

City of Brainerd
Economic Development Authority
Meeting Agenda

City Council Chambers
April 1, 2021
7:30am

Members of the public may attend in-person or monitor the meeting via phone.

Meeting Number: 1-844-992-4726

Access Code: 187 404 3218

- | | | | |
|-------|--|-------|-------------|
| I. | Call to Order | _____ | G. Johnson |
| II. | Roll Call | _____ | M. O'Day |
| | | _____ | K. Bevans |
| III. | Approval/Amendment of Agenda | _____ | Vacant |
| | | _____ | T. Bieser |
| IV. | Approval of Minutes from the March 4 regular meeting | _____ | M. Kirsch |
| | | _____ | W. Erickson |
| V. | Financial Report | | |
| VI. | Updates | | |
| | a. Executive Director | | |
| | b. HRA | | |
| | c. BLAEDC | | |
| VII. | New Business | | |
| | a. American Rescue Plan Intro | | |
| VIII. | Informational | | |
| IX. | Commissioner's Comments/Questions | | |
| X. | Adjourn | | |

BRAINERD ECONOMIC DEVELOPMENT AUTHORITY

Thursday, March 4, 2021 7:30 a.m.

City Hall Council Chambers

WebEx Teleconference Meeting

Pursuant to the call and notice thereof, President Erickson called the meeting of the Brainerd Economic Development Authority to order at 7:30 a.m.

Present were Commissioners Marie Kirsch, Gabe Johnson, Michael O'Day, Toni Bieser, and Wayne Erickson. Commissioner Bevans joined the meeting virtually at 7:50 a.m. Also present were City Administrator Bergman, Community Development Director Chanski, Finance Director Hillman, Eric Charpentier, HRA director, Tyler Glynn, BLAEDC executive director and John Schommer, HRA rehab coordinator.

Approval/Amendment of the Agenda

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND O'DAY, DULY CARRIED, TO APPROVE THE AGENDA AS PRESENTED.

Approval of Minutes

MOVED AND SECONDED BY COMMISSIONERS O'DAY AND JOHNSON, DULY CARRIED, TO APPROVE THE MINUTES FROM THE JANUARY 17, 2021 MEETING

Financial Report

MOVED AND SECONDED BY COMMISSIONERS KIRSCH AND O'DAY, DULY CARRIED, TO APPROVE THE FINANCIAL REPORT AS PRESENTED.

Updates

Executive Director

City Administrator Bergman indicated the Destination Downtown Business Coalition (DDBC) has posted the part-time position for an event coordinator and they are working on the holiday light program for the downtown area for next season. She announced there has been a transition to an Interim Public Works Department under City Engineer Sandy which includes the Parks Department, and the Park Board members are working on the Lum Park Masterplan. She said this is also Brainerd's Sesquicentennial year, which is the 150th birthday of the city. There are some activities being planned for the event by Mayor Badeaux and Visit Brainerd. City Administrator Bergman also stated the Parking Commission has regrouped and have been working on many new ideas and suggestions.

HRA

Executive Director Charpentier has been working with a new developer in downtown, who has yet to be announced. He said the HRA has been in contact with a local developer interested in property for single family housing.

Rehab Coordinator Schommer updated the Commission on the northeast Brainerd grants, as well as the Brainerd Oaks, Serene Pines, and Dalmar Estate properties.

BLAEDC Update

Executive Director Glynn stated they are finalizing the final steps of distribution of the Crow Wing County Economic Assistance grants. He gave a brief review of the dollar amounts and applications approved. The BLAEDC Annual meeting is being held virtually on Tuesday, March 9, 2021 at 7:30 a.m. with Keynote speaker Shirley Bloomfield, president, and CEO of NTCA out of Washington D.C.

Commissioner Bevans joined the meeting via WebEx.

Due to a member participating in the meeting electronically, all the following motions will be voted on by a roll call vote for accuracy.

Old Business

EDA-BLAEDC Shared Services Agreement

Community Development Director Chanski and Executive Director Glynn explained the details of the agreement.

MOVED AND SECONDED BY COMMISSIONERS O'DAY AND JOHNSON TO APPROVE THE SHARED SERVICES AGREEMENT AS PRESENTED.

