



## **ECONOMIC DEVELOPMENT AUTHORITY AGENDA**

City of Brainerd, Minnesota  
City Hall, 501 Laurel Street, Council Chambers  
Thursday, June 5, 2025 @ 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**

\_\_\_ 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. **Visit Brainerd Report**

E. **EDA Priorities Update**

5. **Unfinished Business**

A. **Approve Preliminary Funds for the Washington Street Mitigation Plan**

B. **Review Proposed Childcare Incentive Policy**

C. **Review VCV/ Blockmetrix Purchase and Development Agreement**

6. **New Business**

A. **Review SHC's Proposed Strategy to Market Underutilized Properties**

B. **Review Visit Brainerd's Strategy to Market EDA Website and Industrial Properties**

- C. **Review EDA Website Blog Ideas**
- D. **Set the 2026 Preliminary EDA Tax Levy Request**
- E. **Consider LOI - River Birch Investments**
- 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**  
**Friday, February 14, 2025, 7:30 a.m.**  
**City Hall Council Chambers**

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

Upon roll call Commissioners Justin Grecula, Gabe Johnson, Marie Kirsch, Mike O'Day, Paul Sandy, and Kevin Yeager were noted as present. Commissioner Bieser was noted as absent.

Staff present were Community Development Director Kramvik, and Executive Director Broyles.

**Approval of Agenda**

MOVED AND SECONDED BY COMMISSIONERS O'DAY AND GRECULA, DULY CARRIED, TO APPROVE THE AGENDA WITH THE ADDITION OF UPDATE ABOUT THE HIGHWAY 210 RECONSTRUCTION.

**New Business**

**Consider Revised Plans and Purchase and Development Agreement for a Data Center at 1911 Thiesse Dr**

Community Development Director Kramvik gave an overview of the changes proposed to the building at 1911 Thiesse Drive. Blockmetrix is proposing a redesign of the building and an alteration of the parking lot and driveway design. The proposed redesign is part of the final design package by Hy-Tec and changes were made to reduce the amount of impervious surface and provide better access for large trucks. The building footprint/ floor plan was flipped east to west with the entrance now located on the west side of the property.

Commissioner Kirsch asked about the portion adding an additional unit. Are the developers asking for additional space to change the minimum requirements.

Community Development Director stated that the building was updated in order to account for an additional unit without approval if more power was available in the future.

Mike Dorn, NCD, stated that the size of the building did not change. The layout of the units changed. If power standards changed in the future, within the footprint there is enough room for another unit.

Commissioner Kirsch clarified that this is being written into the minimum use that that amount of capacity is needed.

Community Development Director stated that once the building is constructed, the Purchase and Development Agreement is completed. There is an ordinance being proposed in the Planning Commission to regulate data centers.

Commissioner Kirsch stated that her concern is the issues raised around sound. What is the recourse if there is a sound violation.

Community Development Director Kramvik stated that the developer does have to stay within MPCA noise standards. Once an ordinance is in place if they want to add a 9<sup>th</sup> machine, it will be a conditional use in the General Industrial zone.

Commissioner Sandy asked about the data center ordinance timeline.

Community Development Director Kramvik stated that the ordinance is planned to be completed potentially in a month or two. He gave an overview of the sound increase if a ninth unit was added.

**MOVED AND SECONDED BY COMMISSIONERS O'DAY AND JOHNSON TO ADOPT RESOLUTION APPROVING THE REVISED PLANS AND PURCHASE AND DEVELOPMENT AGREEMENT FOR A DATA CENTER AT 1911 THIESSE DRIVE.**

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

### **Update on Highway 210 Reconstruction**

Commissioner Kirsch stated that the Chamber has sent out meeting notice for March 6<sup>th</sup> for the Highway 210 Reconstruction. There is an afternoon and morning session, the morning session is during the EDA meeting. It would be great to have EDA Commissioners attend. She asked that stakeholders be invited to the workshop so that discussion can be had.

Community Development Director Kramvik stated that the workshop will include discussion about the reconstruction. The workshop will be on April 3, 2025, at 7:30 a.m.

### **Adjourn**

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

The Authority adjourned at 7:50 a.m.

Respectfully Submitted by  
Toni Gage

**BRAINERD ECONOMIC DEVELOPMENT AUTHORITY**  
**Thursday, March 6 2025, 7:30 a.m.**  
**City Hall Council Chambers**

Pursuant to due call and notice thereof, President Yeager called the special 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, Paul Sandy, and Kevin Yeager were noted as present.

Staff present were Community Development Director Kramvik, and Executive Director Broyles.

**Annual Meeting**

**Elect Chair, Vice Chair, and Secretary**

MOVED AND SECONDED BY COMMISSIONERS O'DAY AND JOHNSON, DULY CARRIED, TO ELECT KEVIN YEAGER AS PRESIDENT, TONI BIESER AS VICE PRESIDENT, AND MARIE KIRSCH AS SECRETARY.

**Annual Approval of Bylaws**

Commissioner Johnson suggested changing the Executive Director position back to the Community Development Director.

MOVED AND SECONDED BY COMMISSIONERS O'DAY AND JOHNSON, DULY CARRIED, TO AMENDING THE BYLAWS THE EXECUTIVE DIRECTOR POSITION TO THE COMMUNITY DEVELOPMENT DIRECTOR.

MOVED AND SECONDED BY COMMISSIONERS SANDY AND O'DAY TO APPROVE THE BYLAWS.

**Approval of Agenda**

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

**Consent Calendar**

**Approval of Minutes**  
**Financial Reports**  
**Swanson Haskamp Report**  
**DDBC Report**  
**Visit Brainerd Report**

Commissioner Bieser requested data from the website from Visit Brainerd.

MOVED AND SECONDED BY COMMISSIONERS SANDY AND GRECULA TO APPROVE THE CONSENT CALENDAR.

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

## **New Business**

### **Review 2024 EDA Measurables and Activities**

Community Development Director Kramvik gave an overview of the 2024 measurables.

Commissioner Kirsch really appreciated the summary, she stated that having the measurables was very helpful to establish a baseline.

Chair Yeager stated that he will be able to use the summary to explain what the EDA does.

### **Review Preliminary Framework for 2025**

Community Development Director Kramvik gave an overview of the preliminary framework for consultants to establish their plans for 2025.

Chair Yeager stated that the City Council asked for a way to track open items, he would like to see the same thing for the EDA.

Commissioner Johnson stated that the document would be public facing as a part of each meeting.

### **Discuss Agenda for April EDA Workshop**

Community Development Director Kramvik proposed four topics for the scheduled workshop.

Commissioner Johnson asked about the small cities grant in connection with Washington Street.

HRA Director Charpentier stated that the small cities grant will not encompass housing on Washington Street.

Commissioner Johnson requested that housing and HRA be included in the discussion.

Commissioner Kirsch stated that the Chamber and BLAEDC have been meeting about the mitigation plan and potential budget. She requested that this be included in discussion.

MOVED AND SECONDED BY COMMISSIONERS BIESER AND JOHNSON, DULY CARRIED, TO APPROVE THE AGENDA FOR THE EDA WORKSHOP.

## **Staff Reports**

Community Development Director Kramvik stated that staff will be setting up their 1<sup>st</sup> quarter business visit for the EDA. BlockMetrix has submitted building plans for their property on Thiesse Drive.

Jennifer Haskamp, Swanson-Haskamp, stated that the websites that host the property listings have seen a significant spike in activity due to Kamp Realty being in the news recently.

Tyler Glynn, BLAEDC, stated that they will continue to move forward with planning for the Washington Street mitigation. BLAEDC may potentially be looking for a new administrative specialist.

HRA Director Charpentier stated that MN Housing is moving forward with its expansion of the voucher program that may bring 35-45 vouchers to Crow Wing County to administer, housing trust fund dollars, and an infrastructure grant. Eight05 Laurel is at bit of a standstill but continues to be creative about funding.

Commissioner Johnson asked about long term funding of the voucher program expansion.

HRA Director Charpentier stated that the voucher program is typically built into base, but not adjusted for inflation. It is a concern that the purchasing power may dwindle overtime.

### **Commissioner Reports**

Commissioner Grecula thanked staff for setting up the childcare tours.

Commissioner Johnson stated that he attended the downtown business social, it is growing immensely.

Commissioner Kirsch stated that there have been two socials thus far, they have moved to a monthly model. It has been a great avenue for making connections. She stated that the St. Patrick's Day parade is on March 15<sup>th</sup> downtown and the DDBC is organizing a shopping promotion the week prior.

Commissioner O'Day stated that the Council retreat is scheduled for March 10<sup>th</sup>. He is hopeful that the Council will touch on internal and external goals for the next couple of years.

Chair Yeager is very proud of the work the EDA does.

### **Adjourn**

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

The Authority adjourned at 8:01 a.m.

Respectfully Submitted by  
Toni Gage

# Financial Report for EDA

As of April 30, 2025

	<u>Cash &amp; Investments</u>	<u>Receivable Balance</u>	<u>Deferred Loans (as of 12/31/24) **</u>	<u>Awarded Grants</u>
<b>General Funds:</b>				
EDA Fund - #295	\$ 62,277	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 62,277</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CDBG (Housing/Commerical (Slum &amp; Blight/Federal Objective)):</b>				
Downtown - #298	\$ 50,963	\$ 3,360	\$ 222,897	\$ -
SE Brainerd - #215	45,232	-	26,967	-
NE Brainerd - #218	-	-	151,271	-
2024 SE Brainerd	(745)	-	164,201	-
Willows Project - #209	-	-	47,286	-
Old Housing - #209	3,388	-	-	-
Local Income - #275	132,666	11,305	7,900	-
<b>Total</b>	<b>\$ 231,504</b>	<b>\$ 14,665</b>	<b>\$ 620,523</b>	<b>\$ -</b>
<b>Federal &amp; State MIF (Commerical (Jobs)):</b>				
Commerical - #210 ^^^	\$ -	\$ 646,427	\$ -	\$ -
Federal MIF - #296	19,117	-	-	-
<b>Total</b>	<b>\$ 19,117</b>	<b>\$ 646,427</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total</b>	<b>\$ 312,898</b>	<b>\$ 661,092</b>	<b>\$ 620,523</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 04/30/2024	PERIOD ENDED 04/30/2025
<b>*** Assets ***</b>			
295-0000-10100	CASH	45,252.96	62,276.88
295-0000-10700	DELINQUENT TAX RECEIVABLE	7,003.02	8,391.61
295-0000-16160	FA-LAND HELD FOR RESALE	460,396.74	460,396.74
<b>Total Assets</b>		<b>512,652.72</b>	<b>531,065.23</b>
<b>*** Liabilities ***</b>			
295-0000-20600	DEPOSITS PAYABLE	6,430.49	4,705.99
295-0000-22200	DEFERRED REVENUE	460,396.74	460,396.74
295-0000-22210	DEFERRED TAXES RECEIVABLE	3,473.95	5,632.88
<b>Total Liabilities</b>		<b>470,301.18</b>	<b>470,735.61</b>
<b>*** Fund Balance ***</b>			
295-0000-28900	FUND BALANCE/EQUITY ACCT	80,283.50	80,283.50
<b>Total Fund Balance</b>		<b>80,283.50</b>	<b>80,283.50</b>
<b>Beginning Fund Balance</b>		<b>80,283.50</b>	<b>80,283.50</b>
<b>Net of Revenues VS Expenditures - 2024</b>			<b>26,143.50</b>
<b>*2024 End FB/2025 Beg FB</b>		<b>106,427.00</b>	
<b>Net of Revenues VS Expenditures - Current Year</b>		<b>(37,931.96)</b>	<b>(46,097.38)</b>
<b>Ending Fund Balance</b>		<b>42,351.54</b>	<b>60,329.62</b>
<b>Total Liabilities And Fund Balance</b>		<b>512,652.72</b>	<b>531,065.23</b>

\* Year Not Closed

PERIOD ENDING 04/30/2025

GL NUMBER	DESCRIPTION	ACTIVITY FOR			YTD BALANCE	% BGD USED
		2025 MONTH	04/30/2025	04/30/2025		
		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	2,708.05	1.45	
295-0000-31020	DELINQUENT AD VALOREM	0.00	0.00	50.68	100.00	
	TAXES & PENALTIES	<u>186,812.00</u>	<u>0.00</u>	<u>2,758.73</u>	<u>1.48</u>	
OTHER REVENUE						
295-0000-36210	INTEREST INCOME	550.00	0.00	522.38	94.98	
	OTHER REVENUE	<u>550.00</u>	<u>0.00</u>	<u>522.38</u>	<u>94.98</u>	
	TOTAL REVENUES	<u>187,362.00</u>	<u>0.00</u>	<u>3,281.11</u>	<u>1.75</u>	
	Net - Dept 0000	<u>187,362.00</u>	<u>0.00</u>	<u>3,281.11</u>		
Dept 6510 - ECONOMIC DEVELOPMENT AUTH						
Expenditures						
SERVICES						
295-6510-43300	PROFESSIONAL SERVICES	162,100.00	13,509.01	41,943.70	25.88	
295-6510-43361	INS - GENERAL LIABILITY	142.00	0.00	19.40	13.66	
295-6510-43434	ECONOMIC INITIATIVES	15,000.00	0.00	2,065.39	13.77	
295-6510-43435	BOOKS/PAMPHLETS/DUES	5,350.00	0.00	5,350.00	100.00	
	SERVICES	<u>182,592.00</u>	<u>13,509.01</u>	<u>49,378.49</u>	<u>27.04</u>	
	TOTAL EXPENDITURES	<u>182,592.00</u>	<u>13,509.01</u>	<u>49,378.49</u>	<u>27.04</u>	
	Net - Dept 6510 - ECONOMIC DEVELOPMENT AUTH	<u>(182,592.00)</u>	<u>(13,509.01)</u>	<u>(49,378.49)</u>		
	Total - Function Unclassified	<u>4,770.00</u>	<u>(13,509.01)</u>	<u>(46,097.38)</u>	<u>966.40</u>	
	TOTAL REVENUES	187,362.00	0.00	3,281.11	1.75	
	TOTAL EXPENDITURES	182,592.00	13,509.01	49,378.49	27.04	
	NET OF REVENUES & EXPENDITURES	<u>4,770.00</u>	<u>(13,509.01)</u>	<u>(46,097.38)</u>	<u>966.40</u>	

