

BRAINERD ECONOMIC DEVELOPMENT AUTHORITY
Thursday, October 5th, 2023, 7:30 a.m.
City Hall Council Chambers

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

Upon roll call Commissioners Toni Bieser, Justin Grecula, Gabe Johnson, Marie Kirsch, Mike O'Day, and Kevin Yeager, were noted as present. Commissioner Paul Sandy was noted as absent. Also, present were Executive Director Bergman, Finance Director Hillman, Community Development Director Kramvik, and HRA Director Charpentier. Consultants Mary Devine-Johnson and Jennifer Haskamp were present.

Approval of Agenda

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

Consent Calendar

Financial Report
DDBC Report
Swanson-Haskamp Consulting Report
Visit Brainerd Report

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND BIESER TO APPROVE THE CONSENT CALENDAR WITH THE REMOVAL OF THE MINUTES.

Upon roll call Commissioners Bieser, Grecula, Johnson, Kirsch, O'Day, and Yeager voted "aye". No Commissioner voted "nay". The Chair declared the motion carried.

Approval of Minutes

Commissioner Bieser stated that she was not present at the September 6th meeting.

MOVED AND SECONDED BY COMMISSIONERS BIESER AND JOHNSON TO APPROVE THE MINUTES FROM AUGUST 3RD AND SEPTEMBER 6TH WITH THE CORRECTION TO THE ATTENDANCE.

New Business

Approve Reallocation of DEED Mainstreet Grant Funds

Community Development Director Kramvik stated that since June 8th, Big Jays Pizza was unable to move forward with their expansion project which was awarded \$15,000 in grant funding. Teeny Bubbles was originally awarded \$150,000 but was only able to use \$69,766.80 of the grant money leaving a total of \$80,233.20 for reallocation. Lakes Chiropractic has a remainder of \$1,896.49 of grant funding from their project that was completed in 2023. A total of \$97,129.69 must be reallocated to alternate projects that have previously applied for the Deed Mainstreet Grant. The EDA subcommittee met on September 28th and recommended additional funding for the Brainerd YMCA and Severson Porter Law Office.

MOVED AND SECONDED BY COMMISSIONERS BIESER AND GRECULA, DULY CARRIED, TO AWARD THE BRAINERD FAMILY YMCA AN ADDITIONAL \$50,000.

Commissioner Bieser stated that she would abstain from voting due to her work.

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND O'DAY TO AWARD SEVERSON PORTER LAW THE REMAINING \$47,130.

Upon roll call Commissioners Grecula, Johnson, Kirsch, O'Day and Yeager voted "aye". No Commissioner voted "nay". Commissioner Bieser abstained. The Chair declared the motion carried.

Consider Recommendation to Remove Section 435 of the City Code Pertaining to Manufactured Home Park Closings

Community Development Director Kramvik stated that the EDA held a workshop on June 28th to discuss Westwood Mobile Home Park. Staff presented a summary of Minnesota Statute 327C.095 which pertains to park closings as well as information about the Minnesota Manufactured Home Relocation Trust Fund. Staff also presented a summary of Brainerd City Code Section 435 which also pertains to manufactured home park closings. Brainerd was one of a few cities in Minnesota that adopted an Ordinance prior to the State passing Statute 327C.095 in order to protect citizens residing in manufactured home parks. The City adopted the Ordinance in 2005, which was two years prior to the State Statute. Upon further research in preparation for the report, Staff discovered an expiration provision in Section 435 which states "This effect of this ordinance denoted as Section 435 Regulating Manufactured Home Park Closings shall expire on July 1, 2015." In addition to the expiration of the ordinance, the State Statute has clear language that ensures the entity closing the park does not pay additional fees due to local ordinance language.

Commissioner Johnson commended the Council from 2005 for their foresight into the matter and all legislation should have drop dead dates.

Commissioner O'Day asked about putting the property on the website, he wondered if Staff contacted the owners to see if this was something that they were interested in.

