

**City of Brainerd**  
**Economic Development Authority**  
**Meeting Agenda**

Police Department Training Room  
December 5, 2019  
7:30 A.M.

- I. Call to Order
- II. Roll Call \_\_\_\_\_ E. Menk  
\_\_\_\_\_ K. Bevans  
\_\_\_\_\_ J. Sinner  
\_\_\_\_\_ W. Erickson  
\_\_\_\_\_ G. Johnson  
\_\_\_\_\_ Y. Campbell
- III. Approval/Amendment of Agenda
- IV. Approval of Minutes from October 10, 2019 and October 31, 2019
- V. Financial Report
- VI. Updates
  - a. HRA
    - i. Revolving Loan Fund (RLF)
    - ii. Small Cities Development Program (SCDP)
    - iii. Housing Updates
    - iv. Other
  - b. BLAEDC
    - i. Unified Fund
    - ii. Other
- VII. Old Business
  - a. Approval of 2020 Budget
  - b. Services Agreement
  - c. Call for Applicants
- VIII. New Business
  - a. 2020 Goals and Priorities

b. Set Meeting Dates for 2020

IX. Informational

a. Darkow Farms Update

X. Commissioner's Comments/Questions

XI. Adjournment

**BRAINERD ECONOMIC DEVELOPMENT AUTHORITY**

**Thursday, October 10, 2019**

**Official Minutes**

Pursuant to the call and notice thereof, President Menk called the meeting of the Brainerd Economic Development Authority to order at 7:35 a.m.

Present were Commissioners Ed Menk, Jerry Sinner, Wayne Erickson, Yvette Campbell and Gabe Johnson. Commissioner Kelly Bevans was noted as absent. Also present were Community Development Director Chanski, Finance Director Hillman, Tyler Glynn, BLAEDC economic development officer and John Schommer, HRA rehab director.

**Approval/Amendment of Agenda**

MOVED BY MAYOR MENK TO APPROVE THE AGENDA AS PRESENTED.

**Approval of Minutes**

MOVED AND SECONDED BY COMMISSIONERS SINNER AND ERICKSON, DULY CARRIED, TO APPROVE THE MINUTES FROM THE AUGUST 8, 2019 EDA MEETING AS PRESENTED.

**Approval of Financial Report**

MOVED AND SECONDED BY COMMISSIONERS ERICKSON AND SINNER, DULY CARRIED, TO APPROVE THE FINANCIAL REPORT AS PRESENTED.

**Update from HRA – John Schommer**

**Small Cities Development Program (SCDP)**

Mr. Schommer stated the downtown grant period ended September 30<sup>th</sup> and there are just a few various items to finish on the buildings. He indicated Bob and Fran's recently had windows installed with the awnings being installed Monday.

Mr. Schommer said as an update to the northeast small cities grant, he is working with Sarah Hayden-Shaw to finish the exterior of the Knotty Pine Bakery. He stated they are meeting later in the day to discuss the scope of work for the nine mixed use units above the bakery. He indicated there are also two owner occupied projects that are nearing completion of the construction phase.

**Revolving Loan Fund**

Mr. Schommer has received a couple inquiries last month regarding the program, but nothing has been formally submitted. He said they continue to search for interested individuals that would like to utilize the program. He stated this is the pool of funds with a one-to-one match for commercial projects within the River-To-Rail district. He explained the program may also be used for homeowners that have received citations regarding the property maintenance code.

### **Housing Updates**

He stated the builder for Dal-Mar Estates, Brainerd Oaks and Serene Pines developments has submitted applications to take down four more lots in Dal-Mar Estates; one is a custom home build with two of the other lots sold. He said the ownership for all three developments is changing over from Paxmar Brainerd LLC to Level Contracting very soon.

