



ECONOMIC DEVELOPMENT AUTHORITY AGENDA

City of Brainerd, Minnesota
City Hall, 501 Laurel Street, Council Chambers
Thursday, March 5, 2026 @ 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**

___J. Grecula ___G. Johnson ___M. Kirsch ___M. O'Day ___K. Yeager __VACANT __VACANT

3. **Annual Meeting**

A. **Elect Chair, Vice Chair, and Secretary**

B. **Approve Consultant Liaison**

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

5. **Consent Calendar**

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

A. **Approval of Minutes**

B. **Financial Reports**

C. **Swanson Haskamp Report**

D. **DDBC Report**

E. **Visit Brainerd Report**

6. **Unfinished Business**

A. **Central MN Dermatology - Extend Development District 2, Purchase and Development Agreement, and Convey Property**

B. **Washington Street Mitigation Plan - Proposal and Agreement**

C. **CMHP Wright Street Development Proposal**

- D. **Facade and Sign Grant - Approve Grant and BLAEDC Contract**
- 7. **New Business**
 - A. **Agenda for April EDA Workshop**
- 8. **Staff Reports**
(Verbal: Any Updates since Packet)
- 9. **Commission Member Reports**
- 10. **Adjourn**

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MISSION

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

BRAINERD ECONOMIC DEVELOPMENT AUTHORITY
Thursday, December 4th, 2025, 7:30 a.m.
City Hall Council Chambers

Pursuant to due call and notice thereof, Commissioner O'Day (Acting Chair) called the regular meeting of the Brainerd Economic Development Authority to order at 7:30 a.m.

Upon roll call Commissioners Justin Grecula, Gabe Johnson, Marie Kirsch, and Mike O'Day were noted as present.

Consultants Tyler Glynn, BLAEDC, Jennifer Haskamp, Swanson-Haskamp Consulting & Kamp Real Estate, and Mary Devine-Johnson, Visit Brainerd were noted as present. Staff present were Executive Director Kramvik, Administrator Broyles, Finance Director Hillman, and HRA Director Charpentier.

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND GRECULA, DULY CARRIED, TO APPOINT COMMISSIONER O'DAY AS THE ACTING CHAIR FOR THE MEETING.

Approval of Agenda

MOVED AND SECONDED BY COMMISSIONERS GRECULA AND JOHNSON, DULY CARRIED, TO APPROVE THE AGENDA MOVING THE PROPOSED SIGNAGE AND FAÇADE GRANT REVIEW BEFORE THE YEAR END REPORTS.

Consent Calendar

Approval of Minutes

Financial Reports

EDA Priorities Update

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

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

Unfinished Business

Washington Street Mitigation Plan Update

Matt Killian, Brainerd Lakes Chamber Executive Director, gave an overview of the plan and budget for the 2026/2027 Washington Street Reconstruction. He assured the board that mitigation plan is for all businesses, not just Chamber Businesses. The mitigation plan's goal is to establish a positive narrative that reflects the future growth of the community that will result from the project. This proposal is complimentary to what the MnDOT consultant will be doing as a part of the project. The Chamber will be holding two public meetings for businesses and to introduce the mitigation plan and do brainstorming with the businesses to prioritize plans.

Commissioner O'Day asked about specific events that may be planned. He hopes that funds can be gathered to be able to pull this plan off. He also likes that the narrative will be painted positively.

Mr. Killian stated that the events that they will ideally be looking at are decentralized events that incentivize people to visit the various businesses.

Consider CMHP Wright Street Development Proposal

HRA Executive Director Charpentier reminded the EDA that the HRA had proposed developing the Wright Street extension in the Industrial Park. He stated that the Central Minnesota Housing Partnership has progressed their interest.

Deanna Hemmesch, Central Minnesota Housing Partnership Executive Director, gave an overview of the proposal to develop on Wright Street.

Commissioner Johnson stated that the parcel is 26 acres. He questioned whether the commission would develop the entire 26 acres.

Ms. Hemmesch explained that the proposed building presented is about 4 acres, but they have plans to develop the rest of the property.

HRA Executive Director Charpentier stated that the HRA would be looking at the parcel eventually being conveyed to the HRA and have a phase two to develop single family housing.

Commissioner Johnson stated that he would like to see only part of the land conveyed for the property to prevent having land that is conveyed to the HRA and vacant. He is hesitant to tie up more land if the City already has a project that it also wants to get funded.

Commissioner O'Day stated that he doesn't want to slam the door shut on this project, but he questions the location. He knows that there are other industrial lots and questions housing as a use. He stated that he is hesitant to reserve 26 acres for a 4 acre development.

Jennifer Haskamp, Kamp Realty, stated that she has had interest, but not serious interest. The Thiesse lots have been more attractive because they are shovel ready. She stated that Swanson-Haskamp did produce a mixed-use concept plan for this area. There would need to be a noise assessment because of the data centers on Wright Street if the use were to be residential. She stated having garages near the data center may be helpful as a buffer.

Commissioner Grecula stated he is supportive of three- and four-bedroom apartments. He questioned how long these parcels have been available now and does not believe that another three years would be detrimental. This may not be the best location for housing, but it is a location.

Executive Director Kramvik stated that the City does not have parcels this large, but there would be private property owners.

Ms. Hemmesch stated that they have worked with private property owners, but it gets more expensive that way. Having the City convey land also makes the application for funding more viable as it shows investment.

Executive Director Kramvik stated that the EDA could hold only a portion of the property in the future if the EDA is interested in seeing more development of a plan. This property is a part of the brokerage agreement renewal.

HRA Executive Director Charpentier stated that this was a way to introduce the plan to the EDA.

Commissioner O'Day stated that he would be more comfortable holding only a portion of the property and looking into other properties that make more sense.

Consider Brokerage Agreement Extension with Kamp Realty

Executive Director Kramvik stated that this is a renewal of the agreement. The Council previously removed the Annex from the agreement and will be adding another property along County Road 45.

Jennifer Haskamp, Kamp Real Estate, stated that the intent is to establish a new contract to align the agreement with the shared services agreements. This contract incorporates the addendums from the previous agreement into the master agreement. The contract is an exclusive right to sell the properties included, which is why she thought it was important to speak separately on the agreement and the previous item. Staff and her as the consultant spoke about whether there was a way to build the HRA in as an exception to the exclusive right to sell. She stated that making an exception would get quite messy and with the way that everything transpired, she is not comfortable as a licensed broker trying to figure out the logistics. She suggests developing a legal description for this part of the parcel to exclude from the contract and then list the rest of the property. The idea of listing the entire property, while the HRA is pursuing a different path is quite difficult. Kamp has already been marketing this property as a mix of different uses. The agreement currently excludes the entire parcel, but the portion of the property could be added back in.

Commissioner Johnson asked if the property is currently one parcel and whether subdivision would need to take place in order to list the rest of the parcel. He stated that he is not in favor of delisting the entire parcel. He does not have much faith in the government to provide funds for a project. He would rather see the property listed than not.

Ms. Haskamp stated that the process would not need to actually subdivide the parcel in order for it to be listed. A legal description of the excluded portion would need to be established. She does not want there to be any confusion in the brokerage world as to what is actually for sale.

Commissioner O'Day asked about the logistics of amending the contract in the future if the entire parcel is listed.

Ms. Haskamp stated that the piece at issue is that the HRA would like to not pay commissions on this portion of the property. She is not here to stand in the way of housing in the City. She may be willing to waive her fee if that is what would trip up the project. There are ways to amend the contract or through the purchase agreement process to waive the commission. She stated that she thinks she has always been reasonable, but she has not been involved with the multi-family housing request thus far even though the property is currently listed by Kamp. She could be comfortable leaving the portion of the property in the agreement as long as there is a resolution in the first quarter of 2026. It is currently listed under her brokerage which involves her license and insurance.

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND GRECULA, DULY CARRIED, TO APPROVE THE BROKERAGE AGREEMENT WITH KAMP REAL ESTATE FOR 2026 WITH THE ADDITION OF PARCEL 41310501.

Review Property Listing Portal

Jennifer Haskamp, Kamp Real Estate & Swanson-Haskamp Consulting, stated that the public property listing portal is ready to be launched. She gave an overview of the portal at the previous

meeting. Swanson-Haskamp will host the website for a year in order to work out kinks and then turn the hosting over to the City. At this time and in 2026 the cost of the portal is being absorbed by Swanson-Haskamp they will be able to determine the cost of the portal after 2026.

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND GRECULA, DULY CARRIED, TO AUTHORIZE MOVING FORWARD WITH THE COMMERCIAL PROPERTY PORTAL.

Review Proposed Signage and Façade Grant

Executive Director Kramvik stated that staff are proposing to offer \$25,000 for façade improvements and \$15,000 for signage improvements in 2026. The program would provide a 50% matching grant for actual construction costs up to \$5,000 per property for facades and \$1,000 for signs. The façade improvements are only available to businesses adjacent to Washington Street and sign improvements are available to all businesses in the City.

Commissioner Johnson asked about the total for the two grant programs. He questioned whether it is a sound use of fund balance. He isn't sure he is comfortable dipping into fund balance for a grant program.

Executive Director Kramvik stated that the total for the two programs is \$40,000. He stated that the EDA has held some of the fund balance in previous years. The previous grants were budgeted. Previous years the fund balance was held in discussion about the Highway 210 reconstruction and being able to use funds during the reconstruction for façades along the corridor.

Commissioner Kirsch stated that she feels this corresponds with the reconstruction and is a big opportunity to do improvements. It may be a good use of funds to make a big impact. She asked about the fund balance being able to fund the projects.

Commissioner O'Day stated that using the money for the program will be seen long into the future.

Executive Director Kramvik stated that the fund balance is at a comfortable level. It is maybe on the lower end.

MOVED AND SECONDED BY COMMISSIONERS KIRSCH AND GRECULA TO APPROVE THE SIGNAGE AND FAÇADE GRANT PROGRAMS.

Commissioners Grecula, Kirsch, and O'Day voted "aye". Commissioner Johnson voted "nay". The Chair declared the motion carried.

Consultant Year End Reports / Presentations

BLAEDC

Tyler Glynn gave an overview of BLAEDC's 2025 activities. He highlighted the workforce program, the BLAEDC Unified Fund, and business consulting with the Small Business Development Center. BLAEDC will not be receiving additional funding from the City of Brainerd regarding the mitigation plan, it will be a part of the contract with the EDA. Finally, he highlighted the completion of the grant program projects. He stated that the total awarded to the City of Brainerd businesses by the DEED Mainstreet program was \$786,333. He stated that there is a 3% increase in the proposed services agreement for 2026.

Swanson-Haskamp Consulting

Jennifer Haskamp gave an overview of Swanson-Haskamp 2025 activities. She highlighted a GIS scope of underutilized properties in the City. It would be an opportunity to add these to the online portal. Kamp has been working with interested parties in the Thiesse industrial park. She is hopeful for a formal purchase agreement in 2026. The priority for 2026 is a downtown master plan to get a sense of improvements and offerings. In 2026, they are proposing a 5% increase which is accounting for holding flat in 2025 and cost increases.

DDBC

Marie Kirsch gave an overview of DDBC 2025 activities. The funds were utilized to carry out events, in addition to Mainstreet Market, 10 networking events, and renewed associate level membership to Main Street program. In 2026, the organization is proposing to keep funding levels flat.

Visit Brainerd

Mary Devine-Johnson gave an overview of Visit Brainerd 2025 activities. She stated that the marketing strategy and SEO strategy were the major priorities for Visit Brainerd in 2025. In 2026, Visit Brainerd will be transitioning to Visit Brainerd Baxter. The scope for 2026 was reduced by 18% as the focus will be the website and SEO.

Consider 2026 Shared Services Agreements and EDA Budget

Executive Director Kramvik gave an overview of the 2026 Shared Services Agreements. The levy for the EDA has not been finalized but the City Council has agreed to \$186,812. He gave an overview of the 2026 budget and the service contracts.

Finance Director Hillman stated that in 2026 the EDA will be utilizing \$31,806 in fund balance in 2026. Utilizing this amount will bring the EDA to a minimum fund balance by policy. This is the 3rd year that the City Council has held the EDA levy flat.

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND GRECULA, DULY CARRIED, TO APPROVE THE BLAEDC 2026 SHARED SERVICES AGREEMENTS AS PRESENTED.

MOVED AND SECONDED BY COMMISSIONERS GRECULA AND JOHNSON, DULY CARRIED, TO APPROVE THE SWANSON-HASKAMP 2026 SHARED SERVICES AGREEMENT AS PRESENT.

MOVED AND SECONDED BY COMMISSIONERS GRECULA AND JOHNSON TO APPROVE THE DDBC 2026 SHARED SERVICES AGREEMENT AS PRESENTED.

Commissioners Grecula, Johnson, and O'Day voted "aye". No Commissioner voted "nay". Commissioner Kirsch abstained from voting. Commissioner O'Day declared the motion carried.

MOVED AND SECONDED BY COMMISSIONERS KIRSCH AND GRECULA TO APPROVE THE VISIT BRAINERD 2026 SHARED SERVICES AGREEMENT AS PRESENTED.

Commissioners Grecula, Kirsch, and O'Day voted "aye". No Commissioners voted "nay". Commissioner Johnson abstained from voting. Commissioner O'Day declared the motion carried.

MOVED AND SECONDED BY COMMISSIONERS KIRSCH AND GRECULA, DULY CARRIED, TO APPROVE THE CITY OF BRAINERD 2026 SHARED SERVICES AGREEMENT.

Initiative Foundation Request

MOVED AND SECONDED BY COMMISSIONERS GRECULA AND KIRSCH, DULY CARRIED, TO APPROVE THE 2026 INITIATIVE FOUNDATION REQUEST.

2026 EDA Budget

MOVED AND SECONDED BY COMMISSIONERS GRECULA AND KIRSCH, DULY CARRIED, TO APPROVE THE 2026 EDA BUDGET.

New Business

Review EDA Bylaws

Executive Director Kramvik gave an overview of the EDA bylaws, staff has no recommended changes to the bylaws.

Approve 2026 Meeting Schedule

Executive Director Kramvik gave an overview of the 2026 EDA Schedule.

MOVED AND SECONDED BY COMMISSIONERS KIRSCH AND GRECULA TO APPROVE THE 2026 EDA MEETING SCHEDULE.

Commissioners Grecula, Kirsch, and O'Day voted "aye". Commissioner Johnson voted "nay".

Staff Reports

Executive Director Kramvik stated that BPU has not accepted the changes requested by BlockMetrix on their power agreement. More information and future action may need to be taken by the EDA. Staff is working on developments including the Kuepers development in South Brainerd. Staff is working on an RFP for an updated Comprehensive Plan.

Commissioner Comments

Commissioner Johnson apologized for not attending the CTC business visit. He will commit to attending the next visit.

Commissioner O'Day stated that he had a scheduling conflict that day, and it was unfortunate that he could not attend that one as well. Downtown tree lighting, window walk, and sleigh rides are on Friday, December 5th. He heard a rumor that a Fire Truck will be involved.

Tyler Glynn stated that CTC would gladly host the commissioners again any time, they would just need to setup a time to go.

Adjourn

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

The Authority adjourned at 9:07 a.m.

