



## ECONOMIC DEVELOPMENT AUTHORITY AGENDA

City of Brainerd, Minnesota  
City Hall, 501 Laurel Street, Council Chambers  
Thursday, April 4, 2024 @ 7:30 AM

The public is invited to attend these meetings in person

Meetings are broadcast on CTC ch 8, Charter ch 181, YouTube, AppleTV, Roku, and Amazon FireTV

1. **Call To Order**

2. **Roll Call**

\_\_\_K. Bevans \_\_\_T. Bieser \_\_\_J. Grecula \_\_\_G. Johnson \_\_\_M. Kirsch \_\_\_M. O'Day \_\_\_P.  
Sandy \_\_\_K. Yeager

3. **Approval Of Agenda - Voice Vote**

4. **Consent Calendar**

NOTICE TO PUBLIC - all matters listed are considered routine by the Board and will all be enacted by one (1) motion. There will be no separate discussion of these items unless good cause is shown prior to the time the Board votes on the motion to be ADOPTED BY ROLL CALL

A. **Approval of Minutes**

B. **Financial Reports**

C. **Swanson Haskamp Report**

D. **DDBC Report**

E. **Visit Brainerd Report**

5. **Unfinished Business**

A. **Approve Brokerage Signs**

B. **Approve Amendment to the Brokerage Contract with Kamp Real Estate to Add the Annex Building**

C. **Consider Proposal from BLAEDC to Administer Grants and Revolving Loan Fund**

6. **New Business**

A. **Consider Expansion to the River to Rails Incentive District**

**B. Review 2023 EDA Measurables and Activities**

7. **Staff Reports**  
(Verbal: Any Updates since Packet)
8. **Commission Member Reports**
9. **Adjourn**

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**MISSION**

*"Provide high quality, cost effective public services and leadership in creating a sustainable city"*

**BRAINERD ECONOMIC DEVELOPMENT AUTHORITY**  
**Thursday, February 8th, 2024, 7:30 a.m.**  
**City Hall Council Chambers**

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

Upon roll call Commissioners Kelly Bevans, Toni Bieser, Justin Grecula, Gabe Johnson, Marie Kirsch, Mike O'Day, Paul Sandy (7:35 am), and Kevin Yeager were noted as present. Consultants present were Jennifer Haskamp, Tyler Glynn, Mary-Devine Johnson. Staff present were Community Development Director Kramvik, Finance Director Hillman, and HRA Director Charpentier.

**Annual Meeting**

**President's Report**

Chair Yeager gave an overview of the year. He highlighted the work by the consultants and the DEED Mainstreet Program which funded 33 local projects in the River to Rail Corridor.

**Review of the Bylaws**

Community Development Director Kramvik stated that there were no changes made to the bylaws.

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND JOHNSON, DULY CARRIED, TO ACCEPT THE REVIEW OF THE BYLAWS.

**Elect Officers**

Member O'Day stated that there has been great progress in the last year, in working with our partners it will be helpful to maintain the same officers.

MOVED AND SECONDED BY COMMISSIONER O'DAY, DULY CARRIED, TO MAINTAIN COMMISSIONER YEAGER AS PRESIDENT, COMMISSIONER BIESER AS VICE PRESIDENT, AND COMMISSIONER KIRSCH AS SECRETARY OF THE EDA.

**Approval/Amendment of the Agenda- Approved**

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

**Approval of Consent Calendar**

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND BIESTER TO APPROVE THE CONSENT CALENDAR.

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

## **Old Business**

### **Review Website Design by Visit Brainerd**

Community Development Director Kramvik stated that staff will provide a link to EDA members in order for Commissioners to provide feedback. There will be a marketing video released to launch the EDA website.

Commissioner Bieser asked when response would be needed for responses.

Community Development Director Kramvik stated within two weeks would be helpful.

### **Approve Contract with Kamp Real Estate and Development**

Jennifer Haskamp, Kamp Real Estate, gave an overview of the services. The commission rate would be 8%. The commission to Kamp Real Estate for the dollar an acre parcels would be based on the appraised value and paid by the buyer.

Chair Yeager asked who would hire the appraiser.

Jennifer Haskamp stated that the appraisal would be negotiated in the purchase agreement.

Commissioner Johnson asked about the listed parking lots to be actively marketed.

Jennifer Haskamp stated the parking lots could easily be added.

Commissioner Bevans stated that when determining the value, the buyer could first start at the Crow Wing County website.

Commissioner O'Day stated that this will be great to actively market these properties.

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND GRECULA, DULY CARRIED, TO ENTER INTO A BROKERAGE AGREEMENT WITH KAMP REAL ESTATE.

Jennifer Haskamp presented the marketing materials for the lots.

Commissioner Sandy stated that it would be helpful to add that the Thiesse Drive properties have public utilities available.

Commissioners gave supportive comments for the materials.

### **Discuss Potential Salary Range, Job Description, and Experience for an EDA Economic Development Director**

Community Development Director Kramvik gave an overview of the options that could be available to the EDA for an Economic Development Director, including salaries. At this time, does not recommend pursuing the position as it would utilize the entire EDA levy amount.

Commissioner Kirsch asked what other cities of Brainerd's size do in regard to a position like this. What other funding mechanisms do cities have. She does not believe that there would be enough

Tyler Glynn, BLAEDC, stated that typically cities of Brainerd's size do not employ a full-time employee. It is typically a County EDA position in cities and areas our size.

Commissioner Johnson stated that metro cities are hiring coordinators. This is more of a considerable position for the City. An EDA could hire an employee and set the terms and compensation as they wish.

Commissioner Kirsch stated that the need and capability of the EDA to have a paid position should be reviewed periodically.

Commissioner O'Day stated that the EDA is trying at this time to establish programs and sell property. Once these programs are established, it would be more appropriate to hire an employee.

Chair Yeager stated that at this time he doesn't believe that the EDA could sell the taxpayers on a return of investment to carry an employee. He also stated that when the time comes, the EDA should consider hiring the coordinator or director as a consultant as opposed to a City employee as you can set the contract for a yearly review.

## **New Business**

### **Direct Staff to Work with BLAEDC on a Revolving Loan for Façade Improvements**

Community Development Director Kramvik gave an overview of the potential of a revolving loan fund.

Commissioner O'Day asked about the total funds available to do a program like this.

Finance Director Hillman stated that there is almost \$200,000 in different funds available with different requirements.

Commissioner Sandy stated that \$2,500 doesn't get you very much in today's costs.

Tyler Glynn, BLAEDC, stated that a loan program would be his recommendation, this would not require a match and the interest rate could be determined by the EDA.

Commissioner Kirsch would like the EDA to consider a grant program as it is hard for small businesses who rent their spaces to get property owners to invest in improvements in their buildings.

Commissioner Johnson stated that whether a grant or loan program considering the funding sources, using option three if the criteria are met would be his preference.

Commissioner Bieser asked whether you could do a revolving loan with a grant piece. If someone wants to put the money in, not having to pay the entire amount back.

Finance Director Hillman stated that assistance would be needed from the HRA to be able to determine that criteria are being met in order to use option three.

Commission Discussion took place.

Commissioner Johnson asked how this program is different from the revolving loan downtown that the City currently supports that has only been used a handful of times since he has served on the Council.

Community Development Director Kramvik stated that the loan would be a larger area to include the 210 corridor or other districts.

Commissioner Sandy stated that he doesn't believe you have to choose one or the other. Facades and structures could be a larger loan program where grants could include smaller additions to a business.

Chair Yeager stated that there is probably a robust list from our DEED applications and other opportunities, he's wondered if there is a way to survey those who may be interested in programs and get feedback prior to settling on a program.

Tyler Glynn stated that he is a part of a statewide group of Economic Development Directors that he is in constant contact with and that would be a good group for feedback. He could bring back the information to the next meeting.

Commissioner Johnson stated he would like to see a recommendation at the next meeting.

Commissioner O'Day stated he would like to see a limited grant program in order to maintain a healthy balance.

Tyler Glynn stated that communicating grant information is not a concern, but rather how to determine the scope.

Commissioner Bieser is concerned about the timeline as far as contractors.

Community Development Director Kramvik stated that it could be rolled out as soon as the next meeting.

Tyler Glynn stated that once the timelines are set it could be rolled out quickly. Grant application windows are typically not more than a month.

MOVED AND SECONDED BY COMMISSIONERS KIRSCH AND O'DAY, DULY CARRIED, TO DIRECT STAFF TO WORK WITH BLAEDC ON A REVOLVING LOAN AND GRANT FUND.

### **Review Preliminary Framework for 2024**

Community Development Director Kramvik gave an overview of the preliminary framework for the EDA and consultants for 2024.

Commissioner Kirsch would like to attach metrics to the “goals” in order to track progress.

Commissioner Johnson agreed with Commissioner Kirsch.

Community Development Director Kramvik can provide information for 2023 at the next meeting.

### **Staff Reports**

Community Development Director stated that Country Manor is planning construction in late summer 2024.

HRA Executive Director Charpentier stated that the property that the EDA designated funds to was leveled and returned to grade. The HRA is working with Habitat for Humanity to move forward with future plans for the site. DW Jones will be applying for the Workforce Housing Funding with the hope that funding will be appropriated by June. DW Jones is also applying for funding from the Crow Wing County Housing Trust Fund.

Tyler Glynn stated that the Mainstreet projects are continuing to move forward. All of the projects are moving, the business owners are still filing receipts to get projects funded.

### **Commissioner Reports**

Commissioner Bevans stated that the City Council has hired a City Administrator.

Commissioner Kirsch stated that there are new businesses moving into downtown.

Commissioner Johnson stated that Brainerd Restoration submitted their plans for the downtown bench, however the City Council has asked them to review the plan. Giovanni's Pizza in the Industrial Park is somewhere he would like to tour based on the Mayor's feedback.

**Adjourn**

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

The Authority adjourned at 8:28 a.m.

Respectfully Submitted by  
Toni Gage

# Financial Report for EDA

As of February 29, 2024

	<u>Cash &amp; Investments</u>	<u>Receivable Balance</u>	<u>Deferred Loans (as of 12/31/22) **</u>	<u>Awarded Grants</u>
<b>General Funds:</b>				
EDA Fund - #295	\$ 69,375	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 69,375</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CDBG (Housing/Commerical (Slum &amp; Blight/Federal Objective)):</b>				
Downtown - #298	\$ 49,950	\$ 4,826	\$ 359,515	\$ -
SE Brainerd - #215	44,592	-	149,924	-
NE Brainerd - #218	-	-	223,090	-
2023 SE Brainerd	(2,283)	-	-	-
Willows Project - #209	-	-	47,286	-
Old Housing - #209	3,342	-	-	-
Local Income - #275	102,733	12,791	11,850	-
<b>Total</b>	<b>\$ 198,334</b>	<b>\$ 17,617</b>	<b>\$ 791,666</b>	<b>\$ -</b>
<b>Federal &amp; State MIF (Commerical (Jobs)):</b>				
Commerical - #210 ^^^	\$ -	\$ 646,427	\$ -	\$ -
Federal MIF - #296	18,568	-	-	-
<b>Total</b>	<b>\$ 18,568</b>	<b>\$ 646,427</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total</b>	<b>\$ 286,277</b>	<b>\$ 664,044</b>	<b>\$ 791,666</b>	<b>\$ -</b>

