

Economic Development Authority

Brainerd, Minnesota
November 4, 2021
7:30 A.M.
City Council Chambers

Member of the public may monitor the meeting via phone.

CALL TOLL-FREE: 1-844-992-4726

Access Code: 2489 565 7564

1. **Call To Order**

2. **Roll Call**

___ K. Bevans ___ M. O'Day ___ G. Johnson ___ Vacant
___ T. Bieser ___ M. Kirsch ___ W. Erickson

3. **Approval/Amendment Of Agenda**

4. **Approval Of Minutes**

Regular Meeting Held on October 7, 2021

Documents:

2021-10-7 Meeting Minutes.pdf

5. **Financial Report**

Documents:

EDA Financials - Nov 4 Meeting.pdf

6. **Updates**

- a. Executive Director
- b. HRA
- c. BLAEDC

Documents:

Brainerd HRA Update Report 10-27-21.pdf

BLAEDC October EDA Report.pdf

7. **Old Business**

A. Goals Status Update

Documents:

Goals Status Update.pdf

8. New Business
9. Informational
10. Commissioner's Comments/Questions
11. Adjournment

BRAINERD ECONOMIC DEVELOPMENT AUTHORITY

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

City Hall Council Chambers

WebEx Teleconference Meeting

Pursuant to due call and notice thereof, President Erickson called the meeting of the Brainerd Economic Development Authority to order at 7:35 a.m.

Upon roll call Commissioners Marie Kirsch, Toni Bieser, Gabe Johnson, and Wayne Erickson were noted as present. Commissioners O'Day and Bevans were noted as absent. Also, present were City Administrator Bergman, Community Development Director Chanski, Finance Director Hillman, Eric Charpentier, HRA Director, and Tyler Glynn, BLAEDC.

Approval/Amendment of the Agenda- Approved

MOVED AND SECONDED BY COMMISSIONERS KIRSCH AND JOHNSON, DULY CARRIED, TO APPROVE THE AGENDA AS PRESENTED.

Approval of Minutes- Approved

MOVED AND SECONDED BY COMMISSIONERS BIESER AND KIRSCH, DULY CARRIED, TO APPROVE THE MINUTES FROM THE SEPTEMBER 2ND, 2021 MEETING.

Financial Report- Approved

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

Updates

Executive Director

Administrator Bergman stated that the City Council authorized an agreement with Region 5 for the Annex space. The exam station will be reopening, during meetings with a representative she expressed a need for Department of Public Safety to have an office here in the City of Brainerd. Crow Wing County is interested in providing facilities. DW Jones was not successful in receiving low-income tax credits for Eight05 Laurel, they are looking at continuing planning for market rate housing. Finally, she again thanked the community partners for hosting fantastic Sesquicentennial events, Intern Ernster for her hard work on coordination of the events.

Community Development Director Chanski stated that the Parking Commission has developed recommendations for the City Council to review at a workshop on Monday, October 25th at 6:00 p.m. in the City Council Chambers. The recommendations include wayfinding, management, and pedestrian friendly for the downtown district. One of the recommendations involves 90% of net revenue from the parking revenue be designated to the EDA for downtown improvements.

HRA Update

Eric Charpentier, HRA Director, stated that the boiler system in the NorthStar Building is nearing completion, it has been a very smooth transition. Finally, the HRA has been engaged with developers that are looking at developing single family homes, potential partnerships, and decreasing the housing shortage. Development continues in Brainerd Oaks, Serene Pines, and Del Mar.

BLAEDC Update

Tyler Glynn, BLAEDC, stated that BLAEDC's rebrand has launched with its new website. The residential recruitment focus group that was open to the business community after the previous meeting hosted 35-40 participants to discuss what business owners and partners can do to deal with retention issues. Benefits survey by the Chamber and BLAEDC has gone out to businesses to identify what benefits are available to the business community.

Old Business

EDA Economic Development Services Request for Proposals

Community Development Director Chanski stated that Commissioners Kirsch, Johnson, and O'Day met with staff to develop the RFP framework for requests for Economic Services. The proposals are to be categorized in 8 buckets for organizations to submit proposals for their specialty. The entire 2022 levy amount is budgeted for the services. The proposed schedule for begins in November with adoption of services in February.