Respectfully Submitted by
Toni Gage

Financial Report for EDA

As of January, 2026

	<u>Cash & Investments</u>	<u>Receivable Balance</u>	<u>Deferred Loans (as of 12/31/24) **</u>	<u>Awarded Grants</u>
General Funds:				
EDA Fund - #295	\$ 115,614	\$ -	\$ -	\$ -
Total	\$ 115,614	\$ -	\$ -	\$ -
CDBG (Housing/Commerical (Slum & Blight/Federal Objective)):				
Downtown - #298	\$ 1,050	\$ 2,380	\$ 222,897	\$ -
SE Brainerd - #215	13,419	-	26,967	-
NE Brainerd - #218	-	-	151,271	-
2024 SE Brainerd	(1,213)	-	164,201	-
2025 210 Streetscape	(331)	-	-	-
Willows Project - #209	-	-	47,286	-
Old Housing - #209	2,714	-	-	-
Local Income - #275	138,649	10,652	7,900	-
Total	\$ 154,288	\$ 13,032	\$ 620,523	\$ -
Federal & State MIF (Commerical (Jobs)):				
Commerical - #210 ^^^	\$ -	\$ 646,427	\$ -	\$ -
Federal MIF - #296	19,318	-	-	-
Total	\$ 19,318	\$ 646,427	\$ -	\$ -
Grand Total	\$ 289,221	\$ 659,459	\$ 620,523	\$ -

** 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 01/31/2025	PERIOD ENDED 01/31/2026
*** Assets ***			
295-0000-10100	CASH	105,404.42	115,614.39
295-0000-10700	DELINQUENT TAX RECEIVABLE	8,391.61	8,391.61
295-0000-11500	ACCOUNTS RECEIVABLE	0.00	456.00
295-0000-16160	FA-LAND HELD FOR RESALE	460,396.74	460,396.74
Total Assets		574,192.77	584,858.74
*** Liabilities ***			
295-0000-20600	DEPOSITS PAYABLE	5,763.49	14,673.29
295-0000-22200	DEFERRED REVENUE	460,396.74	460,396.74
295-0000-22210	DEFERRED TAXES RECEIVABLE	5,632.88	5,632.88
Total Liabilities		471,793.11	480,702.91
*** Fund Balance ***			
295-0000-28900	FUND BALANCE/EQUITY ACCT	106,427.00	106,427.00
Total Fund Balance		106,427.00	106,427.00
Beginning Fund Balance		106,427.00	106,427.00
Net of Revenues VS Expenditures - 2025			13,376.02
*2025 End FB/2026 Beg FB		119,803.02	
Net of Revenues VS Expenditures - Current Year		(4,027.34)	(15,647.19)
Ending Fund Balance		102,399.66	104,155.83
Total Liabilities And Fund Balance		574,192.77	584,858.74

* Year Not Closed

PERIOD ENDING 01/31/2026

GL NUMBER	DESCRIPTION	ACTIVITY FOR			YTD BALANCE	% BGD USED
		2026 MONTH	01/31/2026	01/31/2026		
		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	2,483.25	2,483.25	1.33	
295-0000-31020	DELINQUENT AD VALOREM	0.00	128.65	128.65	100.00	
	TAXES & PENALTIES	186,812.00	2,611.90	2,611.90	1.40	
OTHER REVENUE						
295-0000-36210	INTEREST INCOME	1,500.00	0.00	0.00	0.00	
	OTHER REVENUE	1,500.00	0.00	0.00	0.00	
	TOTAL REVENUES	188,312.00	2,611.90	2,611.90	1.39	
	Net - Dept 0000	188,312.00	2,611.90	2,611.90		
Dept 6510 - ECONOMIC DEVELOPMENT AUTH						
Expenditures						
SERVICES						
295-6510-43300	PROFESSIONAL SERVICES	154,620.00	12,885.01	12,885.01	8.33	
295-6510-43361	INS - GENERAL LIABILITY	148.00	24.08	24.08	16.27	
295-6510-43434	ECONOMIC INITIATIVES	60,000.00	0.00	0.00	0.00	
295-6510-43435	BOOKS/PAMPHLETS/DUES	5,350.00	5,350.00	5,350.00	100.00	
	SERVICES	220,118.00	18,259.09	18,259.09	8.30	
	TOTAL EXPENDITURES	220,118.00	18,259.09	18,259.09	8.30	
	Net - Dept 6510 - ECONOMIC DEVELOPMENT AUTH	(220,118.00)	(18,259.09)	(18,259.09)		
	Total - Function Unclassified	(31,806.00)	(15,647.19)	(15,647.19)	49.20	
	TOTAL REVENUES	188,312.00	2,611.90	2,611.90	1.39	
	TOTAL EXPENDITURES	220,118.00	18,259.09	18,259.09	8.30	
	NET OF REVENUES & EXPENDITURES	(31,806.00)	(15,647.19)	(15,647.19)	49.20	

CHECK DISBURSEMENT REPORT FOR CITY OF BRAINERD
 CHECK DATE FROM 01/01/2026 - 01/31/2026

Check Date	Bank	Check #	Invoice	Payee	Description	Account	Dept	Amount
Fund: 295 EDA FUND								
01/05/2026	BB	103210	DEC 2025	BRAINERD LAKES AREA DEV C	PROFESSIONAL SERVICES	43300	6510	3,076.00
01/05/2026	BB	103218	DEC 2025	DESTINATION DOWNTOWN BRAINERD	PROFESSIONAL SERVICES	43300	6510	833.26
01/05/2026	BB	103246	DEC 2025	SWANSON HASKAMP CONSULTING	PROFESSIONAL SERVICES	43300	6510	2,916.63
01/05/2026	BB	103252	DEC 2025	VISIT BRAINERD	PROFESSIONAL SERVICES	43300	6510	5,258.37
01/21/2026	BB	103287	JAN 2026	BRAINERD LAKES AREA DEV C	PROFESSIONAL SERVICES	43300	6510	3,208.33
01/21/2026	BB	103308	JAN 2026	DESTINATION DOWNTOWN BRAINERD	PROFESSIONAL SERVICES	43300	6510	833.34
01/21/2026	BB	103319	VS-6266	INITIATIVE FOUNDATION	BOOKS/PAMPHLETS/DUES	43435	6510	5,350.00
01/21/2026	BB	103347	JAN 2026	SWANSON HASKAMP CONSULTING	PROFESSIONAL SERVICES	43300	6510	3,125.00
01/21/2026	BB	103351	JAN 2026	VISIT BRAINERD	PROFESSIONAL SERVICES	43300	6510	4,301.67
Total for fund 295 EDA FUND								28,902.60

User: chillman
 DB: Brainerd

Date	JNL	Type	Description	Reference #	Debits	Credits	Balance
Fund 295 EDA FUND							
01/01/2026			295-0000-10100 CASH		BEG. BALANCE		133,321.76
01/15/2026	CR	RCPT	RIVER BIRCH INVESTMENTS	19120	10,000.00		143,321.76
01/23/2026	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	2814	2,611.90		145,933.66
01/31/2026	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2835		1,416.67	144,516.99
01/31/2026			295-0000-10100	END BALANCE	12,611.90	1,416.67	144,516.99
01/01/2026			295-0000-10700 DELINQUENT TAX RECEIVABLE		BEG. BALANCE		8,391.61
01/31/2026			295-0000-10700	END BALANCE	0.00	0.00	8,391.61
01/01/2026			295-0000-11500 ACCOUNTS RECEIVABLE		BEG. BALANCE		456.00
01/31/2026			295-0000-11500	END BALANCE	0.00	0.00	456.00
01/01/2026			295-0000-15510 PREPAID OTHER		BEG. BALANCE		24.08
01/01/2026	GJ	JE	REVERSE JAN & FEB INS PREPAID	2764		24.08	0.00
01/31/2026			295-0000-15510	END BALANCE	0.00	24.08	0.00
01/01/2026			295-0000-16160 FA-LAND HELD FOR RESALE		BEG. BALANCE		460,396.74
01/31/2026			295-0000-16160	END BALANCE	0.00	0.00	460,396.74
01/01/2026			295-0000-20200 ACCOUNTS PAYABLE		BEG. BALANCE		(12,084.26)
01/31/2026			295-0000-20200	END BALANCE	0.00	0.00	(12,084.26)
01/01/2026			295-0000-20600 DEPOSITS PAYABLE		BEG. BALANCE		(4,673.29)
01/15/2026	CR	RCPT	RIVER BIRCH INVESTMENTS	19120		10,000.00	(14,673.29)
01/31/2026			295-0000-20600	END BALANCE	0.00	10,000.00	(14,673.29)
01/01/2026			295-0000-22200 DEFERRED REVENUE		BEG. BALANCE		(460,396.74)
01/31/2026			295-0000-22200	END BALANCE	0.00	0.00	(460,396.74)
01/01/2026			295-0000-22210 DEFERRED TAXES RECEIVABLE		BEG. BALANCE		(5,632.88)
01/31/2026			295-0000-22210	END BALANCE	0.00	0.00	(5,632.88)
01/01/2026			295-0000-31010 CURRENT AD VALOREM		BEG. BALANCE		0.00
01/23/2026	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	2814		2,427.57	(2,427.57)
01/23/2026	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	2814		55.68	(2,483.25)
01/31/2026			295-0000-31010	END BALANCE	0.00	2,483.25	(2,483.25)
01/01/2026			295-0000-31020 DELINQUENT AD VALOREM		BEG. BALANCE		0.00
01/23/2026	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	2814		112.31	(112.31)
01/23/2026	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	2814		16.34	(128.65)
01/31/2026			295-0000-31020	END BALANCE	0.00	128.65	(128.65)
01/01/2026			295-6510-43300 PROFESSIONAL SERVICES		BEG. BALANCE		0.00
01/31/2026	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2835	1,416.67		1,416.67
01/31/2026			295-6510-43300	END BALANCE	1,416.67	0.00	1,416.67
01/01/2026			295-6510-43361 INS - GENERAL LIABILITY		BEG. BALANCE		0.00
01/01/2026	GJ	JE	REVERSE JAN & FEB INS PREPAID	2764	24.08		24.08
01/31/2026			295-6510-43361	END BALANCE	24.08	0.00	24.08
GRAND TOTALS:					14,052.65	14,052.65	119,803.02

City of Brainerd
Economic Development Authority
Scope of Services Report

Date: February 25, 2026
 From: Jennifer Haskamp, SHC
 RE: Activities Jan/Feb 2026

Overview of Monthly Activities:

SHC continues to work on the ongoing tasks associated with our scope of services as outlined below. For EDA’s reference and background, we continue to field calls from interested parties for the Thiesse Industrial and other land listings and will keep you apprised if any materialize. The PDA for Lots 1, 2 and 3 Block 5 of the industrial park is on the agenda in March. We are planning a marketing campaign to align with the new development which we will launch after the property is closed.

The following summary by scope is provided for your reference.

Activities by Scope Task:

SCOPE	TASK
a.	Maintain Property Listing Portal
	SHC Activities: <ul style="list-style-type: none"> • We are working on marketing roll out of the listing portal. This will align with the active Spring real estate season. • Portal remains active and will update current listings with PDA execution for Lots 1, 2 and 3.
b.	Maintain an inventory of under-utilized and/or undeveloped property, update bi-annually.
	SHC Activities: <ul style="list-style-type: none"> • Update planned for Q1 and Q2. This will align with marketing roll out of listing portal.
c.	Prepare Downtown Area Plan
	SHC Activities: <ul style="list-style-type: none"> • Preliminary structure approach will be discussed at Q1 quarterly consultant meeting. • Plan to bring initial structure to EDA at Q2 meeting.
d.	Establish relationship and continue discussion with developers
	SHC Activities:

	<ul style="list-style-type: none"> Ongoing networking with developers and local real estate groups. Marketing push planned after PDA execution.
e.	Participate in quarterly roundtable discussions with the City of Brainerd Staff and all other consultants.
	SHC Activities: <ul style="list-style-type: none"> March meeting planned.
f.	Lead/Participate in one (1) business roundtable. Topic to address Washington Street Corridor.
	SHC Activities: <ul style="list-style-type: none"> Timing to align with communication effort/plans (Spring and Fall meeting)
g.	Attend regular meetings of the EDA (minimum of four meetings.)
	<ul style="list-style-type: none"> SHC will be in attendance at the March meeting.

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

Report Date: 2/25/2026

a. Maintain Main Street America Aspiring Membership status.

Update: Mary took over as the point of contact for the Minnesota Main Street membership and programming in January 2026. To date she has:

- Executed the annual contract
- Attended the January 2026 Monthly Directors meeting (required by MMS)
- Attended the January 2026 monthly Deep Dive meeting (required by MMS)
- Attended the February 2026 monthly Directors meeting (required by MMS)

Action Items:

- Identify a Steering Committee members
 - Update the DowntownBrainerd.org website.
-

b. Coordinate networking opportunities for downtown district businesses and other stakeholders.

Update: We held a year-end meeting in November 2025 and attached is the outline for 2026; we will hold the first networking social in March.

c. Support Main Street events with advertising and promotional materials.

Update: In progress. The next few events in Downtown Brainerd will be St. Patrick's Day parade on March 14 and Downtown Golf on April 18 (tentatively).

d. Participate in quarterly roundtable discussion with City of Brainerd staff and all other

Update: In progress.

DISCOVER

What's Different

DOWNTOWN BRAINERD, MN

MISSION

To create events and promotions that encourage people to “Discover What’s Different” in Downtown Brainerd by highlighting its unique and vibrant community of specialty shops and establishments waiting to be explored in a traditional downtown setting.

INITIATIVES

- **Events:** Hosting and supporting events that drive people to Downtown Brainerd to experience and explore the businesses.
 - Goal: Host one event or promotion per month,
 - Goal: Create guidelines for volunteers running events.
- **Promotions:** Promote events and businesses on the official Downtown Brainerd Facebook page (facebook.com/brainerddowntown); update and maintain the website; update and maintain the kiosks; create a business directory map; update and distribute business directory rack card; send consistent email communication.
 - Goal: Create guidelines for volunteers helping with promotions and communication.
 - Goal: Monthly updates.
- **Brainerd Main Street Program:** Serve as the City of Brainerd and Brainerd EDA’s affiliate for the Minnesota Main Street program.
 - Goal: Hold monthly social/meetings.
 - Goal: Work on improving downtown beautification through public art, light post banners, updated holiday lights and decorations.

2026 EVENTS

January: Need something or not?

February: Souper Bowl (New Project Idea)

Soup walk to the downtown restaurants using ceramic or wood bowls made by the locals arts community.

March: St. Patrick’s Day | Sat., March 14

Contact: Cody Shepherd, Shep’s on 6th

Opportunities: Float in parade, shopping promotions, food and drink specials, events, and advertise in the Brainerd Dispatch Wrap.

April: Downtown Golf | Sat., April 18 (TBD)

Contact: Janelle Lacy, Brainerd American Legion

Opportunities: Host a stop/hole in the golfing contest, shopping promotions, food and drink specials, events.

May: New Project Opportunity

Ideas: Spring Shopping, Mother’s Day, Memorial Day

June: Need something or not?

July: 4th of July Events | Sat., July 4

Contact: TBD

Opportunities: Float in parade, shopping promotions, food and drink specials, events. Tag onto community-wide celebration.

August: Crazy Days | Aug. 10-16

Contact: TBD

Opportunities: Shopping promotions, food and drink specials, events.

September: Flapjack Festival | Sat., Sept. 19 (TBD)

Contact: TBD

Opportunities: Tag onto the Brainerd Water Tower fundraiser and do a fall festival, shopping promotion, food and drink specials. ECFE Touch-a-Truck event is usually the same day.

October: Spooktacular | Sat., Oct. 31

Contact: TBD

Opportunities: Families go trick-or-treating at businesses.

November: Hunting Widows Shop Hop | Sat., Nov. 7

Contact: Kara Kristofferson & Nicki Traut, The 218 Urban Nest

Opportunities: Shopping promotion, food and drink specials, events, holiday open houses.

Holiday Shopping Passport: Nov. 27–Dec. 20

Contact: TBD

Opportunities: Shopping promotion with punch card.

December: Window Walk | Fri., Dec. 4

Contact: 2025 Winner Picks 2026 Theme & Helps Organize

Opportunities: Shopping promotion, food and drink specials, events, holiday open houses. City tree lighting is same night.