\*\* 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 02/28/2023	PERIOD ENDED 02/29/2024
*** Assets ***			
295-0000-10100	CASH	62,409.61	69,375.03
295-0000-10700	DELINQUENT TAX RECEIVABLE	6,467.34	7,003.02
295-0000-15510	PREPAID OTHER	0.00	24.30
295-0000-16160	FA-LAND HELD FOR RESALE	460,396.74	460,396.74
<b>Total Assets</b>		<b>529,273.69</b>	<b>536,799.09</b>
*** Liabilities ***			
295-0000-20600	DEPOSITS PAYABLE	5,144.50	7,835.20
295-0000-22200	DEFERRED REVENUE	460,396.74	460,396.74
295-0000-22210	DEFERRED TAXES RECEIVABLE	4,202.29	3,473.95
<b>Total Liabilities</b>		<b>469,743.53</b>	<b>471,705.89</b>
*** Fund Balance ***			
295-0000-28900	FUND BALANCE/EQUITY ACCT	69,279.63	69,279.63
<b>Total Fund Balance</b>		<b>69,279.63</b>	<b>69,279.63</b>
<b>Beginning Fund Balance</b>		<b>69,279.63</b>	<b>69,279.63</b>
<b>Net of Revenues VS Expenditures - 2023</b>			<b>10,551.19</b>
<b>*2023 End FB/2024 Beg FB</b>		<b>79,830.82</b>	
<b>Net of Revenues VS Expenditures - Current Year</b>		<b>(9,749.47)</b>	<b>(14,737.62)</b>
<b>Ending Fund Balance</b>		<b>59,530.16</b>	<b>65,093.20</b>
<b>Total Liabilities And Fund Balance</b>		<b>529,273.69</b>	<b>536,799.09</b>

\* Year Not Closed

PERIOD ENDING 02/29/2024

GL NUMBER	DESCRIPTION	ACTIVITY FOR			YTD BALANCE	% BDGT USED
		2024 MONTH	02/29/2024	02/29/2024		
		AMENDED BUDGET	CREASE (DECREASE)	NORMAL (ABNORMAL)		
Fund 295 - EDA FUND						
Function: Unclassified						
Dept 0000						
Revenues						
TAXES & PENALTIES						
295-0000-31010	CURRENT AD VALOREM	186,812.00	0.00	2,899.32	1.55	
295-0000-31020	DELINQUENT AD VALOREM	0.00	0.00	629.75	100.00	
	TAXES & PENALTIES	<u>186,812.00</u>	<u>0.00</u>	<u>3,529.07</u>	<u>1.89</u>	
OTHER REVENUE						
295-0000-36210	INTEREST INCOME	550.00	0.00	0.00	0.00	
	OTHER REVENUE	<u>550.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
	TOTAL REVENUES	<u>187,362.00</u>	<u>0.00</u>	<u>3,529.07</u>	<u>1.88</u>	
	Net - Dept 0000	<u>187,362.00</u>	<u>0.00</u>	<u>3,529.07</u>		
Dept 6510 - ECONOMIC DEVELOPMENT AUTH						
Expenditures						
SERVICES						
295-6510-43300	PROFESSIONAL SERVICES	138,000.00	11,500.02	12,916.69	9.36	
295-6510-43361	INS - GENERAL LIABILITY	142.14	0.00	0.00	0.00	
295-6510-43435	BOOKS/PAMPHLETS/DUES	5,350.00	5,350.00	5,350.00	100.00	
	SERVICES	<u>143,492.14</u>	<u>16,850.02</u>	<u>18,266.69</u>	<u>12.73</u>	
	TOTAL EXPENDITURES	<u>143,492.14</u>	<u>16,850.02</u>	<u>18,266.69</u>	<u>12.73</u>	
	Net - Dept 6510 - ECONOMIC DEVELOPMENT AUTH	<u>(143,492.14)</u>	<u>(16,850.02)</u>	<u>(18,266.69)</u>		
	Total - Function Unclassified	<u>43,869.86</u>	<u>(16,850.02)</u>	<u>(14,737.62)</u>	<u>33.59</u>	
	TOTAL REVENUES	187,362.00	0.00	3,529.07	1.88	
	TOTAL EXPENDITURES	143,492.14	16,850.02	18,266.69	12.73	
	NET OF REVENUES & EXPENDITURES	<u>43,869.86</u>	<u>(16,850.02)</u>	<u>(14,737.62)</u>	<u>33.59</u>	

CHECK DISBURSEMENT REPORT FOR CITY OF BRAINERD  
 CHECK DATE FROM 01/01/2024 - 02/29/2024

Check Date	Bank	Check #	Invoice	Payee	Description	Account	Dept	Amount
Fund: 295 EDA FUND								
01/03/2024	BB	97605	DEC 2023	BRAINERD LAKES AREA DEV C	PROFESSIONAL SERVICES	43300	6510	2,916.63
01/03/2024	BB	97608	DEC 2023	DESTINATION DOWNTOWN BRAINERD	PROFESSIONAL SERVICES	43300	6510	909.10
01/03/2024	BB	97618	DEC 2023	SWANSON HASKAMP CONSULTING	PROFESSIONAL SERVICES	43300	6510	2,916.63
01/03/2024	BB	97620	DEC 2023	VISIT BRAINERD	PROFESSIONAL SERVICES	43300	6510	3,333.26
02/07/2024	BB	97786	JAN 2024	BRAINERD LAKES AREA DEV C	PROFESSIONAL SERVICES	43300	6510	3,000.00
02/07/2024	BB	97807	JAN 2024	DESTINATION DOWNTOWN BRAINERD	PROFESSIONAL SERVICES	43300	6510	833.34
02/07/2024	BB	97815	13435	INITIATIVE FOUNDATION	BOOKS/PAMPHLETS/DUES	43435	6510	5,350.00
02/07/2024	BB	97819	179357	KENNEDY & GRAVEN	DEPOSITS PAYABLE - VCV	20600	0000	40.50
			179357		DEPOSITS PAYABLE - COUNTRY MANOR	20600	0000	1,006.80
				CHECK BB 97819 TOTAL FOR FUND				1,047.30
02/07/2024	BB	97846	DEC 2023	RATWIK, ROSZAK AND MALONEY	PROFESSIONAL SERVICES	43300	6510	682.50
02/07/2024	BB	97855	JAN 2024	SWANSON HASKAMP CONSULTING	PROFESSIONAL SERVICES	43300	6510	2,916.67
02/07/2024	BB	97859	JAN 2024	VISIT BRAINERD	PROFESSIONAL SERVICES	43300	6510	3,333.34
				Total for fund 295 EDA FUND				27,238.77

User: chillman  
 DB: Brainerd

Date	JNL	Type	Description	Reference #	Debits	Credits	Balance
Fund 295 EDA FUND							
Assets							
Department 0000							
01/01/2024			<b>295-0000-10100 CASH</b>		BEG. BALANCE		95,918.07
01/24/2024	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	1922	3,529.07		99,447.14
01/31/2024	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	1937		1,416.67	98,030.47
02/28/2024	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	1980		1,416.67	96,613.80
02/29/2024			295-0000-10100	END BALANCE	3,529.07	2,833.34	96,613.80
01/01/2024			<b>295-0000-10700 DELINQUENT TAX RECEIVABLE</b>		BEG. BALANCE		7,003.02
02/29/2024			295-0000-10700	END BALANCE	0.00	0.00	7,003.02
01/01/2024			<b>295-0000-15510 PREPAID OTHER</b>		BEG. BALANCE		24.30
02/29/2024			295-0000-15510	END BALANCE	0.00	0.00	24.30
01/01/2024			<b>295-0000-16160 FA-LAND HELD FOR RESALE</b>		BEG. BALANCE		460,396.74
02/29/2024			295-0000-16160	END BALANCE	0.00	0.00	460,396.74
TOTAL FOR DEPARTMENT 0000					3,529.07	2,833.34	
TOTAL Assets					3,529.07	2,833.34	564,037.86
Liabilities							
Department 0000							
01/01/2024			<b>295-0000-20200 ACCOUNTS PAYABLE</b>		BEG. BALANCE		(11,805.42)
02/29/2024			295-0000-20200	END BALANCE	0.00	0.00	(11,805.42)
01/01/2024			<b>295-0000-20600 DEPOSITS PAYABLE</b>		BEG. BALANCE		(7,835.20)
02/29/2024			295-0000-20600	END BALANCE	0.00	0.00	(7,835.20)
01/01/2024			<b>295-0000-22200 DEFERRED REVENUE</b>		BEG. BALANCE		(460,396.74)
02/29/2024			295-0000-22200	END BALANCE	0.00	0.00	(460,396.74)
01/01/2024			<b>295-0000-22210 DEFERRED TAXES RECEIVABLE</b>		BEG. BALANCE		(3,473.95)
02/29/2024			295-0000-22210	END BALANCE	0.00	0.00	(3,473.95)
TOTAL FOR DEPARTMENT 0000							
TOTAL Liabilities							(483,511.31)
Revenues							
Department 0000							
01/01/2024			<b>295-0000-31010 CURRENT AD VALOREM</b>		BEG. BALANCE		0.00
01/24/2024	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	1922		2,846.04	(2,846.04)
01/24/2024	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	1922		53.28	(2,899.32)
02/29/2024			295-0000-31010	END BALANCE	0.00	2,899.32	(2,899.32)
01/01/2024			<b>295-0000-31020 DELINQUENT AD VALOREM</b>		BEG. BALANCE		0.00
01/24/2024	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	1922		610.94	(610.94)
01/24/2024	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	1922		18.81	(629.75)
02/29/2024			295-0000-31020	END BALANCE	0.00	629.75	(629.75)
TOTAL FOR DEPARTMENT 0000					0.00	3,529.07	
TOTAL Revenues						3,529.07	(3,529.07)
Expenditures							
Department 6510 ECONOMIC DEVELOPMENT AUTH							
01/01/2024			<b>295-6510-43300 PROFESSIONAL SERVICES</b>		BEG. BALANCE		0.00
01/31/2024	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	1937	1,416.67		1,416.67
02/28/2024	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	1980	1,416.67		2,833.34
02/29/2024			295-6510-43300	END BALANCE	2,833.34	0.00	2,833.34
TOTAL FOR DEPARTMENT 6510 ECONOMIC DEVELOPMENT AUTH					2,833.34	0.00	
TOTAL Expenditures					2,833.34		2,833.34
GRAND TOTALS:					6,362.41	6,362.41	79,830.82

**City of Brainerd**  
**Economic Development Authority**  
**Scope of Services Monthly Report**

Date: March 28, 2024  
 From: Jennifer Haskamp, SHC  
 RE: Activities February & March 2024

**Overview of Monthly Activities:**

SHC & Kamp have finalized the sign format and design package for the property listings. (A final PDF ready for printing is provided for your reference). We are working with Staff on printing and installation and as soon as the weather cooperates, they will be installed. As requested by staff, Addendum No. 1 to the Listing Agreement is also included in the packet to list the Annex building. The following activities by task are provided for your information.

**Activities by Scope Task:**

SCOPE	TASK
a.	Maintain an inventory of under-utilized and/or undeveloped property, update bi-annually.
	SHC Activities: <ul style="list-style-type: none"> <li>• Determine if any properties on Washington Street would be a good fit for Priority Areas given the timing of reconstruction.</li> <li>• Working with Visit Brainerd to get “Properties” page incorporated into website. This is anticipated to be available soon, and we will continue to work with Visit Brainerd to continue the effort.</li> </ul>
b.	Identify up to three priority properties for 2024.
	SHC Activities: <ul style="list-style-type: none"> <li>• City Staff has identified some initial properties for consideration, and final selection will be determined in Q2 or Q3.</li> <li>• Potential to work with ISD on their properties on a joint effort to market property. Concept planning may be advantageous, and outcome of the discussion is needed before a decision can be made to move forward.</li> </ul>
c.	Establish relationship with developers on behalf of the EDA.
	SHC Activities: <ul style="list-style-type: none"> <li>• Initial list of developers and/or brokers is in draft form.</li> <li>• Work with staff in next 2-4 weeks to complete list and send out marketing collateral.</li> </ul>

d.	Participate in quarterly roundtable discussions with the City of Brainerd Staff and all other consultants.
	SHC Activities: <ul style="list-style-type: none"> <li>• Q2 meeting planned to align with June meeting.</li> </ul>
e.	Lead/Participate in one (1) business roundtable. Topic to address Washington Street Corridor.
	SHC Activities: <ul style="list-style-type: none"> <li>• This event will occur in second half of 2024.</li> </ul>
f.	Attend regular meetings of the EDA (minimum of four meetings.)
	SHC Activities: <ul style="list-style-type: none"> <li>• SHC will attend April meeting virtually, and tentative plans to attend June meeting in person.</li> </ul>

**City of Brainerd**  
**Economic Development Authority**  
**Scope of Services Monthly Report**  
**Destination Downtown Brainerd Coalition (DDBC)**

**Report Date:** March 25, 2024

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**1. Maintain Main Street America Membership status.**

Status: In Progress

DDBC paid the annual renewal for Associate level membership to Main Street Minnesota/RETHOS in March. We continue to track metrics required for reporting to maintain membership status.

