

MEMO



TO: EDA Board of Commissioners

FROM: Executive Director, Jennifer Bergman
Community Development Director, James Kramvik

DATE: February 2, 2023

RE: Consider 2023 DDBC Shared Services Agreement

At the Special January 5th, 2023 EDA Board meeting, the Board authorized to enter into Shared Services Agreements with BLAEDC, Swanson Haskamp, and Visit Brainerd. The Board also authorized to fund DDBC in the amount of \$10,000 for 2023 and directed DDBC to return with a more detailed proposal. DDBC has provided a new proposal for 2023 in an attached document and City staff has amended the 2023 DDBC Shared Services Agreement to reflect the proposed Scope of Services. Listed below is a comparison from 2022 to 2023:

| | 2022 | 2023 |
|------------------------|------------------|------------------|
| BLAEDC | \$35,000 | \$35,000 |
| Swanson Haskamp | \$31,900 | \$35,000 |
| Visit Brainerd | \$35,000 | \$40,000 |
| DDBC | \$23,350 | \$10,000 |
| Total | \$125,500 | \$120,000 |

Recommendation:

Authorize the Chair and Executive Director to enter into the Shared Services Agreement as presented with DDBC.

SHARED SERVICES AGREEMENT

This agreement is entered into this ____ day of _____, 2023; between Brainerd Restoration (dba Destination Downtown Business Coalition), a non-profit organization, and the Brainerd Economic Development Authority (EDA), a public body, corporate and politic.

WHEREAS, the EDA issued a Request for Proposals (RFP) for economic development consulting services; and

WHEREAS, the EDA has selected the Destination Downtown Business Coalition (DDBC) to work with downtown Brainerd and Highway 210 business owners and property owners within City of Brainerd corporate limits to develop and implement a robust main street program.

NOW, THEREFORE, IT IS HEREBY AGREED THAT:

I. Scope of Service

On behalf of the EDA, the Destination Downtown Business Coalition will provide the following services, consistent with State law and the directives of the EDA:

- a. Produce and distribute 12 promotional videos featuring local business owners, funding for producing videos is from 2022 received payments;
- b. Host 4 business owner networking events;
- c. Apply for Mainstreet America Affiliate Membership;
- d. Organize and host kickoff meeting with Mainstreet America/Rethos staff;
- e. Attend educational events and classes to support the Mainstreet Program;
- f. Support Mainstreet events with advertising materials; and,
- g. Participate in quarterly roundtable discussion with City of Brainerd staff and all other consultants providing services to the EDA.

II. Compensation

In consideration for the services rendered by the City, the EDA shall compensate the Destination Downtown Business Coalition \$10,000 annually, to be paid in monthly installments on the 15th of each month beginning February 2, 2023.

Monthly reports demonstrating execution of each service identified in the Scope of Services shall be delivered to the EDA by the 25th of each month prior to payments being made. Monthly reports shall be delivered in the format provided by the EDA.

III. Term

The term of this agreement shall be for a period of one year commencing on the 2nd day of February 2023 and terminating on the 31st day of December 2023 and may be extended in one-year increments through mutual agreement by the EDA and the Destination Downtown Business Coalition. The EDA shall determine whether to extend this contract no later than December 15 of the contract year. Either party may terminate this agreement for any reason prior to the listed expiration date upon 30-day advance written notice. In the event either party terminates this agreement before its expiration any fees owed

to the Destination Downtown Business Coalition will be prorated through the last day of the 30-day termination period.

IV. Indemnification

To the fullest extent permitted by law, the Destination Downtown Business Coalition agrees to defend, indemnify and hold harmless the EDA, and its employees, officials, and agents from and against all claims, actions, damages, losses and expenses, including reasonable attorney fees, arising out of the Destination Downtown Business Coalition’s negligence or the Destination Downtown Business Coalition’s failure to perform its obligations under this Agreement.

V. Compliance with Laws

The EDA and the Destination Downtown Business Coalition shall abide by all Federal, State or local laws, statutes, ordinances, rules and regulations now in effect, or hereafter adopted, pertaining to this Agreement or the subject matter of this Agreement. This Agreement shall be governed by and construed in accordance with the substantive and procedural laws of the State of Minnesota without giving effect to the principles of conflict of laws. All proceedings related to this Agreement shall be venued in the County of Crow Wing, State of Minnesota.

VI. Independent Contractor Status

The Destination Downtown Business Coalition is an independent Contractor and nothing herein contained shall be construed to create the relationship of an employer and employee between EDA and Destination Downtown Business Coalition employees. The Destination Downtown Business Coalition shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide services. The Destination Downtown Business Coalition also acknowledges and agrees that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due the Destination Downtown Business Coalition and that it is the Destination Downtown Business Coalition’s sole obligation to comply with applicable provisions of all Federal and State tax laws.