### **Update from BLAEDC – Tyler Glynn**

Tyler Glynn reviewed the documentation provided in the packet of the tasks that BLAEDC accomplishes for the City of Brainerd to justify the requested funding for 2020. He stated there was conversation at the August meeting regarding the funding and the work that gets accomplished for the City of Brainerd. He indicated most of the expenditures are broken down into salaries and benefits and he explained the staffing estimates provided to the City of Brainerd. He explained the funding request is the same as last year and has not increased.

### **Unified Fund**

Mr. Glynn indicated there have been 12 loans approved and funded from the Unified Fund in the past two years. He stated, as of today, he has received five more applications for funding with three of the projects located in the City of Brainerd.

Commissioner Sinner asked Mr. Glynn if BLAEDC intends to add staff members in 2020. He said he noticed there is a 10% increase in the salaries budget.

Mr. Glynn stated they are working on reconfiguring current staff and filling the vacancy that will take place with Sheila Haverkamp leaving in December. He indicated in order to be a competitive employer with professional staff, there needed to be incentive to keep the right people.

Commissioner Campbell asked if the scope of benefits offered to the staff at BLAEDC includes medical benefits, that she feels the increase is justified. Mr. Glynn indicated the benefits do not include medical insurance; it includes paid time off (PTO) and retirement benefits.

Sheila Haverkamp indicated BLAEDC has been fortunate to build a great team of professionals in the organization, but the pay scale was not at market rate. She said this was concerning as far as retaining staff and the budget reflects the ability to adjust salaries to keep the team they have. She stated if adjustments need to be made in the budget, this is the area that gets adjusted.

### **Other**

The Chair welcomed Mr. Bruce Darkow of East Gull Lake, who is interested in a business opportunity in the City and has been working with BLAEDC for a year and a half on this project.

He stated he has been working with a shrimp farming company in Canada and he would like to open a franchise of the business in Brainerd. Mr. Darkow explained the process of the manufacturing company and the details involved with a business of farming shrimp. He stated he is interested in property in the Industrial Park, which would consist of the 13 remaining lots and the out lots for an approximate total of 43 acres. He said the cost that was discussed initially of \$1 per lot or \$1 per acre would allow him to secure the financing needed to proceed with his project. He indicated the initial investment in Brainerd would be approximately \$16 million.

Commission discussion took place and questions were answered from Mr. Darkow.

Finance Director Hillman explained the transfer of the property process from the City to the EDA. She stated she has spoken with the bond council and municipal advisors for input but needed to obtain direction from the EDA in order to proceed to the City Council.

Commissioner Sinner stated it would be beneficial to organize another meeting of the subcommittee to discuss the details prior to another EDA meeting. He believes it is a consensus of the committee to offer the property at \$1 per acre. He stated to get a project of this scope off the ground and move forward would be a huge plus for the City. He said his only concern would be if this development is too large, as it would take all the available lots for the one project.

Mayor Menk indicated if the business does not progress as planned, he would like a provision in the contract for the City to regain the property.

MOVED AND SECONDED BY COMMISSIONERS SINNER AND CAMPBELL, DULY CARRIED, TO ORGANIZE A SUBCOMMITTEE MEETING TO PROVIDE DIRECTION TO PROCEED WITH THE MARKETING/SALE PRICE PLAN AND HOW IT WOULD BE STRUCTURED WITH A PROPOSED BUYER WITHIN THE NEXT TWO WEEKS WITH THE EDA ABSORBING THE COST OF THE LEGAL ADVISORS.

## **Old Business**

### **Fund Allocation / Budget**

Finance Director Hillman explained the details of the current budget that was provided in the packet. She stated it was decided at the previous EDA meeting to enter into an agreement for services with the City rather than the allocation of funds. She indicated the agreed upon amount was \$32,500 and reviewed the professional services line items.

Commissioner Johnson stated the \$32,500 was a baseline of how the EDA has been operating in past years. He indicated it will take more than \$32,500 for staff and others to be able to facilitate this size of development project.

Commission discussion took place regarding the role of the EDA versus the role of the City.