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**2. Attend educational events and programs to support the Main Street program.**

Status: In Progress

Starting in February, DDBC began attending bi-monthly video conference calls led by Main Street Minnesota program staff and attended by Main Street directors from across the state to give updates and share resources/information to facilitate Main Street programming. DDBC applied for and received a \$500 Program Assistance Grant from Minnesota Main Street to support a signage project for the Downtown district. DDBC continues to monitor Main Street America's online database and is subscribed to relevant email lists to stay up-to-date on relevant resources and opportunities that can benefit our local Main Street program.

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**3. Support Main Street events with advertising and promotional materials.**

Status: In Progress

DDBC hosted its quarterly Business Owner Social event on January 31, 2024, at Shep's on 6<sup>th</sup> in Downtown Brainerd. The event was attended by 15 individuals representing 10 different businesses, and was an opportunity to discuss the upcoming St. Patrick's Day festivities as well as other Downtown happenings. The next Business Owner Social is scheduled for April 24, 2024.

DDBC hosted Business Visits on February 15<sup>th</sup> (Wicks & Broomsticks) and March 21<sup>st</sup> (The Good Village Co.), which were attended by representatives from the City, EDA, DDBC, and other

Downtown Business Owners and Organizations. Business Visits are held monthly on the 3<sup>rd</sup> Thursday with the next scheduled visit taking place on April 18.

The week prior to St. Patrick's Day (March 9-17), DDBC organized a "Shamrock Shop" promotional event to help encourage retail shopping at Downtown Brainerd businesses. DDBC was able to recruit 28 businesses to participate in the promotion and gathered over \$1000 in gift cards to go towards prizes for the event. DDBC worked closely with Brainerd Community Action to cross-promote this event with the annual Downtown St. Patrick's Day Parade, and the success of the event was made possible with the support of Downtown Business owners and 15+ hours of volunteer time that went towards recruiting businesses and preparing and distributing supplies.

DDBC continues to update and maintain our social media assets (Facebook, Instagram) and engaged with our 2,700+ followers through regular postings (15 in February/March). We also posted relevant updates and shared information via our Facebook Downtown Businesses Owners Group Page, which currently has 32 members.

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**4. Research funding mechanisms and strategies for filling a Main Street Coordinator position.**

Status: In Progress.

DDBC attended an informational webinar sponsored by Main Street America ("Funding Main Street Management – 3 Models") on February 8, 2024. DDBC also scheduled a call with Minnesota Main Street Manager Shannon Laing on February 28<sup>th</sup> to discuss next steps, followed by an informational call with Entrepreneur Fund staff Sandy Voit and Sandi Larson to discuss strategies used by Lincoln Park Duluth and their Main Street Program. DDBC continues to compile information on strategies/funding mechanisms used by other Main Street communities with the goal of eventually scheduling a meeting with City and EDA representatives to present findings and possible recommendations for how to proceed.

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**5. Participate in quarterly consultant meetings.**

Status: Ongoing.

A DDBC representative plans to attend all upcoming consultant meetings.

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## **6. Other Misc. Updates**

Benlocreative, LLC, continues production on the remaining promotional videos that were part of the 2023 Scope of Services contract. A promotional video for St. Patrick's Day was released to DDBC's social media feed in March and featured Downtown Brainerd businesses. Scripts and a shooting schedule have been created for the remaining 9 videos, with final production work expected to be completed this Spring.

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**City of Brainerd**  
**Economic Development Authority**  
**Scope of Services Monthly Report**  
**Visit Brainerd**

**Report Date: 03/26/2024**

---

**a. Update content on EDA website.**

Update: In progress. The website is about 95% complete to date. Still finalizing the website content, specifically feedback from commissioners, the featured video, and integration of the Swanson-Haskamp materials. The developer has been waiting on me to get content closer before he finishes and moves it from development to live.

Action: Go live by April 5; ongoing content revisions as they're identified.

Action: Website/promo video to be completed by April 30; add to website.

[BEDA Homepage \(webflow.io\)](https://webflow.io).

---

**b. Create a marketing strategy and campaign for EDA website and available Brainerd properties.**

Update: Suggested framework for promoting website once it is live includes:

- On-page SEO. This SEO focuses on the content on site pages and how to optimize it to boost the website's ranking for specific keywords.
  - Off-page SEO. This SEO focuses on links directed to websites from elsewhere. The number of backlinks a site has from reputable sources helps you build trust with search algorithms.
  - Technical SEO. This SEO focuses on a website's backend architecture, like site code. Google cares just as much about technical set-up as it does content, so this position is essential for rankings.
  - Paid Search: Keywords campaign > \$300 per month
  - Paid Digital Display campaign > \$300 per month
- 

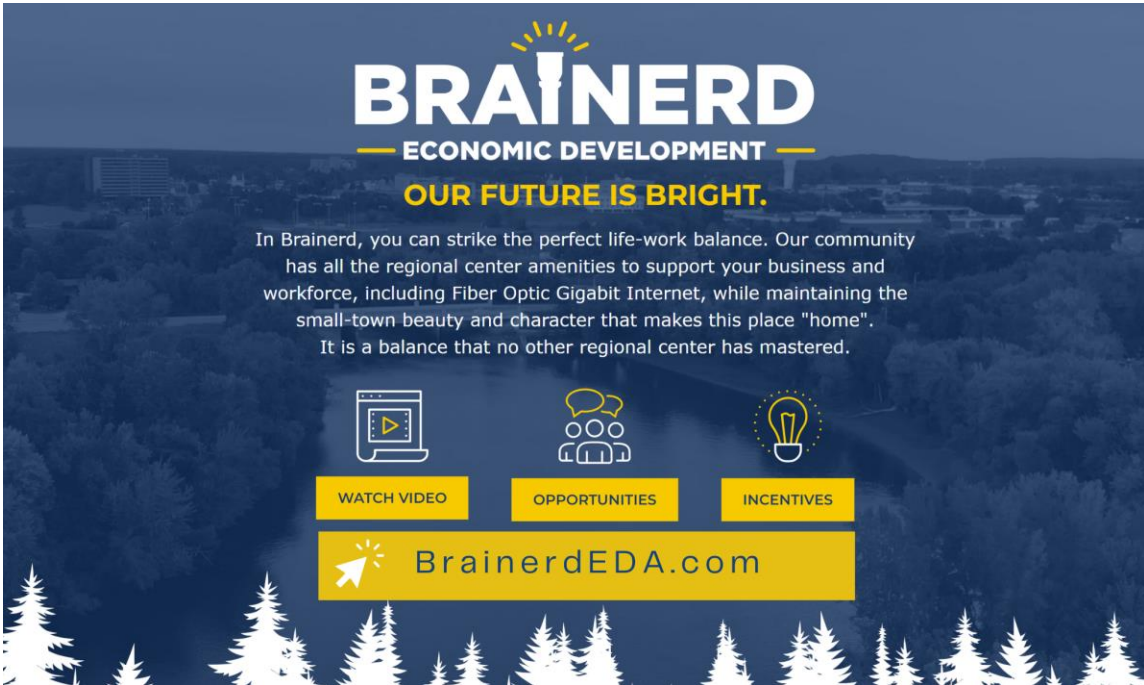
**c. Develop and implement an advertising campaign focused on recruiting entrepreneurs, developers, investors, and the like to start a business within the corporate limits of the City of Brainerd.**

Update: In progress. Radio ads ran statewide; currently paused. Larger multi-media campaign to launch in Q3 TBD (see below).

Action: Finalize billboard contract, get artwork created, go live.

Action: Launch LinkedIn Page for Brainerd EDA, start advertising on platform.

<b>c. Advertising Campaign Recruiting Entrepreneurs, Developers, Investors to Start a Business</b>	\$ 10,000.00
Visit Brainerd fee	\$ (1,000.00)
IQ Ad Spring 2024	\$ (500.00) Complete; publish April
IQ Ad Fall 2024	\$ (500.00) Complete; publish October
LinkedIn ads	\$ (2,000.00)
Billboards	\$ (6,000.00) Q2 if stationary billboard opens up; Q3 if we go with digital billboards; price TBD.



Ad copy in IQ Magazine.

- d. **Develop and implement a summer advertising campaign designed to draw locals, seasonal/second homeowners, and visitors to shop at businesses located within the corporate limits of the City of Brainerd.**

Update: Q3 ad plan is the same as previous years.

<b>d. Summer Shopping Ad Campaign</b>	\$ 10,000.00
Visit Brainerd fee	\$ (500.00)
Radio - Hubbard	\$ (5,000.00) 10-day flight in Jun, Jul, Aug
Radio - MPR (Brainerd News & Classical)	\$ (1,500.00) 10-day flight in Jun, Jul, Aug
Spectrum Reach - OTT Streaming	\$ (2,500.00) 10-day flight in Jun, Jul, Aug

Action: Finalize vendor contracts and creative materials by May 1.

- e. **Develop and implement a winter advertising campaign designed to draw locals, seasonal/second homeowners, and visitors to shop at businesses located within the corporate limits of the City of Brainerd.**

Update: Q4 project.

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**f. Participate in quarterly roundtable discussions with City of Brainerd staff and all other consultants providing services to the EDA**

Update: TBD

- February meeting: Missed because of illness.

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**g. Attend the regular meeting of the EDA at least 4 times during this contract.**

Update: Will attend regular meetings as schedule allows:

- February: Did not attend
- April: Will attend

Support, participate in, coordinate and attend DDBC Main Street programming:

- Attend bi-weekly coordinator meetings with Marie Kirsch (every other Monday).
- Attended business visits at Elysium Hair Salon and Bargains on 7<sup>th</sup> on Jan. 18.
- Attended business owner social at Shep's on 6<sup>th</sup> on Jan. 31
- Coordinated St. Patrick's Day shopping promotion.
- Attended business visit at The Good Village on Mar. 21.

# MEMO



**TO:** EDA Board of Commissioners

**FROM:** James Kramvik, Community Development Director

**DATE:** April 4<sup>th</sup>, 2024

**RE:** Approve Brokerage Signs

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## INTRODUCTION

Kamp Real Estate and Development presented preliminary real estate signage at the February 8<sup>th</sup> EDA meeting. Kamp Real Estate proposed 4x6 signs be placed by the main thoroughfare for the Wright Street properties and the Brainerd Industrial Park properties. Each individual property would have its own 2x3 sign with a QR code to scan for additional information. Kamp Real Estate will also present final designs for the Annex Building and City Parking Lot signs at the upcoming April meeting. If approved, City Staff will work with a local printing company to finalize signage materials and costs.

## RECOMMENDATION

Approve the final signage design from Kamp Real Estate and Development and authorize staff to spend up to \$1,000 in printing costs.

