's 2021 budget, \$5,000 was once again placed in the budget for conducting some type of strategic planning. On January 7, the EDA direct staff to engage the City Council to hold a joint EDA-City Council workshop to ensure each entity is on the same page prior to conducting formal strategic planning. This workshop has been scheduled for Monday, March 8 @ 5pm.

Additionally, the EDA directed staff to research and engage third parties to conduct a strategic planning session. Staff did conduct research into qualified third parties but did not find a plethora of entities who would be willing to conduct the type of strategic planning session the EDA is seeking and within the EDA's budget. However, Mr. Bruce Miles of Big River Group is putting together a proposal for consideration by the EDA. Bruce has done extensive work in the area including work with the Chamber of Commerce as well as conducting similar strategic planning with the HRA.

At the time of agenda publication, staff has not yet received the proposal from Mr. Miles. Once the proposal is received, it will be provided to the EDA Board for review. Upon review of the proposal, staff will make a recommendation whether to accept it or continue to seek out other entities.

MEMO



TO: EDA Board of Commissioners

FROM: David Chanski, Community Development Director

DATE: March 4, 2021

RE: Resignation of Ed Menk

On January 6, staff received a letter from Ed Menk, formally resigning from the EDA. His resignation letter is attached.

Staff recommends accepting his resignation with regret.



January 6, 2021

Jennifer Bergman
City of Brainerd Administrator
City Hall

Subject: Resignation from the EDA

I have enjoyed serving for many years on the EDA as a member and as the Chairman. The EDA has worked on many worthwhile efforts and projects including the revitalization efforts for the downtown, industrial parks and trying to preserve the paper industry in Brainerd. While not all of the efforts resulted in successes but enough were successful that I feel our work was useful for the economic well being of the City and its citizens.

At this time I am tendering my resignation from the EDA.

A handwritten signature in black ink, appearing to read 'Edwin L. Menk', is written over a horizontal line. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Edwin L. Menk