MOVED AND SECONDED BY COMMISSIONERS SINNER AND ERICKSON, DULY CARRIED, TO BUDGET \$5,000 TOWARDS LEGAL AND MUNICIPAL ADVISORS AND \$5,000 TO MISCELLANOUS.

### **BLAEDC**

MOVED AND SECONDED BY COMMISSIONERS SINNER AND CAMPBELL TO ACCEPT THE 3 YEAR COMMITMENT PROPOSAL FOR FUNDING TO BLAEDC IN THE AMOUNT OF \$78,500 FOR YEARS 2020, 2021 AND 2022.

Commissioners Menk, Sinner, Erickson and Campbell voted “aye”. Commissioner Johnson voted “nay”. The Chair declared the motion carried.

### **Call for Applicants**

Mayor Menk called for applicants to fill the one vacant seat on the EDA Committee.

### **Informational**

Mayor Menk stated to send reminders of the upcoming EDA meetings two weeks and one week in advance.

- December Meeting – December 5, 2019 7:30 a.m.
  - 2020 Goals & Priorities
  - 2020 Budget

The commission set a Special EDA Meeting for Thursday, October 31, 2019 at 7:30 a.m. to discuss the industrial lots. Mayor Menk directed staff to update the EDA Members as well as the City Council.

### **Adjournment**

The Authority adjourned at 9:04 a.m.

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Connie Hillman, Secretary/Treasurer

**BRAINERD ECONOMIC DEVELOPMENT AUTHORITY**  
**SPECIAL MEETING**  
**Thursday, October 31, 2019**  
**Official Minutes**

Pursuant to the call and notice thereof, President Menk called the Special Meeting of the Brainerd Economic Development Authority to order at 7:32 a.m.

Present were Commissioners Ed Menk, Kelly Bevans, Jerry Sinner, Wayne Erickson, Yvette Campbell and Gabe Johnson. Also present were Community Development Director Chanski, Finance Director Hillman, Paul Steinman, financial advisor with Springsted, and Tyler Glynn, economic development officer with BLAEDC.

**Industrial Lot Discussion**

Community Development Director Chanski stated the topic for discussion is the desired process for selling and marketing the Industrial Lots. He said a process needs to be in place should a potential developer approach the City with interest.

Tyler Glynn indicated a subcommittee was formed earlier this year to address the marketing and selling of these lots and for potential adjustments to the pricing structure. He stated the City previously had a contract with Close~Converse as the listing agent for several years. He said since the inception of these lots, there has been only one development which was FedEx. He stated they have been working on a more efficient manner to be competitive with other shovel ready sites for sale in other areas of the state.

He indicated the subcommittee has met several times this year and has consulted with Baker Tilley, City Attorney Langel, and Kennedy and Graven for professional input at these meetings. He said they have drafted a process to be considered by the EDA.

He also stated Phase IV is a shovel ready, state certified site; meaning the City has had the land certified and all environmental studies have been completed. He said all infrastructure has been done with city water, sewer and power.

Community Development Director Chanski explained the process including the pros and cons of each step being proposed.

1. Request the City to transfer ownership of the land in the Industrial Park when a developer is ready to purchase.
2. Request authorization to sell the lots for a dollar per acre.
3. Request authorization to create TIF (or Tax Abatement) District(s).
4. A deposit will be required from the developer to fund all costs associated with the sale and development of the property.

Commissioner Bevans asked what the cost of \$62,225 per acre was based on, which was determined to be actual costs excluding the interest paid.

Tyler Glynn indicated there are 36 shovel ready sites in the state of Minnesota and has found that approximately 19 of these sites are being marketed at \$1 per acre. He said this low cost is being offered because there is the option of TIF.

Community Development Director Chanski explained that after the decision is made of selling cost the request to authorize a TIF district or Tax Abatement district need to be completed.

Finance Director Hillman stated TIF is the preferred option over tax abatement as the City would receive more money back from TIF. She gave a presentation and explanation of taxes, TIF and examples of the impact using different scenarios.

