

BRAINERD ECONOMIC DEVELOPMENT AUTHORITY

Thursday, March 29, 2007

Pursuant to due call and notice thereof, President Menk called the meeting of the Brainerd Economic Development Authority to order at 8: 03 A.M.

Present were Commissioners Menk, Pearson, Johnson, and Nesheim. Also present were City Administrator Vogt, City Planner Ostgarden, City Finance Director Goble and City Engineer Hulsether.

Noted absent were Commissioners Bonde, Kummet and O'Day.

Also present were Ms. Sheila Haverkamp, and Ms. Elissa Rogers representing BLADC, and Ms. Kathy Delacecca from Mille Lacs Academy. In the audience were Ms. Amy Collins and Council Member Anne Nelson Fisher.

#2 Approval/Amendment of Agenda.

President Menk asked if there were any changes or additions to the agenda. As there were no changes, the agenda was approved as submitted.

#3 Approval of Minutes – March 15, 2007.

President Menk asked if there were any corrections to the minutes. As there were no corrections, the minutes were approved as submitted.

#4 Approval of Financial Reports.

Finance Director Goble stated that the Last Turn Saloon/Thomas Hofius Revolving Loan is on hold pending more information from Mr. Hofius.

#5 Mille Lacs Academy Project – Discussion of

Ms. Sheila Haverkamp, BLADC, stated that she would like to address 3 separate components, including the Brainerd Regional Human Services Center (BRHSC) Master Plan, the implementation of that plan, and the Mille Lacs Academy Project.

BRHSC Master Plan.

Ms. Haverkamp stated that this plan has been worked on for nearly a year and was put in place through the State of Minnesota after they realized several regional treatment centers across the state had excess capacity not being used. She stated that the CWC Commissioners had received the Master Plan Document and had taken action by passing a resolution requesting that the City lead the effort of adopting the Master Plan, and that BLADC had agreed with this. She stated that the State's main objective is to transfer land ownership to the County or City, and that interested parties included the Veteran's Services and Social Service/Human Services, and that the school district desired using Building 4. She stated that several other buildings could be either re-used or demolished, and all of this needs to be determined between the City and State. She stated that the state is saying they do not want to sell the property to any entity outside of the local unit of government that is going to take the lead and redeveloping the whole site. She stated that Mille Lacs Academy is waiting to possibly purchase an 18 acre site, and are looking for a proposal in early April, meaning the City needs to adopt the Master Plan and explore the leadership and implementation of the property.

Ms. Haverkamp went over the timeline of the project, stating that if the City of Brainerd decides to take the lead in the implementation of the Master Plan, then during April and May that agreement would be negotiated with the State of Minnesota while Mille Lacs Academy would be reviewing the proposal on the 18 acres they are interested in. She stated that during the May/June/July timeframe, the process of getting Mille Lacs Academy in place would begin.

City Administrator Vogt stated that there had been some discussion with Master Plan Consultant Mr. Mark Koegler of Hoisington Koegler, and they cannot make the Council Meeting this Monday night and are looking at presenting the plan to the Council the first meeting of May. He stated that someone has to step forward on the project, and that this would most likely be the City, as the County is not. He stated that a project like this needs an initial catalyst to get things started, and if the Mille Lacs project is going to bring in high-paying, good quality jobs, it should be done by the City. He stated an EDA recommendation to the Council would be important and helpful. He stated the resolution is fairly clear regarding the City's financial stake in the project. The State will be responsible for the costs such as demolition and heating/cooling of the empty buildings.

Ms Sheila Haverkamp stated that the accepting of the Master Plan is the first step in the project, and that after this plan is accepted the City needs to decide on an implementation agreement including what entities would be responsible for what items.

Commissioner Pearson asked Ms. Haverkamp if other communities are implementing facilities such as Mille Lacs, and how they are handling the responsibility between City and County.

City Administrator Vogt stated that they are, that Fergus Falls, Willmar, and Walker have such facilities, and the relationship between County and City varies between the sites.

Discussion was held regarding the specific details within the Master Plan that was sent to the EDA, including which buildings the State is interested in, schools, and surrounding residential housing. Ms. Haverkamp mentioned that there is the option available of demolishing all buildings and having the entire "green space" site for sale.

Ms. Haverkamp stated that if the buildings were sold to City/County/State services, they would be available for \$1, but if it was for a non-profit or other for-profit organization the fair market value would have to be used.

Commissioner Johnson stated he feels optimistic about the project itself. He stated that his concern is ongoing care of the area. He asked who was going to take the lead in the project and ongoing and suggested a Committee of some sort to follow up on leases, etc. He mentioned Mr. Don Samuelson as someone that would be a candidate for this Committee, as he has contributed many years to funding the BRHSC.