FREQUENTLY ASKED QUESTIONS

- **Are you a nonprofit?** DDBC is a committee of Brainerd Restoration which is a 501c3 nonprofit organization. We do not have a Board of Directors for the DDBC anymore; this committee reports to the Brainerd Restoration board of directors on a semi-annual basis. Mary Devine Johnson is the point of contact. B. Johnson & Assoc. handles the bookkeeping and required reporting.
- **How are you funded?** Most of the events we run are break-even; businesses opt-in to participate through a small fee or donation (i.e. donate a gift card to a giveaway). We do occasionally solicit event sponsors to help off-set other costs and advertising. We do receive funds from the Brainerd EDA to administer the Main Street program which pays for some of the operational costs (i.e. email, website), event costs and advertising.
- **Are you a member-based organization?** No. Businesses opt-in to participate in whichever events make sense for them. In the next three years we will focus on fundraising via supporters and sponsorships. A member-based organization is often complex and expensive to operate, so while it is always up for consideration long-term, operating a year—or even an event—at a time seems to work best for now. It's not perfect, but it's often good enough to meet the goals.
- **Is there a paid staff person?** No. All the events, promotions, and Main Street Program operations and reporting is done by volunteers. We would like to hire a part-time person but need the funding. Please direct all of your questions to (1) admin@downtownbrainerd.org or (2) post on the Facebook Group.
- **How can I get involved?** Some events have been happening for years (i.e. Spooktacular and Window Walk) but there is a lot of opportunity for new events, promotions and ideas. We can help provide some guidance on “how to” and provide a small amount of funding (i.e. printing posters) to get you started. Otherwise the opportunities to help include:
 - Running annual events
 - Starting and running new events
 - Managing social media
 - Volunteering to visit and update businesses quarterly
 - Managing emails and contact lists
 - Sending regular email newsletters / updates
 - Networking with community organizations and nonprofits to help with events and projects
 - Organizing the monthly social / meeting.
- **Where do I find information about Downtown Brainerd?**
 - Emails coming from admin@downtownbrainerd.org
 - Private Facebook Group: [Destination Downtown Brainerd Owners](#) (scan QR code below to join),
 - Facebook Page: www.facebook.com/brainerddowntown,
 - Website downtownbrainerd.org.



RECURRING EVENTS

BUSINESS OWNER SOCIALS / MEETING

Held monthly on the last Wednesday of the month from 5:00–6:30pm. Dates for 2026 are: 1/28, 2/25, 3/25, 4/29, 5/27, 6/24, 7/29, 8/26, 9/30, 10/28, 11/25, 12/30. Locations TBA.

DOWNTOWN MARKET

- Weekly May–October | 9am–2pm | Brainerd City Hall Parking Lot
- Monthly Second Saturdays November–April | 9am–2pm | Formerly Bob & Fran's building
- Contact: Marie Kirsch

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

Report Date: 2/25/2026

a. Update content on EDA website.

Update: Updating the content on the website is an ongoing process; there is still work to be done on completing the blogs. We added the Property Listings portal from Swanson-Haskamp.

b. Continue the SEO strategies proposed in 2025 specifically key word search, display ads, and website content/on-page SEO.

Update: We started running key word search in Q3 2025 with a broad approach; first we adjusted the bidding and spend; now we will continue to refine the terms with a goal of generating leads.

The display ad campaign also started in Q3 2025. The goal of this campaign is to create a top-of-mind-awareness for the Brainerd EDA. We are running two different ad sets and they are performing similarly.

I am counting a valid website contact form as a successful conversion; we get several “junk” forms per month and have tried to fix that with form and website security settings, etc.

	Jan	Feb	Mar	Apr	May	Jun
Website Contact Form	0					
Key word Search Campaign Spend	\$702.75					
Key word Search Campaign Clicks	604					
Display Ad Spend	\$732.56					
Display Ad Clicks	499					
Display Ad Impressions	1,593,491					
Webpage visits	1318					

c. Provide CMS training for city staff and host the website and email services for the Brainerd EDA website.

Update: Not completed.

Action: Still waiting for the CMS Manual from the website contractor; will schedule training with City Staff in Q2.

d. 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.

- Print/Poster Billboard on Hwy. 10 in Royalton went up in Dec. 2025 and will be posted through Dec. 2026 using funds from the 2025 Visit Brainerd EDA Contract; see attachment for a picture of the billboard.
- Signed an agreement with the IQ magazine to run ads in each of their two issues.

Action items:

- Start LinkedIn advertising.
 - Identify developer specific targeted advertising opportunities.
-

e. 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; need to finalize the ad buy and creative. Campaign typically runs June 1 through August 31 as budget allows.

f. 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: In progress; need to finalize the ad buy and creative. Campaign typically runs November 20 through December 20 as budget allows.

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

Update: In progress.

-
- h. Attend the regular meeting of the EDA no less than 4 times during the duration of this contract.**

Update: In progress.



ID: BED-14x49

Job Details:

Size: 14x49
Artist: Walt Hackensmith
Date: Monday, December 08 2025

Special Notes:



MEMO

TO: Members of Brainerd EDA **Date:** March 5, 2026

CC: James Kramvik, Community Development Director **RE:** Purchase & Development Agreement with River Birch Investments, LLC

FROM: Jennifer Haskamp, AICP
Kamp Real Estate & Development

OVERVIEW & SUMMARY

Over the past several months we have continued to work with River Birch Investments on the purchase of Lots 1 and 2, Block 5 and option agreement for Lot 3, Block 5 of the Brainerd Industrial Park 1st Addition. A Purchase and Development Agreement has been prepared and a substantially final form is on the agenda for consideration and action. The following summary of activities is provided as background as you consider the PDA:

ACTIVITIES/TIMELINE

The following activities occurred prior to the June 2025 EDA Meeting as previously presented:

- **Zoning Amendment:** The Planning Commission and City Council approved the zoning amendment to permit medical uses within the Industrial districts as a permitted use. The proposed medical use is now consistent with the existing zoning.
- **Negotiating the Development Terms:** Since the Developer is proposing to use the \$1/Acre incentive program the purchase and development agreement requires specific terms to be identified to ensure compliance with the program. Over the past several months we have been working with the Developer on some of the specific and/or required terms that must be addressed in the agreement. Some of the most important terms that we needed to work through were:
- **Draft Purchase and Development Agreement (PDA):** A draft agreement was prepared and sent to the Developer on August 1. They are working through the contract with their attorney, and we anticipate hearing back shortly after Labor Day.

Since the last presentation at the EDA, the Purchase and Development Agreement has been further refined based on the recommendations and direction of the EDA regarding Terms. The following activities have occurred, or are planned to complete the PDA process:

- **\$10,000 Escrow Submitted to formally initiate process (Complete).** River Birch Investments submitted the requisite escrow to formally initiate the process. The escrow covered:
 - Appraisal of all lots.
 - City’s attorney review of PDA
 - City’s attorney review and preparation of required resolutions.



- ***City Council Resolution to Convey subject Property to EDA (Complete)***. At their regular meeting on February 17, 2026 the City Council approved by resolution the conveyance of Lots 1 and 2, Block 5 to the EDA subject to the successful execution of the Purchase and Development Agreement, pursuant to which the EDA will sell such property to the Developer at a cost below fair market value in accordance with \$1/Acre incentive program the development by the Developer of a medical office building thereon. Note that because Lot 3 is under an option agreement conveyance of the property is not included at this time and will be completed in the future if River Birch Investments exercises the option.
- ***CUP for Parking Lot (PC Complete, City Council consideration 3/2/2026)***. A CUP is required to exceed maximum parking requirements. The Planning Commission held a duly noticed public hearing and discussion. The Planning Commission unanimously recommended approval of the requested CUP to exceed the parking maximum to the City Council. The CUP will be considered at the City Council at their regular meeting on March 2, 2026
- ***Resolution of Approval of Subsidy Agreement (City Council consideration 3/2/2026)***. Because the \$1/Acre is technically a business subsidy under state statute, the City Council must enter into a subsidy agreement that lays out the terms of the agreement. As such, the resolution to approve the Subsidy Agreement will be considered at the March 2, 2026 City Council meeting.
- ***EDA Approval of a Modification to the Amended and Restated Development Program for Development District (Modified Program) to Expand the Boundaries of Development District No 2 to include subject Property (EDA consideration 3/5/2026)***. Expanding the geographic boundaries of Development District No. 2 pursuant to the Modified Program, to include the subject properties allows the EDA and the City to facilitate continued development of the industrial park. Expansion of the district must be adopted by resolution and will be on the EDA's March 5, 2026 regular meeting.
- ***EDA Approval of Purchase and Development Agreement and Conveyance of the Property (3/5/2026)***. The purchase and development agreement is substantially final and is ready for execution and included in your packet. The PDA

NEXT STEPS:

Upon execution of the Purchase and Development Agreement, River Birch Investments will begin its due diligence including preparation of full civil and architectural plans. Preparation of the plans is expected to be fairly quick as they are hoping to begin construction in spring. The PDA includes dates for closing, initiating construction and anticipated completion of construction.

RECOMMENDATION:

- 1) Hold the public hearing.
- 2) Motion to approve the attached resolution approving the Modified Program, expanding the boundaries of Development District No. 2.
- 3) Motion to approve the attached resolution approving the Purchase and Development Agreement and conveyance of the property to the Developer.

ECONOMIC DEVELOPMENT AUTHORITY OF BRAINERD, MINNESOTA

RESOLUTION NO. _____

RESOLUTION APPROVING A MODIFICATION TO THE AMENDED AND RESTATED DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 2

BE IT RESOLVED by the Board of Commissioners (the “Board”) of the Economic Development Authority of Brainerd, Minnesota (the “Authority”) as follows:

Section 1. Recitals.

1.01. The City of Brainerd, Minnesota (the “City”) previously established Development District No. 2 (the “Development District”) within the City and approved a development program therefor, as subsequently amended and restated (as so amended, the “Development Program”), in accordance with Minnesota Statutes, Sections 469.124 through 469.134, as amended (the “City Development District Act”), and Sections 469.090 through 469.1082, as amended (the “EDA Act,” and together with the City Development District Act, the “Act”).

1.02. By Resolution No. 77:21, adopted by the City Council of the City on December 6, 2021, pursuant to Section 469.094 of the EDA Act, the City Council approved the transfer of the control and administration of the Development District to the Authority, subject to acceptance of such transfer by the Authority and a covenant and pledge by the Authority that the Authority is obligated to perform all agreements, pledges, covenants and undertakings heretofore entered into by the City with respect to the Development District. The Board approved the acceptance of the transfer on December 9, 2021.

1.03. The Authority has caused to be prepared Modification No. 1 to Amended and Restated Development Program, Development District No. 2 (the “Modification”), which modifies the Development Program by expanding its geographic boundaries to include additional property legally described in EXHIBIT A attached hereto (the “Property”).

1.04. The Board has fully reviewed the contents of the Modification. On the date hereof, the Board conducted a duly noticed public hearing thereon, at which the views of all interested persons were heard.

Section 2. Findings.

2.01. It is hereby found and determined that there is a need for new development in a specific area of the City to encourage orderly private development, provide employment opportunities, improve the tax base, and improve the general economy of the City.

2.02. It is further specifically found and determined that accomplishment of the objectives set forth in the Modification will:

- (a) promote and secure the prompt development of property in the Development District in a manner consistent with the Comprehensive Plan and with minimal adverse impact on the environment;

(b) encourage local business expansion, improvement, development and redevelopment; and

(c) provide an impetus for development by acquiring land and/or assisting in the land acquisition necessary to carry out the objectives of the Development Program.

2.03. It is further found and determined that control and administration of the Development District by the Authority is in the best interests of the City as a whole and will further the economic development goals of the City.

Section 3. Approvals.

3.01. The Board hereby ratifies all actions of Authority staff and consultants in preparing the Modification and arranging for its approval in accordance with the Act.

3.02. The Modification is hereby approved and adopted.

3.03. The geographic boundaries of the Development District are described in the Modification and are incorporated herein by reference and shall include the Property.

Approved by the Board of Commissioners of the Economic Development Authority of the City of Brainerd this 5th day of March, 2026.

President

ATTEST:

Executive Director

EXHIBIT A
PROPERTY

Lots 1 and 2, Block 5; all in Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota

First Draft
February 19, 2026

**MODIFICATION NO. 1 TO
AMENDED AND RESTATED DEVELOPMENT PROGRAM
DEVELOPMENT DISTRICT NO. 2
ECONOMIC DEVELOPMENT AUTHORITY OF BRAINERD, MINNESOTA**

Approved: March 5, 2026

This Instrument Drafted by:

KUTAK ROCK LLP (SEL)
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402
Telephone: (612) 334-5000

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SECTION 1. AMENDED AND RESTATED DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 2

Section 1.1. Definitions. For the purposes of the Development District Program, the following terms shall have the meanings specified below, unless the context otherwise requires:

“Authority” means the Economic Development Authority of Brainerd, Minnesota, an economic development authority created by the City by Resolution No. 26:87 on July 26, 1987.

“Board” means the Board of Commissioners of the Authority.

“City” means the City of Brainerd, a municipal corporation under the laws of the State of Minnesota.

“City Council” or “Council” means the City Council of the City.

“City Development District Act” or “Act” means Minnesota Statutes, Sections 469.124 through 469.134, as amended.

“Comprehensive Plan” means the City’s Comprehensive Plan, including the objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and water within the City.

“County” means Crow Wing County, Minnesota.

“Development District” means Development District No. 2, which was initially established by the Council on July 15, 1985, pursuant to and in accordance with the City Development District Act, and as it has been or may be modified, and the control and operation of which has been transferred to the Authority by resolution of the City Council on December 6, 2021.

“Development District Program” or “Program” means the program for development of the District adopted by the City pursuant to the City Development District Act.

“EDA Act” means Minnesota Statutes, Sections 469.090 through 469.1082, as amended.

“Project Area” or “Project” means the property within the Development District, as described in the Development Program.

“School District” means Independent School District No. 181 (Brainerd Public Schools), Crow Wing, Cass, and Morrison Counties, Minnesota.

“State” means the State of Minnesota.

“Tax Increment Bonds” means any general obligation or revenue tax increment bonds or notes issued by the City to finance the public costs associated with the Development District, as stated in the Program and in the Tax Increment Financing Plans for the Tax Increment Financing Districts within the Development District, or any obligations issued to refund the Tax Increment Bonds.

“Tax Increment Financing Act” or “TIF Act” means Minnesota Statutes, Sections 469.174 through 469.1794, inclusive, as amended.

“Tax Increment Financing District” or “TIF District” means any Tax Increment Financing District created and established pursuant to the TIF Act within the Development District.

“Tax Increment Financing Plan” or “Plan” means the TIF Plan adopted by the Council for any TIF District within the Development District.

Section 1.2. Statement and Finding of Public Purpose. The Council established the Development District on July 15, 1985 pursuant to the City Development District Act (then codified at Chapter 472A), in order to provide an impetus for commercial development, provide employment opportunities, increase the tax base and to improve the general economy of the State. Within the Development District, the Council established Tax Increment Financing District Nos. 2-1 and 88-1, both economic development districts, which have now expired.

The original Development District consisted generally of the Brainerd Industrial Park. By resolution approved November 20, 2000, the City expanded the boundaries of the Development District to include the second phase of the industrial park, and by resolution approved in 2001, the City expanded the boundaries of the Development District to include the third phase of the industrial park.

By Resolution No. 77:21, adopted by the City Council on December 6, 2021, the City transferred the control and administration of the Development District to the Authority. The Authority has determined, with the consent of the City, to expand the boundaries of the Development District to include the fourth phase of the industrial park. The expanded Development District will allow the Authority and City to facilitate continued development of that park, furthering the overall goals for increasing employment and tax base in the City.

The Authority finds that the welfare of the City as well as the State of Minnesota requires active promotion, attraction, encouragement and development of economically sound industry and commerce to carry out its stated public purpose objectives.

Section 1.3. Statutory Authority. The Authority determines that it is desirable and in the public interest to continue to administer a Development Program for the Development District in the City, pursuant to the provisions of the EDA Act and City Development District Act. Funding of the necessary activities and improvements in the Development District may but is not required to be accomplished in whole or in part through tax increment financing in accordance with the TIF Act.

Section 1.4. Statement of Objectives. The Council determines that the Development District will provide the City with the ability to achieve certain public purpose goals not otherwise obtainable in the foreseeable future without City intervention in the normal development process. The public purpose goals include: restore and improve the tax base and tax revenue generating capacity of the Development District; increase employment opportunities; realize comprehensive planning goals; revitalize the property within the Development District to create an attractive, comfortable, convenient, and efficient area for industrial, commercial, and related land uses.

The Authority and City seek to achieve the following Development District program objectives:

1. Promote and secure the prompt development of certain property in the Development District, which property is not now in productive use or in its highest and best use, in a manner consistent with the City’s Comprehensive Plan and with the minimum adverse impact on the environment, and thereby promote and secure the development of other land in the City.

2. Promote and secure additional employment opportunities within the Development District and the City for residents of the City and the surrounding area, thereby improving living standards, reducing unemployment and the loss of skilled and unskilled labor and other human resources in the City.