MOVED AND SECONDED BY COMMISSIONERS BIESER AND KIRSCH,
DULY CARRIED, TO ADOPT THE RFP WITH RECOMMENDED CHANGES.

American Rescue Plan Discussion

Community Development Director Chanski stated that the City Council will be discussing the use of ARPA funds at a workshop on November 8th, 2021, at 6:00 p.m. in the City Council Chambers.

Commission discussion took place.

The commissioners will bring suggestions to the November 2nd EDA meeting so that staff can submit priorities to the City Council.

Comments/Questions

Commissioner Bieser asked about the possibility of creation of a guide to starting a business in the City of Brainerd. She also asked again about the expansion of social media, the discussion will continue with staff.

Commissioner Johnson commented that the YMCA launched a new capital campaign to expand their childcare campaign.

Adjournment

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND KIRSCH , DULY CARRIED, TO ADJOURN THE MEETING.

The Authority adjourned at 9:15 a.m.

Secretary/Treasurer

Financial Report for EDA

As of September 30, 2021

	<u>Cash & Investments</u>	<u>Receivable Balance</u>	<u>Deferred Loans (as of 12/31/20) **</u>	<u>Awarded Grants</u>
General Funds:				
EDA Fund - #295	\$ 74,613	\$ -	\$ -	\$ -
Total	\$ 74,613	\$ -	\$ -	\$ -
CDBG (Housing/Commerical (Slum & Blight/Federal Objective)):				
Downtown - #298	\$ 49,086	\$ 22,912	\$ 497,881	\$ -
SE Brainerd - #215	44,290	-	294,046	-
NE Brainerd - #218	(91,908)	-	150,432	404,884
Willows Project - #209	-	-	37,500	-
Old Housing - #209	3,310	-	59,286	-
Local Income - #275	50,844	15,708	15,800	-
Total	\$ 55,621	\$ 38,620	\$ 1,054,945	\$ 404,884
Federal & State MIF (Commerical (Jobs)):				
Commerical - #210 ^^^	\$ -	\$ 646,427	\$ -	\$ -
Federal MIF - #296	18,301	-	-	-
Total	\$ 18,301	\$ 646,427	\$ -	\$ -
Grand Total	\$ 148,535	\$ 685,047	\$ 1,054,945	\$ 404,884

** 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	PERIOD ENDED 09/30/2020	PERIOD ENDED 09/30/2021
*** Assets ***			
295-0000-10100	CASH	163,563.37	74,613.12
295-0000-10700	DELINQUENT TAX RECEIVABLE	7,330.90	7,917.80
295-0000-11500	ACCOUNTS RECEIVABLE	0.00	10,000.00
295-0000-16160	FA-LAND HELD FOR RESALE	488,252.22	488,252.22
Total Assets		659,146.49	580,783.14
*** Liabilities ***			
295-0000-20600	DEPOSITS PAYABLE	10,000.00	10,000.00
295-0000-22200	DEFERRED REVENUE	488,252.22	488,252.22
295-0000-22210	DEFERRED TAXES RECEIVABLE	5,521.89	4,344.68
Total Liabilities		503,774.11	502,596.90
*** Fund Balance ***			
295-0000-28900	FUND BALANCE/EQUITY ACCT	39,602.39	53,498.12
Total Fund Balance		39,602.39	53,498.12
Beginning Fund Balance		39,602.39	53,498.12
Net of Revenues VS Expenditures		115,769.99	24,688.12
Ending Fund Balance		155,372.38	78,186.24
Total Liabilities And Fund Balance		659,146.49	580,783.14

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 User: chillman
 DB: Brainerd