President Menk asked who would be the "owner", so to speak, of the project, within the City.

City Administrator Vogt stated that he would prefer not to "own" the facility to protect the City from any legal or financial issues.

Commissioner Pearson asked about the timing of the project with not all the loose ends tied up. He stated that the agreement with the State is not complete, but Mille Lacs Academy is waiting for an answer.

Ms. Haverkamp stated that step one is to accept the Master Plan and step two would be an attempt to negotiate an implementation agreement.

Kathy Delacecca, Executive Director of Mille Lacs Academy, stated that their goal right now is to have proposals from both the City of Brainerd and the City of Onamia by early April so that they can go before their executive board on April 10th, and that the decision needs to be made to provide Staff of the facility with answers. She stated the one decision they have made is that they are going to build an \$8-9 Million facility, and they now are waiting to decide where the facility will be built.

Ms. Haverkamp stated that the State has said many times that the project should not cost the City any money, so the City is going with that, in good faith, and now the decision needs to be made on how to do this so it makes sense.

City Administrator Vogt stated he wished there was more time to decide, and that he did not prefer having to make both the EDA and Council make a rushed decision, but he feels comfortable with the idea that the City

can do something with the Mille Lacs Academy project and it won't tie the City into the overall State Hospital property.

Commissioner Pearson asked how that would happen and stated that knowing this would alleviate a lot of his worries about the open ends of the project.

City Administrator Vogt stated that he feels the City can sell to Mille Lacs Academy without tying the City into the implementation plan. He stated that the EDA cannot issue bonds without approval from the Council. He stated that he would look into this question more.

Commissioner Johnson asked if there had been any "red flags" in any of the other cities that had gone with this type of program.

City Administrator Vogt stated there had not been any as far as he knew.

MOVED AND SECONDED BY COMMISSIONER JOHNSON AND PEARSON, DULY CARRIED, TO ENDORSE AND SUPPORT THE MASTER PLAN FOR THE BRAINERD REGIONAL HUMAN SERVICES CENTER.

Commissioner Nesheim stated she agreed with contacting Mr. Don Samuelson to be a part of negotiations.

MOVED AND SECONDED BY COMMISSIONERS NESHEIM AND JOHNSON, DULY CARRIED, TO RECOMMEND TO THE CITY COUNCIL THE CONTINUATION OF NEGOTIATION OF IMPLEMENTATION.

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND PEARSON TO MOVE FORWARD WITH THE MILLE LACS ACADEMY PROPOSAL, CONTINGENT UPON THE CITY'S ABILITY TO NEGOTIATE WITH THE STATE.

Commissioner Johnson requested that Commissioner Pearson be present at the discussions because of his legal knowledge.

#6 Downtown Coordinator – Ms. Emily Roragen – To Begin in Early May, 2007.

City Administrator Vogt stated that Emily Roragen for the position of Downtown Coordinator.

President Menk stated that he was part of the interviewing process, and that Ms. Roragen has a great deal of experience and he is very grateful to have her on board.

#7 On-Line Video – Discussion of – (See Attachment) – Held Over.

City Administrator Vogt stated that Albert Lea, Burnsville, and Moorhead have implemented this, and it would be of no cost to the City, although the businesses in the area would be solicited for financial contributions. He stated this service would provide a live video stream lasting about 1 minute to show off the Community. The EDA declined this invitation.

#8 Special Service District – Downtown – Discussion of – Held over.

#9 Staff Reports.

City Administrator Vogt stated that Bang Printing is in with their plans to build on the 61 acre tract of land adjacent to the BRHSC site.

Ms. Haverkamp stated that BLADC is giving an update on projects in the area at Prairie Bay at 8:00 a.m. Friday, March 30. Projects include Riverton, formerly Aqua Tech and Wausau. She stated that there are some new big prospects for the Brainerd Mall, and continuing work with Artspace, O'Reilly, and a

manufacturing operation in the airport. She stated that JOBZONE reports are coming due, and most companies are doing well, although a few companies have not been able to provide as many jobs as they committed to, so there may be some extension requests coming through.

Dan stated that Amy Collins was here, and that she is with Kuepers now.

#10 **Commissioners' Comments/Questions.**

Commissioner Johnson stated that he felt the EDA has done a good job with creating jobs in Brainerd; however he feels that many of these employees don't live in Brainerd because of the housing problem in Brainerd. He felt this problem is being ignored even though it's been mentioned many times. He stated many issues are brought up because of the housing problem including Police work because there are no "neighborhoods" being developed.

#11 **Adjourn.**

The President adjourned the meeting at 9:12 a.m.

Respectfully Submitted,

Tom Johnson, Secretary
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