# FOR SALE

SHOVEL  
READY!

## ZONED INDUSTRIAL

1.3 - 2.5 ACRES

OPEN TO MULTIPLE USES

LOT SPLITS/COMBINATIONS POSSIBLE

UTILITIES ON SITE



JENNIFER HASKAMP

651.252.1101

JHASKAMP@KAMP-MN.COM



JAMES KRAMVIK

218.828.2307

JKRAMVIK@CI.BRAINERD.MN.US

SCAN HERE  
FOR MORE  
INFORMATION!



# FOR SALE

## ZONED INDUSTRIAL

46 ACRES AVAILABLE

OPEN TO MULTIPLE USES

OPPORTUNITY FOR ALL OR PART

SUBDIVISION POSSIBLE

UTILITIES AVAILABLE



REAL ESTATE & DEVELOPMENT, LLC

JENNIFER HASKAMP

651.252.1101

JHASKAMP@KAMP-MN.COM



JAMES KRAMVIK

218.828.2307

JKRAMVIK@CI.BRAINERD.MN.US

SCAN HERE  
FOR MORE  
INFORMATION!



# FOR SALE

## LOT 1, BLOCK 1

1.7 ACRES

ZONED INDUSTRIAL  
MULTIPLE USES POSSIBLE

SCAN HERE  
FOR MORE  
INFORMATION!



**SHOVEL  
READY!**



**JENNIFER HASKAMP**

651.252.1101

JHASKAMP@KAMP-MN.COM



**JAMES KRAMVIK**

218.828.2307

JKRAMVIK@CI.BRAINERD.MN.US

# FOR SALE

## LOT 1, BLOCK 4

1.8 ACRES

ZONED INDUSTRIAL  
MULTIPLE USES POSSIBLE

SCAN HERE  
FOR MORE  
INFORMATION!



SHOVEL  
READY!



JENNIFER HASKAMP

651.252.1101

JHASKAMP@KAMP-MN.COM



JAMES KRAMVIK

218.828.2307

JKRAMVIK@CI.BRAINERD.MN.US

# FOR SALE

## LOT 1, BLOCK 5

1.7 ACRES

ZONED INDUSTRIAL  
MULTIPLE USES POSSIBLE

SCAN HERE  
FOR MORE  
INFORMATION!



**SHOVEL  
READY!**



**JENNIFER HASKAMP**

651.252.1101

JHASKAMP@KAMP-MN.COM



**JAMES KRAMVIK**

218.828.2307

JKRAMVIK@CI.BRAINERD.MN.US

# FOR SALE

## LOT 2, BLOCK 4

2.5 ACRES

ZONED INDUSTRIAL  
MULTIPLE USES POSSIBLE

SCAN HERE  
FOR MORE  
INFORMATION!



**SHOVEL  
READY!**



**JENNIFER HASKAMP**

651.252.1101

JHASKAMP@KAMP-MN.COM



**JAMES KRAMVIK**

218.828.2307

JKRAMVIK@CI.BRAINERD.MN.US

# FOR SALE

## LOT 2, BLOCK 5

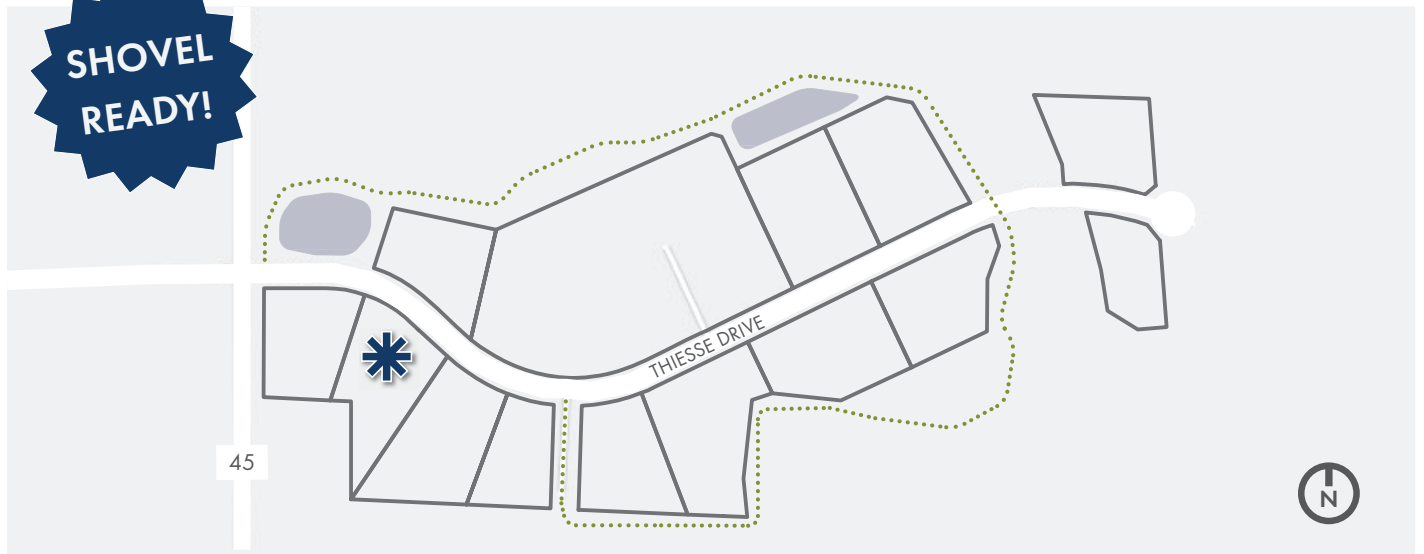
2.1 ACRES

ZONED INDUSTRIAL  
MULTIPLE USES POSSIBLE

SCAN HERE  
FOR MORE  
INFORMATION!



SHOVEL  
READY!



JENNIFER HASKAMP

651.252.1101

JHASKAMP@KAMP-MN.COM



JAMES KRAMVIK

218.828.2307

JKRAMVIK@CI.BRAINERD.MN.US

# FOR SALE

## LOT 3, BLOCK 4

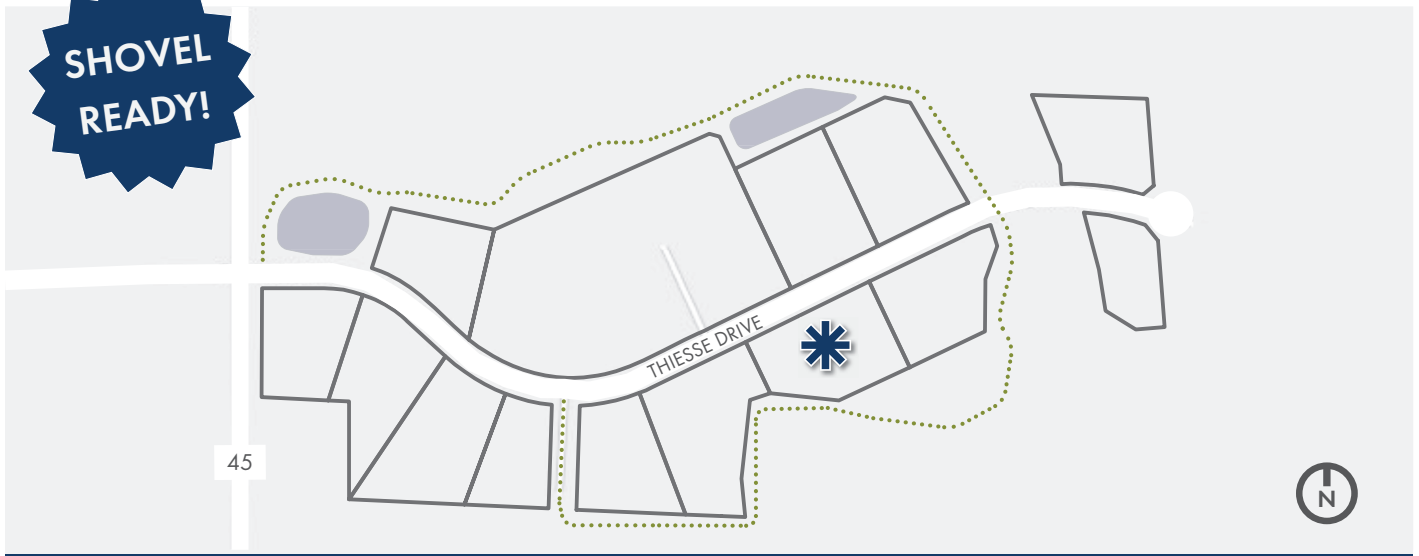
2.2 ACRES

ZONED INDUSTRIAL  
MULTIPLE USES POSSIBLE

SCAN HERE  
FOR MORE  
INFORMATION!



**SHOVEL  
READY!**



**JENNIFER HASKAMP**

651.252.1101

JHASKAMP@KAMP-MN.COM



**JAMES KRAMVIK**

218.828.2307

JKRAMVIK@CI.BRAINERD.MN.US

# FOR SALE

## LOT 3, BLOCK 5

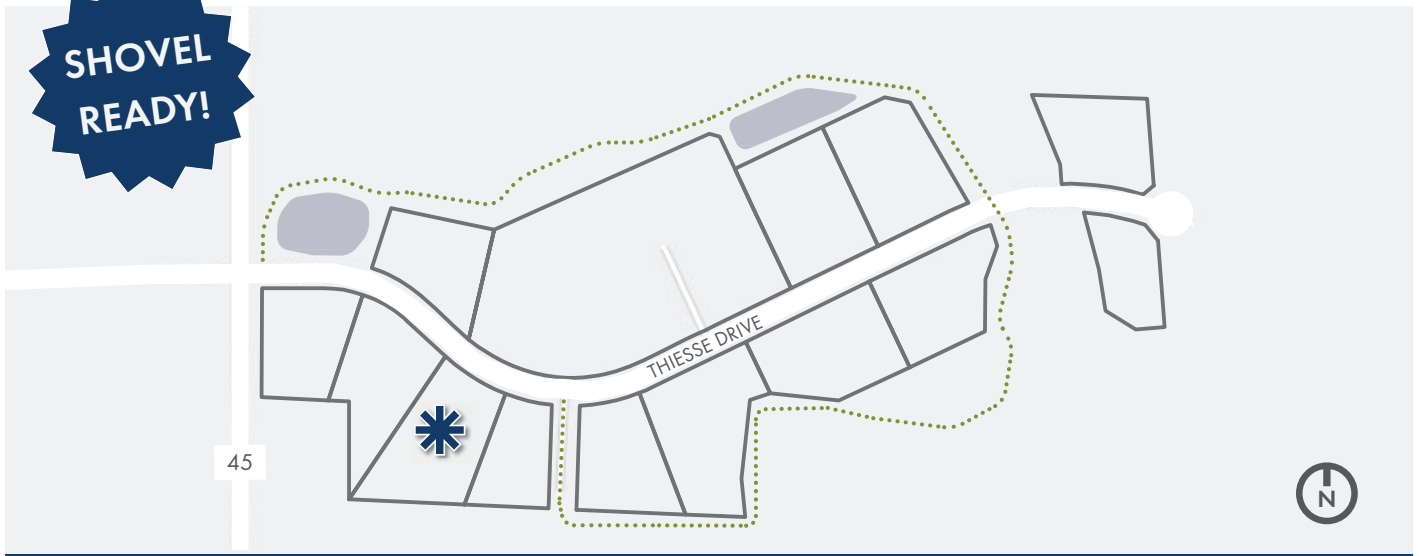
2.3 ACRES

ZONED INDUSTRIAL  
MULTIPLE USES POSSIBLE

SCAN HERE  
FOR MORE  
INFORMATION!