VII. Authorized Representative

Notification required to be provided pursuant to this Agreement shall be provided to the following named persons and addresses unless otherwise stated in this Agreement or in a modification of this Agreement.

Destination Downtown Business Coalition

President
Brenda Billman-Arndt
P.O. Box 1216
Brainerd, MN 56401

Brainerd EDA

Chair
Gabe Johnson
501 Laurel Street
Brainerd, MN 56401

VIII. Severability

The provisions of this Agreement shall be deemed severable. If any part of this

Agreement is rendered void, invalid, or unenforceable such rendering shall not affect the validity and enforceability of the remainder of this Agreement unless the part or parts which are void, invalid or otherwise unenforceable shall substantially impair the value of the entire Agreement with respect to either party.

IX. Modifications

The EDA and the Destination Downtown Business Coalition hereby acknowledge that they have read this Agreement and affirmatively states and represents that they understand its contents. Further, that the above constitutes the entire agreement by and between the EDA and the Destination Downtown Business Coalition and is binding up on themselves, their heirs, assigns and successors in interest and any alterations, variations, modifications or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing and signed by the authorized representatives of the EDA and the Destination Downtown Business Coalition.

Approved this the ___ day of _____ 2023.

Brainerd Economic Development Authority

Destination Downtown Business Coalition

By: _____

By: _____

GABE JOHNSON, CHAIR

MIKE ANGLAND,
PRESIDENT, BRAINERD RESTORATION



Memo

To: EDA Board of Commissioners

From: DDBC Board of Directors

Date: January 20, 2023

Re: Revised FY2023 Scope of Services Agreement

Please find attached a list of the Scope of Service items DDBC is proposing for FY2023. This list includes a detailed summary, including specific project information and budget and deliverable details, for each item. In response to the feedback we received from the EDA at the January 2023 meeting, DDBC has made adjustments to our proposed budget as follows:

- Removed the \$10,200 funding request for the Promotional Videos service item. We plan to carry over the funds from the previous year to complete this item from our FY2022 Service Agreement in FY2023.
- Adjusted down the amount of staff time for proposed projects to account for volunteer time replacing staff time on projects while we search for a new Downtown Coordinator. This further reduced our funding request by \$4,475.

These changes reduce our overall budget for FY2023 from \$24,675 to \$10,000. As the amount the EDA allocated to DDBC at the January meeting (\$10,000) matches our current proposed budget, we are not requesting additional funds at this time. We would need to revise the budget at such time as we have hired a new staff person to fill the Downtown Coordinator role, and would plan to present a separate funding request to the EDA should that need arise.

DDBC looks forward to our continued work with EDA and helping meet its objectives to enhance economic vitality for the City of Brainerd.

DDBC FY23 SCOPE OF SERVICES AND PROPOSED PROJECTS

| SERVICE ITEM <i>(FROM SERVICE AGREEMENT CONTRACT)</i> | PROJECT <i>TIMELINE SCOPE</i> | ASSOCIATED COSTS | TOTAL FUNDING REQUEST | NOTES | ASSOCIATED DELIVERABLE(S) |
|--|---|--|---|--|---|
| Produce promotional videos featuring local business owners. | Promotional Videos <i>FY2023 Monthly</i> Produce and distribute 12 promotional videos featuring local business owners. | Contract with production company; social media ads; website hosting; staff time. | \$0 <i>Carry over funding from FY22.</i> | FY22 Deliverable - requesting carry over to complete in FY23. | Video Files |
| Host 4 business owner networking events. | Business Owners Social/Roundtable Breakfasts <i>FY2023 Quarterly</i> Coordinate quarterly networking events for Downtown Business owners; collect information on business owners' needs and what they need to take the next step in their business development. | Venue/Food/Beverage; Advertising; Materials/Supplies. | \$3,000 | Completed in FY22; requesting funds to continue service in FY23. | Event summary/report of findings. |
| Main Street Programming | Mainstreet America Affiliate Membership <i>Submit application by end of FY23-Q2.</i> Apply for and obtain affiliate membership in the Main Street America program on behalf of the EDA and the City of Brainerd. | Membership Fee | \$500 | Basic membership status achieved in FY22; in FY23, DDBC would be applying for the next higher membership tier (Affiliate) to increase access to resources and grant funding opportunities. | Affiliate Membership Status |
| | Organize/Host Kickoff Meeting with Main Street America/Rethos Staff <i>FY2023 - Q3 or Q4.</i> A half day kickoff meeting will be scheduled with Main Street America/Rethos staff to meet with Downtown Business Owners, DDBC Board Members, City Staff/EDA, and other stakeholders to talk about opportunities and next steps for the Main Street Program in Brainerd. | Venue/Food/Beverage; Advertising; Materials/Supplies. | \$1,650 | | Report/Meeting Summary |
| | Attend Educational Events/Classes to Support a Main Street Program <i>FY23 Ongoing.</i> Attend Main Street America Institute's "Advanced Principles" Series to gain tools and access resources for supporting and maintaining a main street program. | Registration fees | \$1,750 | Five classes total; classes are online. | Report/summary of key outcomes and action steps identified through attending the class. |