Community Development Director Kramvik stated that the owners of the property were interested in putting the property on the EDA website.

Update on Framework Progress

Community Development Director Kramvik gave an overview of the deliverables. Visit Brainerd and Swanson Haskamp Consulting (SHC) have been developing the website and discussed collaboration for the final website. Visit Brainerd or SHC will provide a realty sign design for available Brainerd properties. BLAEDC and SHC are looking to host a business roundtable in October. DDBC held the kick-off meeting and toured downtown as a part of the Mainstreet Program. The Community Development Department recommends that the Planning Commission work on mixed-use development in the Commercial Corridor. Staff will continue to work with BPU on the River to Rails incentive program and possible extension to the Commercial Corridor.

Approve Final Logo and Slogan for the EDA

Mary Devine-Johnson presented two versions of the logo and slogan for final consideration and approval by the EDA. She and the designer that she worked with considered the critiques of the EDA and improved the designs and slogans. The Authority needs to decide if "Authority" needed to be

included in the logo as well as the slogan "Our Future is Bright, Let's Shine, "Our Future is Bright" or "Building a Brighter Tomorrow".

Commissioners Johnson, Bieser, Yeager, and O'Day felt that Authority did not need to be included. Commissioners Kirsch and Grecula felt it should be included.

Commissioners generally agreed that "Our Future is Bright" was an acceptable slogan.

New Business

Presentation on Industrial Park Concept Plans by SHC

Jennifer Haskamp gave an overview of the concept plans developed for both Wright Street Extension and Thiesse Drive. Wright Street included housing development and industrial use. Thiesse Drive included all industrial use or a mixed/artisan use.

Commissioner O'Day stated that in general he is open to denser housing in either of the areas.

Commissioner Johnson stated that he agrees with Commissioner O'Day about housing.

Chair Yeager stated that all concepts should be advertised and hope that someone runs with one of them.

Commissioner O'Day stated that they toured Kitty Hawk with BPU Director Wicklund who stated that BPU is interested in putting a solar farm at this site. He stated the EDA should keep that in mind, but he also stands by the need for housing.

Chair Yeager stated that the HRA could be very interested in the Wright Street Extension for housing.

Commissioner O'Day stated that the property has been sitting for a long time, anything is welcome. Residential would be tough, but employee housing nearby is a demand for industrial businesses.

Commissioner Johnson agreed that industrial businesses have the most difficulty in getting good employees because of the lack of housing. He is not a big fan of government telling people what to be doing with land that they're buying, being able to work with a developer to fit their needs is preferable.

Commissioner Kirsch asked about the integration of the logo in the EDA Properties website. She also asked about the integration of the property page into the overall website, and the plan for Search Engine Optimization (SEO) for the site.

Jennifer Haskamp stated that with the logo being approved, once SHC receives the logo they can put it right onto the property page. Staff and consultants need to figure out who will be hosting and managing the website, these things have not been fleshed out. The SEO plan will have to be decided after all the other details are figured out and the website is integrated into one.

Consider Consultant Agreements for 2024

Community Development Director Kramvik stated that at the August 3rd EDA Board Meeting, the Board approved a preliminary tax levy request of \$186,812, which is the maximum EDA fund allowed by state statute (469.107 s.1). The request was forwarded to the City Council for consideration.

Staff has developed a list of recommendations for the 2024 scope of services. Marketing properties would be an extra service that would have to be considered.

Commissioner O'Day asked about Trailside Park development. He was not at the workshop in September.

Community Development Director Kramvik stated that this is a great next step for concept planning. The Park Board is open to development. It is not an absolute on whether this should be the next step for the EDA.

Chair Yeager stated that the Park Board has looked at other areas as well where there is a fair amount of land to develop. If this is a possible way for the Park Board to generate funds, it is something that the Board is open to. The property is very desirable.

Commissioner Johnson stated that the as far as the HRA realty consultants did tour the property, the recommendation for Trailside will be available sometime in October or November.

