

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