3. Secure the increase of commercial/industrial property subject to taxation by the City, the County, the School District, and other taxing jurisdictions in order to better enable such entities to pay for governmental services and programs required to be provided by them.

4. Provide for the financing and construction of public improvements in and adjacent to the Development District, necessary for the orderly and beneficial development of the Development District and adjacent areas of the City.

5. Promote the concentration of manufacturing, commercial, office, and other appropriate development in the Development District to maintain the area in a manner compatible with its accessibility and prominence in the City.

6. Encourage local business expansion, improvement, and development, whenever possible.

7. Create a desirable and unique character within the Development District through quality land use alternatives and design quality in new and remodeled buildings.

8. Encourage and provide maximum opportunity for private redevelopment of existing areas and structures that are compatible with the Development Program.

Section 1.5. Estimated Public Costs and Supportive Data. Estimated public costs within the Development District will be set forth in the TIF Plans for TIF Districts as they are established. In addition to any previously authorized public costs, the City may acquire additional parcels of land for development or redevelopment purposes, as described in Section 1.14 herein.

Section 1.6. Environmental Controls. The proposed development activities in the Development District do not present significant environmental concerns. All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental standards.

Section 1.7. Proposed Reuse of Property. The proposals for reuse of property within the Development District are described in the documents referenced in Section 1.5 herein.

Unless otherwise specified, the Development Program does not contemplate the sale of property until such time as a private developer presents an economically feasible program for the reuse of that property. Proposals, in order to be considered, must be within the framework of the above cited goals and objectives, and must clearly demonstrate feasibility as a public program. Prior to the sale of any property that involves tax increment or other City assistance, the City Council will require a binding contract, performance bond and/or other evidence or guarantees that a supporting tax increment or other funds will be available to repay the public cost associated with the proposed development. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any land sale contract to which the City is a part.

Section 1.8. Public Improvements and Facilities to Be Constructed within the Development District. The public improvements and facilities constructed within the Development District include (a) off-site improvements, including streets, water, sanitary sewer and storm sewer; and (b) on-site

utilities, soils correction, parking and landscaping. All public improvements are more particularly described in the documents referenced in Section 1.5 herein.

Section 1.9. Administration and Maintenance of the Development District. Maintenance and operation of the public improvements will be the responsibility of the Executive Director of the Authority who shall serve as administrator of the Development District. The powers, duties and responsibilities of the Executive Director are spelled out in the Administrative Guide for the Administration of the Development Program for the Development District. Each year the Executive Director will submit to the Authority and Council the maintenance and operation budget for the following year.

The Executive Director will administer the Development District pursuant to the provisions of Section 469.131 of the Act; provided, however, that such powers may only be exercised at the direction of the Authority. No action taken by the Executive Director pursuant to the above-mentioned powers shall be effective without authorization by the Authority.

Section 1.10. Rehabilitation. Owners of properties within the Development District will be encouraged to rehabilitate their property to conform with the applicable state and local codes and ordinances, as well as any design standards. Owners of the properties who purchase property within the Development District from the Authority may be required to rehabilitate their properties as a condition of sale of land. The Authority will provide such rehabilitation assistance as may be available from federal, state or local sources.

Section 1.11. Relocation. The Authority does not anticipate the need for relocation of existing persons or businesses within the Development District.

Section 1.12. Open Space to Be Created. The Authority, in carrying out the objectives of the Development Program, will encourage the retention and beautification of open spaces where appropriate.

Section 1.13. Boundaries of the Development District. The Development District as expanded by this document consists of (1) the original Brainerd Industrial Park plat; (2) Thiesse Industrial Park Addition; (3) the Northwest Quarter of the Northwest Quarter and the west half of the Northeast Quarter of the Northwest Quarter, Section 6, Township 44 N, Range 30 W, Crow Wing County, Minnesota, except that part described as follows: The north 200 feet of the west 250 feet of the Northwest Quarter of the Northwest Quarter, Section 6; (4) Lots 1 and 2, Block 5; all in Brainerd Industrial Park 1st Addition; and (5) the rights of way within and adjacent to the above plats.

A map of the approximate boundaries of the Development District as modified March 5, 2026 is attached as APPENDIX A hereto. Further information regarding the identification of the property included in the Development District can be obtained from the office of the Executive Director of the Authority.

Section 1.14. Parcels to Be Acquired or That May Be Acquired in Whole or in Part within the Development District.

The Authority will acquire the following described parcels, comprising the fourth phase of the industrial park, from the City, and intends to convey these parcels to private developers for economic development purposes pursuant to one or more Purchase and Development Contracts:

Lots 1 and 2, Block 5; all in Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota

Section 1.15. Modification of the Development Program for the Development District. The Development Program has been adopted and modified as follows:

July 15, 1985	Adopted
November 20, 2000	Expanded (A-Tek development)
May 21, 2001	Expanded (Lexington Manufacturing)
March 5, 2026	Expanded (River Birch Investments LLC)

The Development Program as modified herein is intended to summarize and restate all prior Program modifications. Nothing in this modification is intended to alter or restrict any activity previously authorized in the Program, and all prior documents representing the Program are incorporated herein by reference.

APPENDIX A

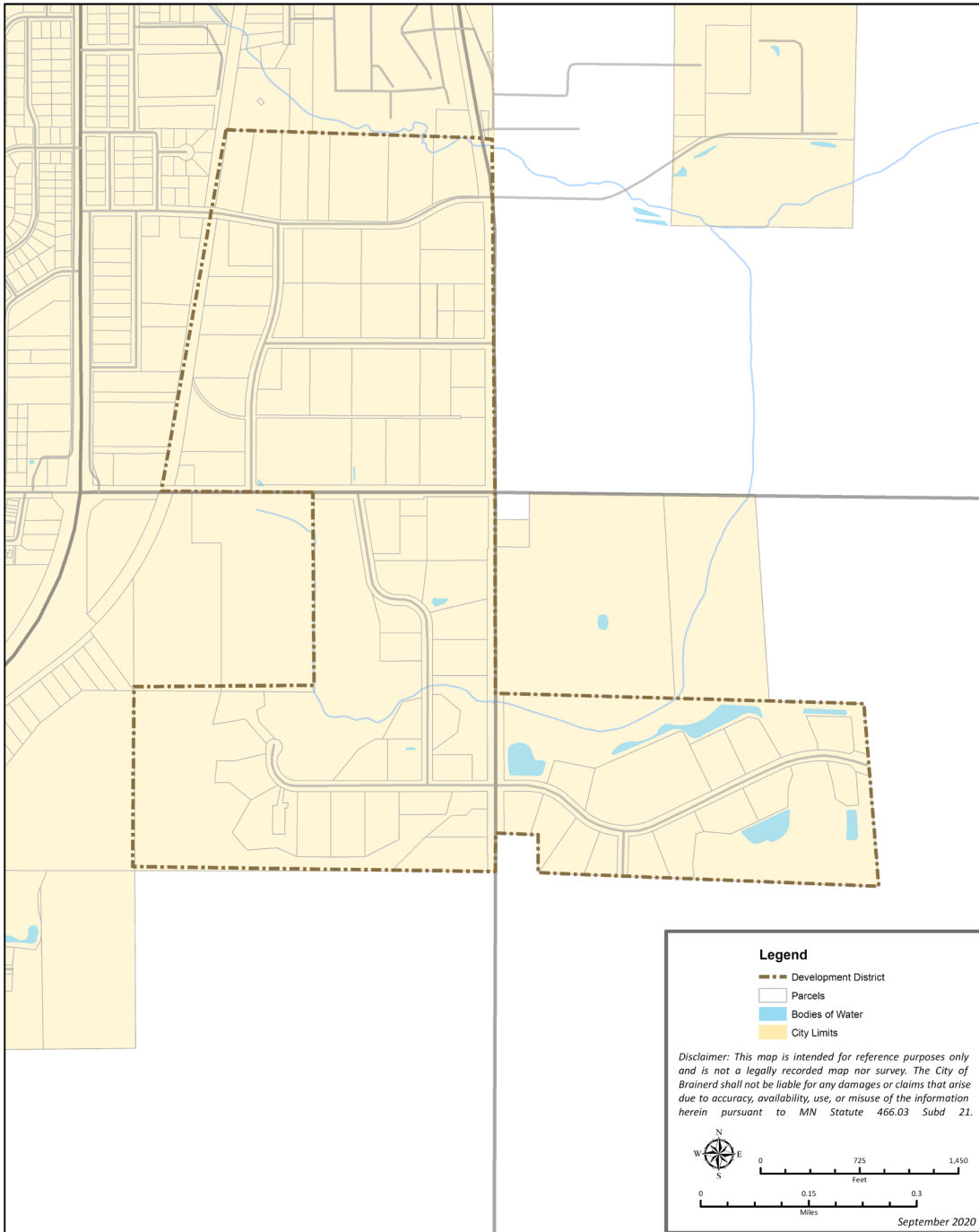
MAP OF DEVELOPMENT DISTRICT

[insert updated map]



City of Brainerd

Development District No. 2



ECONOMIC DEVELOPMENT AUTHORITY OF BRAINERD, MINNESOTA

RESOLUTION NO. _____

RESOLUTION APPROVING PURCHASE AND DEVELOPMENT CONTRACT WITH RIVER BIRCH INVESTMENTS LLC, OR AN AFFILIATE, SUCCESSOR, OR ASSIGN, AND APPROVING THE BUSINESS SUBSIDY AGREEMENT AND CONVEYANCE OF LAND PROVISIONS CONTAINED THEREIN

BE IT RESOLVED by the Board of Commissioners (the “Board”) of the Economic Development Authority of Brainerd, Minnesota (the “Authority”) as follows:

Section 1. Recitals.

1.01. The City of Brainerd, Minnesota (the “City”) previously established Development District No. 2 (the “Development District”) within the City and approved a development program therefor, as subsequently amended and restated, in accordance with Minnesota Statutes, Sections 469.124 through 469.134, as amended, and Sections 469.090 through 469.1082, as amended (the “EDA Act”).

1.02. By Resolution No. 77:21, adopted by the City Council of the City on December 6, 2021, pursuant to Section 469.094 of the EDA Act, the City Council approved the transfer of the control and administration of the Development District to the Authority, subject to acceptance of such transfer by the Authority and a covenant and pledge by the Authority that the Authority is obligated to perform all agreements, pledges, covenants and undertakings heretofore entered into by the City with respect to the Development District. The Board approved the acceptance of the transfer on December 9, 2021.

1.03. The City currently owns the property (the “Development Property”) described in EXHIBIT A attached hereto but has approved the conveyance of the Development Property to the Authority pursuant to a resolution adopted by the City Council of the City on February 17, 2026.

1.04. To facilitate development of certain property in the Development District, the Authority proposes to enter into a Purchase and Development Contract (the “Contract”) with River Birch Investments LLC, a Minnesota limited liability company, or an affiliate, successor, or assign (collectively, the “Developer”), under which among other things the Authority will sell the Development Property to the Developer at a cost below market value.

1.05. The land write-down under the Contract constitutes a “business subsidy” exceeding \$150,000 within the meaning of Minnesota Statutes, Section 116J.993 to 116J.995, as amended (the “Business Subsidy Act”). The “business subsidy agreement” as required under the Business Subsidy Act is included in the Contract.

1.06. On the date hereof, the Board conducted a duly noticed public hearing regarding both the sale of the Development Property to the Developer, in accordance with Section 469.105 of the EDA Act, and the business subsidy agreement, in accordance with Section 116J.994 of the Business Subsidy Act, at which all interested persons were given an opportunity to be heard.

1.07. On March 2, 2026, pursuant to Section 116J.994, subdivision 3(d) of the Business Subsidy Act, the City Council reviewed and approved the business subsidy agreement, subject to approval of the business subsidy agreement by the Authority.

1.08. On February 18, 2026, the Planning Commission of the City reviewed the proposed development of the Development Property and found, among other things, that the development fits within the Comprehensive Plan of the City.

1.09. The Authority finds and determines that conveyance by the Authority of the Development Property to the Developer is advisable and is for a public purpose and is in the public interest because it will further the objectives of the Development District, will facilitate the creation of new jobs in the City, and will increase the tax base.

Section 2. Approvals.

2.01. The Board finds that the sale of the Development Property to the Developer is advisable pursuant to Section 469.105 of the EDA Act.

2.02. The Board approves the Contract as presented to the Board, including the business subsidy agreement and provisions for the conveyance of the Development Property therein, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the documents by those officials shall be conclusive evidence of their approval.

2.03. Authority staff and officials are authorized to take all actions necessary to perform the Authority's obligations under the Contract as a whole, including without limitation execution of any deed or other documents necessary to convey the Development Property to the Developer.

Approved by the Board of Commissioners of the Economic Development Authority of the City of Brainerd this 5th day of March, 2026.

President

ATTEST:

Executive Director

EXHIBIT A

DEVELOPMENT PROPERTY

Lots 1 and 2, Block 5; all in Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota

DRAFT
February 26, 2026

PURCHASE AND DEVELOPMENT CONTRACT

By and Between

ECONOMIC DEVELOPMENT AUTHORITY OF BRAINERD, MINNESOTA

and

RIVER BIRCH INVESTMENTS LLC

Dated as of: March ___, 2026

This document drafted by:

Kutak Rock LLP (SEL)
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402

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PURCHASE AND DEVELOPMENT CONTRACT

THIS AGREEMENT, made on or as of the __ day of March, 2026, by and between ECONOMIC DEVELOPMENT AUTHORITY OF BRAINERD, MINNESOTA, a public body corporate and politic and political subdivision of the State of Minnesota (the “Authority”), and RIVER BIRCH INVESTMENTS LLC, a Minnesota limited liability company (the “Developer”).

WITNESSETH:

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

WHEREAS, by Resolution No. 77:21, adopted by the City Council of the City on December 6, 2021, the City transferred control and administration of the Development District to the Authority, and the Authority accepted such control and administration and modified the Development Program for the Development District on the date hereof; and

WHEREAS, pursuant to its powers under Minnesota Statutes, Sections 469.090 through 469.1082, as amended (the “EDA 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 acquired or will acquire certain property described in Schedule A (the “Development Property”), and has the option to acquire certain property described in Schedule B (the “Option Property”), within the Development District, and intends to convey that property to the Developer for development of certain improvements described herein; and

WHEREAS, the Authority believes that the development of the Development Property and the Option 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 and is being assisted.

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:

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

“Authority” means the Economic Development Authority of Brainerd, Minnesota, 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.

“Business Subsidy Act” means Minnesota Statutes, Section 116J.993 to 116J.995, as amended.

“Certificate of Completion” means the certification provided to the 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 3.4(b).

“Construction Plans” means the construction plans, specifications, drawings and related documents on the construction work to be performed by the 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 officials of the City, and (b) shall include at least the following for each building: (1) site plan; (2) foundation plan; (3) floor plan for each floor; (4) elevation plans (all sides); (5) landscaping 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 River Birch Investments LLC, a Minnesota limited liability company, 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 described in Schedule A of this Agreement.

“EDA Act” means Minnesota Statutes, Sections 469.090 through 469.1082, as amended.

“Event of Default” means an action by the 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 following:

The “Medical Office Building” consisting of an approximately 9,500 square-foot medical office facility and surface, substantially as depicted in 50% of the Construction Plans.

“Mortgage” means any mortgage made by the Developer which is secured, in whole or in part, with the Development Property and which is a permitted encumbrance pursuant to the provisions of Article VIII of this Agreement.

“Option Property” means the real property described in Schedule B of this Agreement.

“Site Plan” means the site plan for the Minimum Improvements attached hereto as Schedule E and the conceptual development of the Option Property

“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.

“Termination Date” means the date five years after the Benefit Date.

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of war, terrorism, strikes, other labor troubles, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the Authority in exercising its rights under this Agreement) which directly result in delays. Unavoidable Delays shall not include delays in the Developer’s obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such approval and construction is required under Sections 4.2 and 4.3 of 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 its 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 EDA 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 the Developer. The Developer represents and warrants that:

(a) The Developer is a limited liability company duly organized and in good standing under the laws of the State, is not in violation of any provisions of its articles of organization or 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 local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations), subject to Section 4.1 hereof.

