

ECONOMIC DEVELOPMENT AUTHORITY

Thursday, August 2, 2007

Pursuant to due call and notice thereof, President Menk called the meeting of the Brainerd Economic Development Authority to order at 8:00 A.M.

Present were Commissioners Menk, Nesheim, Pearson, and O'Day.

Also present were City Administrator Vogt, City Engineer Hulsether, Ms. Elissa Rogers and Ms. Sheila Haverkamp representing BLADC, and Ms. Emily Roragen, Downtown Coordinator/Chamber of Commerce.

Noted absent were Commissioners Kummet, Johnson and Bonde. Commissioner Nesheim left at 8:35 A.M.

#2 Approval/Amendment of Agenda – Agenda Amended and Approved.

City Administrator Vogt stated that under "Staff Reports," an additional item needs to be added requesting approval of the payment to Harold and Alvina Thiesse using EDA funds, with any proceeds from lot sales going back into the EDA Fund.

MOVED AND SECONDED BY COMMISSIONERS PEARSON AND O'DAY, DULY CARRIED, TO APPROVE THE AMENDED AGENDA.

#3 Approval of Minutes – July 5, 2007 – Approved.

MOVED AND SECONDED BY COMMISSIONERS PEARSON AND O'DAY, DULY CARRIED, TO APPROVE THE EDA MINUTES FROM JULY 5, 2007.

#4 Approval of Financial Reports – Approved.

President Menk asked what the status was on the Last Turn Saloon Building.

Ms. Sheila Haverkamp, BLADC, stated that she did not have any current information and that she would research it.

City Administrator Vogt stated that he feels something could be done to take care of issues such as this, where the loan process takes a long time to be finalized.

Commissioner O'Day stated that he feels there should be a 3-month time limit.

President Menk stated that he agrees with the 3-month time limit unless there is extenuating circumstances.

MOVED AND SECONDED BY COMMISSIONERS O'DAY AND PEARSON, DULY CARRIED, TO APPROVE THE EDA FINANCIAL REPORTS FOR THE PERIOD ENDING 6/30/07.

#5 Industrial Park Lot Sale – Lot 1, Block 8 – Ebert Construction – Approved.

Ms. Elissa Rogers from BLADC introduced Mr. Brad Averill from Ebert Construction, a company that is interested in building a 60'x110' facility for a national retail distributor in the Brainerd Industrial Park, Block 8, Lot 1. She stated that Ebert Construction has been in contact with the City and have put a deposit down on the lot.

Mr. Averill presented and reviewed building plan with the Commission. He stated he had been asked not to disclose who the company is, but they would be serving Brainerd, Baxter, Pequot Lakes and further East and Northeastern Minnesota Communities. He is hoping to start construction in a few weeks and get the facility open in November.

President Menk asked if any special permits or variances will be needed.

City Administrator Vogt stated that Mr. Averill should talk to City Planner Ostgarden about the exterior materials and parking lot requirements.

City Engineer Hulsether stated that the Fire Chief would need to know what types of materials will be stored. City Administrator Vogt stated that with this sale there will be about 6 acres left in this industrial park. He stated that the planning commission meeting is having a short meeting this afternoon to approve the sale as well.

MOVED AND SECONDED BY COMMISSIONER O'DAY AND PEARSON, DULY CARRIED, TO APPROVE THE SALE OF THE INDUSTRIAL PARK – LOT 1, BLOCK 8 – TO EBERT CONSTRUCTION AS PROPOSED.

#6 **2020 Update – Sheila Haverkamp.**

Ms. Haverkamp asked for consideration to support the "2020" program in 2008 as was done in 2007. She stated that there has been some fundraising done, but not as much as they hoped, so the plans have been modified slightly. She stated that there would be some key areas looked at right away, including a targeted list for the next two years in the manufacturing sector and participating in a "site ready" process so that property will be readily available for interested parties to purchase. She stated that BLADC wants to take part in implementation of the "site ready" process and explore "equity" regarding the Industrial Park Phase IV, and that these issues will be discussed at their meeting on August 8th which the EDA is encouraged to attend. She stated that regarding healthcare, BLADC wishes to become more strategic in getting new facilities in the area, such as "MS" Housing, which is becoming a popular trend.