REVENUE AND EXPENDITURE REPORT FOR CITY OF BRAINERD

Page: 1/1

PERIOD ENDING 09/30/2021

ACCOUNT DESCRIPTION	ACTIVITY FOR		YTD BALANCE	AVAILABLE	% BDGT USED
	2021 MONTH	09/30/2021	09/30/2021	BALANCE	
	AMENDED BUDGET	EASE (DECREASE)	NAL (ABNORMAL)	NAL (ABNORMAL)	
Fund 295 - EDA FUND					
Revenues					
Function: Unclassified					
Dept 0000					
TAXES & PENALTIES					
31010 CURRENT AD VALOREM	133,789.00	0.00	72,523.96	61,265.04	54.21
31020 DELINQUENT AD VALOREM	0.00	0.00	1,359.21	(1,359.21)	100.00
TAXES & PENALTIES	133,789.00	0.00	73,883.17	59,905.83	55.22
OTHER REVENUE					
36210 INTEREST INCOME	400.00	0.00	231.19	168.81	57.80
OTHER REVENUE	400.00	0.00	231.19	168.81	57.80
Total Dept 0000	134,189.00	0.00	74,114.36	60,074.64	55.23
Total - Function Unclassified	134,189.00	0.00	74,114.36	60,074.64	55.23
TOTAL REVENUES	134,189.00	0.00	74,114.36	60,074.64	55.23
Expenditures					
Function: Unclassified					
Dept 6510 - ECONOMIC DEVELOPMENT AUTH					
SERVICES					
43300 PROFESSIONAL SERVICES	95,000.00	2,500.00	22,663.00	72,337.00	23.86
43322 POSTAGE	0.00	0.00	16.32	(16.32)	100.00
43361 INS - GENERAL LIABILITY	150.00	0.00	89.92	60.08	59.95
43430 MISCELLANEOUS	5,500.00	0.00	6,307.00	(807.00)	114.67
43434 ECONOMIC INITIATIVES	30,000.00	0.00	15,000.00	15,000.00	50.00
43435 BOOKS/PAMPHLETS/DUES	5,350.00	0.00	5,350.00	0.00	100.00
SERVICES	136,000.00	2,500.00	49,426.24	86,573.76	36.34
Total Dept 6510 - ECONOMIC DEVELOPMENT AUTH	136,000.00	2,500.00	49,426.24	86,573.76	36.34
Total - Function Unclassified	136,000.00	2,500.00	49,426.24	86,573.76	36.34
TOTAL EXPENDITURES	136,000.00	2,500.00	49,426.24	86,573.76	36.34
Fund 295 - EDA FUND:					
TOTAL REVENUES	134,189.00	0.00	74,114.36	60,074.64	55.23
TOTAL EXPENDITURES	136,000.00	2,500.00	49,426.24	86,573.76	36.34
NET OF REVENUES & EXPENDITURES	(1,811.00)	(2,500.00)	24,688.12	(26,499.12)	1,363.23

To: EDA Board of Commissioners
From: John Schommer, Rehab Coordinator
Date: October 27th, 2021
Re: Brainerd HRA Update

General Agency Update

Work is nearing completion on the boiler replacement project in the Northstar Building. Most of the new mechanical equipment is installed and the old domestic water heating system has been removed. There are some smaller items that we are waiting on due to supply issues that are scheduled to ship in late November.

The City and HRA had a meeting with a new developer that has some interest in a multi-family development, potentially in the Southeast portion of the City. We are encouraged that there continues to be interest and engagement from developers in building within Brainerd and will keep the board updated on these projects as these developers navigate through their plans.

John will be heading out on an inspection for what hopes to be our first rehab loan through the CWC HRA Housing Trust Fund. We have been developing our processes and procedures along with the different loan programs since 2020 and we are eagerly anticipating the first funds to be distributed to a borrower. We will continue to provide updates as we work through this potential first project.

Rehab

We currently have one home being rehabbed in SE Brainerd through our Minnesota Housing Finance Agency Rehabilitation Loan Program.

Brainerd Oaks/Serene Pines/Dalmar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	59	47	0	7
Serene Pines	23	16	14	0	2
Dalmar Estates	7	3	1	0	1

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



BLAEDC Activity

The Business Retention and Expansion visits are being made by BLAEDC staff. Staff have made 30 visits to date and will continue to make visits throughout the coming months. As I mentioned the changes to the document are focused on technology assistance and needs that each business may be facing. We are receiving some great feedback as to potential needs and program ideas to assist our area businesses.

