

Crow Wing County HRA

AGENDA

5:00 p.m. Tuesday, November 12th, 2019

Crow Wing County Jinx Ferrari Room

(Located on 2nd floor of the Historic Courthouse, 326 Laurel Street, Brainerd, MN)

“Our mission is to support the creation and preservation of affordable housing, economic development, and redevelopment projects towards a more vibrant Crow Wing County.”

AGENDA ITEMS

1. CALL to ORDER
2. ROLL CALL
3. REVIEW and APPROVE MINUTES (*Attachment 1*)
4. REVIEW and ACCEPT FINANCIAL STATEMENTS (*Attachment 2*)
5. UNFINISHED BUSINESS
6. NEW BUSINESS
7. REPORTS
 - a. Executive Director (*Attachment 3*)
 - b. Brainerd HRA/Rehab Programs (*Attachment 4*)
 - c. BLAEDC
 - d. CWC
8. NEXT MEETING AGENDA TOPICS: Tuesday, December 10, 2019
9. ADJOURNMENT

2019 Officers and Commissioners

Chair – Craig Nathan/District 4 (12-31-20)

Vice Chair – Theresa Goble/District 1 (12-31-22)

Secretary – Sharon Magnan/District 3 (12-31-19)

Commissioner – Michael Morford /District 2 (12-31-23)

Commissioner – Michael Aulie/District 5 (12-31-21)



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Minutes from Tuesday, October 8th, 2019
Crow Wing County
Housing and Redevelopment Authority
Board Meeting

A regular meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the County of Crow Wing, Minnesota, was held at 5:00 p.m., Tuesday, October 8th, 2019.

1. **CALL TO ORDER:** Chair Craig Nathan called the meeting to order at 5:00 p.m.
2. **ROLL CALL:** Those present at the meeting include Chair Craig Nathan and Commissioners Sharon Magnan, Theresa Goble, Michael Morford, and Michael Aulie. Also present were Finance Director Karen Young and Executive Assistant LeAnn Goltz; Debbie Erickson, Crow Wing County; Tyler Glynn, BLAEDC; and Commissioners Steve Barrows and Bill Brekken, Crow Wing County.
3. **REVIEW AND APPROVE MINUTES:**

Commissioner Goble moved to approve the minutes from the September 10th meeting with Commissioner Magnan seconding the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.
4. **REVIEW AND APPROVE FINANCIAL STATEMENTS:** The payment of \$5,776.65 to the City of Brainerd was reflected in the September financial statements. At the September meeting, the Board approved the use of Local Income to provide a deferred loan for a shortfall with the Brainerd downtown SCDP grant closeout.

Moved by Commissioner Aulie and seconded by Commissioner Morford to accept the September financial statements as presented. All commissioners voted in favor and none were opposed. The motion passed.
5. **UNFINISHED BUSINESS:**
 - a. **Ratify the Assignment and Assumption of the Master PDA:** At the last meeting, the Board made a motion to approve the transfer and assignment of the Master Purchase and Development Agreement to Level Contracting, contingent upon providing financial reports to the HRA for its qualified review. Staff reviewed Level Contracting's financial reports. Based on the information provided, staff is confident that they have the financial capability to take on this project. Level Contracting is currently carrying minimal debt, which would indicate financial stability.

Attorney Martha Ingram drafted the Assignment and Assumption of the Master Purchase and Redevelopment Contract. Although the Board did make a motion to authorize the transfer, Ingram suggested ratifying the agreement signed by Paxmar-Brainerd LLC and Level Contracting LLC.

Commissioner Goble moved to ratify the Assignment and Assumption of the Master Purchase and Redevelopment Contract. Commissioner Magnan seconded the motion. All commissioners voted in favor and none were opposed. The motion was approved.