(c) The Developer has received no notice or communication from any local, state or federal official that the activities of the Developer or the Authority in the Project Area may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the Authority is aware). The Developer is aware of no facts the existence of which would cause it 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) The Developer will construct the Minimum Improvements in accordance with all local, state or federal energy-conservation laws or regulations.

(e) The Developer will obtain, in a timely manner, 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.

(f) As of the date of execution of this Agreement, the City has not conveyed the Option Property to the Authority. The Developer will determine if the Option Property will be improved within five (5) years of the Certificate of Occupancy being issued for the Developer Improvements and shall notify the City of its intentions. If the Developer plans to improve the Option Property, then a formal Addendum to this Agreement shall be made and entered into by the City and Developer, which shall be preceded by the Board of Commissioners of the Authority having conducted a public hearing on the sale of the Option Property and approving such sale.

(g) 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 the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(h) The Developer is not currently in default under any business subsidy agreement with any grantor, as such terms are defined in the Business Subsidy Act.

(The remainder of this page is intentionally left blank.)

ARTICLE III

Acquisition and Conveyance of Development Property

Section 3.1. Conveyance of the Development Property.

(a) As of the date of this Agreement, the City holds title to the Development Property, and has approved conveyance of the Development Property to the Authority. The Authority will convey title to and possession of the Development Property to the Developer, subject to all the terms and conditions of this Agreement.

(b) On or before Closing, the Developer shall prepare and use its best 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. Nothing in this Agreement is intended to preclude revisions requested or required by the City, provided such review and requested or required revisions are consistent with preliminary approvals by the City.

Section 3.2. Purchase Price of Development Property; Provisions for Payment. The purchase price to be paid to the Authority by the Developer in exchange for the conveyance of the Development Property is \$3.00 (the "Purchase Price"). The parties agree and understand the fair market value of the Development Property, based on the appraised value in 2026, is \$231,728.25 and that the Purchase Price represents a land write-down constituting a business subsidy of \$231,725.25, as described in Section 3.9 hereof. The Purchase Price shall be payable by the Developer in cash or by certified check at Closing.

Section 3.3. Purchase Price; Option Property. The Developer shall submit \$1.40 to secure the Option Property which must be purchased within five years of Certificate of Occupancy issuance for the Development Property. Per the provision of Section 3.2, the value of the Option Property shall be determined by the County assessor in the year in which the option to purchase is executed, which in 2026 is estimated at \$81,500. Based on the determined market value the land write-down amount will be established and documented within an executed Addendum to this Agreement. All other terms of this Agreement shall generally be in effect when, and if, the Developer enters into an agreement to improve the Option Property, including but not limited to the Board of Commissioners having conducted a public hearing on the sale of the Option Property and approving such sale, except as explicitly noted.

Section 3.4. Conditions of Conveyance of Development Property.

(a) The Authority shall convey title to and possession of the Development Property to the Developer by a quitclaim deed substantially in the form of the deed attached as Schedule C to this Agreement. The Authority's obligation to convey the Development Property to the Developer is subject to satisfaction of the following terms and conditions:

(1) The Authority having approved 50% of the Construction Plans for the Minimum Improvements in accordance with Section 4.2.

(2) The Authority having reviewed and approved financing for construction of the Minimum Improvements in accordance with Article VII hereof, and the Developer having closed on such permanent financing at or before Closing on transfer of title to the Development Property to the Developer.

(3) The Developer having reviewed and approved (or waived objections to) title to the Development Property as set forth in Section 3.6.

(4) The Developer having reviewed and approved (or waived objections to) soil and environmental conditions as set forth in Section 3.7.

(5) The Developer having paid, either part of approved financing or separately, the City's Broker fee of 6.5% of the appraised market value, which is estimated at \$15,062.34.

(6) No uncured Event of Default under this Agreement.

Conditions (1), (2), and (5) are solely for the benefit of the Authority, and may be waived by the Authority. Conditions (3) and (4) are solely for the benefit of the Developer, and may be waived by the Developer.

(b) The closing on conveyance of the Development Property from the Authority to the Developer shall occur upon satisfaction of the conditions specified in this Section, but no later than June 1, 2026, or at such earlier date as the parties hereto agree in writing ("Closing").

Section 3.5. Place of Document Execution, Delivery and Recording, Costs.

(a) Unless otherwise mutually agreed by the Authority and the 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 selected by Developer 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, the Developer shall pay recording costs for the deed (excluding state deed tax), title insurance fees and premiums, if any, title company closing fees, if any, and Developer's legal fees.

(c) At Closing the Authority shall pay or cause to be paid the state deed tax, costs of recording any instruments used to clear title encumbrances, and any outstanding or pending special assessments against the Development Property. The parties hereto agree and acknowledge that the Development Property is exempt from property taxes payable in 2026.

Section 3.6. Title.

(a) As soon as practicable after the date of this Agreement, the Developer shall obtain a commitment for the issuance of a policy of title for the Development Property at Developer's sole expense. The Developer shall have twenty (20) days from the date of its receipt of such commitment to review the state of title to the Development Property and to provide the Authority with a list of written objections to such title. 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 by the giving of written notice to the Authority (i) terminate this Agreement, upon the receipt of which this Agreement shall be null and void and neither party shall have any further liability hereunder except for Developer's obligations to pay Administrative Costs under Section 3.10(a) hereof, or (ii) waive the 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.

Section 3.7. Soils, Environmental Conditions.

(a) Before closing on conveyance of the Development Property from the Authority to the Developer, the Developer may enter the Development Property and conduct any other environmental or soils studies deemed necessary by the Developer. If, at least 10 days before Closing the 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, the Developer may at its option terminate this Agreement by giving written notice to the Authority, upon receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, except for Developer's obligation to pay Administrative Costs pursuant to Section 3.10(a) 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. The Developer further agrees that it will indemnify, defend, and hold harmless the Authority, the City, and their governing body members, officers, and employees, from any claims or actions arising out of the use, generation, storage or disposal of hazardous wastes or pollutants on the Development Property during the time Developer owns the Development Property.

Section 3.8. Advance of Land Costs. The Authority has determined that the fair market value of the Development Property is \$231,728.25. As described in Section 3.2 hereof, the Purchase Price of the Development Property is \$3.00, representing a reduction of \$231,725.25. Therefore, at Closing the Authority will forgo receipt of the full fair market value of the Development Property, which represents a business subsidy in the amount of \$231,725.25.

Section 3.9. Business Subsidy Agreement. The provisions of this Section constitute the “business subsidy agreement” for the purposes of the Business Subsidy Act.

(a) *General Terms*. The parties agree and represent to each other as follows:

(1) The subsidy provided to the Developer consists of the reduction in Purchase Price described in Section 3.8, or \$231,725.25.

(2) The public purposes of the subsidy are to facilitate development of the Minimum Improvements, thereby retaining net jobs and creating at least one job in the City and the State, and increasing the tax base of the City and the State.

(3) The goals for the subsidy are: to secure development of the Minimum Improvements on the Development Property; to maintain such improvements as a medical office for the time period described in clause (6) below; and to maintain the jobs and wage levels required in accordance with Section 3.9(b) hereof.

(4) If the goals described in clause (3) are not met, the Developer must make the payments to the Authority described in Section 3.9(c).

(5) The subsidy is needed to induce Developer to locate its business at this site, as determined by the Authority upon approval of the Development Program modification.

(6) The Developer must continue operation of the Minimum Improvements as a “Qualified Facility” for at least five years after the Benefit Date (defined hereinafter), subject to the continuing obligation described in Section 10.3 of this Agreement. For the purposes of this Section, the term Qualified Facility means an office and medical office for Developer’s business. The improvements will be a Qualified Facility as long as the Minimum Improvements are operated by Developer or a tenant for the aforementioned qualified uses. During any period when the Minimum Improvements are vacant and not operated for the aforementioned qualified uses, the Minimum Improvements will not constitute a Qualified Facility.

(7) The Developer does not have a parent corporation.

(8) The Developer does not expect to receive financial assistance from any other “grantor” as defined in the Business Subsidy Act,

(b) *Job and Wage Goals.* The “Benefit Date” of the assistance provided in this Agreement is the earlier of the date of issuance of the Certificate of Completion of the Minimum Improvements or the date the Minimum Improvements are occupied by Developer or a tenant of Developer. By or before the “Compliance Date,” defined as the date five years after the Benefit Date, the Developer shall cause to be (i) retained at least twenty-one (21) full-time equivalent jobs permanent to the Development Property, and (ii) created at least one (1) full-time equivalent job permanent to the Development Property which pays at least 125% of the federal minimum wage. If the job and wage goals described in this paragraph are met by the Compliance Date, those goals are deemed satisfied. The Authority may, after a public hearing, extend the Compliance Date by up to one year, provided that nothing in this section will be construed to limit the Authority’s legislative discretion regarding this matter.

(c) *Remedies.* If the Developer fails to meet the goals described in Section 3.9(a)(3), the Developer shall repay to the Authority upon written demand from the Authority a “pro rata share” of the appraised value of the land in Section 3.2 with interest on that amount at the implicit price deflator as provided in Section 116J.994, subd. 6 of the Business Subsidy Act, accrued from the date of substantial completion of the Minimum Improvements to the date of payment. The term “pro rata share” means percentages calculated as follows:

(i) if the failure relates to the number of jobs, the jobs required less the jobs created, divided by the jobs required;

(ii) if the failure relates to maintenance of the facility as a Qualified Facility in accordance with Section 3.9(a)(6), 60 less the number of months of operation as a Qualified Facility (where any month in which the Qualified Facility is in operation for at least 15 days constitutes a month of operation), commencing on the Benefit Date and ending with the date the Qualified Facility ceases operation as determined by the Authority Representative, divided by 60; and

(iv) if both clauses (i) and (ii) apply, the sum of the applicable percentages, not to exceed 100%.

Nothing in this Section shall be construed to limit the Authority’s remedies under Article IX hereof. In addition to the remedy described in this Section and any other remedy available to the Authority for failure to meet the goals stated in Section 3.9(a)(3), the Developer agrees and understands that it may not receive a business subsidy from the Authority or any grantor (as defined in the Business Subsidy Act) for a period of five years from the date of the failure or until the Developer satisfies its repayment obligation under this Section, whichever occurs first.

(d) *Reports.* The Developer must submit to the Authority a written report regarding business subsidy goals and results by no later than February 1 of each year, commencing upon the first February following the issuance of the Certificate of Completion and continuing until the later of (i)

the date the goals stated in Section 3.9(a)(3) are met; (ii) 30 days after expiration of the period described in Section 3.9(a)(6); or (iii) if the goals are not met, the date the subsidy is repaid in accordance with Section 3.9(c). The report must comply with Section 116J.994, subdivision 7 of the Business Subsidy Act. The Authority will provide information to the Developer regarding the required forms. If the Developer fails to timely file any report required under this Section, the Authority will mail the Developer a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, the Developer fails to provide a report, the Developer must pay to the Authority a penalty of \$100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section \$1,000.

Section 3.10. Payment of Administrative Costs. The Authority acknowledges that upon submission of the Developer's application for the land credit business subsidy program, variously known as the \$1/Acre Incentive Program, the Developer deposited with the Authority \$10,000. The Authority will use such deposit to pay "Administrative Costs," which term means out of pocket costs incurred by the Authority and City, all attributable to or incurred in connection with the negotiation and preparation of this Agreement and other documents and agreements in connection with the development of the Development Property. At Developer's request, but no more often than monthly, the Authority will provide Developer with a written report including invoices, time sheets or other comparable evidence of expenditures for Administrative Costs and the outstanding balance of funds deposited. If at any time the Authority determines that the deposit is insufficient to pay Administrative Costs, the Developer is obligated to pay such shortfall within 15 days after receipt of a written notice from the Authority containing evidence of the unpaid costs. If any balance of funds deposited remains upon issuance of the Certificate of Completion pursuant to Section 4.4 of this Agreement, the Authority shall promptly return such balance to Developer; provided that Developer remains obligated to pay subsequent Administrative Costs related to any amendments to this Agreement requested by Developer. Upon termination of this Agreement in accordance with its terms, the Developer remains obligated under this section for Administrative Costs incurred through the effective date of termination.

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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. The obligation to construct, operate and maintain the Minimum Improvements is contingent upon Developer obtaining the financing necessary to construct, operate and maintain the Minimum Improvements, the terms of which financing are in the sole discretion of the Developer. In the event the Developer fails to obtain such financing, the Authority may exercise its rights under Section 9.3 to retake the Development Property.

Section 4.2. Construction Plans.

(a) Before closing on conveyance of the Development Property under Article III, the Developer shall submit to the Authority Construction Plans. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with the Development Plan, this Agreement, and all applicable State and local laws and regulations. The Authority will approve the Construction Plans in writing if: (i) the Construction Plans conform to the terms and conditions of this Agreement; (ii) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (iii) the 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 the Developer for construction of the Minimum Improvements; (v) the Construction Plans are consistent with the Site Plan; and (vi) no Event of Default has occurred. No approval by the Authority shall relieve the 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 the 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 therefor, 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, the Developer shall submit new or corrected Construction Plans within 30 days after written notification to the 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. 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.

(b) If the Developer desires to make any material change in the Construction Plans after their approval by the Authority, the 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 the 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 the 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.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer must commence construction of the Minimum Improvements by September 1, 2026, and must complete construction of the Minimum Improvements by September 1, 2027. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in conformity with the Construction Plans as submitted by the Developer and approved by the Authority.

The Developer agrees for itself, its successors and assigns, and every successor in interest to the Development Property, or any part thereof, that the 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 and completed within the period specified in this Section 4.3 of this Agreement. Subsequent to conveyance of the Development Property, or any part thereof, to the Developer, and until construction of the Minimum Improvements has been completed, the 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 the 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 D. 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 the Developer, provide the Developer with a written statement, indicating in adequate detail in what respects the 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 the Developer to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements shall be deemed to be commenced upon beginning of excavation for the building associated with the Minimum Improvements, and shall be deemed to be substantially completed when the Developer has received a certificate of occupancy issued by the City for the Minimum Improvements.

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ARTICLE V

Insurance

Section 5.1. Insurance. The 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. The interest of the Authority shall be protected in accordance with a clause in form and content satisfactory to the Authority;

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner'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) Upon completion of construction of the Minimum Improvements and prior to the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the Authority shall furnish proof of the payment of premiums on, insurance as follows:

(i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses.

(ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$1,000,000, and shall be endorsed to show the Authority as an additional insured.

(iii) Such other insurance, including workers' compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(c) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer that are authorized under

the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the Authority policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V of this Agreement each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Developer and the Authority at least 30 days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the Authority a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(d) The Developer agrees to notify the Authority immediately in the case of damage exceeding \$500,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Developer will forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction, and restoration, the Developer will apply the net proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

The Developer shall complete the repair, reconstruction and restoration of the Minimum Improvements, regardless of whether the net proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, construction, and restoration shall be the property of the Developer.

(e) The Developer and the Authority agree that all of the insurance provisions set forth in this Article V shall terminate upon the termination of this Agreement.

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.

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ARTICLE VI

Delinquent Taxes and Review of Taxes

Section 6.1. Right to Collect Delinquent Taxes. Developer agrees for itself, its successors and assigns, in addition to the obligation pursuant to statute to pay real estate taxes, that it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. The Developer acknowledges that this obligation creates a contractual right on behalf of the Authority through the Termination Date to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor. In any such suit in which the Authority is the prevailing party, the Authority shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 6.2. Review of Taxes. The Developer agrees that prior to the Termination Date it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (a) willful destruction of the Development Property or any part thereof; or (b) willful refusal to reconstruct damaged or destroyed property pursuant to Section 5.1 of this Agreement, except as otherwise provided in Section 5.1(e). The Developer also agrees that it will not, prior to the Termination Date, 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 City or Authority in accordance with this Agreement).

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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 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 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. In any event the Developer shall submit adequate evidence of financing within thirty (30) days after such 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 authorized pursuant to Article VII of this Agreement, the Developer shall cause the Authority to receive copies of any notice of default received by the Developer from the holder of such Mortgage. Thereafter, the Authority shall have the right, but not the obligation, to cure any such default on behalf of the Developer within such cure periods as are available to the 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. The 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 Developer's Transfer of Property and Assignment of Agreement. The Developer represents and agrees that until the Termination Date:

(a) Except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations with respect to making the Minimum Improvements under this Agreement, and any other purpose authorized by this Agreement, the 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 the Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the Authority unless the Developer remains liable and bound by this Development Agreement in which event the Authority's approval is not required. Any such transfer shall be subject to the provisions of this Agreement.