CHECK DISBURSEMENT REPORT FOR CITY OF BRAINERD  
 CHECK DATE FROM 02/01/2025 - 04/30/2025

Check Date	Bank	Check #	Invoice	Payee	Description	Account	Dept	Amount
Fund: 295 EDA FUND								
02/05/2025	BB	100622	JAN 2025	BRAINERD LAKES AREA DEV C	PROFESSIONAL SERVICES	43300	6510	3,084.00
02/05/2025	BB	100637	JAN 2025	DESTINATION DOWNTOWN BRAINERD	PROFESSIONAL SERVICES	43300	6510	833.34
02/05/2025	BB	100665	1/17/25	REVOLV MANUFACTURING INC	ECONOMIC INITIATIVES	43434	6510	2,065.39
02/05/2025	BB	100680	JAN 2025	VISIT BRAINERD	PROFESSIONAL SERVICES	43300	6510	5,258.33
02/20/2025	BB	100787	JAN 2025	SWANSON HASKAMP CONSULTING	PROFESSIONAL SERVICES	43300	6510	2,916.67
03/05/2025	BB	100812	FEB 2025	BRAINERD LAKES AREA DEV C	PROFESSIONAL SERVICES	43300	6510	3,084.00
03/05/2025	BB	100825	FEB 2025	DESTINATION DOWNTOWN BRAINERD	PROFESSIONAL SERVICES	43300	6510	833.34
03/05/2025	BB	100861	FEB 2025	SWANSON HASKAMP CONSULTING	PROFESSIONAL SERVICES	43300	6510	2,916.67
03/05/2025	BB	100865	FEB 2025	VISIT BRAINERD	PROFESSIONAL SERVICES	43300	6510	5,258.33
03/19/2025	BB	100949	186483	KENNEDY & GRAVEN	DEPOSITS PAYABLE	20600	0000	397.50
04/09/2025	BB	101007	MAR 2025	BRAINERD LAKES AREA DEV C	PROFESSIONAL SERVICES	43300	6510	3,084.00
04/09/2025	BB	101029	MAR 2025	DESTINATION DOWNTOWN BRAINERD	PROFESSIONAL SERVICES	43300	6510	833.34
04/09/2025	BB	101066	FEB 2025	RATWIK, ROSZAK AND MALONEY	DEPOSITS PAYABLE	20600	0000	660.00
04/09/2025	BB	101071	MAR 2023	SWANSON HASKAMP CONSULTING	PROFESSIONAL SERVICES	43300	6510	2,916.67
04/09/2025	BB	101078	MAR 2025	VISIT BRAINERD	PROFESSIONAL SERVICES	43300	6510	5,258.33
Total for fund 295 EDA FUND								39,399.91

Date	JNL	Type	Description	Reference #	Debits	Credits	Balance
Fund 295 EDA FUND							
02/01/2025			<b>295-0000-10100 CASH</b>		BEG. BALANCE		105,404.42
02/28/2025	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2423		1,416.67	103,987.75
03/31/2025	GJ	JE	TO RECORD 1ST QTR INTEREST ALLOCATIO	2500	522.38		104,510.13
03/31/2025	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2506		1,416.67	103,093.46
04/30/2025	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2579		1,416.67	101,676.79
04/30/2025			295-0000-10100	END BALANCE	522.38	4,250.01	101,676.79
02/01/2025			<b>295-0000-10700 DELINQUENT TAX RECEIVABLE</b>		BEG. BALANCE		8,391.61
04/30/2025			295-0000-10700	END BALANCE	0.00	0.00	8,391.61
02/01/2025			<b>295-0000-16160 FA-LAND HELD FOR RESALE</b>		BEG. BALANCE		460,396.74
04/30/2025			295-0000-16160	END BALANCE	0.00	0.00	460,396.74
02/01/2025			<b>295-0000-20600 DEPOSITS PAYABLE</b>		BEG. BALANCE		(5,763.49)
04/30/2025			295-0000-20600	END BALANCE	0.00	0.00	(5,763.49)
02/01/2025			<b>295-0000-22200 DEFERRED REVENUE</b>		BEG. BALANCE		(460,396.74)
04/30/2025			295-0000-22200	END BALANCE	0.00	0.00	(460,396.74)
02/01/2025			<b>295-0000-22210 DEFERRED TAXES RECEIVABLE</b>		BEG. BALANCE		(5,632.88)
04/30/2025			295-0000-22210	END BALANCE	0.00	0.00	(5,632.88)
02/01/2025			<b>295-0000-31010 CURRENT AD VALOREM</b>		BEG. BALANCE		(2,708.05)
04/30/2025			295-0000-31010	END BALANCE	0.00	0.00	(2,708.05)
02/01/2025			<b>295-0000-31020 DELINQUENT AD VALOREM</b>		BEG. BALANCE		(50.68)
04/30/2025			295-0000-31020	END BALANCE	0.00	0.00	(50.68)
02/01/2025			<b>295-0000-36210 INTEREST INCOME</b>		BEG. BALANCE		0.00
03/31/2025	GJ	JE	TO RECORD 1ST QTR INTEREST ALLOCATIO	2500		522.38	(522.38)
04/30/2025			295-0000-36210	END BALANCE	0.00	522.38	(522.38)
02/01/2025			<b>295-6510-43300 PROFESSIONAL SERVICES</b>		BEG. BALANCE		1,416.67
02/28/2025	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2423	1,416.67		2,833.34
03/31/2025	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2506	1,416.67		4,250.01
04/30/2025	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2579	1,416.67		5,666.68
04/30/2025			295-6510-43300	END BALANCE	4,250.01	0.00	5,666.68
02/01/2025			<b>295-6510-43361 INS - GENERAL LIABILITY</b>		BEG. BALANCE		19.40
04/30/2025			295-6510-43361	END BALANCE	0.00	0.00	19.40
02/01/2025			<b>295-6510-43435 BOOKS/PAMPHLETS/DUES</b>		BEG. BALANCE		5,350.00
04/30/2025			295-6510-43435	END BALANCE	0.00	0.00	5,350.00
GRAND TOTALS:					4,772.39	4,772.39	106,427.00

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

Date: June 1, 2025  
From: Jennifer Haskamp, SHC  
RE: Activities March-May 2025

**Overview of Monthly Activities:**

We have been working on several of the work scope items over the past couple of months to gear up for the summer real estate season. A separate memo is provided regarding the online portal development for real estate listings. The following summary by scope is provided for your reference.

**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>• Draft template for real estate listing portal is developed. Information under separate cover regarding components and progress.</li> <li>• Full draft of under-utilized/undeveloped properties completed – use as starting place for initial contacts for online listing</li> </ul>
b.	Identify up to three priority properties or study areas for 2025.
	SHC Activities: <ul style="list-style-type: none"> <li>• Researching case studies, other EDA processes, etc., for property listings.</li> <li>• Initial discussion/research of property listing portal to be developed in 2025 and placed on EDA website.</li> <li>• Specific property or area for consideration – Q3/Q4 of 2025</li> </ul>
c.	Establish relationship with developers on behalf of the EDA.
	SHC Activities: <ul style="list-style-type: none"> <li>• Spoke with staff about holding round-table with small developers that might be interested in infill/small scale development on smaller sites identified.</li> <li>• Marketing push for local developers planned in Spring/Summer 2025</li> <li>• Discussed opportunity sites with three separate developer/operators, including one cannabis operator with interest in the market</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 after June EDA 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>• Timing to align with reconstruction communication effort/plans</li> </ul>
f.	Attend regular meetings of the EDA (minimum of four meetings.)
	SHC Activities: <ul style="list-style-type: none"> <li>• SHC will be in attendance at the June meeting.</li> </ul>

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

**Report Date: 05/29/2025**

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

Update: Ongoing; met with James in March to make requested changes.

Action: Create a content management handbook for staff.

Update: CMS handbook has been started by the website consultant but isn't quite finished.

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

Update: In progress; see 05-30-2025 Memo.

Action: Need to work with consultants on marketing strategies to promote Brainerd Properties.

- Confirm target audiences.
  - Identify publications, websites, and associations and research potential marketing and advertising opportunities.
- 

**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. Launched LinkedIn Page for Brainerd EDA on 05-29-25.

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

Action: Start populating LinkedIn with website content; start ad campaigns on LinkedIn.

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**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: In progress.

Hubbard Radio Ads: WJJY and B93.3 running June through August ROS for \$4,500.

MPR Ads: Brainerd News and Classical running June through August ROS for \$1,500.

Lamar Digital Billboards: TBD

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- 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 ad plan expected to be similar as previous years.

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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

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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:

Action Step	Assigned To	Notes	Start Date	Due Date	Date Compl	% Complete	Status
Tour childcare facilities	CITY STAFF	City Staff and two EDA board members toured the YMCA, Stepping Stones, and TCC in the first quarter of 2025	1/1/2025	4/3/2025	6/2/2025	100%	Complete
Develop & propose Programs to address the needs identified from BLAEDC's BRE interviews	BLAEDC	BLAEDC to provide report on September 4th regarding Washington Street business questionnaire	1/1/2025	9/4/2025		25%	In Progress
Conduct quarterly EDA business tours	BLAEDC/ CITY STAFF	City Staff asked BLAEDC to set up a potential tour at CTC City Staff reached out to a business in May 2025 for a tour of the property – tour availability did not work out City Staff is currently setting up a tour at First Impressions for June	1/1/2025	12/31/2025		5%	In Progress
Host round table developer event	BLAEDC/ SHC	Staff has discussed a roundtable event for developers to be held in the Fall of 2025 Discussion topics: EDA website, available City of Brainerd property, property owner listed lots for sale on new EDA app. Discuss plans for round table event at the June consultants meeting.	1/1/2025	12/31/2025		5%	In Progress
Implement grant program to improve business signage in the downtown	BLAEDC/ CITY STAFF	Improved signage discussed at April 3rd Workshop. Discussion of a signage grant will occur after the Planning Commission reviews signage standards. Planning Commission to discuss sign standards at the June 18th meeting.	1/1/2025	3/5/2026		5%	In Progress
Develop & propose programs to address childcare needs	CITY STAFF	Staff presented findings from the 2025 childcare tours to the EDA at the April 3rd Workshop The EDA provided comments to staff at the April 3rd Workshop – potentially waive some permit fees but not SAC & WAC Staff is presenting policy language at the June 5th meeting and seeking direction from the EDA.	1/1/2025	3/5/2026		50%	In Progress

Use EDA funds to create programs in other locations similar to Destination Downtown	CITY STAFF	Created Central Business District Incentive Policy April 3rd workshop discussed EDA funds Funds for 2025 and 2026 will be used for the Washington Street mitigation plan, façade grant program, and signage improvements on Washington Street and downtown. EDA to discuss funds for Washington Street mitigation plan at the June 5th meeting Sign Standards to be reviewed at the June 18th Planning Commission meeting	1/1/2025	12/31/2026		25%	In Progress
Create a marketing strategy and campaign for the EDA website	VISIT BRAINERD					0%	Not Started
Create a marketing strategy and campaign for available Brainerd properties	VISIT BRAINERD					0%	Not Started
Create an advertising campaign focused on recruiting entrepreneurs, developers, investors to start businesses	VISIT BRAINERD					0%	Not Started
Update website quarterly	VISIT BRAINERD					0%	Not Started
Optimize website	VISIT BRAINERD					0%	Not Started
Explore education campaigns	VISIT BRAINERD					0%	Not Started
Comprehensive plan for Downtown	DDBC	2026 Project	1/1/2026	12/31/2026		0%	Not Started
Expand residential properties	CITY STAFF	City Staff thoroughly reviewed all rental properties in Brainerd for underdeveloped lots in January 2025 Staff sent letters to identified property owners in April 2025 Staff has met with three interested properties owners on expansion of their property	1/1/2025	12/31/2026		25%	In Progress
Conduct GIS assessment of under-utilized properties and update annually	SHC					0%	Not Started
Identify possible uses for under-utilized properties	SHC					0%	Not Started
Create a program & contract for private property owners to list under-utilized properties on the EDA website	SHC					0%	Not Started
Prepare inventory for privately held and city-owned properties to market for infill	SHC					0%	Not Started

Work with ISD 181 to develop parcel North of Buffalo Hills park	CITY STAFF	City Staff met with school district and presented ideas at their long-range planning committee Staff worked with a developer in 2024 to potentially develop the site - developer is no longer interested in affordable housing project for this year School District listed property for sale in 2025 Staff has made developers aware of the property and potential uses				25%	In Progress
Create a development strategy for infrastructure for potential developers	SHC/ CITY STAFF					0%	Not Started
Explore relocation of James St mobile home park	CITY STAFF	Staff spoke with property owners in 2024 regarding potentially listing the property on the EDA website for developers - property owners were interested SHC is currently working on a app for private property owners to list properties				10%	In Progress
Explore partnership with DDBC for main street coordinator	DDBC					0%	Not Started

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

**Report Date:** June 2, 2025

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

Status: In Progress

DDBC continues to track metrics required for reporting to maintain membership status, and monitors communications and information provided by Main Street America and Rethos.

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**2. Coordinate networking opportunities for downtown district businesses and other stakeholders**

Status: In Progress

DDBC hosted Business Owner Socials on the following dates/locations:

- February 26: Sage On Laurel/Passport (20 attendees)
- March 26: Yesterday's Gone (14 attendees)
- April 30: Shep's on 6<sup>th</sup> (11 attendees)
- May 28: The Parlor (12 attendees)

The next Business Owner Social is scheduled for Wednesday, June 25 (location TBD) from 5pm-6:30pm (these events are hosted monthly on the last Wednesday of the month).

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**3. Support Main Street events and promotions.**

Status: In Progress

DDBC coordinated with City of Brainerd staff and local volunteers to host the new "Main Street Market" at the City Hall parking lot on Fridays from 9-2 during the summer. The first market was held on May 23 and will run through mid-October. The market features a group of about 20 vendors selling locally grown and made products, in addition to family-friendly activities such as live music and interactive exhibits from WonderTrek Children's Musuem. So far we have

received strong positive feedback from the community on adding this event downtown, and business owners have expressed support and noted that it seems to be bring more traffic to downtown on Fridays. We look forward to continuing the market on an annual basis and seeing how we can continue to add programming to make it a success.

---

**4. Participate in quarterly consultant meetings.**

Status: Ongoing.

A DDBC representative plans to attend all upcoming consultant meetings.

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# M E M O

**TO:** EDA Board of Commissioners

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

**DATE:** June 5<sup>th</sup>, 2025

**RE:** Washington Street Mitigation Plan Memo

## **EDA WORKSHOP – WASHINGTON STREET MITIGATION PLAN**

The Brainerd Lakes Chamber of Commerce and BLAEDC prepared a preliminary plan and proposal to help businesses navigate the Washington Street reconstruction project. The preliminary proposal is in the EDA packet and includes a budgetary estimate of \$90,000 for 2026 and \$65,000 for 2027. The EDA board discussed potential funding for the mitigation plan after reviewing the 2025 EDA budget which includes \$103,312 in projected fund balance. The EDA discussed potentially contributing \$30,000 towards the mitigation plan but did not take formal action.

## **EDA BUDGET**

City Council approved \$186,812 for the 2025 Brainerd EDA. At the December 5<sup>th</sup> EDA meeting, staff recommend continuing with the current consultants. The consultants revised their scope of service based on the proposed work to be performed in 2025.

	<b>2024</b>	<b>2025</b>
<b>BLAEDC</b>	\$36,000	\$37,000
<b>Swanson Haskamp</b>	\$35,000	\$35,000
<b>Visit Brainerd</b>	\$40,000	\$63,100
<b>DDBC</b>	\$10,000	\$10,000
<b>City of Brainerd</b>	\$17,000	\$17,000
<b>IF Request</b>	\$5,350	\$5,350
<b>Total</b>	<b>\$137,000</b>	<b>\$167,450</b>

The EDA elected to fully fund all five of the contracts and based on the budget, the EDA has a net revenue of \$19,362 for 2025. Staff recommended that \$15,000 should be allocated in the 2025 EDA budget for grants with the grant programming determined at a future meeting.