6. NEW BUSINESS:

- a. **Approve Using Local Income for Pequot Lakes SCDP:** The Brainerd HRA will be submitting a preliminary proposal on behalf of the City of Pequot Lakes for SCDP funding from DEED for owner-occupied and commercial rehab. In the past, the CWC HRA has supported rehab initiatives with leverage dollars from local income that is received each year from the repayment of previous rehab loans. The City of Pequot Lakes has set aside \$10,000 for leverage and asked the CWC HRA to provide help with \$10,000 from Local Income. CWC HRA's current available fund balance is about \$12,000 and staff anticipates receiving approximately \$25,000 in the next month from the County for last year's repayments.

Commissioner Aulie made a motion to approve allocating \$10,000 from SCDP Local Income to the City of Pequot Lakes for leverage if the grant is received. Commissioner Goble seconded the motion. All commissioners were in favor with none opposed. The motion was approved.

7. REPORTS:

- a. **Executive Director:**

CWC HRA Levy and Housing Trust Fund

The County Board adopted the resolution setting the preliminary levy, which includes the CWC HRA's levy of \$729,500. Staff is working on an ordinance for the Housing Trust Fund, which will likely be presented at the November CWC HRA board meeting and then to the County Board in December. Also, a Contract for Services between BLAEDC and the CWC HRA has been requested, which should also be presented to the Board for their approval in November. Logistically, we anticipate hiring a Brainerd HRA rehab staff person who will start after the first of the year, however, we will not receive levy dollars until we get the first half in July. General Fund dollars will cover the management fee to the Brainerd HRA.

Workforce Housing Study

The Workforce Housing Task Force met on September 15th and discussed the survey and the interviews Kristen Fish-Peterson conducted with businesses and community partners. The next meeting for the Workforce Housing Task Force is scheduled for October 14th and Ms. Fish-Peterson will be attending in person.

Presentation to the Crosslake EDA

Bergman presented at the Crosslake EDA Regional Workshop on October 2nd. The regional EDAs wanted to hear about infrastructure, housing, branding, and communications/broadband. She shared with the group information about our Workforce Housing Study and the upcoming Housing Trust Fund. The group has asked her to come back after the study is done to present the results.

Presentation at NAHRO on Reviving a Failed Subdivision

Every year, National NAHRO selects three Awards of Excellence winners to present at their conference. Bergman was asked to give a presentation on Brainerd Oaks, Serene Pines, and Dal Mar Estates at their conference this week. A copy of the presentation was provided to the Board.

- b. **Brainerd HRA/Rehab Programs:** Nothing to report.



- c. **BLAEDC:** Sheila Haverkamp is retiring at the end of the year. The BLAEDC Board is discussing the options for her replacement. A Contract for Services between the CWC HRA and BLAEDC will be presented at the next meeting. Glynn reported that seven BUF loans are in progress. Graphic Packaging is looking to expand in the Cuyuna Lakes Area, which will bring in 41 new positions. BLAEDC is currently in the middle of their funding requests to other cities. Their next quarterly meeting is scheduled for November 5th. There will be an exciting announcement that day.
 - d. **Crow Wing County:** County Commissioner Bill Brekken congratulated the HRA for the levy approval for the Housing Trust Fund and thanked the CWC HRA Board and staff for their effort. He shared that he is excited to see what is in store. Erickson reported that the County is piloting a project with the MPCA to aid with the Chronic Wasting Disease situation. They are opening an incinerator for the public to dispose of deer carcasses. Highway 210 is now open between Brainerd and Crosby. They are in the planning process for extending the trail. It was also reported that there was a Salmonella outbreak at the jail. The Sheriff's Office is in the final phase of construction with a goal to be completed by next spring. The Crow Wing County preliminary levy of 6.95% passed, which will allow for 12 new positions.
8. **NEXT MEETING AGENDA TOPICS:** Special meeting to be held on October 15th. Next regular meeting is Tuesday, November 12th, 2019. Agenda topics: Contract for Services between the HRA and BLAEDC and a draft of the Housing Trust Fund Ordinance.
9. **ADJOURNMENT:**

Commissioner Goble moved to adjourn to the next special meeting to be held on October 15th, 2019, at 5:00 p.m. at 326 Laurel Street, Brainerd, MN. Commissioner Aulie seconded the motion. All commissioners were in favor and none were opposed. The motion was approved at 5:44 p.m.



