

**Brainerd, MN
January 15, 2019**

Pursuant to due call and notice thereof, the Special Meeting of the Brainerd City Council was called to order at 6:00 p.m. by Council President Johnson.

Council President Johnson opened the meeting with the Pledge of Allegiance to the Flag.

Upon roll call, the following members were noted present: Bevans, Badeaux, Hilgart, Lambert, Stunek, Pritschet, Johnson and Mayor Menk. Also present were City Administrator Torstenson, Finance Director Hillman, and Parks Director Sailer.

Memorial and Mill Avenue Park Lease Discussion

The Chair recognized Mr. Mike Higgins, owner of Brainerd Industrial Center (BIC) who thanked the Council for the opportunity to speak tonight about the lease. He stated his original plans with the purchase of the property was to demolish the buildings. After obtaining ownership, he decided to keep the buildings as they were the nicest industrial complexes he has worked at. He indicated since conception, the company has created 87 jobs. He gave a brief overview of the current companies that lease space on the property. He is proud to say that all the work has been done without using any TIF financing, grants or government assistance.

Mr. Higgins stated the price he paid for the property with the improvements he has done over the past four years have totaled approximately 15.8 million dollars. The first five million was financed through private investments, and the remaining is strictly earned dollars.

Mr. Higgins reviewed the community involvement his company has in Brainerd by presenting a slideshow showing the different organizations and entities. He stated he has paid \$563,040 in taxes in the past four years, with \$172,913 of that amount going to the City taxes with increases proposed for 2019.

He stated in 2014 when he purchased the property, he assumed the lease between Wausau Paper and the City of Brainerd which dated back to 1989. Mr. Higgins had the option to terminate the lease with a 90-day notice from the start, which he has not done as he was unsure of his future plans for the property. He feels the taxes need to be covered by the City for those portions of the property, which are approximately \$10,000 per year.

Mr. Higgins gave a preliminary concept idea to the Council regarding a future development on the south side of the property into a sports park that will be ADA Compliant.

City Administrator Torstenson stated one amendment was made to the draft lease which was reviewed by Mr. Higgins.

Council discussion took place.

**MOVED AND SECONDED BY ALDERMEN BEVANS AND STUNEK, DULY CARRIED,
TO AUTHORIZE STAFF TO PROCEED WITH THE TWO-YEAR LEASE AS PROPOSED**

January 15, 2019

BETWEEN THE CITY OF BRAINERD AND BRAINERD INDUSTRIAL CENTER IN THE AMOUNT OF \$20,000 PAYABLE WITHIN 24 HOURS OF OBTAINING SIGNATURES.

Motion to Closed Session Pursuant to M.S. 13D.03 to Discuss Labor Negotiation Strategy

Adjourn

The Chair adjourned the meeting at 6:41 pm.

Cassandra Torstenson
City Administrator