Upon roll call, members Kirsch, Johnson, O'Day, Bevans, Bieser, and Erickson voted "aye". No member voted "nay". The Chair declared the motion carried.

President Erickson and Commissioner Johnson welcomed Toni Bieser to the EDA and asked her to introduce herself to the Commission and for Commissioners to do the same.

Strategic Planning

Community Development Director Chanski indicated the City Council budgeted \$5,000 towards strategic planning for the EDA to be involved in. There will be a joint EDA and City Council workshop taking place next week to start the discussion and ideas about strategic planning. He explained there were not many options in locating an organization willing to speak, but he did connect with Mr. Bruce Miles from Big River Group in St. Cloud who submitted a proposal. Mr. Chanski read the details of the proposal by Mr. Miles.

Commissioner Bieser and City Administrator Bergman both indicated they have worked with Mr. Miles in the past and the proposal is satisfactory.

MOVED AND SECONDED BY COMMISSIONERS O'DAY AND BEVANS TO APPROVE THE PROPOSAL FOR A STRATEGIC PLANNING ONE DAY RETREAT WITH MR. BRUCE MILES.

Upon roll call, members Kirsch, Johnson, O'Day, Bevans, Bieser, and Erickson voted "aye". No member voted "nay". The Chair declared the motion carried.

Commissioner Johnson and City Administrator Bergman departed to attend another meeting.

New Business

Resignation of Ed Menk

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND O'DAY TO ACCEPT WITH REGRET THE RESIGNATION OF ED MENK FROM THE EDA.

Upon roll call, members Kirsch, O'Day, Bevans, Bieser, and Erickson voted "aye". No member voted "nay". The Chair declared the motion carried.

Informational

Parking Commission

Community Development Director Chanski indicated the commission has met several times and are discussing many new ideas. He stated one of the Commissioners, Chuck Marohn, will be compiling information to present to the City Council in April.

Comments/Questions

Community Development Director Chanski spoke about a potential government funding program that may be taking place.

Commissioner O'Day stated members of the walkable bikeable committee may be interested in meeting with the parking commission, as they may have similar issues.

Mr. Glynn announced there is a program that may be of interest to others to watch. A segment about CTC was highlighted on CNBC with Ted Danson aired January 23rd that is available to watch. Mr. Glynn can provide the link to anyone interested.

Adjourn to the Joint EDA-City Council Workshop on Monday, March 8, 2021 at 5:00 p.m.

The Authority adjourned at 8:30 a.m.

Secretary/Treasurer

Financial Report for EDA

As of February 28, 2021

	<u>Cash & Investments</u>	<u>Receivable Balance</u>	<u>Deferred Loans (as of 12/31/19) **</u>	<u>Awarded Grants</u>
General Funds:				
EDA Fund - #295	\$ 48,213	\$ -	\$ -	\$ -
Total	\$ 48,213	\$ -	\$ -	\$ -
CDBG (Housing/Commerical (Slum & Blight/Federal Objective)):				
Downtown - #298	\$ 47,086	\$ 24,241	\$ 600,617	\$ -
SE Brainerd - #215	44,036	-	358,377	-
NE Brainerd - #218	(16,839)	-	81,462	638,338
Willows Project - #209	-	-	99,650	-
Old Housing - #209	3,270	-	59,286	-
Local Income - #275	49,627	16,381	17,775	-
Total	\$ 127,180	\$ 40,622	\$ 1,217,167	\$ 638,338
Federal & State MIF (Commerical (Jobs)):				
Commerical - #210 ^^^	\$ -	\$ 646,427	\$ -	\$ -
Federal MIF - #296	18,188	-	-	-
Total	\$ 18,188	\$ 646,427	\$ -	\$ -
Grand Total	\$ 193,581	\$ 687,049	\$ 1,217,167	\$ 638,338