Tyler Glynn stated as this moves forward, any developer will be required to pay the deposit for all the legal and bond work that needs to be completed, regardless if the City pays a percentage of the net available tax increment to the developer. He said the developer will still need to make the deposit even if they do not utilize TIF, as the business subsidy is still being created.

Commission discussion took place.

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND ERICKSON , DULY CARRIED, TO RECOMMEND APPROVAL TO CITY COUNCIL TO TRANSFER OWNERSHIP OF PROPERTY FROM THE CITY TO THE ECONOMIC DEVELOPMENT AUTHORITY (EDA) IN THE EVENT A DEVELOPER IS READY TO PURCHASE, AUTHORIZATION TO SELL THE LOTS FOR ONE DOLLAR (\$1) PER ACRE AND AUTHORIZE THE CREATION OF TAX INCREMENT FINANCING (TIF) OR TAX ABATEMENT DISTRICT.

### **Adjournment**

The Authority adjourned at 8:30 a.m.

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Connie Hillman, Secretary/Treasurer



# Financial Report for EDA

As of November 30, 2019

	<u>Cash &amp; Investments</u>	<u>Receivable Balance</u>	<u>Deferred Loans (as of 12/31/18) **</u>	<u>Awarded Grants</u>
<b>General Funds:</b>				
EDA Fund - #295	\$ 24,033	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 24,033</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CDBG (Housing/Commerical (Slum &amp; Blight/Federal Objective)):</b>				
Downtown - #298	\$ 26,779	\$ 26,985	\$ 11,020	\$ -
SE Brainerd - #215	25,173	-	439,852	-
NE Brainerd - #218	(70,970)	-	-	638,338
Willows Project - #209	6,189	-	87,150	-
Old Housing - #209	9,280	-	65,475	-
Local Income - #275	18,260	17,785	26,489	-
<b>Total</b>	<b>\$ 14,710</b>	<b>\$ 44,769</b>	<b>\$ 629,985</b>	<b>\$ 638,338</b>
<b>Federal &amp; State MIF (Commerical (Jobs)):</b>				
Commerical - #210 ^^	\$ 6,540	\$ 646,427	\$ -	\$ -
Federal MIF - #296	17,975	-	-	-
<b>Total</b>	<b>\$ 24,515</b>	<b>\$ 646,427</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total</b>	<b>\$ 63,258</b>	<b>\$ 691,196</b>	<b>\$ 629,985</b>	<b>\$ 638,338</b>

\*\* 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.

BALANCE SHEET

AS OF: NOVEMBER 30TH, 2019

295-EDA FUND

ACCOUNT#	TITLE		
ASSETS			
=====			
10100	CASH	24,033.12	
10700	DELINQUENT TAX RECEIVABLE	6,625.40	
10800	ALLOWANCE FOR UNCOLLECT	( 4,771.17)	
16160	FA-LAND HELD FOR RESALE	488,252.22	
		<hr/>	514,139.57
			<hr/>
TOTAL ASSETS			514,139.57
			=====
LIABILITIES			
=====			
22200	DEFERRED REVENUE	488,252.22	
TOTAL LIABILITIES			488,252.22
			<hr/>
EQUITY			
=====			
28900	FUND BALANCE/EQUITY ACCT	33,987.52	
TOTAL BEGINNING EQUITY			33,987.52
TOTAL REVENUE			69,430.73
TOTAL EXPENSES			77,530.90
TOTAL SURPLUS/(DEFICIT)			( 8,100.17)
TOTAL EQUITY & SURPLUS/(DEFICIT)			25,887.35
			<hr/>
TOTAL LIABILITIES, EQUITY & SURPLUS/DEFICIT			514,139.57
			=====