(b) In the event the Developer, upon transfer or assignment of the Development Property or any portion thereof, seeks to be released from its obligations under this Development Agreement as to the portions of the Development Property that is transferred or assigned, the Authority shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such release 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 the 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 the 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 the 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 the 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.

In the event the foregoing conditions are satisfied then the Developer shall be released from its obligation under this Agreement, as to the portion of the Development Property that is transferred, assigned or otherwise conveyed.

Section 8.3. Release and Indemnification Covenants. (a) The Developer releases from and covenants and agrees that the Authority and the governing body members, commissioners, officers, agents, servants and employees thereof (the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless such 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 Minimum Improvements.

(b) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees 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 arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, 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 the 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):

(a) any failure by any party to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement or under any other agreement entered into between the Developer and the Authority or City in connection with development of the Development Property; and

(b) any default by Developer under a Mortgage, if any.

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.

(d) Notwithstanding anything to the contrary herein, in the case of defaults by Developer described in Section 3.9, the Authority has the additional remedies specified therein, subject to the qualification described in Section 10.3.

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 the Developer and prior to receipt by the Developer of the Certificate of Completion for the final component of the Minimum Improvements required to be constructed on that parcel:

(a) the Developer, subject to Unavoidable Delays, shall fail to begin construction of the Minimum Improvements in conformity with this Agreement and such failure to begin construction is not cured within 90 days after written notice from the Authority to the Developer to do so; or

(b) subject to Unavoidable Delays, the Developer after commencement of the construction of the Minimum Improvements, fails to carry out its obligations with respect to the construction of such improvements (including the nature and the date for the completion thereof), or abandons or substantially suspends construction work, and any such failure, abandonment, or suspension shall not be cured, ended, or remedied within 90 days after written demand from the Authority to the Developer to do so; or

(c) the 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 written demand by the Authority to do so; provided, that if the 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 the Developer shall keep the Authority informed respecting the status of such defense; or

(d) there is, in violation of the Agreement, any transfer of the parcel or any part thereof, or any change in the ownership or distribution thereof of the Developer, or with respect to the identity of the parties in control of the Developer or the degree thereof, and such violation is not cured within sixty (60) days after written demand by the Authority to the Developer, or if the event is by its nature incurable within 60 days, the 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

(e) the Developer fails to comply with any of its other covenants under this Agreement related to the subject component of the Minimum Improvements and fails to cure any such noncompliance or breach within sixty (60) days after written demand from the Authority to the Developer to do so, or if the event is by its nature incurable within 60 days, the 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

(f) 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,

Then the Authority shall have the right to re-enter and take possession of the parcel and to terminate (and revert in the Authority) the estate conveyed by the deed to the Developer, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the parcel to the 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 the Developer and failure on the part of the 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 the Developer, and that such title and all rights and interests of the 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)-(f) have not been cured within the time periods provided above.

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 or such other improvements in their stead 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 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 the 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 the Developer and its successor or transferee; and

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

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.

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ARTICLE X

Additional Provisions

Section 10.1. Conflict of Interests; Authority Representatives Not Individually Liable. The Authority and the 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 his or her personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No member, official, or employee of the Authority shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the Authority or City or for any amount which may become due to the Developer or successor or on any obligations under the terms of the Agreement.

Section 10.2. Equal Employment Opportunity. The 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. The Developer agrees that until the Termination Date, the Developer, and such successors and assigns, shall use the Development Property and the Minimum Improvements thereon only as a Qualified Facility described in Section 3.9 hereof, provided that after expiration of the five-year period described in Section 3.9(c), the repayment remedy described in Section 3.9(d) may not be imposed on Developer for default under this Section, and Authority is limited to any other remedies available under Article IX hereof. Further, until the Termination Date the Developer 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 either party to the other 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 the Developer, is addressed to or delivered personally to the Developer at 12545 County Road 139, Brainerd, Minnesota 56401, Attn: Kristina M. Britton, MD; and

(b) in the case of the Authority, is addressed to or delivered personally to the Authority at Economic Development Authority of Brainerd, Minnesota, 501 Laurel Street, Brainerd, Minnesota 56401, Attn: Executive Director; or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other 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 County Recorder. The 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 the 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 Termination Date. Within 30 days after the Termination Date, the Authority will deliver to Developer a written release in recordable form satisfactory to Developer, evidencing termination of this Agreement.

Section 10.12. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State. 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.

(The remainder of this page is intentionally left blank.)

SCHEDULE A

DEVELOPMENT PROPERTY

Lots 1 and 2, Block 5; all in Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota.

SCHEDULE B

OPTION PROPERTY

Lot 3, Block 5; all in Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota.

SCHEDULE C

FORM OF QUIT CLAIM DEED

STATE DEED TAX DUE HEREON: \$ _____

ECRV: _____

Date: _____, 2026

FOR VALUABLE CONSIDERATION, Economic Development Authority of Brainerd, Minnesota, a public body corporate and politic under the laws of the State of Minnesota (the “Grantor”), hereby conveys and quitclaims to River Birch Investments LLC, a Minnesota limited liability company (the “Grantee”), that certain real property located in the City of Brainerd, Crow Wing County, Minnesota, and legally described as:

Lots 1 and 2, Block 5; all in Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota.

Check here if part or all of the land is Registered (Torrens)

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 _____ day of March, 2026, identified as the “Purchase and Development Contract” (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 (as defined in the Agreement) thereon 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 certification 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 of 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) **[Any other permitted encumbrances after Developer's title review]**

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its President and Executive Director, this _____ day of _____, 2026.

The Seller certifies that the Seller does not know of any wells on the described real property.

ECONOMIC DEVELOPMENT AUTHORITY OF BRAINERD, MINNESOTA

A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: _____).

By: _____
Its: President

I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

By: _____
Its: Executive Director

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

The foregoing instrument was acknowledged before me this ___ day of _____, 2026, by _____, the President of the Economic Development Authority of Brainerd, Minnesota, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Grantor.

Notary Public

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

The foregoing instrument was acknowledged before me this ___ day of _____, 2026, by James L. Kramvik, the Executive Director of the Economic Development Authority of Brainerd, Minnesota, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Grantor.

Notary Public

This instrument was drafted by:

Kutak Rock LLP (SEL)
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402

Tax Statements should be sent to:

River Birch Investments LLC
Attn: Kristina M. Britton, MD
12545 County Road 139
Brainerd, MN 56401

SCHEDULE D

CERTIFICATE OF COMPLETION

WHEREAS, the Economic Development Authority of Brainerd, Minnesota, a public body corporate and politic of the State of Minnesota (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 River Birch Investments LLC, a Minnesota limited liability company (the “Grantee”), the following described land in County of Crow Wing and State of Minnesota, to-wit:

Lots 1 and 2 Block 5; all in 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__.

ECONOMIC DEVELOPMENT AUTHORITY OF
BRAINERD, MINNESOTA

By _____
Authority Representative

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

The foregoing instrument was acknowledged before me this day of _____, 20__, by
_____, the _____ of the Economic Development
Authority of Brainerd, Minnesota, a public body corporate and politic under the laws of the State of
Minnesota, on behalf of the Grantor.

Notary Public

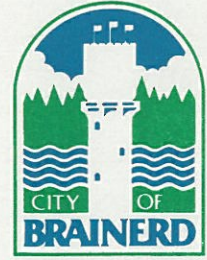
This Document was drafted by:

Kutak Rock LLP (SEL)
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402

SCHEDULE E

Site Plan

[To be inserted]



www.ci.brainerd.mn.us

February 20, 2026

Sofia Lykke
Kutak Rock LLP
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402

Re: Brainerd Planning Commission Review of Proposed Development of Lots 1 and 2, Block 5; all in Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota

Dear Ms. Lykke,

On February 18, 2026, the Board of Commissioners of the Brainerd Planning Commission (the "Planning Commission"), following a public hearing, considered approving a conditional use permit with respect to the proposed development of real property located in the City of Brainerd (the "City") and legally described as Lots 1 and 2, Block 5; all in Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota (the "Development Property"), for a dermatology clinic (the "Project"). The City currently owns the Development Property and has approved conveying the Development Property to the Economic Development Authority of Brainerd, Minnesota (the "Authority"). The Authority will consider selling the Development Property to River Birch Investments LLC for developing the Project.

The Planning Commission approved the permit and considered the development of the Development Property and the proposed use with respect to the overall Comprehensive Plan of the City, including but not limited to its economic development and redevelopment goals. In approving the conditional use permit, the Planning Commission found, among other things, that the development fits within the Comprehensive Plan of the City.

Enclosed are the following: (i) a memorandum, dated February 18, 2026, provided to the Planning Commission in advance of its meeting on such date, describing the development of the Development Property and specifying the economic development goals and policies that support a finding that the Project is consistent with the overall Comprehensive Plan of the City; and (ii) unofficial minutes of the Planning Commission meeting on February 18, 2026.

Please contact me by email (jkramvik@ci.brainerd.mn.us) or telephone (218-454-3408) with any questions.

Sincerely,

James Kramvik
Community Development Director
City of Brainerd

MEMO



TO: Planning Commission

FROM: James Kramvik, Community Development Director

DATE: February 18th, 2026

RE: Consider Conditional Use Permit to Exceed the Parking Lot Maximum Size at 1410 and 1424 Thiesse Drive

REQUEST

PUBLIC HEARING. Conditional Use Permit to exceed the parking lot maximum size at 1410 and 1424 Thiesse Drive to allow for the construction of a dermatology clinic.

River Birch Investments LLC, 12545 County Road 139, Brainerd, has applied for a CUP for additional parking spaces due to the fact that the proposed building is two stories.

CONTEXT

Parcel Number: 41060502 and 41060503

Zoning District: General Industrial (GI) District

Property Area: Approx. 3.75 acres

Adjacent Uses: North: Vacant Industrial
East: Vacant Industrial
South: County Residential Farmland
West: Residential

Adjacent Zoning: North: General Industrial (GI) District
East: General Industrial (GI) District
South: County
West: General Industrial (GI) District

AERIAL MAP



FINDINGS OF FACT – CONDITIONAL USE PERMIT

1. The properties at 1410 and 1424 Thiesse Drive are located in the Industrial Park in the GI (General Industrial) Zoning District.
2. Zoning Ordinance [Section 515-4-12 Off Street Parking](#) states one (1) parking space is allowed for every 150 square feet of building footprint area. The applicant is requesting additional parking spaces for the two-story dermatology clinic. Any proposed off-street parking facility exceeding the maximum parking space calculation may only be allowed to exceed the maximum number of spaces if the building has more than one level with a Conditional Use Permit.
 - a. The applicant has proposed 65 off-street parking spaces.
 - b. The proposed building footprint for the facility is 4,941 SF which allows for 33 spaces without an approved Conditional Use Permit.
 - i. ADA spaces do not count towards the allowable number of off-street parking spaces.
3. **Criteria for Granting Conditional Use Permits.** In granting a Conditional Use Permit, the City Council shall consider the advice and recommendations of the Planning Commission and the effect of the proposed use upon the health, safety, morals and general welfare of occupants or surrounding lands. Among other things, the City Council shall make the following findings where applicable.

- a. The proposed use conforms to the Zoning District and is a permitted Conditional Use identified on [Appendix A: Table of Uses](#).
 - i. *In accordance with the City of Brainerd Zoning Code Table of Uses, office/businesses uses are permitted in the GI District.*
- b. The proposed use meets the regulations and standards established in this Ordinance.
 - i. *An approved CUP allows for properties to exceed the parking lot maximum if the buildings in more than one story in height.*
 - 1. *Off street parking facilities will be utilized for multiple staff and patients of the dermatology clinic.*
 - 2. *The applicant is also planning for a potential future building on an adjacent lot to the East.*
 - ii. *The preliminary design meets all regulations and standards of the zoning code with exception of the lower parking lot design.*
 - 1. *According to [Section 515-4-10.G.8](#) - When internal parking rows contain twenty (20) or more parking stalls, landscape islands shall be provided so that there is not a continuous row of over ten (10) parking spaces.*
 - a. *The applicant will redesign the parking lot prior to issuance of the building permit to meet all requirements of the Code.*
- c. The proposed use shall not involve any element or cause any condition that may be dangerous, injurious, or noxious to any other property or persons.
 - i. *The proposed development will not be dangerous, injurious, or noxious to any other property or persons.*
- d. The proposed use shall be sited, oriented, and landscaped to produce a harmonious relationship of buildings and grounds to adjacent buildings and properties.
 - i. *The proposed plan meets all landscape requirements of the Zoning Code.*
 - ii. *The proposed building meets the design requirements of the Zoning Code and has stone accents that will enhance the aesthetics of the area.*
- e. The proposed use shall produce a total visual impression and environment which is consistent with the environment of the neighborhood.
 - i. *The proposed building will enhance the visual impression of the neighborhood.*
 - ii. *FedEx, a nearby business, has a large parking lot and loading facility similar to other industrial uses.*
- f. The proposed use shall organize vehicular access and parking to minimize traffic congestion in a residential neighborhood.
 - i. *The proposed off-street parking facility will be adequate for patients and staff of the dermatology clinic.*
 - ii. *The property is not near residential uses.*
- g. The proposed use shall preserve the objectives of this Ordinance and shall be consistent with the [Comprehensive Plan](#).
 - i. *Economic Development Goal 1 of the Comprehensive Plan: Support infill and redevelopment throughout Brainerd as a strategic component of growth:*

PLANNING COMMISSION
Wednesday, February 18, 2026

#1 Call to Order

Planning Commission Chair Gorham called the meeting of the Brainerd Planning Commission to order at 6:00 pm in the City Hall Council Chambers.

#2 Roll Call

Noted present were Commissioners Gorham, Grecula, Peterson, Duval, and Erickson. Noted absent was Commissioner Powell. Also noted as present was Community Development Director Kramvik.

#3 Pledge of Allegiance

Commission Chair Gorham opened the meeting with the Pledge of Allegiance to the flag.

#4 Approval of Agenda

MOVED AND SECONDED BY COMMISSIONERS ERICKSON AND GRECULA, DULY CARRIED, TO APPROVE THE AGENDA AS PRESENTED.

#5 Approval of Minutes

MOVED AND SECONDED BY COMMISSIONERS DUVAL AND PETERSON, DULY CARRIED, TO APPROVE THE MINUTES FROM THE JANUARY 21ST, 2026 REGULAR MEETING.

#6 Public Forum

The Chair opened the public forum at 6:01 pm.

No one came forward.

The Chair closed the public forum at 6:01 pm.

#7 New Business

7a. Conditional Use Permit Request – Dermatology Clinic – 1410 & 1424 Thiesse Drive

Community Development Director Kramvik gave a review of the proposal to increase the amount of parking spaces allowed for the size of the building. The proposed building will be two stories and exceeds the maximum parking space calculation. He also noted that the applicant may expand to a third parcel adjacent in the future for potential growth of the dermatology clinic. This application does not include that parcel.

Commissioner discussion took place. It was asked about the potential for leasing space that was noted in the building.

The Chair opened the public hearing at 6:09 pm.

The Chair recognized Kristina Britton, 12545 County Road 139, Brainerd, who is the applicant and the dermatologist for the clinic. She stated the practice has outgrown their current space and they are very excited for the opportunity to expand in Brainerd. They need at least 3 parking spaces per provider for patients being seen. She stated the basement area may be used for a third-party rental or may be used for their own office or clinic space. The third parcel of land may be needed in the future for expansion if the business grows past their needs.

The Chair closed the public hearing at 6:15 pm.

MOVED AND SECONDED BY COMMISSIONERS DUVAL AND PETERSON, DULY CARRIED, TO RECOMMEND APPROVAL OF THE CONDITIONAL USE PERMIT THAT ALLOWS FOR 65 OFF STREET PARKING SPACES AT 1410 AND 1424 THIESSE DRIVE BRAINERD AS PRESENTED.

Community Development Director Kramvik indicated this will be heard at the City Council meeting March 2nd at 7:30 pm for final decision.