The projected unassigned fund balance for 12/31/25 is \$103,312. Generally, the EDA fund will have negative net revenues over expenditures, until June and July and then negative again until December. The City has a policy that for the General Fund, the unassigned fund balance be between 30-50% of current year expenditures, since we operate for about 6 months without a major source of revenue.

Based on that policy, the recommended fund balance range for the EDA is \$54,777 to \$91,296 for the 2025 budgeted expenditures of \$182,592.

**RECOMMENDATION**

Staff recommend the EDA preliminarily approve \$20,000 in 2026 and \$10,000 in 2027 towards the mitigation plan contingent upon review of the final plan and estimates.



**To: Brainerd EDA**

**From: Brainerd Lakes Chamber of Commerce & BLAEDC**

**RE: Mitigation Plan to Help Businesses Navigate Washington St. Reconstruction**

**Project Overview**

The Washington Street Reconstruction project, set for 2026-2027, is a once-in-a-generation investment in Brainerd’s future. While this large-scale project will bring much-needed improvements, it will also create significant challenges for businesses. Our goal is to ensure they remain strong contributors to Brainerd’s economic vitality throughout the construction period.

The Brainerd Lakes Chamber and BLAEDC, in partnership with the City of Brainerd and MNDOT, are creating a two-year Mitigation Plan to help all businesses stay informed, connected, and resilient. This initiative will provide clear updates, a strong branding effort to maintain public confidence, and direct support for businesses navigating the disruption.

Given the scope of this project, we believe the Chamber and BLAEDC are well-positioned to execute this plan, drawing on past success with efforts like Destination Downtown, a business competition that ran from 2017 to 2019 and successfully filled about 20 empty storefronts in downtown Brainerd. This initiative raised awareness, shifted community sentiment from negative to positive, and generated excitement and funding for revitalization efforts.

**Mitigation Strategies**

**Strong, Positive Brand**

A consistent, memorable brand will reinforce the project’s long-term benefits and encourage community buy-in. Instead of positioning this as a short-term inconvenience, the branding will focus on the improvements and economic growth that will result.

**Centralized Web & Social Media Hub**

A dedicated website and social media channels will provide real-time updates, targeting both businesses and community members, including:

- *Construction timelines and progress reports*
- *Detour and navigation resources*
- *Business promotion and engagement strategies*
- *FAQs and best practices for managing disruption*

### Business Liaison & Direct Support

Pending funding or the inclusion of a bid requirement, we will secure a dedicated liaison to serve as the primary contact between businesses, MNDOT and contractors, ensuring:

- *Real-time communication and problem-solving*
- *Regular check-ins with impacted businesses*
- *A trusted advocate to relay concerns and coordinate responses*

### Business Workshops & Expert Guidance

Free workshops will equip businesses with tools to prepare and adapt, including:

- *Keeping customers engaged during construction*
- *Adjusting operations to maintain revenue*
- *Expanding online sales and marketing strategies*

### Community Engagement Efforts

To sustain business visibility, we will explore:

- *Special promotions and incentives to encourage local shopping*
- *Events that drive foot traffic despite construction*

### Business-Led Steering Committee

A committee of business leaders and marketing professionals would shape and guide this initiative, ensuring the approach remains practical and responsive to business needs. We would propose that the EDA and City acknowledge the Chamber and BLAEDC as the primary organizations responsible for leading this effort, with an elected official serving on the committee.

### Grant Programs & Business Assistance

We understand the EDA may explore funding opportunities to assist businesses with hardship and other physical improvements. If funds are secured, we would help promote and facilitate:

- *Façade improvement grants to offset construction impacts*
- *Infrastructure assistance for businesses needing physical modifications*
- *Rent and utility assistance for those experiencing financial hardship*

### Tentative Budget

Element	2026 Cost	2027 Cost
Branding & Marketing	\$10,000	\$5,000
Website & Social Media	\$15,000	\$5,000
Business Liaison	\$40,000	\$40,000
Business Workshop Series	\$10,000	\$0
Promotions & Events	\$10,000	\$10,000
Project Administration	\$5,000	\$5,000
<b>Total Estimated Cost</b>	<b>\$90,000</b>	<b>\$65,000</b>

*These are estimates only. Potential funders include the Brainerd EDA, partner organizations, area foundations, and the business community.*

## Next Steps & EDA Feedback Requested

The Brainerd Lakes Chamber and BLAEDC are committed to coordinating this project, but we would like your feedback on:

- *Reactions to the proposed mitigation strategies*
- *Additional ideas to help businesses navigate construction successfully*
- *The level of EDA involvement and any potential funding support*
- *Suggestions for additional funding sources or partnerships*

We appreciate your time and consideration. With thoughtful planning, partnership and investment, we will ensure Brainerd businesses not only survive this transition but emerge stronger in the long run.

Prepared March 17, 2025, by:

**Matt Kilian, President**

**Brainerd Lakes Chamber of Commerce**

Direct: (218) 822-7111

Cell: (320) 267-1756

Email: [matt@brainerdlakeschamber.com](mailto:matt@brainerdlakeschamber.com)

**Tyler Glynn, Executive Director**

**BLAEDC**

Direct: (218) 828-0096

Cell: (218) 851-2779

Email: [tglynn@blaedc.com](mailto:tglynn@blaedc.com)

# MEMO

**TO:** EDA Board of Commissioners

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

**DATE:** June 5<sup>th</sup>, 2025

**RE:** Review Proposed Childcare Incentive Policy

---

## INTRODUCTION

City staff and two EDA board members toured Brainerd childcare centers in the first quarter of 2025 to hear what is going well and what issues childcare providers are currently facing, specifically issues with expansion. Common issues include:

- 1) Staffing, especially entry level positions (turnover, burnout, and wages)
- 2) Losing staff to federally funded or state-funded childcare centers
- 3) State permitting and licensing requirements
- 4) Capital for additions and new facilities
- 5) Cashflow challenges and balancing wage increases and affordable tuition
- 6) There is no major return on investment for childcare centers
  - a. Childcare centers are breaking even at best each month
- 7) Difficulty finding space for rent that meets licensing requirements

The EDA held a workshop on April 4<sup>th</sup> and discussed potential economic incentive programs for childcare centers in the City of Brainerd. The EDA discussed waiving a percentage of the building permit fees and land use permit fees. The EDA board was generally not in favor of waiving SAC and WAC fees.

## PROPOSED INCENTIVES

Proposed Incentives:

- 1) Waive City building permit and inspection fees for all construction projects less than \$150,000 in total construction costs.
- 2) Waive land use permit fees.

Should this apply to both Commercial Childcare Centers and Home Day Cares?

## STAFF RECOMMENDATION

Direct staff to draft a policy with the above incentives for review at the September 4<sup>th</sup> meeting.

# MEMO

**TO:** EDA Board of Commissioners

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

**DATE:** June 5<sup>th</sup>, 2025

**RE:** Review VCV/ Blockmetrix Purchase and Development Agreement

---

## **JOINT MEETING**

The City Council, EDA Board, and Public Utilities Commission held a joint meeting on May 8<sup>th</sup> to discuss a request by Blockmetrix to extend the purchased power agreement. Staff were directed to draft a power agreement with certain provisions discussed at the meeting. BPU is working on the revision and it is currently being reviewed by the City Attorney. The purchased power agreement extension will most likely be considered at the June 24<sup>th</sup> Public Utilities Commission meeting.

## **REVISED PURCHASE AND DEVELOPMENT AGREEMENT**

At the Special EDA meeting on February 14<sup>th</sup>, the EDA board approved a revised purchase and development agreement with Blockmetrix. Blockmetrix requested to further amend the PDA by revising the minimum improvements. Blockmetrix proposed redesigning the building and altering the parking lot and driveway design. The proposed redesign is part of the final design package by Hy-Tec and changes were made to reduce the amount of impervious surface and provide better access for large trucks. The building footprint/ floor plan was flipped east to west with the entrance now located on the west side of the property.

The approved purchase and development agreement amendment has not yet been signed by Blockmetrix as they have not yet executed the purchase of the property. Blockmetrix has been working to finalize all agreements and building permits prior to final purchase of the property.

The amended purchase and development agreement requires Blockmetrix to start the project by April 1<sup>st</sup>, 2025, which did not happen.

## **RECOMMENDATION**

Staff do not recommend sending a 30-day notice that VCV is in default of the purchase and development agreement as they are working on an amended power agreement. However, the board should consider the following options:

- 1) Reevaluate the status of the project at the September 4<sup>th</sup> meeting; or
- 2) Direct staff to send a 30-day notice on August 1<sup>st</sup> if the power contract has not yet been executed so the next steps could be considered at the September 4<sup>th</sup> EDA meeting.

**ASSIGNMENT, ASSUMPTION AND AMENDMENT  
TO PURCHASE AND DEVELOPMENT CONTRACT**

**THIS ASSIGNMENT, ASSUMPTION AND AMENDMENT TO PURCHASE AND DEVELOPMENT CONTRACT** (this “Assignment, Assumption and Amendment”), made as of this \_\_\_\_ day of \_\_\_\_\_, 2025, by and between **VCV DIGITAL INFRASTRUCTURE MINNESOTA LLC**, a Delaware limited liability company (the “Assignor”), **BLOCKMETRIX, LLC**, a limited liability company established under the laws of the State of Texas (the “Assignee”), and **BRAINERD ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic under the laws of the State of Minnesota (the “Authority”).

**RECITALS:**

A. The Assignor and the Authority entered into that certain Purchase and Development contract, dated March 3, 2022, recorded on January 10, 2024 in the Office of the County Recorder of Crow Wing County as document number 992685 (the “Contract” or “Agreement”), for the purchase, sale and development of certain real property located at 1911 Thiesse Drive and 1918 Thiesse Drive in the City of Brainerd, Crow Wing County, State of Minnesota, as legally described in the Contract (collectively, the “Development Property” or “Property”), on which the Assignor agreed to construct a cryptocurrency mining facility, as more fully described in Schedule D attached to the Contract (the “Minimum Improvements”).

B. The Assignor and the Assignee have represented to the Authority that the Assignee proposes to purchase all of the membership interests in the Assignor in an arm’s-length transaction, and following such purchase the Assignee shall become the successor of the Assignor. In connection such transfer, the Assignor desires to assign all of its rights, interests, and obligations in the Contract to Assignee, and the Assignee has agreed to be bound by all of the terms and provisions of the Contract.

C. Pursuant to the Contract, the Authority (hereinafter, also the “Grantor”) conveyed the Development Property to the Assignor (hereinafter, also the “Grantee”) by Quit Claim Deed, dated October 6, 2022, recorded in the office of the Crow Wing County Recorder on January 1, 2024, as document number 992687 (the “Deed”). Section 2 of the Deed provides that “[t]he Grantee’s rights and interest in the Property are subject to the terms and conditions of the

Agreement relating to the Grantor's right to re-enter and re-vest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement."

D. The Assignee proposes to further revise the Construction Plans for the Minimum Improvements and acknowledges that before commencement of construction of the Minimum Improvements, the Assignee shall submit to the Authority revised Construction Plans for approval.

E. Pursuant to Section 4.2(b) of the Contract, any proposed change to the Construction Plans shall be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to the Developer within ten (10) days after receipt of the notice of such change. The Authority proposes to extend the period in which to provide written notice of rejection to any change to the Construction Plans from ten (10) days to thirty (30) days.

F. Pursuant to Section 4.3 of the Contract, construction of the Minimum Improvements must be commenced within the "Construction Commencement Deadline," as defined therein. The Assignee proposes to extend the Construction Commencement Deadline to April 1, 2025.

G. The Assignee proposes to add a provision to the Contract, as amended hereby, that no former employee or owner of VCV Digital Infrastructure Minnesota LLC, VCV Digital or any affiliate thereof, shall own an interest in the Assignee or Assignor the after execution of this Assignment, Assumption and Amendment.

**NOW, THEREFORE, IN CONSIDERATION OF One Dollar (\$1.00)** and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Any capitalized term used herein and not otherwise defined herein shall have the meaning ascribed to such term in the Contract.

2. The Assignor does hereby grant, transfer and assign to the Assignee, all of its rights, interests, and obligations under the Contract, and the Authority hereby consents to such grant, transfer, and assignment to the Assignee.

3. The Assignee hereby accepts this Assignment, Assumption and Amendment and assumes and agrees to faithfully abide by, perform and discharge each and every term, covenant, condition and obligation of the Assignor under the Contract, as amended hereby (the "Assumed Obligations"), and to defend and hold the Assignor harmless from any lawsuits, claims, damages, costs and expenses, including actual attorney fees and disbursements arising in connection with the Contract, except those arising from events occurring or arising prior to the date hereof.

4. Section 4.2(b) of the Contract is hereby amended to provide that any proposed change to the Construction Plans shall be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to the Developer within thirty (30) days after receipt of the notice of such change.

5. The “Construction Commencement Deadline,” as defined in Section 4.3 of the Contract, is hereby amended and extended to April 1, 2025, and upon approval by the Authority of further revised Construction Plans for the Minimum Improvements to be proposed by the Assignee, the Assignee shall commence construction of the Minimum Improvements within such date.

6. The Contract is hereby further amended to add a new Section 10.15, as follows:

Section 10.15. Restriction on Sale or Transfer of Ownership Interest in Blockmetrix, LLC and VCV Digital Infrastructure Minnesota LLC. No former employee or owner of VCV Digital Infrastructure Minnesota LLC, VCV Digital or any affiliate thereof, shall own an interest in Blockmetrix, LLC or VCV Digital Infrastructure Minnesota LLC after execution of this Agreement, as assigned, assumed and amended pursuant to an Assignment, Assumption and Amendment to Purchase and Development Contract, by and between VCV Digital Infrastructure Minnesota LLC, as assignor, Blockmetrix, LLC, as assignee, and the Authority.

7. The Assignee expressly represents, for the benefit of the Authority, that it is a limited liability company duly organized and in good standing under the laws of the State of Texas, is duly authorized to transact business within the State of Minnesota, is not in violation of any provisions of its organizational documents or the applicable laws of any state, has power to enter into this Assignment, Assumption and Amendment and the capability to perform the obligations of the Assignor under the Contract and has duly authorized the execution, delivery and performance of this Assignment, Assumption and Amendment by proper action of its governing body.

8. If the Authority delivers any notice, demand or other communication to the Developer under the Contract that relates to or may affect the rights and interest of the Assignee under the Contract or the Assumed Obligations, the Authority will deliver a copy of such notice, demand or communication to the Assignee in the manner set forth in the Contract addressed or delivered personally to the Assignee as follows:

Blockmetrix, LLC  
2651 North Harwood Street  
Suite 400  
Dallas, TX 75201

or at such other address as the Assignee may, from time to time, designate by written notice to the Authority given or delivered in the manner set forth in the Contract.