CITY OF BRAINERD  
 INCOME STATEMENT BUDGET TO ACTUAL  
 AS OF: NOVEMBER 30TH, 2019

295-EDA FUND  
 REVENUES

	CURRENT BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>TAXES AND PENALTIES</u>					
295-31010 CURRENT AD VALOREM	124,351.00	0.00	67,947.47	56,403.53	54.64
295-31020 DELINQUENT AD VALOREM	0.00	0.00	1,148.38 (	1,148.38)	0.00
TOTAL TAXES AND PENALTIES	124,351.00	0.00	69,095.85	55,255.15	55.57
<u>PROGRAM INCOME</u>					
<u>STATE GRANTS &amp; AIDS</u>					
<u>PRINCIPAL &amp; INTEREST</u>					
<u>OTHER REVENUE</u>					
295-36210 INTEREST INCOME	100.00	0.00	334.88 (	234.88)	334.88
TOTAL OTHER REVENUE	100.00	0.00	334.88 (	234.88)	334.88
TOTAL REVENUE	124,451.00	0.00	69,430.73	55,020.27	55.79
=====					
<u>OTHER FINANCING SOURCES</u>					
TOTAL REVENUE & OTHER FINANCING SOURCES	124,451.00	0.00	69,430.73	55,020.27	55.79
=====					

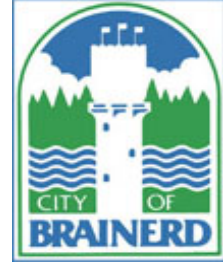
CITY OF BRAINERD  
 INCOME STATEMENT BUDGET TO ACTUAL  
 AS OF: NOVEMBER 30TH, 2019

295-EDA FUND  
 ECONOMIC DEVELOPMENT AUTH  
 DEPARTMENTAL EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>PERSONAL SERVICES</u>					
295-46510-1101 SALARY	28,066.00	1,560.28	23,141.78	4,924.22	82.45
295-46510-1121 PERA	2,105.00	21.06	1,529.02	575.98	72.64
295-46510-1122 FICA	1,740.00	127.39	1,260.51	479.49	72.44
295-46510-1123 MEDICARE	407.00	29.80	294.83	112.17	72.44
295-46510-1131 HEALTH INSURANCE	4,892.00	102.61	4,122.54	769.46	84.27
295-46510-1133 LIFE INSURANCE	48.00	0.64	3.84	44.16	8.00
295-46510-1134 LTD INSURANCE	47.00	0.78	4.53	42.47	9.64
TOTAL PERSONAL SERVICES	37,305.00	1,842.56	30,357.05	6,947.95	81.38
<u>SUPPLIES</u>					
<u>SERVICES</u>					
295-46510-3300 PROFESSIONAL SERVICES	0.00	74.00	41,620.74 (	41,620.74)	0.00
295-46510-3330 PROFESSIONAL DEVELOPMENT	78,500.00	0.00	0.00	78,500.00	0.00
295-46510-3361 INS - GENERAL LIABILITY	125.00	37.00	163.11 (	38.11)	130.49
295-46510-3430 MISCELLANEOUS	500.00	0.00	40.00	460.00	8.00
295-46510-3433 COALITION ASSMT	5,350.00	0.00	5,350.00	0.00	100.00
TOTAL SERVICES	84,475.00	111.00	47,173.85	37,301.15	55.84
<u>CAPITAL OUTLAY</u>					
<u>DEBT PAYMENTS</u>					
TOTAL ECONOMIC DEVELOPMENT AUTH	121,780.00	1,953.56	77,530.90	44,249.10	63.66
=====					
TOTAL EXPENDITURES	121,780.00	1,953.56	77,530.90	44,249.10	63.66
=====					
<u>OTHER FINANCING USES</u>					
TOTAL EXPENDITURES & OTHER FINANCING (USES)	121,780.00	1,953.56	77,530.90	44,249.10	63.66
=====					
REVENUE & OTHER SOURCES IN EXCESS (DEFICIT) OF EXPENDITURES & OTHER (USES)	2,671.00 (	1,953.56)(	8,100.17)	10,771.17	303.26-
=====					

\*\*\* END OF REPORT \*\*\*

# MEMO



**TO:** EDA Board of Commissioners  
**FROM:** Connie Hillman, City of Brainerd Finance Director  
**DATE:** December 3, 2019  
**RE:** Adoption of 2020 EDA Budget

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Attached you will find the current EDA budget for 2020 with the items as discussed at the October 10, 2019 EDA meeting.