#11 Adjournment

MOVED AND SECONDED BY COMMISSIONERS DUVAL AND PETERSON, DULY CARRIED, TO ADJORN AT 6:40 PM.

Don Gorham, Planning Commission Chair

BRAINERD ECONOMIC DEVELOPMENT AUTHORITY

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Board of Commissioners (the “Board”) of the Brainerd Economic Development Authority (the “Authority”) will meet at approximately 7:30 a.m. on Thursday, March 5, 2026, in the City Council Chambers of City Hall, located at 501 Laurel Street, Brainerd, Minnesota, to conduct a public hearing regarding the following matters:

1. the proposed sale of certain property described as Lots 1 and 2, Block 5; all in Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota (the “Property”), by the Authority to River Birch Investments LLC, a Minnesota limited liability company, or an affiliate, successor, or assign (collectively, the “Developer”); the Authority owns (or will own) the Property and intends to sell the Property to the Developer for \$3.00 in furtherance of the Authority’s goals for the economic development of the industrial park, resulting in an anticipated reduction of \$228,425.00 in the purchase price of the Property, based on the current appraised value (which is subject to adjustment based on a new appraisal of the Property to be performed following publication of this notice and prior to the public hearing);

2. a proposed modification of the Amended and Restated Development Program for the Authority’s Development District No. 2 (the “District”) for the purpose of enlarging the boundaries of the District to include the Property; and

3. a proposed business subsidy to be granted to the Developer pursuant to Minnesota Statutes, Sections 116J.993 to 116J.995, as amended (the “Business Subsidy Act”), consisting of the above-described write-down in the purchase price of the Property in the currently anticipated amount of \$228,425.00, subject to adjustment as provided above.

A copy of all documents relating to the proposed sale of land is on file and available for inspection at City Hall during regular business hours. In addition, information about the proposed business subsidy, including a summary of the terms of the subsidy and a copy of the draft business subsidy agreement, is on file and available for inspection at City Hall during regular business hours.

At the public hearing, the Board will meet to consider whether the sale is advisable. Any person wishing to express an opinion on the matters to be considered at the public hearing will be heard orally or in writing.

Any person with residence in the City, or the owner of taxable property in the City, may file a written complaint with the Authority if the Authority fails to comply with the Business Subsidy Act, and no action may be filed against the Authority for the failure to comply unless a written complaint is filed.

Dated: February 21, 2026

BY ORDER OF THE BOARD OF
COMMISSIONERS OF THE BRAINERD
ECONOMIC DEVELOPMENT AUTHORITY

/s/ James L Kramvik
Executive Director
Brainerd Economic Development Authority

MEMO

TO: EDA Board of Commissioners

FROM: James Kramvik, Community Development Director

DATE: March 5th, 2025

RE: Washington Street Mitigation Plan

INTRODUCTION

The EDA budgeted \$20,000 towards the Washington Street Mitigation plan for 2026 to help businesses during the Washington Street reconstruction project. Staff members, EDA Board Members, and City Officials have taken part in meetings in preparation of the mitigation plan. The Brainerd Lakes Chamber of Commerce propose to lead the mitigation efforts and has drafted a shared services agreement with the Brainerd EDA. In addition, a memo has been provided by the Chamber outlining the work that has been completed, business feedback, and the mitigation plan.

STAFF RECOMMENDATION

Motion to approve the attached shared services agreement with the Brainerd Lakes Chamber of Commerce.



BRAINERD LAKES

— Chamber of Commerce —

Washington Street Business Mitigation and Marketing Plan

Prepared for: Brainerd EDA

Prepared by: Brainerd Lakes Chamber of Commerce

Date: February 24, 2026

Purpose

This memo summarizes business feedback gathered during Washington Street reconstruction preparation meetings hosted by the Chamber, BLAEDC and MnDOT on January 27-28, 2026. It also outlines a proposed marketing and communications plan to help businesses remain visible, reachable, and supported during Washington Street work in 2026 and 2027. It is provided as background as the Brainerd EDA considers allocating funds to the mitigation effort.

Work completed to date

- Partnered with BLAEDC and MnDOT to host 51 Brainerd business leaders on January 27-28 to plan early and identify an organizing structure for business mitigation, with the Chamber positioned to manage campaign execution and coordination.
- Established a Steering Committee framework, timeline, and target launch date of May 1, 2026. Attendees included Marie Kirsch (Knotty Pine Bakery), Justin Grecula (First Western Bank), Tyler Glynn (BLAEDC), Frank Soukup (Just for Kix), Jenny Seelen (MnDOT), Colleen Dols (Chamber) and Matt Kilian (Chamber). Invited but unable to attend were Mary Devine Johnson (Visit Brainerd), James Kramvik (City of Brainerd) and Donna Houchin (Chamber).

Business feedback summary from January sessions

Key needs

- Messaging should stay positive and practical. Keep the tone positive: avoid doom messaging, promote “it’ll be worth it” and “shop local.”
- “We’re open” messaging is not enough. Customers need a reason to patronize businesses and clear guidance on how to get here.
- Businesses want simple “how to get here right now” directions that match the current phase and detour.
- Communication must be frequent, short and consistent, with one reliable place to check when plans shift.
- Wayfinding must be accurate and maintained as access changes.

Primary concerns

- Route guidance accuracy, ensuring mapping apps reflect closures and detours correctly.
- Safety for pedestrians, students, and risky driver behavior at key intersections.
- Truck and cut-through traffic on roads not built for it, and how impacts will be monitored and addressed.
- Utility shutoffs and service interruptions requiring proactive notice.

What businesses want from partners

- A toolkit with templates, graphics, and approved language, plus partner amplification.
- Channels beyond social media, including radio and print, and consideration of text alerts for quick updates.
- Promotions that drive purchases inside businesses, such as punch cards and trail style challenges, not large centralized events.
- Exploration of temporary flexibility on signage rules for construction wayfinding.
- Little interest in training or workshops

Marketing campaign concept: Babe the Blue Ox & Lakes Proud

The Steering Committee recommends a Babe the Blue Ox mascot as the face of the campaign, with detours possibly branded as “Blue Ox Trails” that guide customers to businesses. The concept is designed to solve a practical problem: routes will change by phase, and customers need consistent, recognizable guidance and motivation to keep visiting.

This approach builds on the strength of the recognizable Lakes Proud “buy local” campaign established in 2015, rather than creating a new brand. The blue ox also has added tourism appeal, providing a recognizable and family-friendly symbol visitors can connect with.

Why the mascot is a functional tool

- Helps maintain a fun, positive, welcoming tone during a stressful period.
- Creates consistent recognition across changing detours and phases.
- Supports clear, memorable route guidance and short video updates.

How the mascot will be used

- Short-form videos showing detour guidance and simple route explanations.
- Business spotlights and promotions, including Blue Ox “Trail Guide” clips that direct customers to participating businesses.
- Photo opportunities at area businesses and community events.
- Visibility around key phase changes to reinforce customer confidence

Marketing and communications plan

The Chamber will create the brand, manage implementation, and coordinate consultants as needed. The campaign will complement MnDOT communications. We will not duplicate content on MnDOT’s official project site, but will link to it prominently. Phase 1 campaign dates will be approximately May 1 through October 15, 2026.

Website

- Positive messages about what the project will do for the community
- Detours by phase and “how to get here right now” guidance
- Blogs with multimedia content
- Business listings, events and promotions calendar
- FAQs and short updates
- Direct links to MnDOT’s official project page for project details and updates
- Toolkit of logos, graphics, templates, etc. for businesses

Social media & digital advertising

- Active Facebook page Weekly short form video features highlighting detours, access guidance, and business promotions, including Blue Ox appearances
- Private business Facebook group to share information and answer questions
- Social media ads and boosting
- Optional text campaign for quick updates during key changes

Traditional marketing

To reach residents and visitors who are not regular digital media users, the plan includes traditional channels such as radio, print, and billboards. We are hopeful these traditional marketing expenses can be covered by Visit Brainerd as part of its current marketing contract with the EDA, aligning construction mitigation messaging with existing marketing efforts.

Wayfinding and signage support

Subject to MnDOT allowances, the campaign will explore supplemental Blue Ox Trails wayfinding markers that reinforce official signage and increase customer confidence.

Special events & promotions

The Steering Committee is also considering a kickoff event to introduce the campaign and set the tone for the construction period, possibly a groundbreaking-style event with a community draw, followed by coordinated promotional activities that incentivize customers to visit businesses across the corridor.

Funding summary, budget, and proposed EDA terms

The following projection is for 2026. We expect expenses will be reduced significantly in 2027 after the campaign infrastructure is created.

Secured Revenue: \$50,000

- Brainerd EDA: \$20,000 (pending approval)
- Brainerd Lakes Chamber of Commerce: \$10,000
- Crow Wing Power: \$5,000
- Mike Higgins: \$5,000
- Anonymous donor: \$10,000

**Invited to apply for \$10,000 Initiative Foundation grant on April 21*

Projected Expenses (adjusted as revenue is confirmed): \$63,500

- Mascot costume/ coordination: \$12,000 (*covered by anonymous donor and chamber*)
- Website: \$7,000
- Weekly short form video features: \$11,500
- Social media pages and digital ads: \$5,000
- Traditional media mix: \$7,500
- Event planning and supplies: \$5,000
- Road signage as allowable by MnDOT: \$2,500
- Text campaign: \$1,000
- Marketing consultant: \$8,000
- Summer intern: \$4,000

Proposed EDA payment and reporting terms (2026)

- Payment: \$20,000 to the Chamber by May 1, 2026.
- Reporting: The Chamber will submit a detailed expense and activity report by October 15, 2026.
- Unused funds: Any unused EDA funds will either be returned or carried over to 2027, per the EDA's preference. Any expense overages will be covered by the Chamber.



 **Olympus**
MASCOT DIVISION

Brainerd Lakes Chamber of Commerce - Babe the Blue Ox

DATE 2/3/26

REVISED 2/13/26

DRAWN BY 

JOB NUMBER 972631-2-1

Olympus retains all rights to the artwork until the costume is sold, if the artwork is based on an existing logo, design, or image – clients retain the rights to these and Olympus will not use them in any other business activities. This sketch may not be submitted to other costume companies or manufacturers without Olympus' consent. Olympus retains the right to use the character for internal marketing purposes (self-promotion) only.



 **Olympus**
MASCOT DIVISION

Brainerd Lakes Chamber of Commerce - Babe the Blue Ox

DATE 2/3/26

REVISED 2/13/26

DRAWN BY 

JOB NUMBER 972631-2-1

Olympus retains all rights to the artwork until the costume is sold, if the artwork is based on an existing logo, design, or image – clients retain the rights to these and Olympus will not use them in any other business activities. This sketch may not be submitted to other costume companies or manufacturers without Olympus' consent. Olympus retains the right to use the character for internal marketing purposes (self-promotion) only.

AGREEMENT FOR PROFESSIONAL SERVICES

BY AND BETWEEN THE BRAINERD ECONOMIC DEVELOPMENT AUTHORITY

AND THE BRAINERD LAKES CHAMBER OF COMMERCE

Whereas, the Brainerd Economic Development Authority ("EDA") desires to support a business mitigation and public engagement effort associated with the Washington Street reconstruction; and

Whereas, the Brainerd Lakes Chamber of Commerce ("Chamber") will manage campaign execution and coordination in collaboration with MnDOT, corridor businesses, and project partners; and

Whereas, the parties desire to set forth their agreement regarding the services to be provided by the Chamber and the EDA's funding contribution.

Now, therefore, in consideration of the mutual promises and covenants herein contained, the parties agree as follows:

I. SERVICES

The Chamber shall provide the following services on behalf of the EDA (the "Project"):

- **Campaign development and management.** Create the campaign brand and manage implementation, including coordination of consultants as needed.
- **Communications coordination.** Coordinate messaging to complement MnDOT communications and link prominently to MnDOT's official project page rather than duplicating MnDOT content.
- **Core deliverables (Phase 1).** Implement Phase 1 communications and marketing activities for approximately May 1 through October 15, 2026. Activities may include website content and updates, social media and digital advertising, short-form video features and business spotlights, coordination of traditional marketing (radio, print, billboards) as feasible, wayfinding and signage support exploration subject to MnDOT allowances, and promotions and events as planned through the Steering Committee framework.
- **Steering Committee.** Support and participate in the Washington Street Steering Committee structure established through business preparation sessions. The Steering Committee will include representation from corridor businesses and key partners. The Chamber will coordinate meeting cadence, agendas, and follow up items as needed to support Project execution and partner alignment.

II. TERM OF CONTRACT

This Agreement shall commence May 1, 2026 and terminate October 15, 2026, unless extended by mutual written agreement of the parties.

III. COMPENSATION

a) Payment Amount and Timing. The EDA agrees to pay the Chamber Twenty Thousand Dollars (\$20,000) for the services described herein, payable by May 1, 2026.

b) Use of Funds. EDA funds shall be used for Project expenses consistent with the Project budget and plan and as implemented by the Chamber.

c) Overages. Any expense overages beyond the EDA's Twenty Thousand Dollar (\$20,000) contribution will be covered by the Chamber.

d) Unused Funds. Any unused EDA funds shall either be returned to the EDA or carried over to 2027, at the EDA's preference.

IV. REPORTING AND DOCUMENTATION

The Chamber will submit a detailed expense and activity report to the EDA by October 15, 2026. The report will summarize activities completed during the term, campaign outputs as applicable, and itemized expense documentation reasonably sufficient for the EDA's records.

V. REPRESENTATION

a) The EDA acknowledges that the Chamber will conduct the Project services described herein for the compensation amount set forth above.

b) Each party to this Agreement binds itself and its successors, executors, administrators, and assigns to the other party in respect to all covenants of this Agreement. Neither party shall assign, sublet, or transfer its interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the parties to this Agreement.

VI. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties regarding the services described herein and may be amended only by written agreement signed by both parties.

IN WITNESS WHEREOF

The parties have executed this Agreement in the City of Brainerd, Minnesota on this ____ day of _____, 2026.

BRAINERD ECONOMIC DEVELOPMENT AUTHORITY (EDA)

By: _____

Name: _____

Title: _____

Date: _____

BRAINERD LAKES CHAMBER OF COMMERCE

By: _____

Name: _____

Title: _____

Date: _____

February 18, 2026

City of Brainerd EDA
501 Laurel Street
Brainerd, MN 56401

RE: Interest in Parcel #41310501 – 5.5 Acres

Central Minnesota Housing Partnership, Inc. (CMHP) is a private nonprofit organization working in 16 counties in Central Minnesota to provide, improve and increase affordable housing for low to moderate income families and individuals. We develop and preserve affordable rental housing, single family housing, manage our own properties and administer affordable housing programs such as the Small Cities Development Program. We have provided most of these services since 1993 when we were incorporated. Since that time, CMHP has developed and preserved 38 apartment / townhome complexes which include 980 units. Locally, we own Timberland Townhomes in Brainerd.

Most of our current developments utilize the Low-Income Housing Tax Credit (LIHTC) program through Minnesota Housing Finance Agency (MHFA). The funds are secured through a competitive application which is released annually in July. CMHP knows there is a growing need for affordable housing within the Brainerd area based on the properties we currently own and manage within Crow Wing County. Our Crow Wing properties show a waiting list of approximately 72 unduplicated families who are looking for an affordable home to live.

Based on the growing need for affordable housing, CMHP would like to propose working with the Brainerd HRA on the development of a family designated multifamily apartment building. We would anticipate the development to have approximately 50 units containing one-, two-, three-, and four-bedroom units. CMHP is requesting the Brainerd HRA secure the land by purchasing 5.5 acres of parcel #41310501 for \$1.00 per acre (\$5.50) plus Realtor fees. CMHP will continue to work with the Brainerd HRA on making the application as competitive as possible for funding including identifying local funding options. If we are able to secure the land, we will be able to develop a site plan, have the plan reviewed by city planning and zoning and city council for an application submission date in July 2026. Awards are announced in December 2026 with construction potentially starting in October 2027. Construction on a project of this size is anticipated to take approximately 18 months. This means the property would be available for families in approximately April 2029.

CMHP would be interested in securing an Exclusive Letter of Intent for the development of an affordable rental property on the 5.5-acre parcel identified in Exhibit A. The development proposed is just a preliminary design and is subject to change based on funding priorities. If you have any additional questions, please feel free to contact me at (320) 258-0671 or by email at Deanna@cmhp.net.