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Minutes from Tuesday, October 15th, 2019
Crow Wing County
Housing and Redevelopment Authority
Special Board Meeting

A special meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the County of Crow Wing, Minnesota, was held at 5:00 p.m., Tuesday, October 15th, 2019.

1. **CALL TO ORDER:** Chair Craig Nathan reconvened from the previous meeting at 4:57 p.m.
2. **ROLL CALL:** Those present at the meeting include Chair Craig Nathan and Commissioners Theresa Goble and Michael Aulie. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young and Rehab Coordinator John Schommer.
3. **APPROVE PURCHASE & REDEVELOPMENT AGREEMENT BETWEEN CROW WING COUNTY HRA AND LEVEL CONTRACTING, LLC.:** Level Contracting, LLC, would like to purchase Lots 15, 16, and 17, Block 2 in Brainerd Oaks and Lot 5, Block 1 in Dalmar Estates. Attorney Martha Ingram from Kennedy & Graven drafted the Purchase and Redevelopment Agreement and corresponding resolution, which was presented to the Board.

Commissioner Goble moved to approve Resolution No. 2019-05, approving the Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Level Contracting, LLC. Commissioner Aulie seconded the motion. Via roll call vote, all commissioners were in favor of the motion and none were opposed. The motion passed and Resolution No. 2019-05 was approved.

4. **ADJOURNMENT:**

Commissioner Aulie moved to adjourn the meeting and Commissioner Goble seconded the motion. All commissioners were favor and none were opposed. The motion passed and the meeting was adjourned at 5:07 p.m.



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Finance Director
Date: November 6, 2019
Re: Review & Accept Financial Statements

CWC SCDP Local Income

Reflected in the October financial statements is the receipt of \$23,512 in SCDP Local Income from Crow Wing County. The balance in this account is currently \$45,492 and the board can use these funds as leverage dollars for future SCDP applications.

Housing Study Grant

Reflected in the October financial statements is the receipt of \$6,000 in grant dollars from Greater Lakes Association of Realtors (GLAR) for \$1,000 and National Association of Realtors (NAR) for \$5,000. These funds will be used to offset the cost of the Workforce Housing Study that is currently underway with Redevelopment Resources.

Action Requested: Accept the financial statements as submitted.

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Date/Time roberta
11/6/2019 7:37:21 AM

Crow Wing County
CWC HRA Combined Balance Sheet
October, 2019

	Cumulative
ASSETS	
550-000-1129.210 Cash Gen Fund	181,459.83
550-001-1129.210 Cash CWC SCDP	45,491.60
551-002-1129.210 Cash RLF TIF	293,030.86
556-000-1129.210 Cash Development Fund	-677.75
557-000-1129.210 Cash Tax Forf Property	-1,767.67
551-002-1141.000 Loans Rec RLF TIF	67,603.11
551-002-1143.000 Loan Rec Grand Oaks	48,000.00
551-002-1153.000 Accrued Int Grand Oaks	7,200.00
550-000-1211.000 Prepaid Insurance	230.30
556-000-1450.000 Land Held for Resale	586,096.82
557-000-1450.000 Land Held for Resale TF	8,000.00
TOTAL ASSETS	<u>1,234,667.10</u>
LIABILITIES	
557-000-2115.000 Escrow Account TFP	-1,000.00
550-000-2600.000 Def Inflow of Resources	-7,200.00
556-000-2600.000 Def Inflow of Res - Dev	-586,096.82
557-000-2600.000 Defd Inflow of Res TFP	-8,000.00
TOTAL LIABILITIES	<u>-602,296.82</u>
SURPLUS	
550-000-2700-000 Net Income	38,533.39
550-000-2806.000 Retained Earnings	-670,903.67
TOTAL SURPLUS	<u>-632,370.28</u>
TOTAL LIABILITIES & SURPLUS	<u>-1,234,667.10</u>
Proof	0.00