- BLAEDC completed its Annual Report, making this the first digital Annual Report in our 35 year history. The report can be viewed on BLAEDC's website, www.growbrainerdlakes.org
- The BLAEDC Unified did not hold a loan meeting during the month of October, but the documentation and application have been updated to include the new BLAEDC colors and logo, as the Unified Fund has adopted our new branding.
 - Unified Fund updates as of 10/31/2021
 - Outstanding loan balances - \$616,280
 - Total Funds dispersed since program inception - \$1,316,290
 - Total Loans funded - 19
 - Total Jobs created/retained – 218
 - Loans to Brainerd businesses – 7 for a total of \$469,000
- Staff continue to work in October on updating a full database of Brainerd businesses, with the hope of completion by the end of 2021, this activity is working to ensure that all Brainerd proper businesses are represented on this list.
- Mike Bjerkness and BLAEDC is celebrating the 5 year anniversary of the BLAEDC Recruitment Program during the final week of October. During the past 2 years of the Recruitment Program, Mike has completed 19 direct hires, 27 spousal referrals, conducted 1,221 interviews, received 2,014 quality resumes and provided 14 workforce presentations.
- BLAEDC's new website has been completed and is operational. We have updated Brainerd's community profile by adding the New Resident Packet that was created by the Marketing Intern.
- The BLAEDC Youth Entrepreneur Fund has provided 2 more small loans to businesses that were established as part of the Brainerd High School Entrepreneur Class, BLAEDC staff along with the owner and senior management at Precision Tool and 2 board members were presented with the companies and determined to fund 2 of the companies with start-up costs. This fund has also started to work with the students in the Brainerd High School Entrepreneur class to assist with their business development.
- BLAEDC completed the MN DEED Child Care Economic Development Grant on behalf of the Brainerd Family YMCA, for the daycare facility redevelopment for the property they currently have a purchase agreement in place in downtown Brainerd. This would be

a project upon completion that will exceed \$1 million dollars and create over 80 new childcare slots. The maximum grant amount available with this grant is \$300,000. The allowable expenses for use with these grant funds include, business start-up or expansion, training, direct subsidies or incentives to retain employees, facility modification or improvements required for licensing, and assistance with licensing and other regulatory requirements. BLAEDC staff have over 60 hours of work committed to this particular grant completion. The RFP was received on 9/9 and was completed and submitted to MN DEED before the deadline of 9/30. This was the second grant that BLAEDC has assisted the Brainerd Y. We are waiting for the decision regarding this grant request. We are now working with the Y leadership and other representatives from the Region to complete Nation EDA grant applications.

- BLAEDC is in the process of completing a Benefit Survey of employers in Crow Wing County that will focus on these key areas. This survey has been issued to local businesses.
 - o Health Benefits Offered by Job Class (exempt, non-exempt)
 - o Wellness Programs
 - o Leave Benefits
 - o Work Schedules
 - o Employee Development
 - o Performance Management
 - o Performance Incentives
 - o Employee Engagement

The goal with this survey is to have a detailed understanding of benefits being offered in Crow Wing County. This information will allow BLAEDC to further assist our members with information on how to attract and retain employees.

- BLAEDC has been asked to work with the County to administer the Child Care Assistance Grants. The application period will begin on Monday, November 1st and conclude on Monday, December 6th. The County has allocated \$500,000 to be distributed to Start-Up or Existing child care facilities located in Crow Wing County to apply for the grants to assist with eligible expenses as defined in the ARPA act. Funding determinations will be made by Crow Wing County Commissioners. There is no cap on requests for grants. All applications will be considered as long as they meet the criteria provided in the guidelines.

Respectfully Submitted:



Executive Director
BLAEDC

MEMO



TO: EDA Board of Commissioners

FROM: David Chanski, Community Development Director

DATE: October 28, 2021

RE: Goals Status Update

Attached is an updated goal status spreadsheet. A number of these goals are currently in a holding pattern until consultants are chosen from those who respond to the EDA's RFP for economic development consulting services.