** 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	Balance
*** Assets ***		
295-0000-10100	CASH	48,212.76
295-0000-10700	DELINQUENT TAX RECEIVABLE	7,330.90
295-0000-16160	FA-LAND HELD FOR RESALE	488,252.22
Total Assets		543,795.88
*** Liabilities ***		
295-0000-22200	DEFERRED REVENUE	488,252.22
295-0000-22210	DEFERRED TAXES RECEIVABLE	5,521.89
Total Liabilities		493,774.11
*** Fund Balance ***		
295-0000-28900	FUND BALANCE/EQUITY ACCT	39,602.39
Total Fund Balance		39,602.39
Beginning Fund Balance - 2020		39,602.39
Net of Revenues VS Expenditures - 2020		11,869.43
*2020 End FB/2021 Beg FB		51,471.82
Net of Revenues VS Expenditures - Current Year		(1,450.05)
Ending Fund Balance		50,021.77
Total Liabilities And Fund Balance		543,795.88

* Year Not Closed

REVENUE AND EXPENDITURE REPORT FOR CITY OF BRAINERD

PERIOD ENDING 02/28/2021

ACCOUNT DESCRIPTION	ACTIVITY FOR		YTD BALANCE	AVAILABLE	% BDGT USED	
	2021 MONTH	02/28/2021	02/28/2021	BALANCE		
	AMENDED BUDGET	± (DECREASE)	± (ABNORMAL)	± (ABNORMAL)		
Fund 295 - EDA FUND						
Revenues						
Dept 0000						
Account Type: Revenue						
TAXES & PENALTIES						
31010	CURRENT AD VALOREM	133,789.00	0.00	3,386.93	130,402.07	2.53
31020	DELINQUENT AD VALOREM	0.00	0.00	186.19	(186.19)	100.00
	TAXES & PENALTIES	<u>133,789.00</u>	<u>0.00</u>	<u>3,573.12</u>	<u>130,215.88</u>	<u>2.67</u>
OTHER REVENUE						
36210	INTEREST INCOME	400.00	0.00	0.00	400.00	0.00
	OTHER REVENUE	<u>400.00</u>	<u>0.00</u>	<u>0.00</u>	<u>400.00</u>	<u>0.00</u>
	Total Revenue:	<u>134,189.00</u>	<u>0.00</u>	<u>3,573.12</u>	<u>130,615.88</u>	<u>2.66</u>
	Total Dept 0000	<u>134,189.00</u>	<u>0.00</u>	<u>3,573.12</u>	<u>130,615.88</u>	<u>2.66</u>
	TOTAL REVENUES	<u>134,189.00</u>	<u>0.00</u>	<u>3,573.12</u>	<u>130,615.88</u>	<u>2.66</u>
Expenditures						
Dept 6510 - ECONOMIC DEVELOPMENT AUTH						
Account Type: Expenditure						
SERVICES						
43300	PROFESSIONAL SERVICES	95,000.00	2,500.00	5,000.00	90,000.00	5.26
43361	INS - GENERAL LIABILITY	150.00	0.00	23.17	126.83	15.45
43430	MISCELLANEOUS	5,500.00	0.00	0.00	5,500.00	0.00
43434	ECONOMIC INITIATIVES	30,000.00	0.00	0.00	30,000.00	0.00
43435	BOOKS/PAMPHLETS/DUES	5,350.00	0.00	0.00	5,350.00	0.00
	SERVICES	<u>136,000.00</u>	<u>2,500.00</u>	<u>5,023.17</u>	<u>130,976.83</u>	<u>3.69</u>
	Total Expenditure:	<u>136,000.00</u>	<u>2,500.00</u>	<u>5,023.17</u>	<u>130,976.83</u>	<u>3.69</u>
	Total Dept 6510 - ECONOMIC DEVELOPMENT AUTH	<u>136,000.00</u>	<u>2,500.00</u>	<u>5,023.17</u>	<u>130,976.83</u>	<u>3.69</u>
	TOTAL EXPENDITURES	<u>136,000.00</u>	<u>2,500.00</u>	<u>5,023.17</u>	<u>130,976.83</u>	<u>3.69</u>
Fund 295 - EDA FUND:						
	TOTAL REVENUES	<u>134,189.00</u>	<u>0.00</u>	<u>3,573.12</u>	<u>130,615.88</u>	<u>2.66</u>
	TOTAL EXPENDITURES	<u>136,000.00</u>	<u>2,500.00</u>	<u>5,023.17</u>	<u>130,976.83</u>	<u>3.69</u>
	NET OF REVENUES & EXPENDITURES	<u>(1,811.00)</u>	<u>(2,500.00)</u>	<u>(1,450.05)</u>	<u>(360.95)</u>	<u>80.07</u>