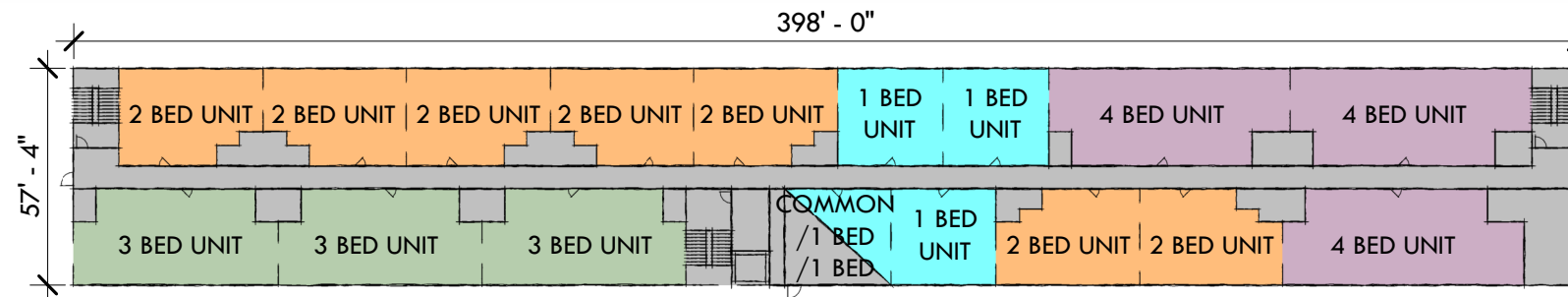
Sincerely,

Deanna Hemmesch
Executive Director

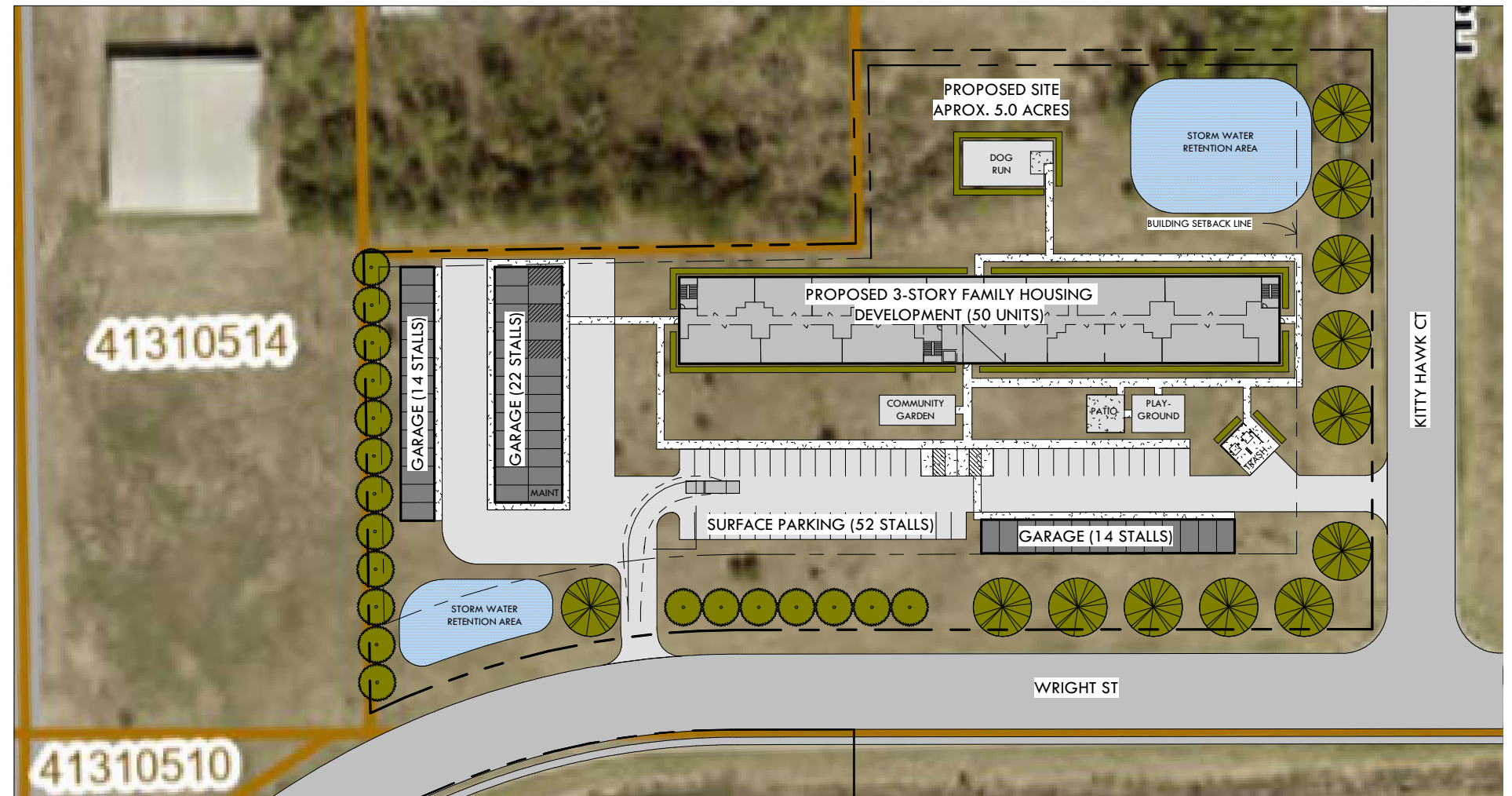
Exhibit A
Parcel



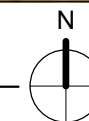
FRONT ELEVATION



50 UNIT 3 STORY APARTMENT TYPICAL FLOORPLAN



SITE PLAN - WRIGHT ST - SITE A



UNIT MATRIX

Unit Size	1st Flr	2nd Flr	3rd Flr	Total	% of total	Max/Min
1 Bed	3	4	4	11	22%	25% Max
2 Bed	7	7	7	21	42%	
3 Bed	3	3	3	9	36%	33% Min
4 Bed	3	3	3	9		
Total	16	17	17	50		

MEMO

TO: EDA Board of Commissioners

FROM: James Kramvik, Community Development Director

DATE: March 5th, 2025

RE: Façade and Signage Improvement Grant

INTRODUCTION

At the April 3rd EDA workshop meeting, the Board reviewed potential grant programs for excess funds in 2025 (\$19,362). The EDA elected to retain excess funds to provide additional funding for façade/ signage improvements after the City considered enhancements to the outdoor signage requirements. These changes in the Zoning Code would coincide with the Washington Street reconstruction project that will begin this year. The City passed an ordinance that prohibits banner signs and requires wall signs to have a three-dimensional element.

The 2023 program provided a 50% matching grant for actual construction costs up to \$5,000 per property and continued to fund as many projects as possible until \$20,000 was fully allocated. At the December 5th meeting, the EDA Board approved the Grant program. Staff recommended the following changes for 2026:

1. Allocate \$25,000 for façade improvements and \$15,000 for signage improvements in 2026.
2. The program provides a 50% matching grant for actual construction costs up to \$5,000 per property for façade improvements and up to \$1,000 for signage improvements.
3. Façade improvements are only eligible for businesses adjacent to Washington Street.
 - a. Businesses adjacent to Washington Street/ State Hwy 210 are eligible to improve their rear façade or signage if the rear property line is adjacent to a plated alley and if the business has lost on-street parking as a result of the Washington Street reconstruction project.
4. Signage improvements are eligible to all businesses in the City.
5. Signage improvements are not eligible for the Façade Improvement allocation.
6. BLAEDC must set a not to exceed yearly contract number for administering the grant.

The EDA approved the 2026 budget at the December 5th meeting which included the grant program. The grant program will be administered on a first come first serve basis for eligible projects. BLAEDC will advertise for the grant program prior to opening the application process.

STAFF RECOMMENDATION

Motion to approve grant administration agreement with BLAEDC.



Whereas, the Brainerd Lakes Area Economic Development Corporation (BLAEDC), a private non-profit organization created "To Expand Business, Build Community, and Grow Jobs in Crow Wing County", has established a comprehensive program to accomplish this mission;

Therefore, the Brainerd EDA does hereby enter into this agreement with the Brainerd Lakes Area Economic Development Corporation.

I. SERVICES

BLAEDC does hereby agree to provide the following services on behalf of the Brainerd EDA:

- a) BLAEDC agrees to provide administration of the Brainerd EDA Facade Grant Program.
- b) BLAEDC agrees to provide administration of the Brainerd EDA Signage Improvement Grant Program.
- c) BLAEDC will create the application, marketing, handle all inquiries, and review applications for submission to Brainerd EDA for final approval.

11. TERM OF CONTRACT

The term of this contract shall be one year, commencing April 1, 2026, and terminating with completion of the grant program, not to exceed 18 months (about 1 and a half years) from the date of the signed contract.

III. COMPENSATION

Services Relating to Accomplishing Our Mission

Brainerd EDA agrees to pay BLAEDC **\$85/hour** to administer these services. BLAEDC will utilize Clicktime to track hours for submission of payment.



IV. REPRESENTATION

- a. The Brainerd EDA does hereby acknowledge that BLAEDC will be conducting the Administration of the Facade Grant Program and the Signage Improvement Grant Program for the agreed upon amount of hourly compensation, not to exceed \$3,500.
- b. Each party to this agreement binds himself and his partners, successors, executors, administrators, and assigns to the other party of this agreement and to the partners, successors, executors, administrators, and assigns of such other party, in respect to all covenants of this agreement. Except as above, neither party shall assign, sublet, or transfer his interest in this agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the parties to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement in the City of Brainerd, Minnesota on this day _____

Brainerd EDA

BRAINERD LAKES AREA
ECONOMIC DEVELOPMENT
CORPORATION

By Its President

By Its Executive Director



BRAINERD ECONOMIC DEVELOPMENT AUTHORITY

Exterior Improvement Grant Program

PURPOSE

The Brainerd Exterior Improvement Grant Program provides incentives to stimulate external and visible investment in the City. Property owners and business owners are encouraged to consider improvements incorporating aesthetic, environmental, cultural, and historical elements that enhance the character and architecture of Brainerd. These improvements should create a cohesive, attractive environment. The program provides a 50% matching grant for actual construction costs up to \$5,000 per property for façade improvements and up to \$1,000 for signage improvements on a pay-for-performance basis. Eligible projects include permanent exterior building, landscape improvements, and signage improvements visible from a public right-of-way. The EDA will allocate up to \$25,000 for façade improvements and \$15,000 for signage improvements in 2026.

- **Facade Improvement Eligibility - Property must be adjacent to Washington Street/ State Hwy 210 and must be a commercial use, mixed-use, or industrial use and must be permitted in the respective zoning district. Signage improvements are not eligible for the Façade Improvement allocation.**
- **Sign Improvement Eligibility - Property must be a commercial use, mixed-use, or industrial use and must be permitted in the respective zoning district.**
 - All work must be done on the property/building exterior and result in a publicly visible improvement.
 - Businesses adjacent to Washington Street/ State Hwy 210 are eligible to improve their rear façade or signage if the rear property line is adjacent to a plated alley and if the business has lost on-street parking as a result of the Washington Street reconstruction project.
 - All work must be done in compliance with the Brainerd City Code and necessary permitting. Work must include the correction of any known exterior building code violations.
 - Work already in progress or performed prior to project approval will not be eligible for funding.
 - Funds may be used for construction of permanent exterior building improvements, awnings, signage, windows, doors (including front/back door

accessibility), brick repair and/or site landscaping resulting in a publicly visible improvement. Other uses may also be eligible if prior approval is granted by the Brainerd Economic Development Authority.

- Operational or ongoing maintenance expenses will not be considered (Ex. roof repair).
 - Properties must be taxable existing structures occupied by commercial or mixed-use tenants in a commercial zoning district.
 - Properties may not include properties with delinquent taxes or special assessments, in litigation, condemnation or receivership.
- **Application Guidelines** - The Executive Director and President of the Brainerd Economic Development Authority (EDA) is responsible for grant approval. BLAEDC is responsible for program oversight and administration of the grant. Applicants must comply with the following guidelines:
 - Only fully completed applications will be reviewed.
 - Owners of multiple properties must submit separate applications for each project.
 - Business owners under a lease submitting applications must include written consent of the property owner.
 - Projects must be completed in a timely manner from the date of approval (within one year with a maximum extension of six months). As indicated by the pay for-performance model, funds will be distributed after the project's completion and reimbursement is requested.
 - No applications will be accepted for retroactive projects.
 - **Grant Disbursement** - Awarded funds will be dispersed as a reimbursement to the applicant upon submittal of receipts and/or invoices for supplies purchased and inspection which certifies the work completed is in accordance with the EDA approval and other City ordinances. The business must operate for two years after the grant disbursement or repayment is required.
 - **City Code and Permit Requirements** - Recipients must comply with all requirements of State law, City Code, and EDA policy and program guidelines. Applicants agree to work cooperatively with the EDA and City as follows:
 - Provide design drawings, proposed work specifications, and architectural materials in a timely manner.
 - Attend various meetings, reviews, etc. with representatives of either the City or EDA to expedite various stages of the project.

- **Recipient Responsibility** - All work to be completed shall be the sole responsibility of the property owner. The EDA/ BLAEDC administers the grant program herein and the EDA/ BLAEDC are not responsible for any work undertaken as a result of the grant. The owner hereby holds the City and BLAEDC harmless for any and all liability commencing out of any work constructed and paid for the façade improvement grant herein.

EDA Fund

	2024		2025 Amended Budget	2026 Proposed Budget	Difference
	Budget	Actual			
Revenues					
Taxes & Penalties					
31010 Current Ad Volorem	186,812	183,137	186,812	186,812	-
31020 Delinquent Current Ad Volorem	-	2,150	-	-	-
	186,812	185,287	186,812	186,812	-
Other Revenue					
34102 Developer Application Fee	-	-	-	-	-
36210 Interest Income	550	1,748	550	1,500	950
39200 Sale of Land	-	-	-	-	-
	550	1,748	550	1,500	950
TOTAL REVENUE	187,362	187,035	187,362	188,312	950
Services					
-43300 Professional Services					
City	17,000	17,000	17,000	17,000	-
BLAEDC	36,000	38,000	37,000	38,500	1,500
Legal/Municipal Advisors	-	1,659	-	-	-
Visit Brainerd	40,000	40,000	63,100	51,620	(11,480)
Swanson Haskamp	35,000	35,000	35,000	37,500	2,500
DDBC	10,000	10,000	10,000	10,000	-
-43350 Printing/Legal Publication	-	194	-	-	-
-43361 Ins. General Lib	142	121	142	148	6
-43430 Miscellaneous	-	1	-	-	-
-43434 Economic Initiatives	20,000	13,566	15,000	60,000	45,000
-43435 Memberships *	5,350	5,350	5,350	5,350	-
	163,492	160,891	182,592	220,118	37,526
-7720 Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	163,492	160,891	182,592	220,118	37,526
NET REVENUE OVER EXPEND.	23,870	26,143	4,770	(31,806)	(36,576)
Fund Balance Budget		106,428	111,198	79,392	
Actual Projected Fund Balance			122,302	90,496	
<i>Recommended Fund balance 35-50% of Expenditures</i>			<i>Min</i>	77,041	
			<i>Max</i>	110,059	

* Initiative Foundation

MEMO

TO: EDA Board of Commissioners

FROM: James Kramvik, Community Development Director

DATE: March 5th, 2025

RE: Workshop Agenda

INTRODUCTION

The EDA bylaws and the schedule approved by the EDA Board require a workshop meeting on the first Thursday of April which will be April 2nd, 2026. The April workshop is meant to discuss upcoming goals for 2026.

Staff propose to present the 2025 measurable and activities and to approve the framework guide for consultants in 2026. The framework document is meant to help the consultants coordinate projects and provide guidance for the year. Besides the objectives listed in the shared services agreements, staff recommend discussion of the following:

- 1) Potential development of the mobile home park near the Westgate mall
- 2) Potential development of the vacant State Hospital property

STAFF RECOMMENDATION

Discuss the workshop agenda and direct staff to add any other discussion items.