**SHOVEL  
READY!**



**JENNIFER HASKAMP**

651.252.1101

JHASKAMP@KAMP-MN.COM



**JAMES KRAMVIK**

218.828.2307

JKRAMVIK@CI.BRAINERD.MN.US

# FOR SALE

## LOT 4, BLOCK 4

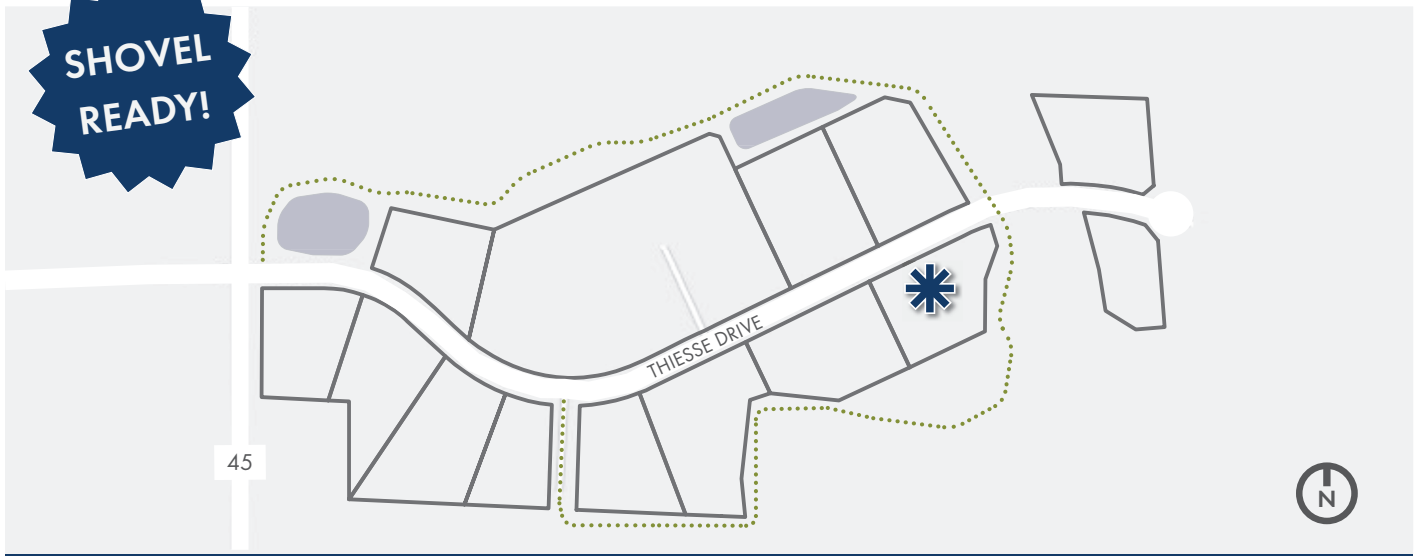
2.0 ACRES

ZONED INDUSTRIAL  
MULTIPLE USES POSSIBLE

SCAN HERE  
FOR MORE  
INFORMATION!



**SHOVEL  
READY!**



**JENNIFER HASKAMP**

651.252.1101

JHASKAMP@KAMP-MN.COM



**JAMES KRAMVIK**

218.828.2307

JKRAMVIK@CI.BRAINERD.MN.US

# FOR SALE

## LOT 4, BLOCK 5

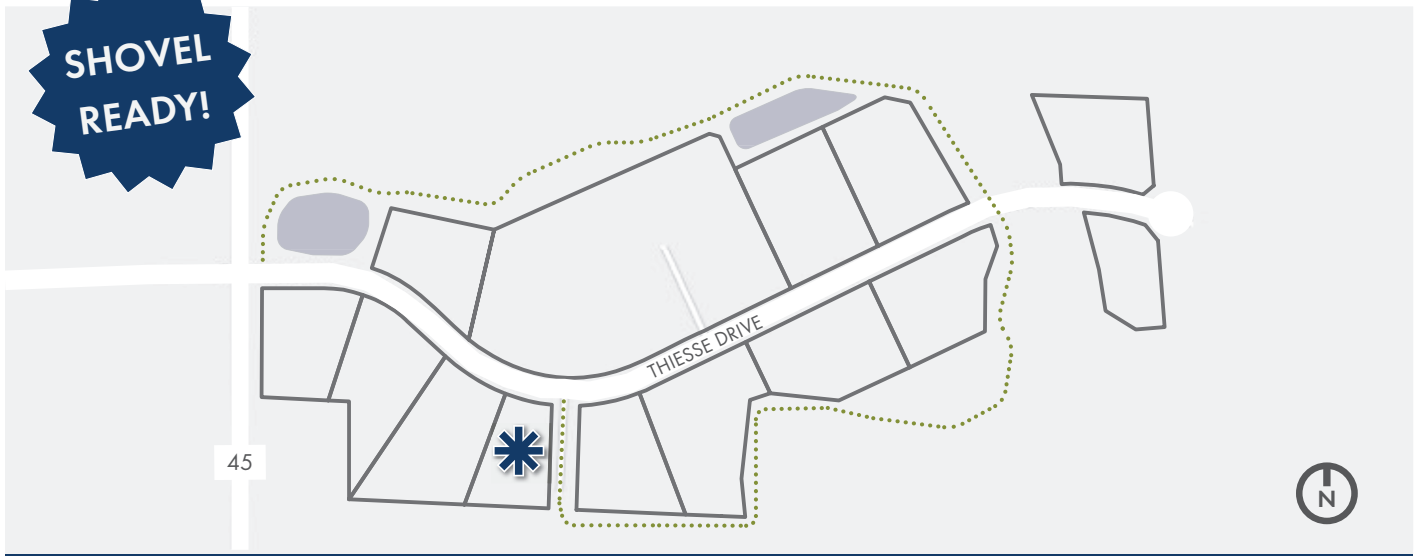
1.3 ACRES

ZONED INDUSTRIAL  
MULTIPLE USES POSSIBLE

SCAN HERE  
FOR MORE  
INFORMATION!



**SHOVEL  
READY!**



**JENNIFER HASKAMP**

651.252.1101

JHASKAMP@KAMP-MN.COM



**JAMES KRAMVIK**

218.828.2307

JKRAMVIK@CI.BRAINERD.MN.US

# FOR SALE

## LOT 7, BLOCK 1

2.4 ACRES

ZONED INDUSTRIAL  
MULTIPLE USES POSSIBLE

SCAN HERE  
FOR MORE  
INFORMATION!



**SHOVEL  
READY!**



**JENNIFER HASKAMP**

651.252.1101

JHASKAMP@KAMP-MN.COM



**JAMES KRAMVIK**

218.828.2307

JKRAMVIK@CI.BRAINERD.MN.US

# FOR SALE

## LOT 8, BLOCK 1

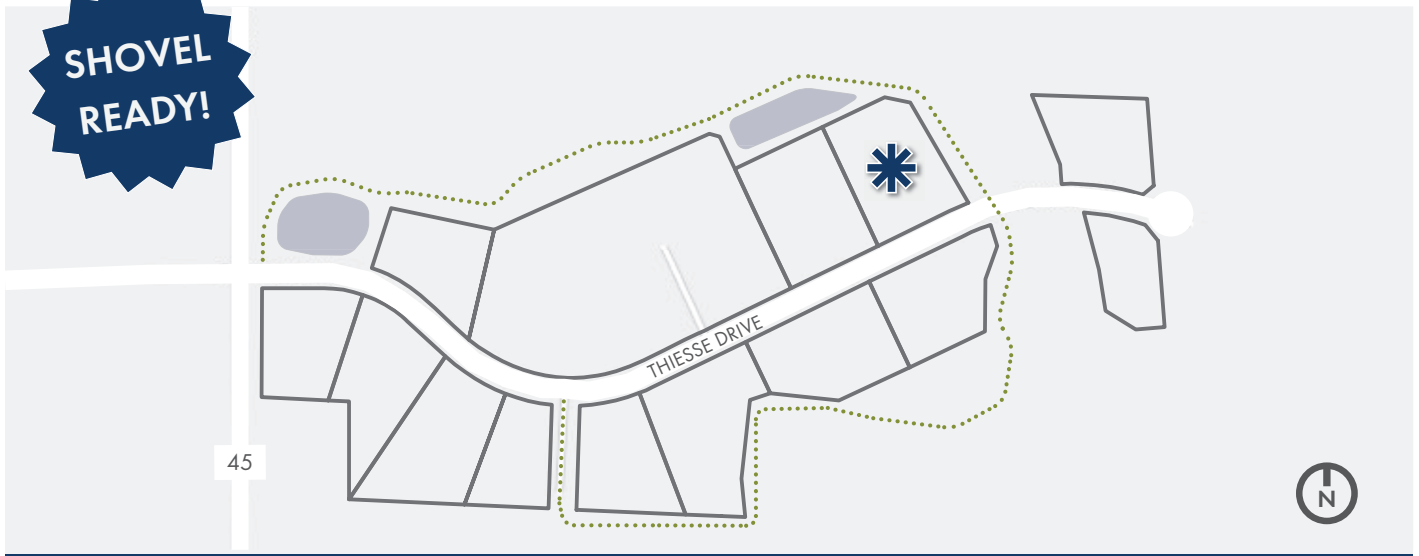
2.3 ACRES

ZONED INDUSTRIAL  
MULTIPLE USES POSSIBLE

SCAN HERE  
FOR MORE  
INFORMATION!



**SHOVEL  
READY!**



**JENNIFER HASKAMP**

651.252.1101

JHASKAMP@KAMP-MN.COM



**JAMES KRAMVIK**

218.828.2307

JKRAMVIK@CI.BRAINERD.MN.US



MEMO

To: Members of Brainerd EDA  
CC: James Kramvik, Community Development Director  
From: Jennifer Haskamp, AICP, Kamp  
Date: March 28, 2024  
RE: Addendum No. 1 to Listing Agreement, et. Al

**Addendum No. 1 – Summary and Background**

After the execution of the Listing Agreement at the February EDA meeting, Staff contacted Kamp to discuss the potential of listing the Annex building to the City Hall in addition to the properties identified in the master contract. Kamp has prepared a draft Addendum for consideration to include the Annex as part of the master listing agreement. A couple items to note regarding the Addendum:

- The Annex building is currently platted and constructed on the same lot and PID as City Hall. To sell the building a subdivision or CIC plat, or some other division will be required so that the fee title to the building and land can be sold. The Addendum contemplates this and establishes that any Purchase Agreement must be contingent on an acceptable process and outcome so that the property can be transferred. The Addendum does not establish that the City, EDA, SHC or Kamp will be responsible for the division and places that responsibility on the potential purchaser. It is likely that the City/EDA and Kamp/SHC will assist with this process and the specifics of that agreement can be established once a buyer is identified.
- The sales price will be listed as “Negotiable” until a market study can be completed. Kamp will prepare a market analysis with recommended pricing to be presented at the June meeting.
- Kamp will work with staff to work through necessary disclosures and/or documentation regarding building condition, etc., to determine the appropriate listing type (as-is, etc.)

**Property Marketing Updates**

A summary of the following activities is provided for reference:

- The Listings are active and marketed on Kamp’s website and will be placed on the EDA website once the EDA website is live.
- The QR Code on the signage is live and links to Kamp’s current listings. This can be adjusted in the future if/and when the EDA website is live.
- A master list of brokers and developers using MNCAR database is in draft form. Marketing “flyers” for the properties will be sent in the next two weeks.



- Kamp is working with MNCAR on the public listing on the MNCAR Exchange which is the industry public portal for commercial/industrial property listings. The listings will (hopefully) be live by 4/5.
- Kamp has begun initial conversations with a few industrial brokers that are targeting “outstate” markets and will continue to solicit potential buyers/user.
- The sign package is ready to print. We are working with staff to get signs printed locally and to install the signs as soon as weather conditions permit.