9. Notwithstanding anything to the contrary herein, VCV Digital Infrastructure Minnesota LLC, as Grantee under the Deed and Assignor hereunder, and Blockmetrix, LLC as Assignee hereunder, shall remain obligated to fulfill all obligations of the Developer under the Contract, as amended by this Assignment, Assumption and Amendment.

10. This Assignment, Assumption and Amendment shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto and shall further be for the benefit and reliance of the Authority.

11. Except as hereby amended, all other terms and conditions of the Contract shall remain in full force and effect.

12. This Assignment, Assumption and Amendment shall be governed by and construed in accordance with the laws of the State of Minnesota.

13. This Assignment, Assumption and Amendment may be executed in counterparts, which counterparts when considered together shall constitute a single, binding, valid and enforceable agreement.





**BRAINERD ECONOMIC DEVELOPMENT  
AUTHORITY**

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA                    )  
  ) ss.  
COUNTY OF CROW WING COUNTY    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025,  
by Kevin Yeager, the President of the Brainerd Economic Development Authority, a public body  
politic and corporate, on behalf of the Authority.

\_\_\_\_\_  
Notary Public

STATE OF MINNESOTA                    )  
  ) ss.  
COUNTY OF CROW WING COUNTY    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025,  
by \_\_\_\_\_, the Executive Director of the Brainerd Economic Development Authority,  
a public body politic and corporate, on behalf of the Authority.

\_\_\_\_\_  
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:  
Kutak Rock LLP (SEL)  
60 South Sixth Street, Suite 3400  
Minneapolis, MN 55402-4018  
(612) 334-5000

EXECUTION COPY

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**PURCHASE AND DEVELOPMENT CONTRACT**

**By and Between**

**BRAINERD ECONOMIC DEVELOPMENT AUTHORITY**

**and**

**VCV DIGITAL INFRASTRUCTURE MINNESOTA LLC**

**Dated as of: March 3, 2022**

---

This document was drafted by:  
KENNEDY & GRAVEN, Chartered  
150 South Fifth Street, Suite 700  
Minneapolis, Minnesota 55402  
Telephone: 612-337-9300

TABLE OF CONTENTS

	<u>Page</u>
PREAMBLE .....	1
 ARTICLE I <u>Definitions</u> 	
Section 1.1. Definitions.....	2
 ARTICLE II <u>Representations and Warranties</u> 	
Section 2.1. Representations by the Authority.....	3
Section 2.2. Representations and Warranties by Developer .....	4
 ARTICLE III <u>Acquisition and Conveyance of Property</u> 	
Section 3.1. Conveyance of the Property.....	5
Section 3.2. Purchase Price.....	5
Section 3.3. Conditions of Conveyance.....	5
Section 3.4. Place of Document Execution, Delivery and Recording .....	6
Section 3.5. Title.....	6
Section 3.6. Soil and Environmental Conditions.....	7
Section 3.7. Representations and Warranties Regarding Development Property.....	8
Section 3.8. No Business Subsidy.....	8
Section 3.9. Payment of Authority Costs.....	9
 ARTICLE IV <u>Construction of Minimum Improvements</u> 	
Section 4.1. Construction of Minimum Improvements .....	9
Section 4.2. Construction Plans .....	9
Section 4.3. Commencement and Completion of Construction.....	10
Section 4.4. Certificate of Completion .....	11
 ARTICLE V <u>Insurance</u> 	
Section 5.1. Developer Insurance .....	11
Section 5.2. Subordination.....	12
 ARTICLE VI <u>Delinquent Taxes and Review of Taxes</u> 	
Section 6.1. [Intentionally Omitted] .....	12
Section 6.2. Review of Taxes .....	12

ARTICLE VII

Financing

Section 7.1. Financing..... 12  
Section 7.2. Authority’s Option to Cure Default on Mortgage..... 13  
Section 7.3. Subordination and Modification for the Benefit of Mortgagee ..... 13

ARTICLE VIII

Prohibitions Against Assignment and Transfer; Indemnification

Section 8.1. Representation as to Development..... 14  
Section 8.2. Prohibition Against Transfer of Property and  
Assignment of Agreement ..... 14  
Section 8.3. Release and Indemnification Covenants..... 16

ARTICLE IX

Events of Default

Section 9.1. Events of Default Defined ..... 16  
Section 9.2. Remedies on Default..... 16  
Section 9.3. Revesting Title in Authority Upon Happening of Event Subsequent to  
Conveyance to Developer ..... 16  
Section 9.4. Resale of Reacquired Property; Disposition of Proceeds ..... 17  
Section 9.5. No Remedy Exclusive..... 18  
Section 9.6. No Additional Waiver Implied by One Waiver..... 18

ARTICLE X

Additional Provisions

Section 10.1. Conflict of Interests; Authority Representatives Not Individually Liable..... 19  
Section 10.2. Equal Employment Opportunity ..... 19  
Section 10.3. Restrictions on Use ..... 19  
Section 10.4. Provisions Not Merged With Deed..... 19  
Section 10.5. Titles of Articles and Sections ..... 19  
Section 10.6. Notices and Demands ..... 19  
Section 10.7. Counterparts..... 20  
Section 10.8. Recording..... 20  
Section 10.9. Amendment..... 20  
Section 10.10. Authority Approvals ..... 20  
Section 10.11. Termination..... 20  
Section 10.12. Choice of Law and Venue..... 20  
Section 10.13. Good Faith ..... 20

TESTIMONIUM ..... 21  
SIGNATURES ..... 21

SCHEDULE A Description of Property  
SCHEDULE B Form of Quit Claim Deed  
SCHEDULE C Certificate of Completion  
SCHEDULE D Minimum Improvements

## PURCHASE AND DEVELOPMENT CONTRACT

THIS AGREEMENT, made on or as of the 3rd day of March, 2022, by and between BRAINERD ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of Minnesota (the “Authority”), and VCV DIGITAL INFRASTRUCTURE MINNESOTA LLC, a Delaware limited liability company (“Developer”).

WITNESSETH:

WHEREAS, the Authority was created pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 (the “Act”) and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of Brainerd, Minnesota (the “City”); and

WHEREAS, the City has undertaken a program to promote economic development and job opportunities and to promote the development of land which is underutilized within the City, and in this connection created a development project known as the Development District No. 2 (“Development District”) for the development of its industrial park pursuant to Minnesota Statutes, Sections 469.124 to 469.134 (the “Development District Act”); and

WHEREAS, by resolution dated December 6, 2021, the City Council transferred control, authority and operation of the Development District to the Authority, which currently administers the Development District; and

WHEREAS, pursuant to the Act and the Development District Act, the Authority is authorized to acquire real property, or interests therein, and to undertake certain activities to facilitate the Development of real property by private enterprise; and

WHEREAS, the Authority has expanded the geographic boundaries of the Development District to include certain property described in Schedule A (the “Development Property”), and intends to convey that property to Developer, in connection with Developer’s proposal to develop a cryptocurrency mining facility on the Development Property, as more fully described herein (the “Minimum Improvements”); and

WHEREAS, the Authority believes that the development of the Development Property pursuant to this Agreement, and fulfillment generally of this Agreement, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Project has been undertaken.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

## ARTICLE I

### Definitions

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

“Act” means Minnesota Statutes, Sections 469.090 to 469.1081, as amended.

“Agreement” means this Agreement, as the same may be from time to time modified, amended, or supplemented.

“Authority” means the Brainerd Economic Development Authority, or any successor or assign.

“Authority Representative” means the Executive Director of the Authority, or any person designated by the Executive Director to act as the Authority Representative for the purposes of this Agreement.

“Certificate of Completion” means the certification provided to Developer, or the purchaser of any part, parcel or unit of the Development Property, pursuant to Section 4.4 of this Agreement.

“City” means the City of Brainerd, Minnesota.

“Closing” has the meaning provided in Section 3.3(b) hereof.

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed by Developer on the Development Property which (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following for each building: (1) site plan; (2) foundation plan; (3) cross sections of floor plan (length and width); (4) elevations (all sides); (5) landscape plan; and (6) such other plans or supplements to the foregoing plans as the Authority may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means the County of Crow Wing, Minnesota.

“Developer” means VCV Digital Infrastructure Minnesota LLC or its permitted successors and assigns.

“Development District” means the Authority’s Development District No. 2.

“Development Program” means the Authority’s Development Program for the Development District, as amended.

“Development Property” means the real property so described in Schedule A attached hereto.

“Event of Default” means an action by Developer listed in Article IX of this Agreement.

“Holder” means the owner of a Mortgage.

“Minimum Improvements” means the construction on the Development Property of the improvements generally described on Schedule D, attached hereto and incorporated herein.

“Mortgage” means any mortgage made by Developer which is secured, in whole or in part, with the Development Property, and any modification, supplement, extension, renewal or amendment thereof.

“State” means the State of Minnesota.

“Tax Official” means any County assessor; County auditor; County or State board of equalization, the commissioner of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

“Title Company” means a title company selected by Developer and reasonably acceptable to the Authority.

“Unavoidable Delays” means unexpected delays which are the direct result of: (i) adverse weather conditions, (ii) shortages of materials, (iii) strikes, other labor troubles, (iv) fire or other casualty to the Minimum Improvements, (v) litigation commenced by third parties which, by injunction or other judicial action, directly results in delays, (vi) acts of any federal or state governmental unit, including legislative and administrative acts, (vii) approved changes to the Construction Plans that result in delays (viii) delays caused by the discovery of any adverse environmental condition on or within the Development Property to the extent reasonably necessary to comply with federal and state environmental laws, regulations, orders or agreements, (ix) delay in the issuance of any license or permit by any governmental entity, provided application therefor is timely made and diligently pursued by Developer and (x) any other cause or force majeure beyond the control of Developer which directly results in delays.

“Utility Agreement” means that certain agreement for the purchase of electric power to be entered into by the Developer and the City, acting through its Brainerd Public Utility, which Utility Agreement is fully incorporated into this Agreement.

## ARTICLE II

### Representations and Warranties

Section 2.1. Representations by the Authority. The Authority makes the following representations as the basis for the undertaking on their part herein contained:

(a) The Authority is an economic development authority duly organized and existing under the laws of the State. Under the provisions of the Act, the Authority has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The activities of the Authority are undertaken to foster the development of certain real property which for a variety of reasons is presently underutilized, to create increased tax base and employment in the City, and to stimulate further development of the Development District as a whole.

(c) The Authority will cooperate with the Developer in facilitating any Developer requests for land use approvals, including conditional use permits and rezoning, necessary for the construction of the Minimum Improvements.

Section 2.2. Representations and Warranties by Developer. Developer represents and warrants that:

(a) Developer is a limited liability company duly organized and in good standing under the laws of the State of Delaware, is not in violation of any provisions of its articles of organization or, to the best of its knowledge, the laws of the State, is duly authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by proper action of its members.

(b) If the Developer acquires the Development Property in accordance with this Agreement, the Developer will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement, the Development Plan and all applicable local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations).

(c) Developer has received no written notice or communication from any local, state or federal official that the activities of Developer or the Authority in the Development District would be in violation of any environmental law or regulation (other than those notices or communications of which the Authority is aware). Developer is aware of no facts the existence of which would cause the Development Property to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure.

(d) After Closing, Developer will construct, or cause to be constructed, the Minimum Improvements in accordance with all applicable local, state or federal energy-conservation laws or regulations.

(e) Developer will timely apply for and diligently pursue all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed, subject to the terms of this Agreement.

(f) To the best of Developer’s knowledge and belief, as of the date hereof, neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any partnership or company restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

### ARTICLE III

#### Conveyance of Development Property

##### Section 3.1. Status of the Development Property.

(a) As of the date of this Agreement, the City owns the real property described in Schedule A to this Agreement (the “Development Property”). The City has approved the conveyance of the Development Property to the Authority concurrently with the conveyance of the Development Property by the Authority to the Developer, and the Authority will convey title to and possession of the Development Property to Developer, subject to all the terms and conditions of this Agreement.

(b) On or before Closing, subject to all the terms and conditions of this Agreement, the Developer shall prepare and use its commercially reasonable efforts to obtain all necessary land use approvals for construction of the Minimum Improvements on the Development Property, at the Developer’s cost and subject to all City ordinances and procedures and otherwise reasonably acceptable to the Developer.

Section 3.2. Purchase Price. The purchase price to be paid to the Authority by Developer in exchange for the conveyance of the Development Property shall be \$227,815 (the “Purchase Price”). The Purchase Price represents a fair market value of the Development Property, with \$49,761 of the Purchase Price allocated to the land and \$178,054 to the costs of infrastructure previously constructed by the Authority. The Purchase Price shall be due and payable by the Developer at Closing.

##### Section 3.3. Conditions of Conveyance.

(a) The Authority shall convey title to and possession of the Development Property to the Developer at Closing by quit claim deed substantially in the form set forth on Schedule B to this Agreement (the “Deed”). The Authority's obligation to convey the Development Property to the Developer, and Developer’s obligation to purchase the Development Property, is subject to satisfaction of the following terms and conditions:

(1) The Authority having approved Construction Plans for the Minimum Improvements in accordance with Section 4.2.

(2) The Developer having secured financing for the acquisition of the Development Property and the construction of the Minimum Improvements and Authority having approved such financing in accordance with Article VII hereof, and the Developer having closed on such financing at Closing.

(3) There is no uncured Event of Default by Developer under this Agreement.

(4) The Developer having reviewed and approved (or waived objections to) title to the Development Property as set forth in Section 3.5 hereof.

(5) The Developer having reviewed and approved (or waived objections to) soil and environmental conditions as set forth in Section 3.6.

(6) The Developer having negotiated and executed the Utility Agreement with the City acting through its Brainerd Public Utility (“BPU”) regarding the purchase of electrical power sufficient for the Developer’s operations on the Development Property.

Conditions (1) and (3) are solely for the benefit of the Authority, and may be waived by the Authority. Conditions (4) and (5) are solely for the benefit of the Developer, and may be waived by the Developer. Conditions (2) and (6) are for the benefit of both the Authority and the Developer and may only be waived by both parties. Developer shall have a period of one hundred eighty (180) days from the date of this Agreement (the “Due Diligence Period”) to perform due diligence on the Development Property, including physical and title inspections, and to satisfy itself with the condition thereof, including satisfaction of the conditions set forth in Section 3.3(a), in Developer’s sole and absolute discretion. Developer may terminate this Agreement at any time prior to expiration of the Due Diligence Period upon written notice to the Authority. Upon satisfaction of the conditions set forth in Section 3.3(a) and Developer having satisfied itself with the condition of the Development Property in its sole discretion, Developer shall issue a written notice to the Authority that Developer wishes to proceed with Closing (the “Notice to Proceed”) upon the terms and conditions of this Agreement. If the Authority has not received the Notice to Proceed on or before expiration of the Due Diligence Period or the conditions in Section 3.3(a) have not been satisfied or affirmatively waived in writing accordingly, then this Agreement shall terminate and the parties shall have no further liability or obligation to the other, except for the Developer’s obligations under Section 3.9 hereof.

(b) The closing on conveyance of the Development Property from the Authority to the Developer (“Closing”) shall occur on the date that is ten (10) days after Authority’s receipt of the Notice to Proceed from Developer.