#7 **Staff Reports.**

Harold and Alvina Thiesse Property Purchase – Payment Due – \$128,606.77 from EDA Fund – Approved.

City Administrator Vogt stated that the Harold and Alvina Thiesse Property was purchased on a 5-Year Contract for Deed, that the first payment was made from the EDA Fund on the closing of the property last year, and that now the 2nd payment (of 5 total payments) is due this month in the amount of \$128,606.77. He stated that the remaining balance in the EDA Fund is \$216,924.00 and that the remaining balance after said payment would be \$88,317.00. He stated that the Fund where the current payments go for lots in the Industrial Park (Fund 313) will have a balance of \$86,965.00 after the sale made today to Ebert Construction. He stated that he will be recommending a transfer from Fund 313 to the EDA fund so that after the payment to Harold and Alvina Thiesse and after the transfer, there would still be \$175,282.00 left in the EDA Fund. He stated that as lots in the Industrial Parks sell, the money will be transferred back into the EDA Fund rather than Fund 313. He stated that there will be a payment later in the year to Mr. Bruce Isebrand for approximately \$50,000 (plus interest). He stated that the City has been very accommodating to any interested businesses in order to get the lots in the Industrial Parks filled.

MOVED AND SECONDED BY COMMISSIONER NESHEIM AND O'DAY, DULY CARRIED, TO APPROVE PAYMENT OF \$128,606.77 FROM THE EDA FUND TO HAROLD AND ALVINA THIESSE.

City Administrator Vogt stated that the City is going to have some substantial debt-service on the two Industrial Parks with \$2-3 Million improvements going in to the parks. He said staff is researching a question of whether or not the City is able to use funds from the Revolving Loan Funds (RLF) to bridge the payments with the sales proceeds allocated to the RLF to avoid cost to the taxpayers.

City Engineer Hulsether stated that in the Wright Street Extension, the contract has been let and that the notice to proceed has been issued to the contractor with work proposed to start next Monday, August 6th with substantial completion being expected by mid-October. He stated that bids for the Phase IV Industrial Park Expansion project by KLD are being received at 10:00 A.M. Monday (8/6/07) morning and the bids should be tabulated and on the Council agenda for the meeting that night for award of contract, with the project to begin in 2 to 3 weeks.

City Administrator Vogt stated that Mr. Isebrand is expecting to do an expansion on the Plastics Plus building.

#8 Downtown Coordinator – Report – Emily Roragen.

Ms. Roragen stated she has been meeting many people and that the Downtown Advisory Committee is now fully staffed. She stated that their first meeting is August 8th at 2:00 P.M. with a tour to be set up of the Downtown area to help them see the area more objectively and to make “mini mission statements” of the 4 sub-committees. She stated that a tour of Owatonna, MN is a possibility in the future, as they have quite an impressive Downtown Improvement program. She stated that Crazy days was a success and a Holiday Open House is being planned for the fall, and that a newsletter that was sent out did not include Washington Street info because the Advisory Committee had not met yet, but this will be coming in the future.

President Menk stated that his staff told him that this Crazy Days was the most successful ever – with some famous faces making an experience. He asked about the RFP and City Engineer Hulsether stated that it was mostly completed.

City Administrator Vogt stated the State House Capital Bonding Committee will be doing a tour of the Downtown in mid-August, and that he will provide more information on this as it becomes available.

#9 Commissioners' Comments/Questions.

President Menk asked about the Highway 210 construction, and City Engineer Hulsether stated that the “big dig” area should be open in the next week and a half. He stated that no collapses were found, but mostly impacted material. He went over various areas of the city and their infrastructure.

#10 Adjourn.

As there was no further business, President Menk adjourned the meeting at 8:38 A.M.

Tom Johnson, Secretary