### **Miscellaneous**

- SHC/Kamp attended a meeting with the City and School District representatives on 3/13 to discuss the approximately 20-acre property north of Buffalo Hills Park. At the meeting we discussed in general terms the potential to collaborate on how to best position and sell the property. The ISD 181 representative planned to go back to their committee to discuss next steps.



**ADDENDUM NO. 1 TO EXCLUSIVE RIGHT TO SELL AGREEMENT**

This Addendum No. 1 is made to the Exclusive Right to Sell Agreement (Agreement) entered into between the Brainerd Economic Development Authority and Kamp Real Estate and Development LLC on February 8, 2024. All terms and conditions as established in the Agreement remain in effect unless explicitly identified within this Addendum.

- 1. Exhibit A of the Agreement shall be modified to ADD the following Property:

City	Address (Legal Description)	Property Identification Number
Brainerd	213 S 5 <sup>th</sup> Street (Lots 19 thru 45 Inclusive Block 45, First Addition to Brainerd)	41241431

- 2. The Subject Property is improved with a building that is known as the Annex to the Brainerd City Hall. Both the City Hall and the Annex are constructed on one lot with one Property Identification Number.
- 3. Any Purchase Agreement must be contingent upon the successful subdivision or re-plat of the parcel to divide that portion of the parcel containing the Annex so that fee title ownership may be transferred.
- 4. A market study will be completed by Kamp to establish the listing price. The study and price recommendation will be presented to the Owner for approval.

This Addendum is entered into on the Effective Date.

**Owner: Brainerd EDA on Behalf of City of Brainerd**

**Kamp Real Estate and Development, LLC**

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**Name: Kevin Yeager**  
**Its: President**  
**Date: April 4, 2024**  
**Address: 501 Laurel Street**  
**Address 2:**  
**City, State, ZIP: Brainerd, MN 56401**

---

**Name: Jennifer Haskamp**  
**Its: Managing Broker and CEO**  
**Date: April 4, 2024**  
**Address: 246 S. Albert Street**  
**Address 2: Suite 2A**  
**City, State, ZIP: Saint Paul, MN 55105**

# MEMO



**TO:** EDA Board of Commissioners

**FROM:** James Kramvik, Community Development Director

**DATE:** April 4<sup>th</sup>, 2024

**RE:** Discuss Grant and Revolving Loan Fund for Façade Improvements

---

## INTRODUCTION

At the February 8<sup>th</sup> EDA meeting, the Board directed staff to work with BLAEDC on the parameters for a potential grant and revolving loan program for façade and exterior improvements for downtown properties and corridors into Brainerd. After discussion with BLAEDC and the Finance Department, staff prepared a summary document for the Exterior Improvement Grant Program.

## EXTERIOR IMPROVEMENT GRANT

Staff recommends that the EDA review and consider the attached document that explains the purpose and guidelines for the proposed exterior improvement grant. The proposed program provides a 50% matching grant for actual construction costs up to \$5,000 per property on a pay-for-performance basis. Eligible projects include permanent exterior building and landscape improvements visible from a public right-of-way. Staff proposes the EDA allocate up to \$20,000 per calendar year to fund eligible projects. The allocation of funds for the grant would come from the EDA internal funds or the Downtown Revolving Loan Funds. The Executive Director and President of the Brainerd Economic Development Authority (EDA) would be responsible for grant approval. BLAEDC would be responsible for program oversight and administration of the grant. BLAEDC is proposing an hourly rate fee of \$85/hour to administer the program. Hours would be tracked and reported using a software program called Clicktime and would provide a monthly report for payment to City staff. BLAEDC would be responsible for administration of the loan fund, creating the application, marketing of loan fund, fielding questions, and review of the applications prior to final approval by the EDA.

1. Internal EDA Funds – The 2024 adopted EDA budget has revenues exceeding expenditures by \$43,870. The EDA could use \$40,000, plus some of their fund balance which is projected to be \$69,000 at the end of 2024. There would be no reporting requirements for using these funds.
2. Downtown revolving loan funds - #298 – The 12/31/23 balance is \$49,621. Staff understands that these funds could be used because it is the same area as the SCDP grant area. These funds are available and should meet a federal objective. In order to utilize these funds, the EDA would need to collaborate with the HRA. There would also be

additional reporting to DEED. The advantage of these funds is that if the repayment in any given year is less than \$35,000 for all SCDP grants, the funds become Local Income.

### **BRAINERD REVOLVING LOAN FUND**

Staff would like to continue to refine the goals and guidelines for a potential revolving loan fund for exterior improvements. The low interest loan would provide property owners and businesses with the ability to make substantial investments to the exterior of their building with a maximum loan amount of \$20,000 to \$30,000. There are a number of items that BLAEDC would like to discuss before creating a potential revolving loan program. Also, the HRA is currently applying for a small cities development grant along Washington Street and is using the Local Income Fund as matching dollars for the grant application. The amount left over after the grant application should also be considered for future demolition of blighted properties. Staff will have a clear idea of available funds from the Local Income fund at the June EDA meeting.

1. Local Income – The balance as of 12/31/23 was just under \$103,000. The EDA and Council authorized up to \$15,000 to help the HRA with associated costs of getting the 426 B Street property back to grade. Fifty percent of the actual cost was \$5,447.50 and will be paid in February. The balance available would be \$97,000 and there would be no reporting requirements if these funds were used.

### **BRAINERD REVOLVING LOAN FUND**

Staff recommends that the EDA review and approve the guidelines and eligibility for the Exterior Improvement Grant Program and direct staff to draft an agreement with BLAEDC based on their proposal.

Note: The agreement would be reviewed by the City Attorney and brought to the June EDA meeting for final approval.



## Brainerd Grant Program

- \$20,000 in grant money – fund up to 4 projects @ \$5,000 max/project
- Grant agreement – 2 years in business, otherwise, pay back; who
- 50% match
- Who can apply? Building owner or business owner
- Eligible uses: façade improvement, landscaping, enhance front of building
- Location: As determined by the Brainerd EDA board
- Reporting Requirements?

### BLAEDC's Role with Grant Program:

- Administration of Grant Program
- Create application
- Marketing of Grant Program
- Field Questions
- Review applications and submit to City for final approval

### City of Brainerd Role:

- Cut check

## Brainerd Revolving Loan Fund

- Application process, documentation needed?
- Pay back terms?
- Interest?
- Credit Report?
- Eligibility: Exterior improvements, siding, windows (building dept will need a permit)
- Location: As determined by Brainerd EDA board
- Loan agreement, clawback – if in good standing with city and own the building.
- Reporting Requirements?
- City cuts check

### BLAEDC's Role with Loan Fund:

- Administration of loan fund
- Create application
- Marketing of Loan Fund
- Field Questions
- Review applications and submit to City/EDA for final approval



**City of Brainerd Role:**

- Cut check

BLAEDC has experience with administrative work related to both grant and loan programs. We feel that a service like this would be outside the scope of our Shared Services agreement and would offer to administer both grant and loan programs on behalf of the Brainerd EDA.

BLAEDC would propose an hourly rate of \$85/hour to administer each program. Hours would be tracked and reported using a software program called Clicktime and provide a monthly report for payment to city staff.

Tyler Glynn

BLAEDC Executive Director

# BRAINERD ECONOMIC DEVELOPMENT AUTHORITY

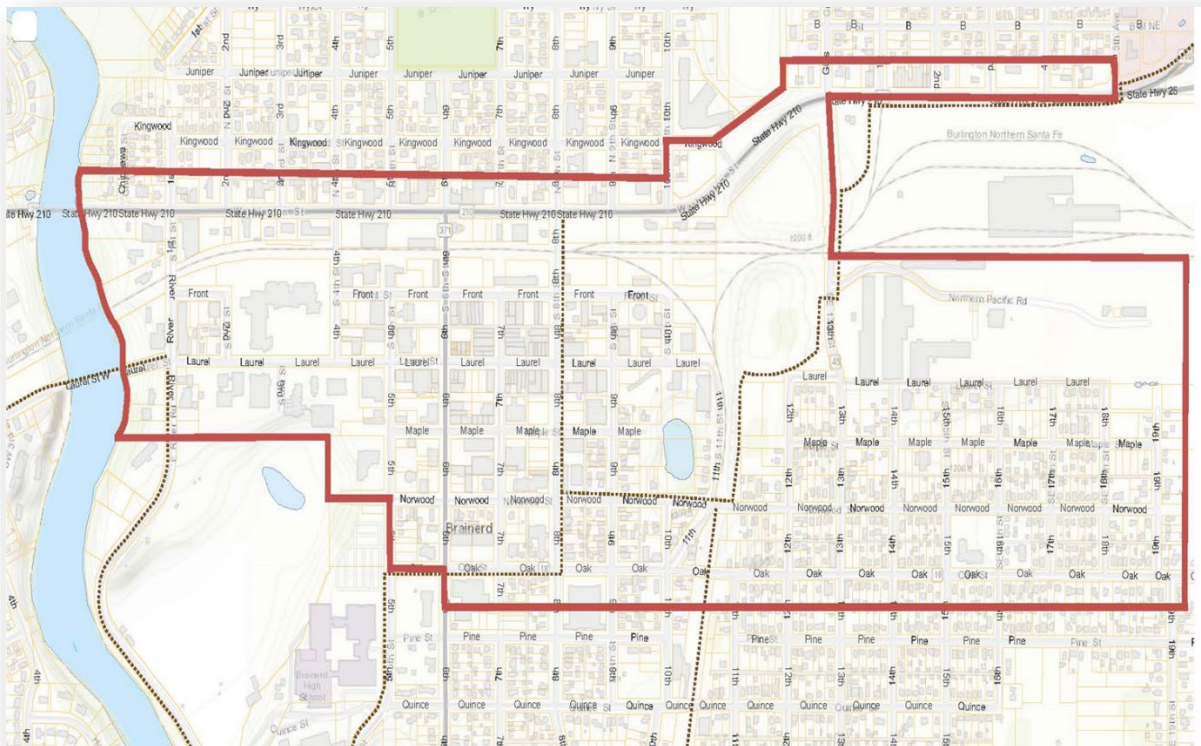
## *Exterior Improvement Grant Program*

### PURPOSE

The Brainerd Exterior Improvement Grant Program provides incentives to stimulate external and visible investment in Downtown and Corridor properties. Property owners and business owners are encouraged to consider improvements incorporating aesthetic, environmental, cultural, and historical elements that enhance the character and architecture of Brainerd. These improvements should create a cohesive, attractive environment. The program provides a 50% matching grant for actual construction costs up to \$5,000 per property on a pay-for-performance basis. Eligible projects include permanent exterior building and landscape improvements visible from a public right-of-way. The EDA will allocate up to \$20,000 per calendar year to fund eligible projects.

- **Eligibility** - Property must be within the River to Rail Economic Incentive District or Adjacent to Washington Street, Mill Avenue, or Business 371.