Crow Wing County
CWC HRA Combined Operating Stmt
October, 2019

	Current Period	Current Year	Year To Date Budget	Variance
INCOME				
550-000-3690.000 Other Revenue	-29,512.01	-29,512.01	-22,500.00	-7,012.01
550-000-3691.000 Property Tax Revenue	0.00	-55,513.13	-60,000.00	4,486.87
551-002-3610.000 RLF TIF Interest Rev	-339.00	-2,753.11	0.00	-2,753.11
556-000-3696.000 Development Revenue	0.00	-62,746.51	-159,333.30	96,586.79
557-000-3696.000 TFP Revenue	0.00	-500.00	-16,666.70	16,166.70
TOTAL INCOME	-29,851.01	-151,024.76	-258,500.00	107,475.24
EXPENSE				
550-000-4110.000 Administrative Salaries	600.00	3,900.00	3,750.00	150.00
550-000-4130.000 Legal	30.00	30.00	4,166.70	-4,136.70
550-000-4140.000 Staff Training	0.00	0.00	1,250.00	-1,250.00
550-000-4150.000 Travel	30.16	57.42	166.70	-109.28
550-000-4171.000 Auditing Fees	0.00	6,650.00	6,650.00	0.00
550-000-4172.000 Management Fees	5,000.00	50,000.00	50,000.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	166.70	-166.70
550-000-4500.000 TIF Expense	0.00	73.80	500.00	-426.20
550-000-4510.000 Insurance	115.17	1,151.70	1,750.00	-598.30
550-000-4540.000 Employer FICA	45.89	298.35	291.70	6.65
550-000-4590.000 Other General Expense	0.00	28,542.27	50,833.30	-22,291.03
550-001-4600.000 CWC SCDP Expense	0.00	31,822.65	22,500.00	9,322.65
556-000-4600.000 Development Expense	486.00	63,405.87	159,333.30	-95,927.43
557-000-4600.000 TFP Expense	98.71	3,626.09	8,375.00	-4,748.91
TOTAL EXPENSE	6,405.93	189,558.15	309,733.40	-120,175.25
NET INCOME(-) OR LOSS	-23,445.08	38,533.39	51,233.40	-12,700.01



**Crow Wing County HRA
October 2019 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
665	10/10/2019	Jennifer Bergman	Crosslake EDA Mileage	\$ 30.16
666	10/10/2019	John Schommer	Crosby TF Lot Mileage	\$ 6.96
22908	10/16/2019	Crow Wing Cty Recorder's Office	Record Paxmar to Level Recording Fee	\$ 46.00
22920	10/24/2019	City of Brainerd	Legal Fees for Housing Study RFP	\$ 30.00
22924	10/24/2019	Kennedy & Graven, Chartered	Paxmar to Level Transition Legal Fees	\$ 531.75
Total				\$ 644.87



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Jennifer Bergman, Executive Director
Date: November 7, 2019
Re: Executive Director Report

Housing Trust Fund

We are working on an ordinance for the Housing Trust Fund. I will have a draft ready for your consideration at the December meeting. I have also requested to have this as an agenda item on the County Board Committee of the Whole meeting. We are scheduled for December 17th.

Workforce Housing Study

The second survey has been completed and will be sent out to several employers in Crow Wing County. The purpose of this survey is to get opinions from business owners of the housing needs for their employees as well as to see if they have any housing programs available for their employees or have considered creating any. The next Workforce Housing Task Force meeting is on November 21st.

Destination Downtown Competition

The Crow Wing Food Co-op, Loide' Oils & Vinegars + Luxury Appliance, and Minnesota Makerspace were selected as the three finalists for the Destination Downtown Brainerd Competition. You can view finalist and voting info on the website www.downtownbrainerd.org and the Destination Downtown Brainerd Facebook page will be used to share contest info, previews, voting updates, etc. The voting itself will take place from midnight to midnight, November 11–15th (see Attachment 3a).