#### Section 3.4. Place of Document Execution, Delivery and Recording.

(a) Unless otherwise mutually agreed by the Authority and Developer, the execution and delivery of all deeds, documents and the payment of any purchase price shall be made at the offices of the Title Company or such other location to which the parties may agree.

(b) The deed shall be in recordable form and shall be promptly recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Property at Closing. At Closing, Developer shall pay: all recording costs, including state deed tax, in connection with the conveyance of the Development Property; costs of recording any instruments used to clear title encumbrances; title insurance commitment fees and premiums, if any; and title company closing fees, if any. The parties agree and understand that the Development Property is exempt from property taxes for taxes payable in 2022.

### Section 3.5. Title.

(a) As soon as reasonably practical after the date of this Agreement, the Developer shall obtain a commitment for the issuance of a policy of title insurance (“Title Commitment”) for the Development Property. At least sixty (60) days prior to expiration of the Due Diligence Period, Developer shall review the state of title to the Development Property and obtain a survey of the Development Property and may provide the Authority with a list of written objections to such title and survey. Upon receipt of the Developer’s list of written objections, the Authority shall proceed in good faith and with all due diligence to attempt to cure the objections made by the Developer. In the event that the Authority has failed to cure objections within sixty (60) days after its receipt of the Developer’s list of such objections, the Developer may (i) by the giving of written notice to the Authority terminate this Agreement, upon the receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, other than the Developer’s obligations under Section 3.9 hereof; or (ii) waive any title objections and proceed to closing. The Authority shall have no obligation to take any action to clear defects in the title to the Development Property, other than the good faith efforts described above.

(b) The Authority shall take no actions to encumber title to the Development Property between the date of this Agreement and the time the deed is delivered to the Developer. The Authority expressly agrees that it will not cause or permit the attachment of any mechanics, attorneys, or other liens to the Development Property prior to Closing. Upon Closing, the Authority is obligated to pay all costs to discharge any encumbrances to the Development Property attributable to actions of the Authority, its employees, officers, agents or consultants, including without limitation any architect, contractor and or engineer.

(c) The Developer shall take no actions to encumber title to the Development Property between the date of this Agreement and the time the deed is delivered to the Developer. The Developer expressly agrees that it will not cause or permit the attachment of any mechanics, attorneys, or other liens to the Development Property prior to Closing. Notwithstanding termination of this Agreement prior to Closing, Developer is obligated to pay all costs to discharge any encumbrances to the Development Property attributable to actions of Developer, its employees, officers, agents or consultants, including without limitation any architect, contractor and or engineer of Developer.

### Section 3.6. Soils, Environmental Conditions.

(a) Before closing on conveyance of the Development Property from the Authority to the Developer, Developer may enter the Development Property and conduct any environmental or soils

studies deemed necessary by the Developer. If Developer determines that hazardous waste or other pollutants as defined under federal and state law exist on the property, or that the soils are otherwise unsuitable for construction of the Minimum Improvements, Developer may at its option terminate this Agreement by giving written notice to the Authority on or prior to the expiration of the Due Diligence Period, upon receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, except for the Developer's obligations under Section 3.9 hereof.

(b) The Developer acknowledges that the Authority makes no representations or warranties as to the condition of the soils on the Development Property or its fitness for construction of the Minimum Improvements or any other purpose for which the Developer may make use of such property.

Section 3.7. Representations and Warranties Regarding Development Property.

(a) The Authority has not received any notice of any violation of any law, municipal ordinance or other governmental requirement affecting the Development Property.

(b) To the best of the Authority's knowledge, no hazardous substances are located on or have been stored, generated, used, processed or disposed of on or released or discharged from (including ground water contamination) the Development Property and no above or underground storage tanks exist on, or have been removed from, the Development Property.

(c) No litigation or proceedings are pending or, to the best of Authority's knowledge, contemplated, threatened or anticipated, relating to the Development Property, or any portion thereof.

(d) Authority has no knowledge of any unrecorded agreements, undertakings or restrictions which affect the Development Property. There are no tenants, persons or entities occupying any portion of the Development Property and no claim exists against any portion of the Development Property by reason of adverse possession or prescription.

(e) To the best of Authority's knowledge: (i) there is no assessment payable in annual installments, or any part thereof, which has become a lien on the Development Property; and (ii) there is no obligation with respect to the Development Property for any assessment, annexation fee, payment, donation or the like, other than general real estate taxes, for schools, parks, fire departments or any other public facilities which are required to be made by the owner of the Development Property.

(f) To the best of Authority's knowledge, there are no wells on the Development Property within the meaning of Minnesota Statutes, Section 103I.235 and there is no sewage generated at the Development Property to be managed, and there is no individual sewage treatment system located on or serving the Development Property.

All representations and warranties made herein shall be deemed remade as of Closing and shall be true and correct as of Closing and shall be deemed to be material and to have been relied upon by the parties, notwithstanding any investigation or other act of Developer heretofore or

hereafter made, and shall survive Closing and execution and delivery of the deed.

Section 3.8. No Business Subsidy. The parties agree and understand that the purchase price payable by Developer for the Development Property is at least equal to the market value of such property, and that the conveyance described in this agreement does not constitute a “business subsidy” within the meaning of Minnesota Statutes, Sections 116J.993 to 116J.995. The Developer releases and waives any claim against the Authority and its governing body members, officers, agents, servants and employees thereof arising from application of the Business Subsidy Act to this Agreement, including without limitation any claim that the Authority failed to comply with the Business Subsidy Act with respect to this Agreement.

Notwithstanding the foregoing, the parties agree and acknowledge that the Authority is conveying the Development Property to the Developer for economic development purposes pursuant to the Act, and that job creation is a priority of such economic development. Therefore, the Developer agrees that within two (2) years after the date of this Agreement, the Developer agrees to (i) create or cause to be created five (5) full-time equivalent jobs on the Development Property, and (ii) cause the hourly wage of such jobs to be at least Fifteen Dollars (\$15.00), exclusive of benefits.

Section 3.9. Payment of Authority Costs. The Developer agrees that it will pay, within thirty (30) days after written notice from the Authority, the actual reasonable costs incurred and paid to third-party consultants and attorneys retained by the Authority in connection with the negotiation in preparation of this Agreement and other incidental agreements and documents related to the development contemplated hereunder, through the date of Closing or earlier termination of this Agreement as described hereinafter. The Authority will provide written reports and reasonable evidence of payment describing the costs accrued under this Section to Developer, but no more often than intervals of forty-five (45) days. The Authority acknowledges receipt of \$10,000 deposited by the Developer upon filing its letter of intent with the Authority, which will be credited to the Developer’s obligation under this Section. Upon termination of this Agreement by Developer, the Developer remains obligated under this section for such reasonable and actual third-party costs incurred by the Authority through the effective date of such termination.

## ARTICLE IV

### **Construction of Minimum Improvements**

Section 4.1. Construction of Minimum Improvements. The Developer agrees that it will construct the Minimum Improvements on the Development Property in accordance with the approved Construction Plans and will operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition, subject to the terms of this Agreement.

Section 4.2. Construction Plans.

(a) Before commencement of construction of the Minimum Improvements, Developer shall submit to the Authority Construction Plans. The Authority will approve such Construction Plans in writing if: (i) such Construction Plans conform to the terms and conditions of this Agreement; (ii) such Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (iii) such Construction Plans are adequate to provide for construction of the Minimum Improvements; (iv) the Construction Plans do not provide for expenditures in excess of the funds available to Developer for construction of the Minimum Improvements; and (v) no Event of Default has occurred. No approval by the Authority shall relieve Developer of the obligation to comply with the terms of this Agreement or of the Development Plan, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the Authority shall constitute a waiver of an Event of Default. If approval of the Construction Plans is requested by Developer in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the Authority, in whole or in part. Such rejections shall set forth in detail the reasons therefore, and shall be made within 30 days after the date of their receipt by the Authority. If the Authority rejects any Construction Plans in whole or in part, Developer shall submit new or corrected Construction Plans after written notification to Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the Authority. The Authority's approval shall not be unreasonably withheld, conditioned or delayed. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements, constructed in accordance with said plans) comply to the Authority's satisfaction with the provisions of this Agreement relating thereto.

The Developer hereby waives any and all claims and causes of action whatsoever resulting from the review of the Construction Plans by the Authority and/or any changes in the Construction Plans requested by the Authority, provided the Authority complies with its obligation to not unreasonably withhold, condition or delay such approval. Neither the Authority nor any employee or official of the Authority shall be responsible in any manner whatsoever for any defect in the Construction Plans or in any work done pursuant to the Construction Plans, including changes requested by the Authority.

(b) If Developer desires to make any material change in the Construction Plans after their approval by the Authority, Developer shall submit the proposed change to the Authority for its approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 of this Agreement with respect to such previously approved Construction Plans, the Authority shall approve the proposed change and notify Developer in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to Developer, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the notice of such change. The Authority's approval of any such change in the Construction Plans will not be unreasonably withheld, conditioned or delayed.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements within one

hundred twenty (120) days after Closing (the “Construction Commencement Deadline”), and use commercially reasonable and diligent efforts to substantially complete construction of the Minimum Improvements within 180 days following the Construction Commencement Deadline. All work with respect to the Minimum Improvements to be constructed on the Development Property shall substantially conform to the Construction Plans as submitted by Developer and approved by the Authority.

Developer agrees for itself, its successors and assigns, and every successor in interest to the Development Property, or any part thereof, that Developer, and such successors and assigns, shall promptly begin and diligently prosecute to completion the Development of the Development Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced within the period specified in this Section 4.3 of this Agreement. Subsequent to conveyance of the Development Property, or any part thereof, to Developer, and until construction of the Minimum Improvements has been completed, Developer shall make reports, in such detail and at such times as may reasonably be requested by the Authority, as to the actual progress of Developer with respect to such construction.

#### Section 4.4. Certificate of Completion.

(a) Promptly after substantial completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Developer to construct the Minimum Improvements (including the dates for beginning and completion thereof), the Authority will furnish the Developer with a Certificate of Completion in substantially the form provided in Schedule C. Such certification by the Authority shall be (and it shall be so provided in the deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in the deed with respect to the obligations of the Developer, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

(b) The certificate provided for in this Section 4.4 of this Agreement shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Property. If the Authority shall refuse or fail to provide any certification in accordance with the provisions of this Section 4.4 of this Agreement, the Authority shall, within thirty (30) days after written request by Developer, provide Developer with a written statement, indicating in adequate detail in what respects Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Authority, for Developer to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements shall be deemed to be commenced when the grading on the Development Property is substantially complete (as reasonably determined by the Authority Representative), and shall be deemed to be substantially

completed when Developer has received a certificate of occupancy issued by the City for the Minimum Improvements.

## ARTICLE V

### Insurance

#### Section 5.1. Developer Insurance.

(a) Developer will provide and maintain at all times during the process of constructing the Minimum Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the Authority, furnish the Authority with proof of payment of premiums on policies covering the following:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy.

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than \$1,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Workers' compensation insurance, with statutory coverage.

(b) The Developer and the Authority agree that all of the insurance provisions set forth in this Section shall terminate upon the Termination Date.

Section 5.2. Subordination. Notwithstanding anything to the contrary contained in this Article V, the rights of the Authority with respect to the receipt and application of any proceeds of insurance shall, in all respects, be subject and subordinate to the rights of any lender under a Mortgage approved pursuant to Article VII of this Agreement.

## ARTICLE VI

### Delinquent Taxes and Review of Taxes

Section 6.1. [Intentionally Omitted.]

Section 6.2. Review of Taxes. Developer agrees that, prior to the Termination Date, it will not apply for a deferral of property tax on the Development Property pursuant to any law, or

transfer or permit transfer of the Development Property to any entity whose ownership or operation of the property would result in the Development Property being exempt from real estate taxes under State law (other than any portion thereof dedicated or conveyed to the Authority in accordance with this Agreement).

## ARTICLE VII

### Financing

#### Section 7.1. Financing.

(a) Before conveyance of the Development Property, the Developer shall submit to the Authority evidence of one or more commitments for mortgage financing which, together with committed equity for such construction, is sufficient for the construction of the Minimum Improvements. Such commitments may be submitted as short term financing, long term mortgage financing, a bridge loan with a long-term take-out financing commitment, or any combination of the foregoing. Such commitment or commitments for short term or long term mortgage financing shall be subject only to such conditions as are normal and customary in the mortgage banking industry.

(b) If the Authority finds that the mortgage financing is sufficiently committed and adequate in amount to provide for the construction of the Minimum Improvements, then the Authority shall notify the Developer in writing of its approval. Such approval shall not be unreasonably withheld, conditioned or delayed and either approval or rejection shall be given within thirty (30) days from the date when the Authority is provided the evidence of financing. A failure by the Authority to respond to such evidence of financing shall be deemed to constitute an approval hereunder. If the Authority rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection. Approval of any subordination agreement under Section 7.3 hereof will constitute approval of financing for the purposes of this Section.

Section 7.2. Authority's Option to Cure Default on Mortgage. In the event that there occurs a default under any Mortgage on or prior to the Termination Date, Developer shall cause the Authority to receive copies of any notice of default received by Developer from the holder of such Mortgage. Developer will use its reasonable efforts to include in any Mortgage a provision that the Authority shall have the right, but not the obligation, to cure any such default on behalf of Developer within such cure periods as are available to Developer under the Mortgage documents. In the event there is an Event of Default under this Agreement, the Authority will transmit to the Holder of any Mortgage a copy of any notice of default given by the Authority pursuant to Article IX of this Agreement.

Section 7.3. Subordination and Modification for the Benefit of Mortgagee. In order to facilitate the Developer obtaining financing for construction of the Minimum Improvements according to the Construction Plans, the Authority agrees to subordinate its rights under this Agreement, including without limitation its rights of reversion under Sections 9.3 and 9.4 hereof, provided that (a) such subordination shall be subject to such reasonable terms and conditions as

the Authority and Holder mutually agree in writing, and (b) the Authority's obligation to subordinate is contingent on the Authority's approval of the financing in accordance with Section 7.1 hereof.

## ARTICLE VIII

### **Prohibitions Against Assignment and Transfer; Indemnification**

Section 8.1. Representation as to Development. Developer represents and agrees that its purchase of the Development Property or portions thereof, and its other undertakings pursuant to the Agreement, are, and will be used, for the purpose of Development of the Development Property and not for speculation in land holding.

Section 8.2. Prohibition Against Transfer of Property and Assignment of Agreement. Developer represents and agrees that until issuance of the Certificate of Completion for the Minimum Improvements:

(a) Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity (collectively, a "Transfer"), without the prior written approval of the Authority's board of commissioners unless Developer remains liable and bound by this Agreement, in which event, notwithstanding anything in this Agreement to the contrary, the Authority's approval is not required. The term "Transfer" does not include (i) encumbrances made or granted by way of security for, and only for, the purpose of obtaining construction, interim or permanent financing necessary to enable Developer or any successor in interest to the Development Property, or any part thereof, to construct the Minimum Improvements, or (ii) any lease, license, easement or similar arrangement entered into in the ordinary course of business related to operation of the Minimum Improvements. Prior approval by the Authority is not required for any Transfer: (1) to an Affiliate or the transfer of a member's interest in Developer to an Affiliate of the member so long as the proposed transferee expressly assumes the obligations of Developer or the original member; (2) that is involuntary resulting from the death or disability or parties in control of the members of Developer.