To: EDA Board of Commissioners
From: John Schommer, Rehab Coordinator
Date: March 24, 2021
Re: Brainerd HRA Update

General Agency Update

We continue to make progress on the process and documentation for the 4 Housing Trust Fund programs through the County HRA. We have also spoken with local agencies that might be interested in holding the loan portfolio for these loans and hope to identify a partner in the next few weeks.

The tax forfeited property policy through the County also continues to have success. A permit has recently been pulled on a lot that was sold through this program in Brainerd. The home should be finished sometime in later 2021 and returned to the tax rolls for the County and the City. This home will serve a low to moderate income family as well. We will continue to utilize this program to help with infill projects throughout the City.

Rehab

The NE Brainerd SCDP grant has rehab completed on one commercial unit, nine mixed use units and three owner occupied units. We have two owner occupied units, one single family rental rehab and one duplex unit in construction. There are two multi-family and five single family rental rehab applications in the verification process. We continue to seek five more single family owner occupied rehabs.

Brainerd Oaks/Serene Pines/Dalmar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	49	46	3	7
Serene Pines	23	15	12	1	3
Dalmar Estates	7	1	1	0	0

*Originally 83 lots, 2 have been merged/combined into a single parcel



BLAEDC Activity

Attached you will find the Grow Minnesota visit document the BLAEDC has been using and will continue to use when we make Business Retention and Expansion visits in Brainerd. We made 2 of those visits in March to date and will provide the detailed reports to the EDA board during the April meeting and then quarterly moving forward.

- March 9th BLAEDC held their Annual Meeting which was attended by around 100 people
- Presentations were provided by the following individuals with Brainerd connections
 - Candice Zimmerman, Executive Director of the Northland Arboretum. Candice provided the audience with an Arb update as well as talking through her experience with her hiring through BLAEDC's Key Recruitment Program
 - Steve Barrows, Crow Wing County Board Chair
 - Kristi Westbrook, CEO of CTC
- BLAEDC completed its Annual Report, making this the first digital Annual Report in our 35 year history. The report can be viewed on BLAEDC's website, www.growbrainerdlakes.org
- The BLAEDC Unified Fund will be holding a meeting in April to provide updates to the board regarding year end 2020 numbers and to consider a new loan request for a rural Brainerd business
- River to Rail will be meeting on April 7th
- Staff will begin to work in April on updating a full database of Brainerd businesses, with the hope of completion by the end of the summer 2021

Breakdown of Brainerd businesses located inside the city limits that received assistance through this grant.

- 74 applications approved
- \$328,466 total funds distributed

Completion the grant process was on March 15th, with all eligible businesses receiving their fund allocation from Crow Wing County, which totaled \$1,256,798.

Date: _____ Interviewer(s): _____

Company Name: _____ Contact/Title: _____

Street Address & City: _____

Year Company was founded: _____

Corporate Structure: LLC C-Corp (privately held) C-Corp (publicly held) S-Corp Cooperative Professional Assn.
 Sole Proprietor Non Profit Partnership ESOP Public Benefit Corp.

Has this company's ownership or top management changed over the last year? Yes No

Is this business locally owned? Yes No

If No, where is the ownership or Headquarters located? _____

Which business life stage level represents your business?