The recommended action for the EDA Commission would be to adopt the budget for 2020 either as presented; or with changes per the Commission's direction.

Please feel free to contact us if you have any questions.

**EDA Fund**

	2018		2019 Budget	2020 Requested Budget	Difference
	Budget	Actual			
<b>Revenues</b>					
<b>Taxes &amp; Penalties</b>					
31010 Current Ad Volorem **	122,223	120,504	124,351	127,817	3,466
31020 Delinquent Current Ad Volorem	-	1,705	-	-	-
	122,223	122,209	124,351	127,817	3,466
<b>Other Revenue</b>					
36210 Interest Income	100	247	100	250	150
39200 Sale of Land	-	-	-	-	-
	100	247	100	250	150
<b>TOTAL REVENUE</b>	<b>122,323</b>	<b>122,456</b>	<b>124,451</b>	<b>128,067</b>	<b>3,616</b>
<b>Expenditures</b>					
<b>Personnel Services ^</b>					
-1101 Salary	24,527	24,343	28,066	-	(28,066)
-1121 PERA	1,840	1,810	2,105	-	(2,105)
-1122 FICA	1,521	1,313	1,740	-	(1,740)
-1123 Medicare	356	307	407	-	(407)
-1131 Health Ins	4,551	4,523	4,892	-	(4,892)
-1133 Life Ins	26	4	48	-	(48)
-1134 LTD	24	6	47	-	(47)
	32,845	32,305	37,305	-	(37,305)
<b>Services</b>					
-3300 Professional Services	-	-	-	-	-
City	-	-	-	32,500	32,500
BLAEDC	77,500	77,500	78,500	78,500	-
Legal/Municipal Advisors	-	-	-	5,000	5,000
-3350 Legal Publ	-	38	-	-	-
-3361 Ins. General Lib	127	83	125	100	(25)
-3430 Miscellaneous	500	160	500	500	-
Strategic Planning	-	-	-	5,000	5,000
Marketing	-	-	-	-	-
Training/Events/Conferences	-	-	-	-	-
-3435 Memberships *	5,350	5,350	5,350	5,350	-
	83,477	83,131	84,475	126,950	42,475
-7720 Transfers Out	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>116,322</b>	<b>115,437</b>	<b>121,780</b>	<b>126,950</b>	<b>5,170</b>
<b>NET REVENUE OVER EXPEND.</b>	<b>6,001</b>	<b>7,019</b>	<b>2,671</b>	<b>1,117</b>	<b>(1,554)</b>

\*\* Max allowed by state statute

^ Currently 20% of City Administrators and 5% of Administrative Specialist

\* Initiative Foundation

## SHARED SERVICES AGREEMENT

This agreement is entered into this \_\_\_\_ day of \_\_\_\_\_, 2019; between the City of Brainerd, a municipal corporation, and the Brainerd Economic Development Authority (EDA), a public body, corporate and politic.

WHEREAS, the EDA needs administrative and support staff services to fulfill its statutory duties; and

WHEREAS, City has the professional and administrative capacity to support the EDA; and

WHEREAS, the City historically provided these services to the EDA; and

WHEREAS, the parties desire to enter into an agreement memorializing the existing arrangement between them.