### *River to Rail Economic Incentive Policy Map*



- All work must be done on the property/building exterior and result in a publicly visible improvement.
  - All work must be done in compliance with the Brainerd City Code and necessary permitting. Work must include the correction of any known exterior building code violations.
  - Work already in progress or performed prior to project approval will not be eligible for funding.
  - Funds may be used for design and/or construction of permanent exterior building improvements, awnings, signage, windows, doors (including front/back door accessibility), brick repair and/or site landscaping resulting in a publicly visible improvement. Other uses may also be eligible if prior approval is granted by the Brainerd Economic Development Authority.
  - Operational or ongoing maintenance expenses will not be considered (Ex. roof repair).
  - Properties must be taxable existing structures occupied by commercial or mixed-use tenants in a commercial zoning district.
  - Properties may not include properties with delinquent taxes or special assessments, in litigation, condemnation or receivership.
- **Application Guidelines** - The Executive Director and President of the Brainerd Economic Development Authority (EDA) is responsible for grant approval. BLAEDC is responsible for program oversight and administration of the grant. Applicants must comply with the following guidelines:
    - Only fully completed applications will be reviewed.
    - Owners of multiple properties must submit separate applications for each project.
    - Business owners under a lease submitting applications must include written consent of the property owner.
    - Projects must be completed in a timely manner from the date of approval (within one year with a maximum extension of six months). As indicated by the pay-for-performance model, funds will be distributed after the project's completion and reimbursement is requested.
    - No applications will be accepted for retroactive projects.
- **Grant Disbursement** - Awarded funds will be dispersed as a reimbursement to the applicant upon submittal of receipts and/or invoices for supplies purchased and inspection which certifies the work completed is in accordance with the EDA approval and other City ordinances. The business must operate for two years after the grant disbursement or repayment is required.

- **City Code and Permit Requirements** - Recipients must comply with all requirements of State law, City Code, and EDA policy and program guidelines. Applicants agree to work cooperatively with the EDA and City as follows:
  - Provide design drawings, proposed work specifications, and architectural materials in a timely manner.
  - Attend various meetings, reviews, etc. with representatives of either the City or EDA to expedite various stages of the project.
  
- **Recipient Responsibility** - All work to be completed shall be the sole responsibility of the property owner. The EDA/ BLAEDC administers the grant program herein and the EDA/ BLAEDC are not responsible for any work undertaken as a result of the grant. The owner hereby holds the City and BLAEDC harmless for any and all liability commencing out of any work constructed and paid for the façade improvement grant herein.

# MEMO



**TO:** EDA Board of Commissioners

**FROM:** James Kramvik, Community Development Director

**DATE:** April 4<sup>th</sup>, 2024

**RE:** Consider Expansion to the River to Rail Incentive District

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## **INTRODUCTION**

The EDA held a workshop on June 28<sup>th</sup>, 2023, to discuss additional economic incentive programs for the City of Brainerd. Exploring additional incentive programs is a goal of the 2023-2024 framework plan for the EDA. At the workshop, BLAEDC provided a report on comments from their 2022 BR&E interviews and a few comments centered around providing incentives or programs for the businesses that are not located in the downtown area of Brainerd.

The further expansion of River to Rail in the Commercial Corridor Zoning District would provide additional incentives for business and buildings outside of the downtown area in need of repair and restoration. The expansion of the River to Rail District along with the proposed façade improvement grant will benefit and reach additional businesses along Business 371, Mill Ave, and Washing St.

## **UTILITY INFRASTRUCTURE**

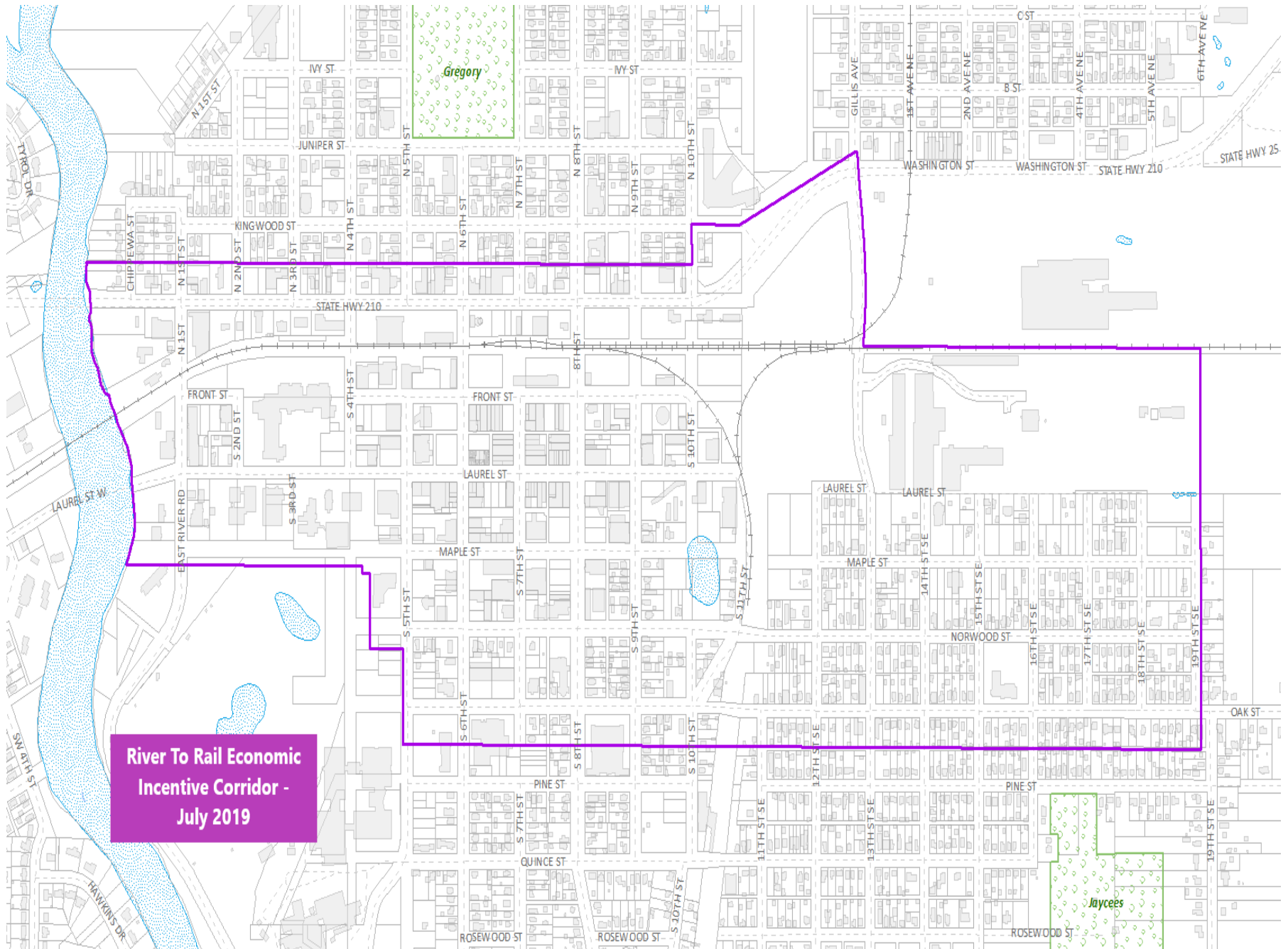
The Community Development Director, Public Works Director, and Public Utilities Director discussed the Commercial Corridor District and the potential for mixed-use development. The CC District does not currently allow for mixed-use or residential development. However, there are numerous benefits for allowing mixed-use development in the CC District such as creating complete neighborhoods, expanding areas for residential development, and making redevelopment financially viable for a potential developer. The Washington Street reconstruction project will increase utility capacity in the CC District and future residential development will not have an impact on the new infrastructure. The Public Works Director and Public Utilities Director did not see any issue with extending the River to Rail District or to allow future residential development in this area as the River to Rail District forgives all SAC and WAC permit charges. The Planning Commission will consider mixed-use development in the CC District after conclusion of the short-term rental ordinance and cannabis dispensary ordinance.

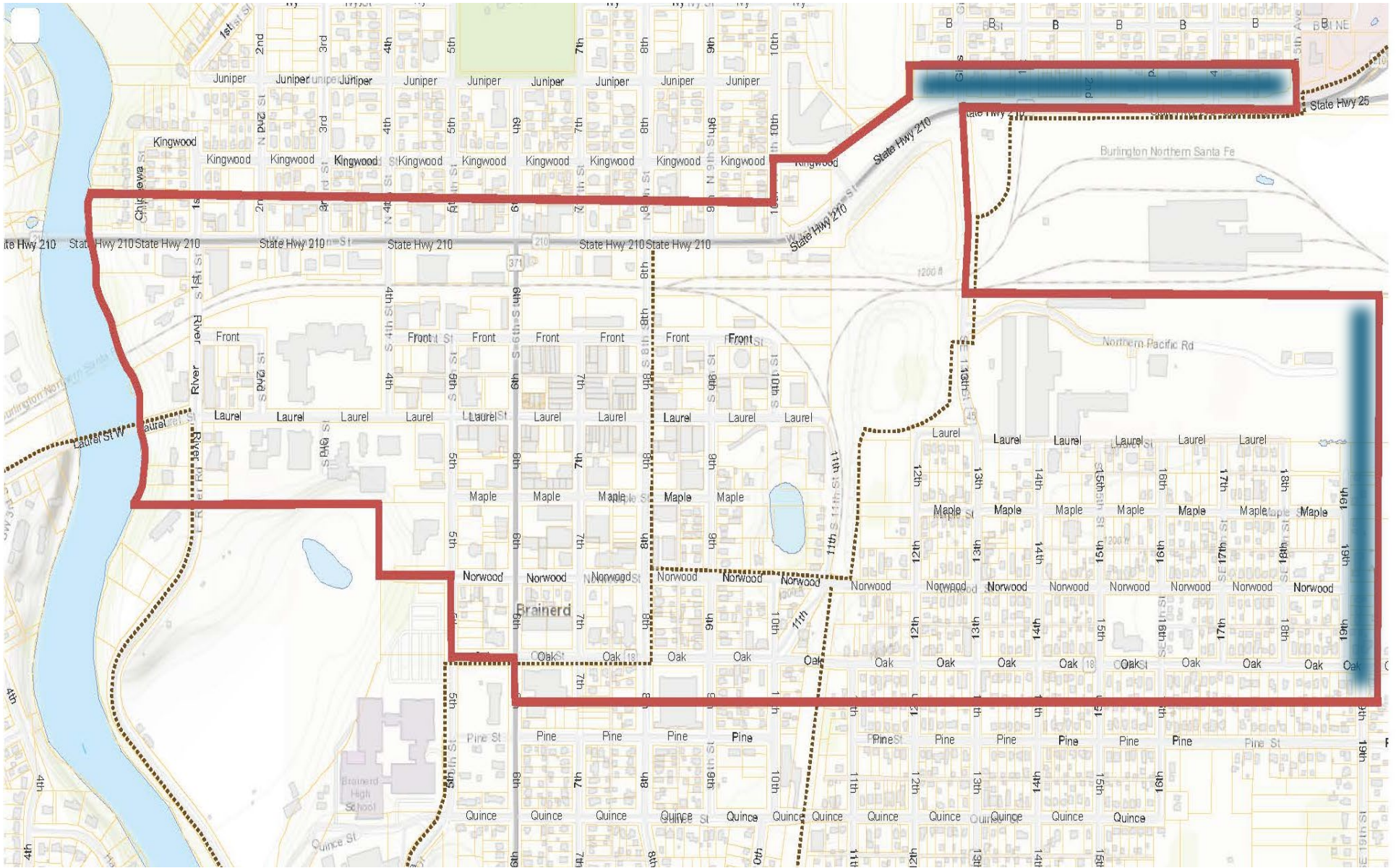
Note: The area depicted in blue on the revised map is the proposed addition to River to Rail.

## **RECOMMENDATION**

Recommend approval of the revised River to Rail Economic Incentive Policy Map.

Note: This must be approved by the City Council after a recommendation by the EDA.





# River to Rail Economic Incentive Policy Map

Updated April 2024



Our community. Our commitment.