(b) If Developer seeks to effect a Transfer which requires the approval of the Authority prior to issuance of the Certificate of Completion for the Minimum Improvements, the Authority shall be entitled to require as conditions to such Transfer that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Authority, necessary and adequate to fulfill the obligations undertaken in this Agreement by Developer as to the portion of the Development Property to be transferred.

(ii) Any proposed transferee, by instrument in writing satisfactory to the Authority and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the Authority, have expressly assumed all of the obligations of Developer under this Agreement as to the portion of the Development Property to be transferred and agreed to be subject to all the conditions and restrictions to which Developer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Development Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the Authority) deprive the Authority of any rights or remedies or controls with respect to the Development Property or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the Authority of or with respect to any rights or remedies on controls provided in or resulting from this Agreement with respect to the Minimum Improvements that the Authority would have had, had there been no such transfer or change. In the absence of specific written agreement by the Authority to the contrary, no such transfer or approval by the Authority thereof shall be deemed to relieve Developer, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Development Property governed by this Article VIII, shall be in a form reasonably satisfactory to the Authority.

(c) If the conditions described in paragraph (b) are satisfied with regard to any Transfer requiring the approval of the Authority then the Transfer will be approved and Developer shall be released from its obligations under this Agreement, as to the portion of the Development Property that is transferred, assigned, or otherwise conveyed. The provisions of this paragraph (c) apply to all subsequent transferors, assuming compliance with the terms of this Article.

(d) Upon issuance of the Certificate of Completion for the Minimum Improvements, Developer may transfer or assign the Minimum Improvements and/or Developer's rights and obligations under this Agreement with respect to such property without the prior written consent of the Authority; provided that:

(i) until the Termination Date the transferee or assignee is bound by all Developer's obligations hereunder with respect to the property and rights transferred. Developer shall submit to the Authority written evidence of any such transfer or assignment, including the transferee or assignee's express assumption of Developer's

obligations under this Agreement. If Developer fails to provide such evidence of transfer and assumption, Developer shall remain bound by all obligations with respect to the subject property under this Agreement; and

(ii) upon compliance with clause (d)(i) above (whether the transfer occurred before or after issuance of the Certificate of Completion), Developer shall be released from its obligations under this Agreement with respect to the property transferred assigned or otherwise conveyed.

The provisions of this paragraph (d) apply to all subsequent transferors, assuming compliance with the terms of this Article.

Section 8.3. Release and Indemnification Covenants. (a) Developer releases from and covenants and agrees that the Authority and the governing body members, officers, agents, servants and employees thereof (the “Indemnified Parties”) shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the operation of the Minimum Improvements.

(b) Except for any negligence of the following named parties and any claim as to the legal authority of the Authority to perform as required by this Agreement, Developer agrees (if timely tendered by the Authority to Developer) to protect and defend the Indemnified Parties, now or forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever to the extent caused by the construction, installation, and operation of the Minimum Improvements.

(c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of Developer or its officers, agents, servants or employees or any other person who may be about the Development Property or Minimum Improvements due to any act of negligence of any person.

(d) All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any governing body member, officer, agent, servant or employee of the Authority in the individual capacity thereof.

## ARTICLE IX

### Events of Default

Section 9.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any failure by any party, following notice and cure periods described in Section 9.2 hereof, to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement or under

any other agreement entered into between Developer and the Authority in connection with development of the Development Property.

Section 9.2. Remedies on Default. Whenever any Event of Default referred to in Section 9.1 of this Agreement occurs, the non-defaulting party may exercise its rights under this Section 9.2 after providing thirty days written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty days or, if the Event of Default is by its nature incurable within thirty days, the defaulting party does not provide assurances reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

- (a) Suspend its performance under the Agreement until it receives assurances that the defaulting party will cure its default and continue its performance under the Agreement.
- (b) Cancel and rescind or terminate the Agreement.
- (c) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

Section 9.3. Revesting Title in Authority Upon Happening of Event Subsequent to Conveyance to Developer. In the event that subsequent to conveyance of the Development Property to Developer and prior to completion of construction of the Minimum Improvements (evidenced by a Certificate of Completion described in Section 4.4):

- (a) Developer, subject to Unavoidable Delays, shall fail to begin construction of the Minimum Improvements by the Construction Commencement Deadline and such failure to begin construction is not cured within 90 days after written notice from the Authority to Developer to do so; or
- (b) Developer fails to pay real estate taxes or assessments on the parcel or any part thereof when due, or creates, suffers, assumes, or agrees to any encumbrance or lien on the parcel (except to the extent permitted by this Agreement), or shall suffer any levy or attachment to be made, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the Authority made for such payment, removal, or discharge, within thirty (30) days after receipt of written demand by the Authority to do so; provided, that if Developer first notifies the Authority of its intention to do so, it may in good faith contest any mechanics' or other lien filed or established and in such event the Authority shall permit such mechanics' or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal and during the course of such contest Developer shall keep the Authority informed respecting the status of such defense; or
- (c) there is, in violation of the Agreement, any Transfer of the parcel in violation of the terms of Section 8.2, and such violation is not cured within sixty (60) days after written demand by

the Authority to Developer, or if the event is by its nature incurable within 60 days, Developer does not, within such 60-day period, provide assurances reasonably satisfactory to the Authority that the event will be cured as soon as reasonably possible; or

(d) Developer fails to comply with any of its other covenants under this Agreement related to the Minimum Improvements and fails to cure any such noncompliance or breach within thirty (30) days after written demand from the Authority to Developer to do so, or if the event is by its nature incurable within 30 days, Developer does not, within such 30-day period, provide assurances reasonably satisfactory to the Authority that the event will be cured as soon as reasonably possible; or

(e) the Holder of any Mortgage secured by the subject property exercises any remedy provided by the Mortgage documents or exercises any remedy provided by law or equity in the event of a default in any of the terms or conditions of the Mortgage, in either case which would materially adversely affect the rights and obligations of the Authority hereunder,

Then the Authority shall have the right to re-enter and take possession of the parcel to which the default relates and to terminate (and revert in the Authority) the estate conveyed by the deed to Developer as to that parcel, subject to all intervening matters, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the parcel to Developer shall be made upon, and that the deed shall contain a condition subsequent to the effect that in the event of any default on the part of Developer and failure on the part of Developer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the Authority at its option may declare a termination in favor of the Authority of the title, and of all the rights and interests in and to the parcel conveyed to Developer, and that such title and all rights and interests of Developer, and any assigns or successors in interest to and in the parcel, shall revert to the Authority, but only if the events stated in Section 9.4(a)-(e) have not been cured within the time periods provided above. Notwithstanding anything to the contrary herein, in the event the Development Property have been replatted as part of other parcels as of the date of the Authority's exercise of its rights under this Section, Developer will cooperate with the Authority in obtaining any subdivision necessary to revert in the Authority title to the applicable Authority Parcel.

Section 9.4. Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in the Authority of title to and/or possession of the parcel or any part thereof as provided in Section 9.3, the Authority shall, pursuant to its responsibilities under law, use its best efforts to sell the parcel or part thereof as soon and in such manner as the Authority shall find feasible and consistent with the objectives of such law and of the Development Plan to a qualified and responsible party or parties (as determined by the Authority) who will assume the obligation of making or completing the Minimum Improvements as shall be satisfactory to the Authority in accordance with the uses specified for such parcel or part thereof in the Development Plan. During any time while the Authority has title to and/or possession of a parcel obtained by reverter, the Authority will not disturb the rights of any tenants under any leases encumbering such parcel. Upon resale of the parcel, the proceeds thereof shall be applied:

(a) First, to reimburse the Authority for all costs and expenses reasonably incurred by them, including but not limited to salaries of personnel, in connection with the recapture,

management, and resale of the parcel (but less any income derived by the Authority from the property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the parcel or part thereof (or, in the event the parcel is exempt from taxation or assessment or such charge during the period of ownership thereof by the Authority, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the Authority assessing official) as would have been payable if the parcel were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the parcel or part thereof at the time of revesting of title thereto in the Authority or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the subject improvements or any part thereof on the parcel or part thereof; and any amounts otherwise owing the Authority by Developer and its successor or transferee; and

(b) Second, to reimburse Developer, its successor or transferee, up to the amount equal to (1) the purchase price paid by Developer under Section 3.2 with respect to the parcel revested; plus (2) the amount actually invested by it in making any of the subject improvements on the parcel or part thereof.

Any balance remaining after such reimbursements shall be retained by the Authority as its property.

Section 9.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority or Developer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.6. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

## ARTICLE X

### Additional Provisions

Section 10.1. Conflict of Interests: Authority Representatives Not Individually Liable. The Authority and Developer, to the best of their respective knowledge, represent and agree that no member, official, or employee of the Authority shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects their personal interests or the interests of any

corporation, partnership, or association in which they are, directly or indirectly, interested. No member, official, or employee of the Authority shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the Authority for any amount which may become due to Developer or successor or on any obligations under the terms of the Agreement.

Section 10.2. Equal Employment Opportunity. Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in the Agreement it will comply with all applicable federal, state and local equal employment and non-discrimination laws and regulations.

Section 10.3. Restrictions on Use. Developer agrees that until the Termination Date, Developer, and such successors and assigns, shall devote the Development Property to the operation of the Minimum Improvements for uses described in the definition of such term in this Agreement, and shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 10.4. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 10.5. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by any party to the others shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of Developer, is addressed to or delivered personally to Developer at VCV Digital Infrastructure Minnesota LLC, 1540 Broadway, 10th Floor, New York, NY 10036; and

(b) in the case of the Authority, is addressed to or delivered personally to the Authority at the Brainerd Economic Development Authority, 501 Laurel Street, Brainerd, Minnesota 56401, Attn: Executive Director, or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the others as provided in this Section.

Section 10.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.8. Recording. The Authority may record this Agreement and any amendments thereto with the Crow Wing County recorder. Developer shall pay all costs for recording.

Section 10.9. Amendment. This Agreement may be amended only by written agreement approved by the Authority and Developer.

Section 10.10. Authority Approvals. Unless otherwise specified, any approval required by the Authority under this Agreement may be given by the Authority Representative.

Section 10.11. Termination. This Agreement terminates on the earliest of (i) cancelation as provided in Article III hereof; (ii) termination following an uncured Event of Default following written notice thereof; or (iii) expiration of the initial 2-year term of the Utility Agreement, without regard to any extension or renewal thereof (the "Termination Date").

Section 10.12. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 10.13. Good Faith. Each party shall act in good faith and in a commercially reasonable manner with respect to any matter contemplated by this Agreement, including, without limitation, approving or disapproving any request, including any request for approval of plans.

Section 10.14. Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby. Once this Agreement is terminated, Developer and the Authority shall enter into a recordable "Memorandum of Termination" which shall confirm that Developer has satisfied its obligations under this Agreement, shall state the date this Agreement was terminated, and confirm this Agreement no longer affects the Development Property. If the Authority fails to execute and return the Memorandum of Termination within thirty (30) days of the date Developer sent notice of such request, then without limitation to any rights or remedies of Developer, Developer shall have the right to execute and record the Memorandum of Termination evidencing the same.

(The remainder of this page is intentionally blank; signature pages follow.)





**SCHEDULE A**

**DEVELOPMENT PROPERTY**

Lot 1, Blocks 2 and 3; Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota

## SCHEDULE B

### FORM OF QUIT CLAIM DEED

THIS INDENTURE, between Brainerd Economic Development Authority, a public body corporate and politic (the “Grantor”), and VCV Digital Infrastructure Minnesota LLC, a Delaware limited liability company (the “Grantee”).

WITNESSETH, that Grantor, in consideration of the sum of \$\_\_\_\_\_ and other good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, quitclaim and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Crow Wing and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the “Property”):

Lot 1, Blocks 2 and 3; Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

#### SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded herewith entered into between the Grantor and Grantee on the 3rd day of March, 2022, identified as “Purchase and Development Contract” (hereafter referred to as the “Agreement”) and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record. This provision, however, shall in no way prevent the Grantee from mortgaging this Property in order to obtain funds for the purchase of the Property hereby conveyed or for erecting the Minimum Improvements thereon (as defined in the Agreement) in conformity with the Agreement, any applicable development program and applicable provisions of the zoning ordinance of the City of Brainerd, Minnesota, or for the refinancing of the same.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the Development of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certifications and such determination shall not constitute evidence of compliance with

or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, or Registrar of Titles, Crow Wing County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

## SECTION 2.

The Grantee's rights and interest in the Property are subject to the terms and conditions of Section 9.3 of the Agreement relating to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.

## SECTION 3.

The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with all provisions of the Agreement that relate to the Property or use thereof for the periods specified in the Agreement, including without limitation the covenant set forth in Section 10.3 thereof.

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land for the respective terms herein provided, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall

not have any right to re-enter the Property or re-vest in the Grantor the estate conveyed by this Deed on grounds of Grantee's failure to comply with its obligations under this Section 3.

SECTION 4.

This Deed is also given subject to:

(a) Provision of the ordinances, building and zoning laws of the City of Brainerd, and state and federal laws and regulations in so far as they affect this real estate.

(b) [Other encumbrances if applicable]

Grantor certifies that it does not know of any wells on the Property.



**SCHEDULE C**

**CERTIFICATE OF COMPLETION**

WHEREAS, the Brainerd Economic Development Authority, a public body corporate and politic (the “Grantor”), by a Deed recorded in the Office of the County Recorder for the County of Crow Wing and State of Minnesota, as Deed Document Number \_\_\_\_\_, has conveyed to VCV Digital Infrastructure Minnesota LLC (the “Grantee”), the following described land in County of Crow Wing and State of Minnesota, to-wit:

Lot 1, Blocks 2 and 3; Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota

and

WHEREAS, said Deed contained certain covenants and restrictions set forth in Sections 1 and 2 of said Deed; and

WHEREAS, said Grantee has performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification;

NOW, THEREFORE, this is to certify that all building construction and other physical improvements specified to be done and made by the Grantee have been completed and the above covenants and conditions in said Deed and the agreements and covenants in Article IV of the Agreement (as described in said Deed) have been performed by the Grantee therein, and the County Recorder for the County of Crow Wing and State of Minnesota is hereby authorized to accept for recording and to record, the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of Article IV of the Agreement, but the covenants created by Sections 3 and 4 of said Deed shall remain in full force and effect.

Dated: \_\_\_\_\_, 20\_\_.