MOVED AND SECONDED BY COMMISSIONERS BIESER AND O'DAY, DULY CARRIED, TO DIRECT STAFF TO DEVELOP DRAFT AGREEMENTS WITH THE CURRENT CONSULTANTS WITH ADJUSTED SCORE OF SERVICES TO REFLECT NEW 2024 DELIVERABLES.

Jennifer Haskamp stated that she owns Kamp Real Estate and Development. She gave an overview of the services she could provide. The specifics of compensation structure and the commitment length would all be covered in the service agreement. The brokerage fees would most likely be set up in the payment of the buyer.

Commissioner O'Day asked about the parcels that are \$1 per acre. He's hesitant about having a company involved when they stand to make no money.

Ms. Haskamp stated that those brokerage fees could still be worked into those parcels based on the value of the parcel. There are terms in the agreement that would explicitly state the fees. She has zero intention to hold the Industrial Park hostage, she has been working with the City too long and would love to see something develop there.

Commissioner Johnson stated that the land has been on the market for over seven years, the value of the land is clearly less than a dollar.

Chair Yeager stated that this is something that he would typically like to see an RFP for, there is potentially a lot of money that could be transacted for the broker. He does value all of the work that Ms. Haskamp has done and there is tremendous pressure to perform that speaks to the success of the entire program. He would like to see a proposal from Kamp Realty.

Commissioner Johnson stated that he does agree that as a government entity proposals should come from various companies. He'll support the motion to see the proposal that Kamp has for the EDA.

MOVED AND SECONDED BY COMMISSIONERS BIESER AND GRECUA, DULY CARRIED, TO CONSIDER A PROPOSAL FROM KRAMP REALTY.

Commissioner Johnson stated that conceptually he supports having an Executive Director for the EDA. However, as a separate legal entity, there would be other things to consider like meeting location, office space, etc. He is interested in seeing the research, but he does not believe the financial backing is there to accomplish anything.

Commissioner O'Day is interested in information for the future, being able to see details.

Chair Yeager stated that he agrees that this is something for the future. He would like to see how having an Executive Director would change the other dynamics of the EDA and what the actual costs would be.

MOVED AND SECONDED BY COMMISSIONERS O'DAY AND JOHNSON, DULY CARRIED, TO RESEARCH AND EXPLORE THE POSSIBILITY OF AN EXECUTIVE DIRECTOR FOR THE FUTURE.

Staff Reports

HRA Director Charpentier stated that DEED Mainstreet funding for Eight05 Laurel for DW Jones has been signed and dispersed to the entity. Progress with the redevelopment continues. The Brainerd HRA on behalf of DW Jones applied for a grant through DEED, they just learned that they did not receive the grant. There is another funding round in February, the timing of groundbreaking most likely played into the decision by DEED this round. The HRA will be applying again in February and are much more confident. The Work Force Housing Grant application will not be available until at least the end of November.

Community Development Director Kramvik stated that there will be a public hearing for off-street parking which may benefit developers in commercial apartment development. The Planning Commission is working towards an ordinance for Short-Term Rentals and plan to talk about mixed-use development along the commercial corridor.

Commissioner Comments/Questions

Commissioner Kirsch shared that the DDBC will be holding the Spooktacular on October 28th. The last business owner social will be held on October 25th at 5:00 at Last Turn, if Commissioners would like to attend.

Commissioner Bieser thanked the Consultants for attending, she appreciates all of the work they're doing.

Commissioner Johnson stated that the City's preliminary budget is at about a 7% increase. The budget included the EDA's full request. However, this is still subject to change. The Airport and Library levies were not proposed to increase, the HRA had a little bit of an increase but trimmed down from the request. The City is looking for about \$400,000 spending decrease.

Adjourn

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND O'DAY, DULY CARRIED, TO ADJOURN THE MEETING.

The Authority adjourned at 8:36 a.m.

Respectfully Submitted by
Toni Gage