The most noticeable addition to this update is the work toward an agreement between the Region 5 Development Commission (R5DC) and the City of Brainerd for the R5DC to remodel and lease the City Hall Annex for the purpose of a satellite office and shared working space.



Brainerd Economic Development Authority

Goals Status

July 1, 2021 to December 31, 2022

City of Brainerd			
Goal	Strategies/Action Steps	Status	Staff Member/Dept
Create programs and seek funding to address identified needs:	Evaluate the results of BLAEDC's business interviews to assess needs and categorize them.	Pending completion of business interviews.	Community Development Director (will transfer to consultant upon selection)
	Develop and propose programs to address the needs identified from BLAEDC's business interviews.	Pending completion and assessment of business interviews. This is an identified item in the EDA's consulting services RFP.	Community Development Director and City Administrator (will transfer to consultant upon selection)
	Seek funding sources to support proposed programs.	Pending development of proposed programs. This is an identified item in the EDA's consulting services RFP.	Community Development Director and Finance Director (will transfer to consultant upon selection)
Create an inventory of under-used and under-developed properties and work with property owners to market them for redevelopment.	Conduct GIS assessment of under-utilized properties.	15 different properties have been identified to date.	Community Development Director
	Identify possible uses for under-utilized properties.	The 15 properties identified to date are being assessed for future possible uses. This is an identified item in the EDA's consulting services RFP. Partnership with R5DC to lease and remodel the Annex for office space and shared office space.	Community Development Director (the CDD will work with consultant upon selection)
	Engage property owners to assess interest in participating in redevelopment program.	Pending completion of property assessment. This is an identified item in the EDA's consulting services RFP.	Community Development Director (will transfer to consultant upon selection)
	Develop program for marketing identified properties for redevelopment.	Pending completion of property assessment, use identification, and property owner engagement. This is an identified item in the EDA's consulting services RFP.	Community Development Director (will transfer to consultant upon selection)



Brainerd Economic Development Authority

Goals Status

July 1, 2021 to December 31, 2022

Evaluate the City's vacant industrial property for compatible non-industrial uses that would address current and future needs of the community.	Create an inventory of the City's undeveloped industrial property with an assessment of each property's surrounding uses.	An inventory of the City's vacant industrial property is underway.	Community Development Director (the CDD will work with consultant upon selection)
	Develop a list of non-industrial uses for the City's undeveloped industrial property that may be compatible with each properties surrounding uses.	Pending completion of property inventory and surrounding uses assessment.	Community Development Director (the CDD will work with consultant upon selection)
BLAEDC			
Goal	Strategies/Action Steps	Status	Staff Member/Dept
Interview existing businesses to identify each business's individual needs to take the next step in their business development.	Complete Business Retention and Expansion visits that involve interviews and information gathering.	On-going. This is an identified item in the EDA's consulting services RFP. BLAEDC is conducting interviews per the agreement and anticipate this information to be included in their monthly report.	BLAEDC (will transfer to consultant upon selection)
	Summarize information gathered from Business Retention and Expansion visits and submit to Community Development Director.	Pending completion of business interviews. This is an identified item in the EDA's consulting services RFP. BLAEDC is conducting interviews per the agreement and anticipate this information to be included in their monthly report.	BLAEDC (will transfer to consultant upon selection)
	Seek funding sources to support proposed programs.	Pending development of proposed programs. This is an identified item in the EDA's consulting services RFP.	Community Development Director and Finance Director (will transfer to consultant upon selection)



Brainerd Economic Development Authority

Goals Status

July 1, 2021 to December 31, 2022

Other Community Partners			
Goal	Strategies/Action Steps	Status	Staff Member/Dept
Work with community partners to develop a cohesive marketing strategy for the community.	Identify and engage strategic community partners	The City Administrator has had discussions with Visit Brainerd regarding a potential partnership. This is an identified item in the EDA's consulting services RFP.	City Administrator (will transfer to consultant upon selection)
	Create marketing strategy	Pending identification and engagement of community partners. This is an identified item in the EDA's consulting services RFP.	City Administrator (will transfer to consultant upon selection)