BRAINERD ECONOMIC DEVELOPMENT  
AUTHORITY

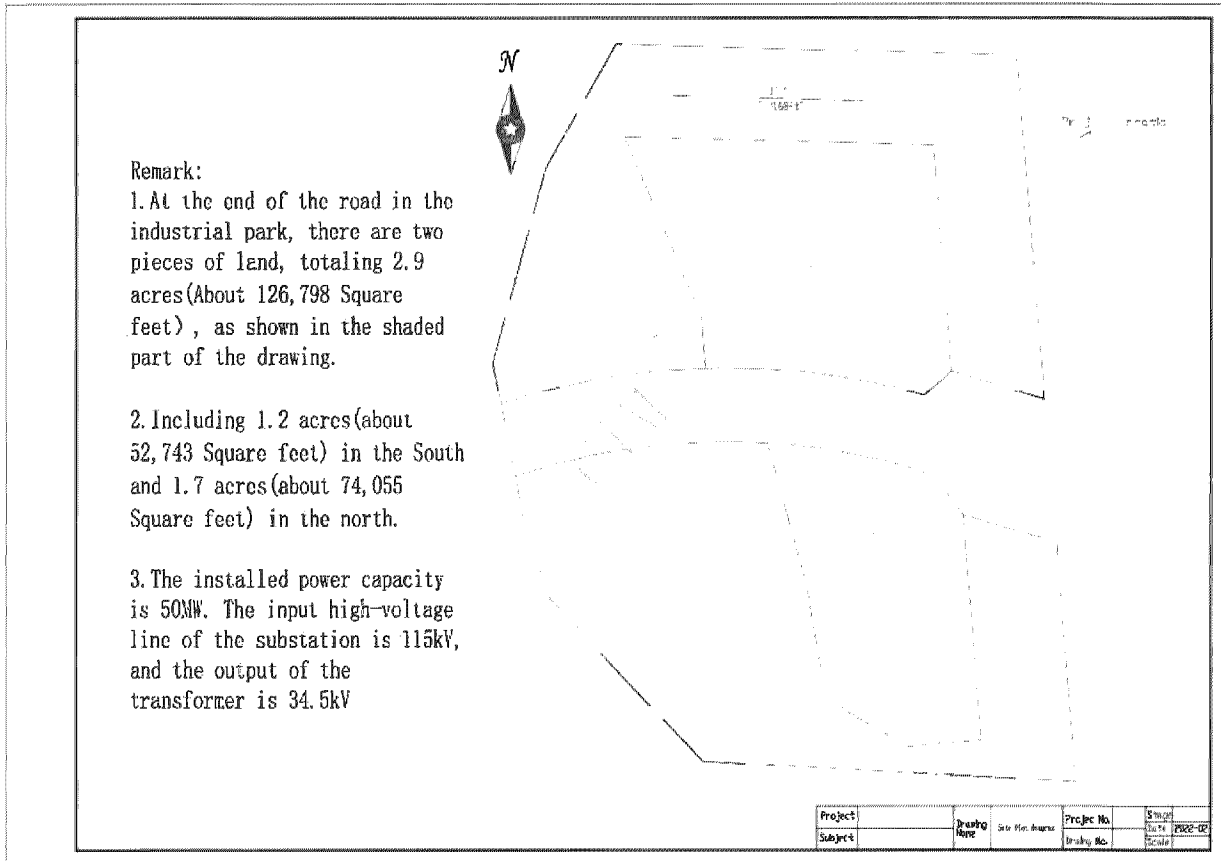
By \_\_\_\_\_  
Authority Representative

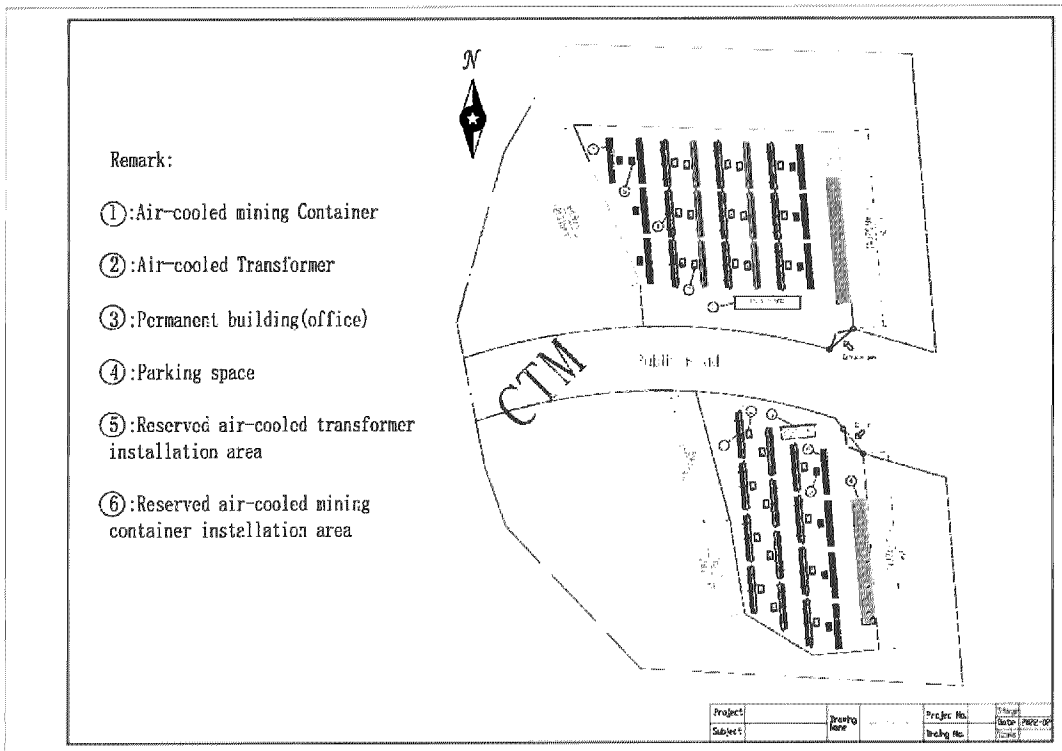
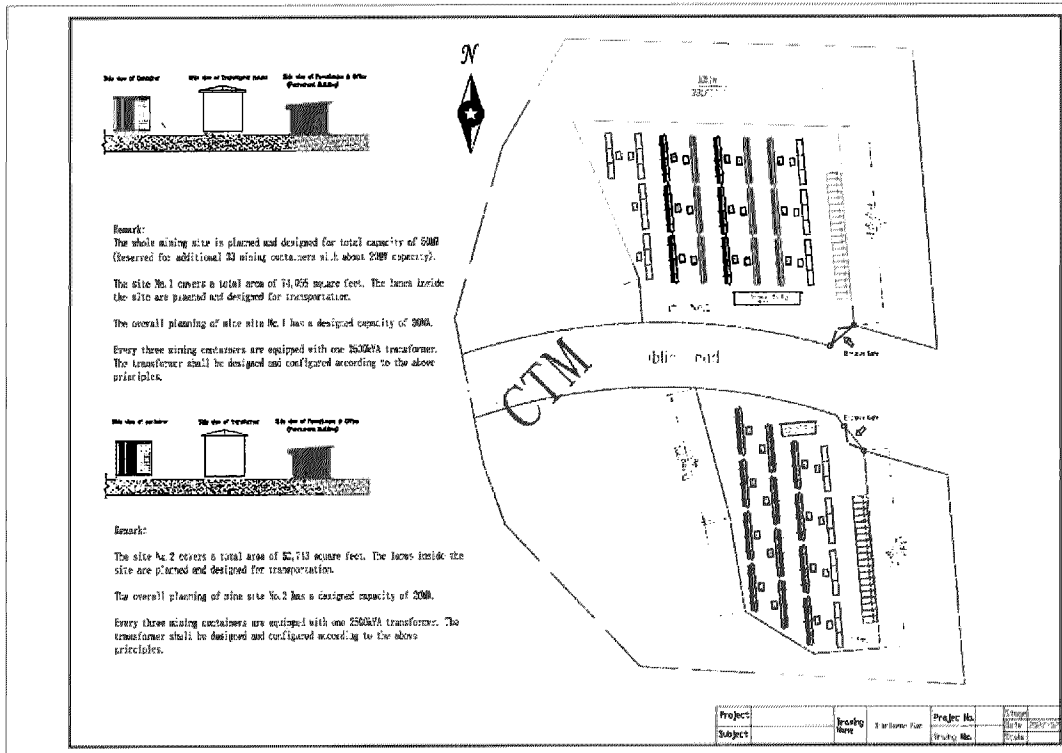
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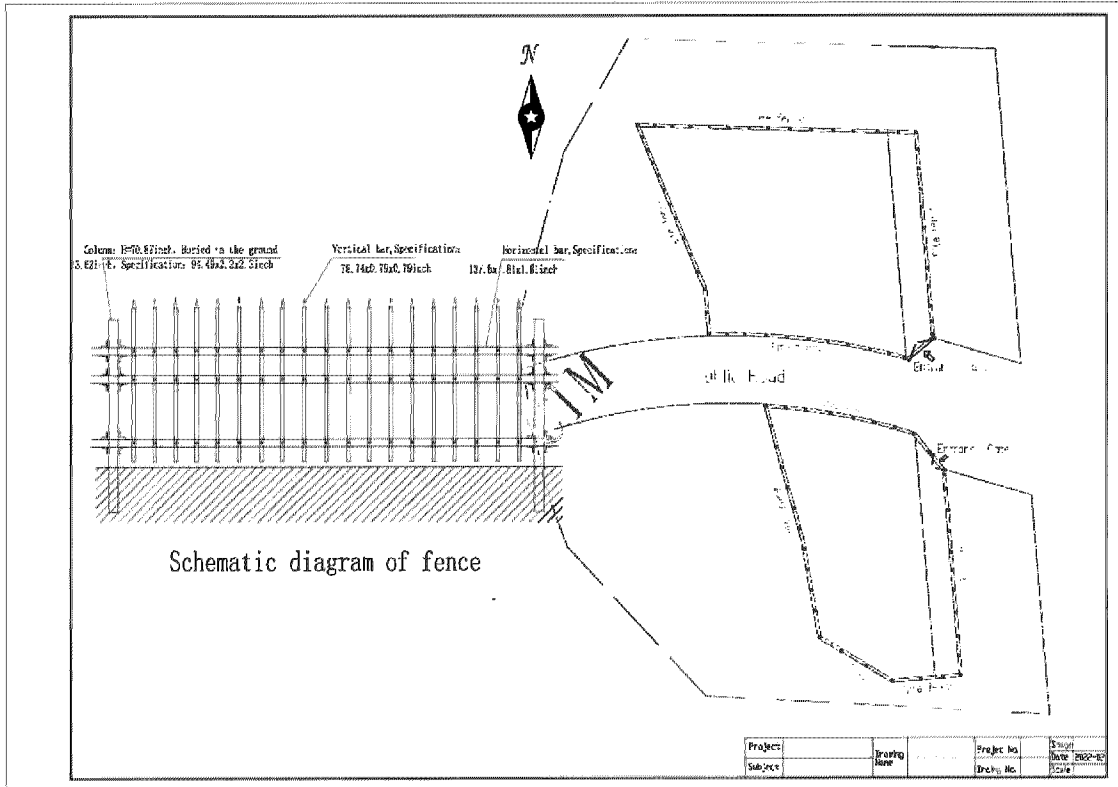
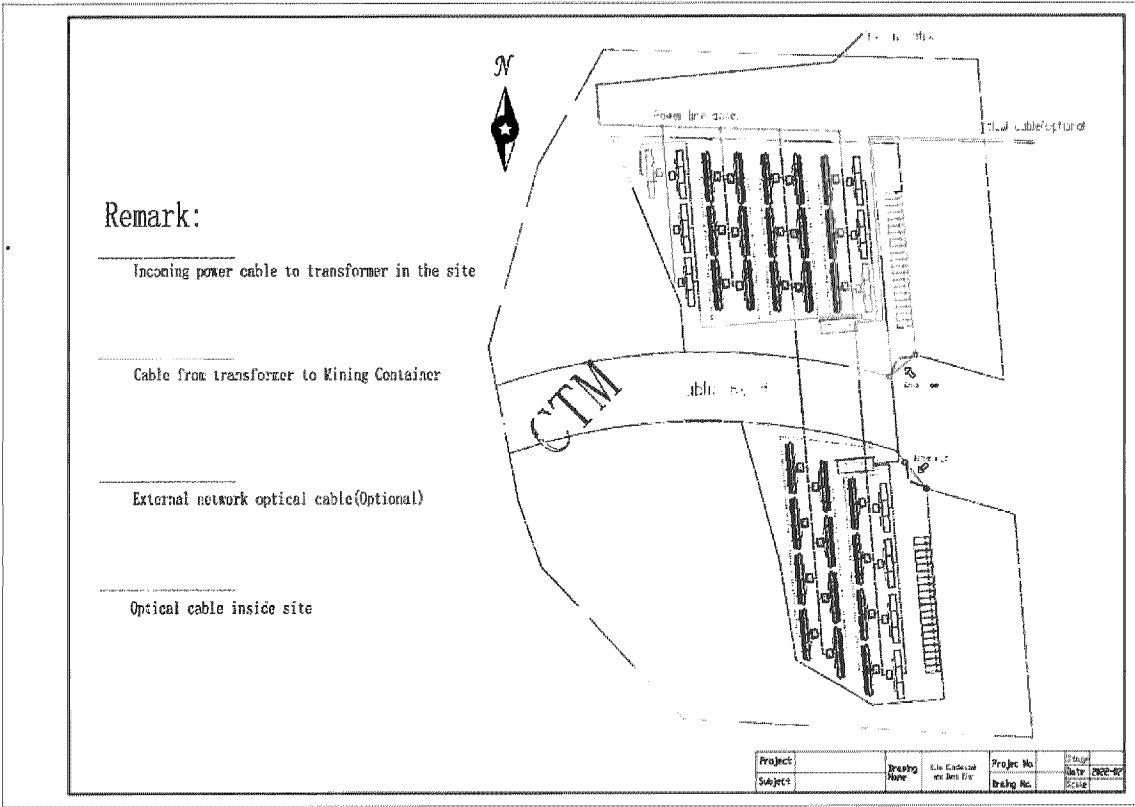
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Minneapolis, Minnesota 55402  
(612) 337-9300