DDBC FY23 SCOPE OF SERVICES AND PROPOSED PROJECTS

| SERVICE ITEM <i>(FROM SERVICE AGREEMENT CONTRACT)</i> | PROJECT <i>TIMELINE SCOPE</i> | ASSOCIATED COSTS | TOTAL FUNDING REQUEST | NOTES | ASSOCIATED DELIVERABLE(S) |
|--|--|----------------------------------|-----------------------|---|-----------------------------------|
| | Main Street Events <i>FY23 Approx. Quarterly</i> <i>Support main street events that promote Downtown Brainerd Businesses and shopping in the downtown district.</i> | Advertising, materials/supplies. | \$3,100 | Proposed events include Spring Cleanup Day; Here For Good Market Day; Spooktacular; Hometown Holidays/Annual Window Walk. | Event summary/report of findings. |
| Participate in quarterly roundtable discussions with City of Brainerd staff and all other consultants providing services to the EDA. | | | | | Attendance; Monthly reports. |
| TOTAL | | | \$10,000 | | |

EDA Fund

| | 2021 | | 2022 Amended Budget | 2023 Proposed Budget | Difference |
|-------------------------------------|-----------------------|-----------------------|------------------------------------|-------------------------------------|---------------------|
| | Budget | Actual | | | |
| Revenues | | | | | |
| Taxes & Penalties | | | | | |
| 31010 Current Ad Volorem ** | 133,789 | 132,443 | 145,036 | 152,861 | 7,825 |
| 31020 Delinquent Current Ad Volorem | - | 1,436 | - | - | - |
| | <u>133,789</u> | <u>133,878</u> | <u>145,036</u> | <u>152,861</u> | <u>7,825</u> |
| Other Revenue | | | | | |
| 34102 Developer Application Fee | - | - | - | - | - |
| 36210 Interest Income | 400 | 490 | 460 | 460 | - |
| 39200 Sale of Land | - | - | - | - | - |
| | <u>400</u> | <u>490</u> | <u>460</u> | <u>460</u> | <u>-</u> |
| TOTAL REVENUE | <u>134,189</u> | <u>134,368</u> | <u>145,496</u> | <u>153,321</u> | <u>7,825</u> |
| Services | | | | | |
| -3300 Professional Services | | | | | |
| City | 30,000 | 30,000 | 15,000 | 17,000 | 2,000 |
| BLAEDC | 60,000 | 60,000 | 35,000 | 35,000 | - |
| Legal/Municipal Advisors | 5,000 | 2,264 | - | - | - |
| Visit Brainerd | - | - | 35,250 | 40,000 | 4,750 |
| Swanson Haskamp | - | - | 31,900 | 35,000 | 3,100 |
| DDBC | - | - | 23,350 | 10,000 | (13,350) |
| -3361 Ins. General Lib | 150 | 97 | 150 | 91 | (59) |
| -3430 Miscellaneous ^^^ | 5,500 | 6,307 | - | 10,880 | 10,880 |
| -3434 Economic Initiatives | 30,000 | 15,000 | - | - | - |
| -3435 Memberships * | 5,350 | 5,350 | 5,350 | 5,350 | - |
| | <u>136,000</u> | <u>119,018</u> | <u>146,000</u> | <u>153,321</u> | <u>7,321</u> |
| -7720 Transfers Out | - | - | - | - | - |
| TOTAL EXPENDITURES | <u>136,000</u> | <u>119,018</u> | <u>146,000</u> | <u>153,321</u> | <u>7,321</u> |
| NET REVENUE OVER EXPEND. | <u>(1,811)</u> | <u>15,351</u> | <u>(504)</u> | <u>-</u> | <u>504</u> |
| Fund Balance | | 68,772 | (877) | | |
| Projected | | | 67,895 | | |

** Max allowed by state statute

* Initiative Foundation

Miscellaneous ^^^ 500

Undesignated 10,380

10,880