# **City of Brainerd, Minnesota**

## **River to Rail Initiative**

### **Incentives Policy**

#### **1. Policy Introduction**

The River to Rail initiative focuses on the area of Brainerd, Minnesota bound by the Mississippi River on the west, the Northern Pacific Center on the East, Oak Street on the south, and Washington Street on the north. In recent years, momentum to revitalize the core downtown of Brainerd has been building due to the hard work of several organizations including the City of Brainerd, the Brainerd HRA, the Brainerd Lakes Area Chamber of Commerce, the Brainerd Lakes Area Economic Development Corporation, Sourcewell, and the Region 5 Development Commission. While this momentum has been taking place, these organizations along with entrepreneurs and developers have been working together to create a shared vision for this core area of Brainerd now known as the River to Rail Initiative.

#### **2. Policy Purpose and Need**

Generally, the City of Brainerd City Council finds it necessary and advantageous to outline specific policy decisions it has made for the River to Rail corridor as it relates to potential development incentives that developers or entrepreneurs can tap into as resources to complete important projects within the River to Rail corridor. The incentives in this policy provide baseline guidance to staff, City Council members, developers, entrepreneurs, and economic development agencies about what options are available to promote development, re-development, and economic vibrancy to the corridor.

This policy is not intended to be an exhaustive list of all the City of Brainerd is willing to make available for potential investors within the corridor, nor is it meant to mean that the City will not consider these same incentives in other areas of the community, rather it is meant to be a trial run at an economic development policy that provides as a guiding document for potential investors that want to develop or re-develop areas within the corridor, and may be expanded in the future to include all of Brainerd upon success stories shared due to this policy.

#### **3. Policy Statement**

The following incentives, based upon City Council action, are available for use within the River to Rail corridor and may vary due to project construction costs as outlined further in this policy:

- Waiving of City Building Permit Fees (not including State of Minnesota surcharge). This does not waive the requirement to obtain a permit, but rather just the fee.
- Waiving of Sewer and Water Availability Charges (SAC and WAC)
- Tax-Increment Financing
- Tax Abatement
- Parking Assistance
- Land Acquisition

These listed incentives do not limit potential investors from tapping into other resources available within the community for financial assistance including the following list:

- City of Brainerd/Brainerd HRA Revolving Loan Fund
- Brainerd HRA Small Cities Development Program (SCDP) Grants
- Brainerd Lakes Area Economic Development Corporation Unified Fund Loans
- Brainerd Public Utilities Economic Development Electric Rate Reduction if applicable based on load capacity.
- Opportunity Zone Assistance
- New Market Tax Credits
- State and Federal Historic Tax Credits

### **Waiving of City Building Permit Fees**

Generally, the Brainerd City Council has elected to waive City building permit and inspection fees for all construction projects less than \$150,000 in total construction costs. This does not waive the requirement to obtain a permit or the ability for investors that exceed this threshold the ability to see reduction or waiver of fees during the development or re-development negotiation process. This does not include a waiver of the State of Minnesota surcharge, which is a requirement of all building permits within the City.

### **Waiving of Sewer and Water Availability Charges (SAC and WAC)**

The City of Brainerd City Council has elected to waive all sewer and water availability charges (SAC and WAC charges) within the River to Rail Corridor, as identified in the introduction.

### **Tax-Increment Financing (TIF)**

Generally, tax-increment financing (TIF) is available for construction projects in excess of \$1,000,000 total construction costs, however, upon the proof of need shown by the investor that the development would not occur without the assistance of tax-increment financing, the Brainerd City Council is willing to negotiate the term and amount of increment with said investor. All tax-increment financing applications must be approved by the Brainerd City Council, upon completion of negotiations.

### **Tax Abatement**

Tax abatement may be considered if tax increment financing is not an option because the project doesn't qualify under state law or the project is not in excess of \$1,000,000.

- Tax abatement will be considered on the new proposed value created, not the land or buildings' existing or "base" value (base being a definition related to tax increment financing).
- Tax abatement will be considered only if the County is requested to participate, although the city's provision of abatement is not contingent upon the County agreeing to participate.
- The Council will carefully deliberate abatement requests that ask for the maximum amount and term, only agreeing to provide abatements for the

maximum amount and term where the developer can support the request with evidence of special need, or the proposal is for a project that is a high priority for the Council.

- Although not required by State law, abatement projects will be required to meet the “but-for” test as defined in the Tax Increment Financing statute.

### **Parking Assistance**

Generally, the Brainerd City Council is willing to negotiate parking needs of the proposed development to come to a mutually beneficial parking solution to serve both the new investment and other areas within the River to Rail corridor.

### **Land Acquisition**

The Brainerd City Council continues to seek opportunities to acquire blighted property and make the property marketable for future investment including the razing of old structures, beautifying said property, or any other means to make property marketable and attractive to potential investors.

## **4. Policy Conclusion**

It is the intent of this policy to assist investors and entrepreneurs to make small or large investments in the River to Rail corridor and to inform on the potential incentives available to promote incremental or large changes within this core area of Brainerd.

The incentives and funding mechanisms presented in this policy are all negotiable during the development agreement process, and the City of Brainerd City Council has indicated is not tied to any specific threshold of development for each incentive. This list is to provide for opportunities for incentives and is not intended to close the door on any development request or proposal.

### **Term**

This policy shall be reviewed after a period of ten (10) years to evaluate its effectiveness. It shall be reviewed, amended, renewed, ore revoked after that review.

Adopted July 2, 2019

# 2023 EDA ACTIVITIES & MEASURABLES YEARLY REPORT

## ACTIVITY OVERVIEW

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The Brainerd EDA, City Staff, and the consultants accomplished many goals in 2023 that were derived from the 2022 EDA goals and action steps adopted document. The following goals and actions were completed in 2023:

- **Goal 1** – Create programs to seek funding to address identified needs.
  - The EDA held a workshop on June 28<sup>th</sup> to further review the comments from businesses interviewed in 2022 by BLAEDC and begin discussion on other programs or incentives to attract new business and help existing businesses thrive and expand in Brainerd. Alison Medeck of BLAEDC attended the workshop to provide insight from conversations with businesses over the past few years. City Staff made recommendations and the EDA provided a general consensus for the following programs:
    - Extend the River to Rail District to include the full Commercial Corridor District and consider mixed-use residential development like downtown.
    - Create a grant program and revolving loan fund to incentivize façade improvements downtown and along the City’s corridors.
  - Staff is presenting an amendment to the River to Rail District map and a proposal to administer up to \$5,000 grants for façade improvements at the April 4<sup>th</sup> EDA meeting.
  - The EDA and BLAEDC continued to work with property owners on the administration of the DEED Mainstreet grant funding which awarded \$765,600 to 33 projects in the River to Rail District.
- **Goal 2** – Create an inventory of under-used and under-developed properties and work with property owners to market them for redevelopment.
  - City Staff and Swanson Haskamp identified under utilized properties that were both public and private and have completed the following action steps:

- City Staff provided a report at the June 28<sup>th</sup> EDA workshop that outlined the opportunities and requirements to convert Westwood mobile home park into alternative uses. Staff discussed the possible uses in the Traditional Neighborhood 2 Zoning District and outlined the requirements for closing a manufactured housing park. In addition, staff reached out to the owners of Westwood mobile home park to gauge their interest in marketing the property on the new EDA website. The owners indicated a willingness to advertise on the website as soon as the website is capable of marketing private properties.
- City Staff began working with the ISD 181 school district to potentially redevelop 20 acres of land north of Buffalo Hills Park. Staff attended the school district's long range planning committee to provide options and discuss possible redevelopment and are currently working with an interested developer. City Staff will be attending another upcoming long range planning meeting in April of 2024.
- Swanson Haskamp created a website to market City owned property, which will eventually merge with the EDA website and includes the following information:
  - Property information for the priority properties identified in 2022 and 2023.
  - Marketing flyers that are accessible for download from the property listings. The flyer was branded for the EDA and can be downloaded and/or printed.
  - A snapshot of local demographics and socio-economic characteristics is provided on the website to provide background of the community.
- Swanson Haskamp created an inventory of all underutilized City property in 2022 and created concept plans for two of the City owned downtown parking lots. The information created for the parking lots is included in Swanson Haskamp's property website.
- **Goal 3** – Evaluate the City's vacant industrial property for compatible non-industrial uses that would address current and future needs of the community.
  - As part of SHC's scope of services for 2023 the EDA directed them to prepare a Concept Plan for the priority Industrial properties in the City. At the October 5<sup>th</sup>

meeting, SHC presented a couple concept plans for each identified area: 1) Wright Street Extension; and 2) Theisse Drive Industrial Park.

- The EDA accepted a proposal from Kamp Real Estate & Development, LLC (“Kamp”) for professional brokerage and listing services for multiple properties owned by the City of Brainerd.
- **Goal 4** – Interview existing businesses to identify each individual’s needs to take the next step in their business development.
  - BLAEDC started contacting businesses located on Washington Street to gather information regarding current business needs and possible needs during the future road construction project. Over the summer, a BLAEDC intern assisted with contacting businesses and conducting surveys. A total of 46 businesses were contacted and 12 surveys were completed.
  - The EDA and staff took a tour of Just for Crypto, Lexington Manufacturing, and the new Habitat ReStore.
- **Goal 5** – Work with community partners to develop a cohesive marketing strategy for the community.
  - Visit Brainerd developed and implemented both summer and winter advertising campaigns designed to draw locals, seasonal/second homeowners, and visitors to shop at businesses located within the corporate limits of the City of Brainerd.
  - Visit Brainerd finalized a logo and slogan that was approved by the EDA.
  - Visit Brainerd completed a preliminary website for review by the EDA.
  - DDBC hosted quarterly “Business Owner Social” (B.O.S) events to facilitate networking amongst downtown business owners and other members of the local business community, as well as provide an opportunity to share updates on relevant topics.
  - On August 28, DDBC hosted a “Brainerd Main Street” lunch and learn meeting at Yesterday’s Gone that was attended by over 30 members of the Brainerd business community. The meeting featured a presentation by Emily Casey, Director of Community Programs for Rethos, who gave an overview of the Main Street America program and led a brainstorming session to collect ideas and feedback for the future direction of Downtown Brainerd as a Main Street community.

- DDBC submitted application materials for Main Street America membership and continues to monitor and track metrics required for reporting to Main Street America on an annual basis to maintain membership status.

## MEASUREABLES

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The EDA is dedicated to enhancing Brainerd's economic vitality and expanding tax base and employment opportunities within the city limits, providing a one-stop shop for developing businesses and fostering growth for Brainerd. The following measurables have been achieved by the Brainerd EDA in 2023:

- **BR&E Interviews Conducted:** BLAEDC contacted a total of 46 businesses and 12 surveys were completed. The EDA and City Staff toured 3 businesses.
- **Business Owner Social Events:** The DDBC hosted 4 Business Owner Social Events.
- **River to Rails Projects Issued:** The building department issued 80 permits with a total construction value of \$3,533,900. \$31,786 in permit fees were waived.
- **Deed Mainstreet Projects Awarded:** The EDA awarded \$765,600 to 33 projects in the River to Rail District at the end of 2022 and the beginning of 2023.
- **Advertising Funds Spent:** Visit Brainerd allocated the following for advertising:
  - \$4,500 for an advertising to recruit entrepreneurs, developers, and investors
  - \$6,000 for the summer shopping ad campaign
  - \$10,000 for the winter shopping as campaign
- **Blighted Structures Removed:** 1 Blighted Structure was removed and transferred to Habitat for Humanity with the collaboration from the Brainerd HRA
- **Concept Plans Created:** SHC created 2 concept plans for underutilized industrial park property owned by the City of Brainerd.
- **Housing Units Created:** 14 Single Family Homes and (1) 4-Plex.
- **Childcare Spaces Created:** The following childcare centers opened in Brainerd in 2023 after receiving funding from the DEED Mainstreet Grant:
  - **Brainerd YMCA:** 24 infants and 42 toddlers through a staff of 12 teachers, 2 part-time employees, and 1 administrative leader.
  - **Teeny Bubbles:** 47 childcare spaces