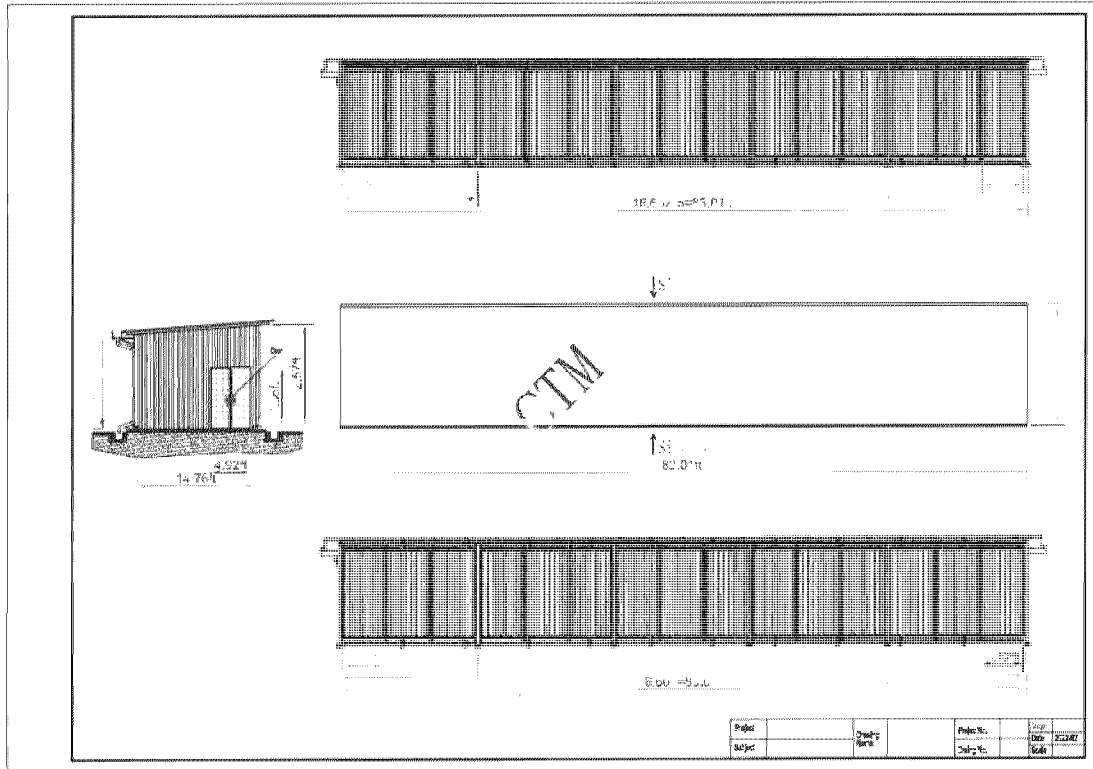
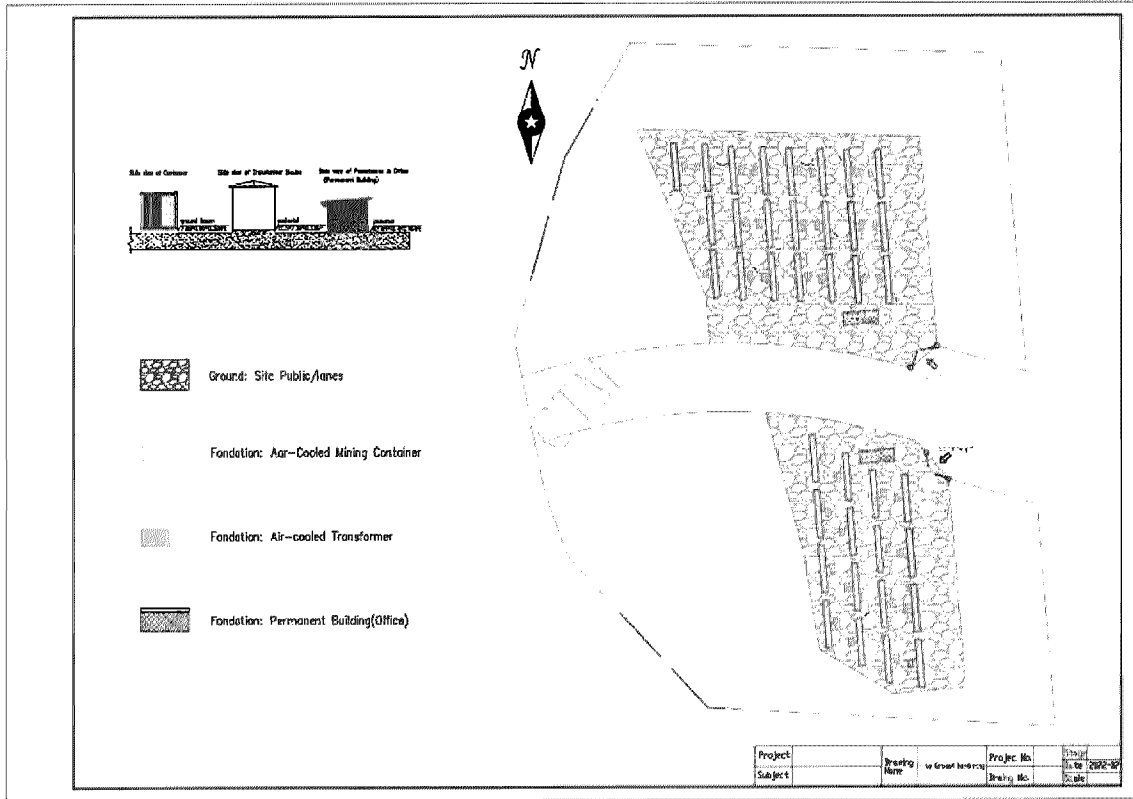
## SCHEDULE D

### MINIMUM IMPROVEMENTS











## MEMO

To: Members of Brainerd EDA

CC: James Kramvik, Community Development Director

From: Jennifer Haskamp, AICP, SHC

Date: June 2, 2025

RE: Property Listing Portal – Template for Discussion

As part of SHC's 2025 scope of services we have been working with the Staff to develop an online real estate listing platform that will be housed on the new EDA website. Some of the objectives of the listing portal are to:

- Create a centralized listing location for properties for sale or for lease by the EDA/City.
- In addition to City/EDA owned properties, allow for the public (including other real estate agencies, brokers and private property owners) to list properties for sale or for lease.
- Make it easier for the development and real estate community to find opportunities in Brainerd.
- Provide links to active listings that summarize information and provide contact information quickly without having to visit multiple websites.

In addition to the objectives identified, SHC also reached out to some of our land use/real estate attorney contacts to solicit feedback on the best way to manage this information since the 'listing' activities are governed by the State when performed by licensed brokers/real estate agents. The advice we received was to ensure that listings provided by the public (that is, not the City or the EDA) are wholly their own and that disclaimers are presented on the portal. For example, the listing contact information, any description, etc., should be provided by the owner and the City/EDA should not modify or edit the text. Additionally, there should be a period of time in which the listing is "active" and should be removed within a certain amount of time. Further, the responsibility should be placed on the lister/entity that they are responsible for letting us know that the property is no longer available due to sale or being taken off the market.

Keeping these objectives in mind, SHC has prepared a draft listing portal and GIS interface for the listings that we will show/present at the EDA meeting. The platform that we have developed could be managed by the EDA, City, or SHC, or some combination or timing for transition. At the moment, it is currently hosted on the Brainerd EDA page on the Kamp website. While this does not need to be determined immediately, it is something to keep in mind as the project moves forward.

# MEMO

**To:** James Kramvik and Brainerd EDA Members

**From:** Mary Devine Johnson, Visit Brainerd

**Date:** May 30, 2025

**Re:** Marketing Strategy for the EDA Website and Available Properties

**Requested Action:** Review and provide input on the highlighted sections; Mary will review at the Consultants meeting too and ask for feedback.

---

## Goal

To position Brainerd as a prime destination for business development, investment, and expansion by leveraging its available vacant land, infrastructure, and quality of life.

### 1. Target Audiences

- Commercial & Industrial Developers & Builders
- Entrepreneurs & Startups
- Regional/National Site Selectors
- Remote Workers Seeking Relocation
- Local Investors & Business Owners

### 2. Key Messaging Pillars

1. Location Advantage: Proximity to major highways, central MN location, access to rail, and short drive to the Twin Cities.
2. Quality of Life: Natural beauty, recreational opportunities, low cost of living.
3. Workforce & Education: Access to Central Lakes College, workforce training programs, and a skilled labor pool.
4. Business-Friendly Climate: Incentives, supportive local government, and low development costs.
5. Available Land: Ready-to-develop commercial, light industrial, and mixed-use land.

### 3. Website Strategy & Content Plan

1. Develop & maintain “[Property Listings](#)” Page — Accessible from the “Development Opportunities” button on the homepage; a prominent, dedicated section on the EDA site for marketing vacant land.
  - a. Completed—Currently a list of properties with parcel highlights, spec sheets and contact information provided by Swanson-Haskamp.
  - b. Ideas to Consider Incorporating; may require prioritization and additional funds for 2026.
    - i. Interactive Map with available parcels (filters for zoning, acreage, utilities)
    - ii. Searchable Property Database
    - iii. Drone Footage/Photos of key parcels
2. Content Marketing—Activate the Blog section of the website; review the suggested list of ideas and provide feedback on the 03-27-2025 Memo (HERE).
  - a. Build content around the following:
    - i. Properties Available for Sale in 2025
    - ii. Shovel Ready Industrial Property Incentive
    - iii. Discover What’s Different
    - iv. Making Brainerd Brighter
  - b. Video Testimonials: Business owners and developers share why they chose Brainerd.
3. SEO Optimization
  - a. Keywords strategy: Targeting growing industrial businesses in the Upper Midwest who are searching for development opportunities.
  - b. Local Schema Markup
  - c. Regular updates to keep Google indexing fresh

### 4. Promotion Strategy

- A. Digital Advertising
  - a. LinkedIn Ads targeting site selectors, developers, commercial real estate professionals
  - b. Google Display Network ads targeting regional business interests
- B. Direct Mail or Email Campaigns
  - a. EDA Newsletter or Lead Generation Piece for developers, brokers, and civic partners
  - b. Welcome Campaign for those who request info or download a land packet

- c. Share updates about infrastructure upgrades, shovel-ready sites, new incentives

#### **C. Trade Show & Partner Outreach (TBD)**

- a. Attend MNCAR, EDA conferences, and site selector summits
- b. Build relationships with realtors, developers, and brokers
- c. Co-market with BLAEDC to highlight the area holistically

### **5. Local Engagement & Support (TBD)**

- A. Host Developer Roundtables: Bring in local and regional developers to discuss opportunities and barriers.
- B. City-wide Ambassadorship Program: Empower local businesses to help tell the Brainerd story.
- C. Vacant Land Signage: Add QR codes on on-site signage linking to parcel pages.

### **6. Measurement & KPIs**

- A. Website: Page views, contact form submissions, time on site
- B. Leads: Number of direct inquiries about land
- C. Conversion: Parcels sold or under contract
- D. Engagement: Social shares, blog readership, newsletter open rates

# MEMO

**To:** James Kramvik and Brainerd EDA Members

**From:** Mary Devine Johnson, Visit Brainerd

**Date:** March 27, 2025

**Re:** Brainerd EDA Blog

**Action Requested:** Suggestions for People/Businesses/Topics to Feature on the Website Blog

**Requested Response Date:** April 30, 2025

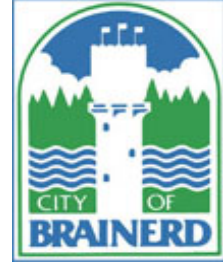
We are ready to activate the Blog tab of the Brainerd EDA website, but it needs content. Per Visit Brainerd’s 2025 contract, I will produce 12 blogs for the website, and I would like your recommendations for people, businesses and topics to feature. The main things to keep in mind is how these blogs will support the goals in the 2025 Framework and tell the story of economic development in Brainerd. The four main blog categories are set but the subjects/people to feature within each category are where I need your help.

1. Properties Available for Sale in 2025
2. Shovel Ready Industrial Property Incentive
3. Vacant Property Master Planning
4. Discover What’s Different
  - a. Redevelopment of NPC
  - b. Downtown Businesses
  - c. Country Manor
  - d. Deed Main Street Grant Highlights
    - i. Childcare Featured Project: YMCA
    - ii. Housing Featured Project: Habitat – 1108 Oak Street
    - iii. Business Improvement Featured Project: Severson Porter
    - iv. Business Improvement Featured Project: Lakes Area Chiropractic
    - v. Business Improvement Featured Project: B Johnson
  - e. Facade Grant Highlights
    - i. Brekkens - 623 Laurel St
    - ii. Pearl Swan, LLC – 823 Washington St

iii. Rage Holdings LLC – 1109 Oak St

5. Making Brainerd Brighter: Featuring the people/businesses making major contributions to economic development in Brainerd.
  - a. Mike Higgins (NPC and BIC but maybe he's covered in the "Discover What's Different" section)
  - b. Cloughs / Just For Krypto (Industrial Park development)
  - c. Rosalini's Pizza (New business)
  - d. Czeok's / Mickey's Pizza (Multi-generation business story)
  - e. Pueringer Properties (Building rehabilitation)
  - f. Brekken's (Move back downtown)
  - g. Business Visits/Tours Recap?
  - h. Childcare Tours/ Recap
  - i. Chick N Rice/ Drunken Noodle/ Blue Oyster
  - j. Advantage Home Pros (Industrial Park development)

# MEMO



**TO:** EDA Board of Commissioners  
**FROM:** Connie Hillman, City of Brainerd Finance Director  
**DATE:** June 2, 2025  
**RE:** 2026 EDA Fund Preliminary Levy Request

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The preliminary levy needs to be set by the City Council by September 30, 2025. Since the next regular scheduled EDA meeting is not until September 4th, this item is on the June meeting.

What the Council needs at this point from the EDA Board is the preliminary EDA tax levy request. How the EDA proposes to spend the funds by line item can be determined in the upcoming months.

Historically, the EDA Board has requested the maximum allowed by state statute (469.107 s.1). For 2026, this amount is \$223,309. It is .01813% of the previous years estimated market value of the City which was \$1,231,710,400. For reference the maximum EDA levy for 2025 was \$214,612, which was set at \$186,812. This was same amount/maximum allowed by state statute for pay year 2024. With a levy of \$186,812 for 2025, budgeted revenues are to exceed budgeted expenditures by \$4,770.

The City's final levy, set in December, can be lower than, but not higher than the preliminary levy set in September.

**Action Requested:**

Set the preliminary EDA tax levy request that will be forwarded to the City Council.



## MEMO

To: Members of Brainerd EDA

CC: James Kramvik, Community Development Director

From: Jennifer Haskamp, AICP,  
Kamp Real Estate & Development

Date: June 2, 2025

RE: Letter of Intent (LOI) for Lots 1-3 Block 5, Thiesse Industrial Park

As the EDA is aware, Kamp has actively been marketing the Thiesse Industrial Park lots for the past several months. Since the new year, we have received four serious buyer inquiries, some of which have moved on, and others that are in various stages of due diligence. We received a formal Letter of Intent (LOI) from River Birch Investments, LLC who is partnered with Central Minnesota Dermatology, an existing local dermatology business. They are interested in the \$1/acre incentive program which would allow them to build and develop a new dermatology clinic on Lots 1, 2 and 3 of Block 5. (The LOI will be sent to EDA members under separate cover.)

Kamp has been working with their Administrator for the past couple of months as they worked through initial site due diligence. It is our understanding that they have completed a significant amount of due diligence including site visits, initial site planning, building design and space programming and have determined that the Thiesse lots would be a great fit for their future operations.

Their LOI provides an overview of their interest, current and future plans for development of the lots. They have expressed a strong desire to stay in Brainerd and are excited for the opportunity to build a new facility. We are excited to bring this offer forward, and look forward to working with River Birch Investments, the EDA and City Council to bring this project to fruition. Next steps include:

- EDA and City Council acceptance of the LOI
- Update Table of Uses to allow medical uses in the industrial zoning districts
- Buyer provides necessary security to initial Purchase and Development Agreement (PDA) process
- Purchase and Development Agreement for Lots 1, 2, and 3, Block 5 Thiesse Industrial Park