Seed Stage Start-up Stage Growth Stage Established Stage Expansion Stage Decline Stage Exit Stage

Facility

- Is this facility owned or leased? Owned Leased
- Is there room for expansion at this site? Yes No
- Do you have other facilities in MN? Yes No

If YES, where? _____

Products & Services

▪ What are your major products/services & certifications? _____

- Have you introduced new products/services in past year? Yes No
- Do you plan to add new products/services in the next year? Yes No

Explain new products/services. _____

- New technologies added in past year?: Yes No
- Plans to add new technologies in the next year: Yes No

Explain new technologies. _____

- Are there any opportunities to add MN suppliers? If so, please explain. _____

Revenue & Expenses

- Change in total revenue over past year?: Increased Decreased Stable
- Expected change in revenue next year?: Increase Decrease Stable
- Change in total expenses over past year?: Increased Decreased Stable
- Expected change in expenses next year?: Increase Decrease Stable
- Fastest growing expenses?:
 Wages Healthcare Other employee benefits Utilities Facility costs Transportation/Shipping costs
 Equipment Supplies/Inputs Government compliance Other

(Explain): _____

Workforce

- What is your total employment number?(Full time/Part time/& Seasonal) _____
- Change in total employment number over past year?: Increased Decreased Stable
- Expected change in employment number next year?: Increase Decrease Stable
- Are you having difficulty recruiting workers? Yes No

- What types of skills/workers are most difficult to recruit? *Explain.* _____

- What are your most successful strategies for finding workers?
Explain. _____

- In general, what is it about the applicants that make the openings hard to fill (check all that apply).
 Lack of basic education Lack of technical skills Lack of candidates Poor work ethic
Other: _____
- What is your biggest barrier to increasing your workforce? **(Select one)**
 Insufficient demand (*Don't need employees right now*) Lack of available workers Labor wage costs
 Labor benefit costs Cost of labor laws & regulations Lack of access to diverse populations Immigration laws
 Other: _____
- In what ways do you engage with schools in workforce-related activities? *Check all that apply.*
 Apprenticeships High School internships Youth employment programs High School job fairs College internships
 College job fairs Other: _____

Market information

- In what geographic location/s are your primary markets?
 Local (w/in 50 mi) Minnesota Midwest (includes MN) US International
- In what geographic location/s are your fastest growing markets?
 Local (w/in 50 mi) Minnesota Midwest (includes MN) US International

Export activities

- Does your company export directly? Yes No
- If YES, to what countries? _____
- Change in total exports last year? Increased Decreased Stable
- Expected change in exports next year? Increase Decrease Stable

Investment plans

- Does company have plans for new investments? Yes No
- If 'Yes', check all that apply: Invest in new facilities Make major equipment purchases
 Renovate/Expand current facilities Other: _____
- What is the approximate date of this investment? Within one year Within two years Within three years Unsure
- Where will your investment occur?
 At current location At another location-same community In another community in MN
 In another state In another country Unsure

If in another community, state, or country – Top reason/s why? _____

- Will your expansion add jobs? Yes No Unsure N/A *If yes, number & types of jobs added?* _____

Public policy - What local/state/federal policies affect your business most?

Please Explain: _____

****For Interviewers ONLY: Does this company require follow-up?** Yes No

If yes, please explain: _____

MEMO



TO: EDA Board of Commissioners
FROM: David Chanski, Community Development Director
DATE: April 1, 2021
RE: American Rescue Plan Intro

The American Request Plan Act was signed into law by President Biden on March 11th. Among many provisions in this Act, \$130.2 billion was allocated to local governments of which \$65.1 billion will be distributed to counties, \$45.6 billion to entitlement cities (cities with populations over 50,000), and \$19.5 billion to non-entitlement cities. These funds can be used to:

- Respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality
- Respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers of the metropolitan city, nonentitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work
- The provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency
- Make necessary investments in water, sewer, or broadband infrastructure

Funds are to be distributed to the states within 60 days of the Act being signed into law, and then states have 30 days (and up to 120 days with certain allowable extensions) to distribute funds to their non-entitlement communities upon receipt of the funds. The sunset date for use of the funds is December 31, 2024. The entire Act can be found [here](#). The local government appropriations language can be found in Sec. 603 (pg. 225).

Little guidance has been issued by the Treasury and the IRS regarding use of the funds at this time, and we have not received word on the exact appropriation the City of Brainerd will be receiving. Staff anticipates much discussion in the coming months regarding the use of these funds. The purpose of this discussion is for staff to give the EDA a basic introduction as to what we know right now and what an action plan moving forward may look like.