No Action Requested; Discussion Item

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From: Matt Kilian <mkilian@explorebrainerdlakes.com> on behalf of Matt Kilian
Sent: Friday, November 1, 2019 1:17 PM
To: calbrecht@mmfcu.org; klellingson@bremer.com; brdminn@gmail.com; jhilborn@hubbardradio.com; ajohnson@ajohnsonenterprises.com; pniccum@rangedelivers.com; gabe@devinejohnson.com; Kristi K. Westbrook; Sheila Haverkamp; sjhaay@gmail.com; patrick@jackpinebrewery.com; jon.gale@CLAconnect.com; Becky LaPlante; Brady.Bussler@wsn.us.com; brucebuxtonwsn@gmail.com; ctorstenson@ci.brainerd.mn.us; Donna Houchin; Ed Menk; Ellen Haglin; Greg Bergman; Jeff Wig; Jennifer Bergman; Knudson; Matt Seymour; Mike Angland; Nate Grotzke; Smallman, Ann; joel@justforkix.com; Shane Riffle; Pete Mohs; Jim Haakonson (jim.haakonson@cliftonlarsonallen.com); Nate Grotzke; tyler@growbrainerdlakes.org; Bergman, Greg; mitchf@hyteconstruction.com; David Lester
Cc: Colleen Dols; ben@maddens.com; chris.t.quisberg@supervalu.com; ehaglin@lindarcorp.com; Hara Charlier; Jill Carlson; John Thelen; john@landsburgnursery.com; mike@boyd lodge.com; pete.mohs@pineandlakes.com; frank.soukup@grandviewlodge.com; Kevin Donnay (kevin.donnay@wsn.us.com)
Subject: Destination Downtown - FINALIST ANNOUNCEMENT & VOTING
Importance: High

Destination Downtown Partners,

Around 2:30 today, we plan to announce our three finalists—the Crow Wing Food Co-op, Loide' Oils & Vinegars + Luxury Appliance, and Minnesota Makerspace! Thanks again to our judges and to everyone for your many generous contributions to the success of this contest. I cannot say thank you enough!

You can view finalist and voting info on the website, www.downtownbrainerd.org. We will use the new [Destination Downtown Brainerd Facebook page](#) to share contest info, previews, voting updates, etc. WSN's outstanding finalist videos will be posted next week, and the Brainerd Dispatch will run a story on Sunday. The voting itself will take place from midnight to midnight, November 11-15.

What can you do to help? Like, follow and share the Facebook posts and use your existing marketing vehicles to promote voting. Remember, every vote is another step toward supporting and revitalizing downtown. People will also be able to enter their email addresses to get future updates on events, promotions, etc.

[And if you haven't got your Celebration of Excellence tickets yet, please visit this page!](#)

Have a great weekend!

-MATT

Matt Kilian, President
 Brainerd Lakes Chamber of Commerce
 218-822-7111 Direct | 320-267-1756 Cell

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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: John Schommer, Rehab Coordinator
 Date: November 7, 2019
 Re: Brainerd HRA/Rehab Programs Report

Pequot Lakes SCDP Preliminary Proposal

We did not receive enough interest letters back from owner-occupied properties, so we will not be able to submit the preliminary proposal. We did have three people who may qualify for a MHFA loan that we will follow-up on.

NE BRAINERD SCDP

Address	Type of Rehab	Units	Status
707 Laurel St.	Commercial	1	In Construction
707 Laurel St.	Mixed-use	9	DEED is reviewing
212 1st Ave. NE	Owner-occupied	1	In Construction
612 2nd Ave. NE	Owner-occupied	1	In Construction
201 & 203 B St.	Rental	2	Work Write-up

Downtown Brainerd SCDP

The final report was submitted to DEED on October 15, 2019 and is complete.

Emily SCDP

- » 4 Owner-occupied projects are in construction
- » 1 application is being processed

FHLB AHP Application

Application for six units of rehab was submitted on May 31st. We will find out in December if we were funded.

MHFA

- » 5 projects are in construction
- » 1 project is bidding
- » 1 project is in work write-up

(Continues on opposite side)



BRAINERD OAKS/SERENE PINES

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	35	25	6	6
Serene Pines	23	11	8	0	0
Dalmar Estates	7	1	1	0	1

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