NOW, THEREFORE, IT IS HEREBY AGREED THAT:

### **I. Scope of Service**

On behalf of the EDA, the City will provide the following services, consistent with State law and the directives of the EDA:

- a. Oversee the overall financial management of the EDA by working closely with the EDA Board of Commissioners
- b. Prepare an annual budget for approval by the EDA Board
- c. Operate per the approved budget, oversee accounts payable, and prepare checks on behalf of the EDA Board
- d. Communicate potential problems to the EDA Board and offer viable solutions
- e. Schedule EDA Board meetings, prepare Agendas and materials (including program/project reports, fiscal reports, resolutions and minutes), attend Board meetings
- f. Maintain all records of the EDA per laws and regulations
- g. The City will use its own computer hardware and software programs for maintaining the EDA's financial records
- h. Work in cooperation with the Brainerd Lakes Economic Development Corporation and Brainerd Housing and Redevelopment Authority to advance economic development and redevelopment within the Brainerd community
- i. Guide developers, business owners, property owners, and the like through the development and redevelopment process
- j. Other projects as directed by the EDA Board

### **II. Compensation**

In consideration for the services rendered by the City, the EDA shall compensate the City \$32,500 annually, to be paid bi-annually by July 1 and December 1.

### **III. Term**

The term of this agreement shall be for a period of one year commencing on the 1<sup>st</sup> day of January 2020 and terminating on the 31<sup>st</sup> day of December 2020. This agreement shall automatically renew for successive one-year terms thereafter unless one of the parties hereto provides at least 60 days' notice of its intent to terminate this agreement at the end of the then current term. However, either party may terminate this agreement for any reason upon 60 day advance written notice. In the event either party terminates this

agreement before its expiration any fees owed to the Brainerd HRA will be prorated through the last day of the 60-day termination period.

**IV. Indemnification**

To the fullest extent permitted by law, the City 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 City's negligence or the City's failure to perform its obligations under this Agreement.

**V. Compliance with Laws**

The City 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 City is an independent Contractor and nothing herein contained shall be construed to create the relationship of an employer and employee between EDA and City employees. The City shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide services. The City 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 City and that it is the City'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.

<i>City of Brainerd</i>	<i>Brainerd EDA</i>
Interim City Administrator	Chair
James Thoreen	Edwin L. Menk
501 Laurel Street	501 Laurel Street
Brainerd, MN 56401	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 City 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 City and is binding upon 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 City.

Approved this the \_\_\_\_ day of \_\_\_\_\_ 2019.

**Brainerd Economic Development Authority**

By: \_\_\_\_\_  
EDWIN L. MENK  
CHAIR

**City of Brainerd**

By: \_\_\_\_\_  
JAMES M. THOREEN  
INTERIM CITY ADMINISTRATOR

# MEMO



**TO:** EDA Board of Commissioners  
**FROM:** David Chanski, Community Development Director  
**DATE:** December 3, 2019  
**RE:** 2020 Goals and Priorities

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The EDA was arguably more active in 2019 than any other year in its lifetime. With the successful development of a marketing and development policy for the Phase IV and Wright Street Extension industrial lots, the EDA took a big step forward in playing an active role in the economic development and redevelopment of the Brainerd community.

As has been discussed throughout the year, staff is looking for the EDA to set the direction for 2020 by way of goals and priorities. Topics that have been discussed various times throughout the year include:

- Mission Statement Development
- Strategic Planning
- Commissioner Training/Development
- Future Development and Redevelopment Opportunities

What would the EDA like to accomplish in 2020?

# MEMO



**TO:** EDA Board of Commissioners  
**FROM:** David Chanski, Community Development Director  
**DATE:** December 3, 2019  
**RE:** 2020 Meeting Dates

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The EDA meets on a bi-monthly basis on the first Thursday after the first City Council meeting at 7:30am. Staff is looking to set the EDA's meeting schedule for 2020. Continuing with a bi-monthly schedule, the next EDA meeting will be in February, and the 2020 schedule will be:

- February 6
- April 9
- June 4
- August 6
- October 8
- December 10

It is important to note that these are only the dates for regularly scheduled meetings. Additional meetings may be called as necessary to discuss important or pending issues as well as to work with potential developers.