

**Brainerd Housing and Redevelopment Authority**  
**BOARD MEETING MINUTES**  
**June 28, 2017**

A regular meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the City of Brainerd, Minnesota, was held at 12:00 p.m., Wednesday, June 28<sup>th</sup>, 2017, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. **CALL TO ORDER:** Chair Patrick Wussow called the meeting to order at 12:02 p.m.
2. **ROLL CALL:** Present at the meeting were Chair Patrick Wussow, Commissioners Rick Fargo, Marlee Larson, Eric Charpentier, Krista Brodal, and Gabe Johnson. Also present were Executive Director Jennifer Bergman, Housing Manager Teresa Hettver, Rental Assistance Manager Tania Eller, Executive Assistant LeAnn Goltz, Paul Steinman with Springsted, and Nick Skarich with Dougherty Markets. Absent: Commissioner Dale Parks.
3. **READING AND APPROVAL OF MINUTES:**

Chair Wussow requested that the minutes be amended by adding the following statement to the fourth paragraph of section 8a from the Brainerd Riverfront Committee Report: *“...They expressed to Bergman that they would like the HRA to spend less time on the Brainerd Riverfront Project.”*

In addition, Commissioner Fargo made a correction to section 9b from the Discussion on the NAHRO Conference. He requested the following change: *“Commissioner Fargo learned the Board is in charge of setting and reviewing policies and suggested they form a subcommittee to review all of the HRA’s policies.”*

**Commissioner Larson made a motion to approve the minutes as amended from the May 31st, 2017, board meeting. Commissioner Brodal seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.**

4. **BILLS AND COMMUNICATIONS:**

- a. **Financial Report:**

**Commissioner Fargo made a motion to approve the May payments as presented. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.**

- b. **HCV Report:** Eller reported that the Unit Months Leased is at 95% and the average is 303. They are starting with a new list and watching their numbers climb. Eller informed the Board that the FSS grant has not yet been released.

- c. **Public Housing Report:** Hettver reported that HUD is doing an audit of vacancies. The showroom at the North Star Apartments has been vacant for many years, which has never been an issue as it did not affect our ACC count. However, HUD is now using a new system that does affect our



count. We have the choice to take it offline and not get subsidy for it or fill the unit.

Hettver reported that the ROSS Program is going well. Fortune recently coordinated a container garden project for families and has several other projects and events coming up. Commissioner Wussow suggested working with LSS to offer renters education training.

**d. Executive Director Report:** Bergman reported on the following items:

**Destination Downtown Brainerd**

The Destination Downtown Brainerd competition will kick off tomorrow, Thursday, June 29<sup>th</sup>. The event will be held 4:00–5:30 p.m. at 711 Laurel Street. The competition will solicit applications from people who are interested in starting a business, expanding an existing business, or opening a second or third satellite business downtown Brainerd. The prize package is valued over \$50,000 and includes marketing support from Range Deluxe, a rent subsidy package from the HRA, advertising packages from the Brainerd Dispatch and Hubbard Broadcasting, accounting services from Clifton Larson Allen and many more. Bergman encouraged the Board to attend the kickoff event as its a great marketing tool for DT and to support SCDP users.

**Paxmar Update**

The CWC HRA authorized the sale of six additional lots at Brainerd Oaks at their June 13<sup>th</sup> meeting. Construction continues at Brainerd Oaks and Serene Pines. There are two homes in Serene Pines with another home staked out for excavation; four homes in Brainerd Oaks (two are almost complete) with another three foundations being laid and one staked out for excavation. Paxmar has had nine building permits issued now. Of the homes, two of the homes have sold in Brainerd Oaks.

**Sale of 728 4th Ave NE**

Bergman and Chair Wussow closed on the lot at 728 4<sup>th</sup> Avenue NE on June 14<sup>th</sup>. John Schommer met with Tim Caughey regarding condemned properties and the possibility of the HRA purchasing and demolishing them. The owner of a property on South 10th Street is willing to sell, except there are taxes still owed. Schommer will continue to work with Tim Caughey and will keep the Board updated on the status.

**Legislative Tour (State Funded Project Tour)**

We have officially scheduled the tour for our lawmakers for August 16<sup>th</sup> from 10:00–2:00 p.m. We will meet at the Brainerd HRA office and drive to Crosby. We will take this time to educate our lawmakers on what HRAs do. We will then tour Dellwood Apartments (the public housing high rise that we intend to apply for funds in the next POHP round) and at least one of the public housing scattered sites to showcase the POHP funds. Lunch will then be provided for the ride back to Brainerd and we will drive through Brainerd Oaks following with a stop at the Blue Ox to showcase the Small Cities Development Program funds. We will end at the North Star with a tour of the building and a ride on our brand new elevators.

Goltz informed the Board that Senator Ruud and Senator Franken’s staff have confirmed attendance. She has not had luck reaching Reps. Heintzemen and Lueck. Commissioner Fargo offered to reach out to Rep. Heintzeman and Chair Wussow to Rep. Lueck.



**Policies**

The Policy Committee met on June 16<sup>th</sup> and started to review the Brainerd HRA policies. The Committee decided to take this initiative in three steps:

- 1) Determine what policies we do have;
- 2) Determine what policies we don't have; and,
- 3) Once that is completed, review the policies.

The Committee started by reviewing the first page of the list of policies. The Committee will be meeting every two weeks.

**Rehab Update**

The Housing Rehab Update was provided in the board packet.

**5. REPORTS FROM COMMITTEES:**

**a. Brainerd Riverfront Committee (BRC):**

**Application for the Bonding Tour**

The City Council authorized the submission of the application to be on the Legislative Bonding Tour. City Staff and SEH submitted the application on June 15<sup>th</sup>. Decisions will be made in early fall.

**NJPA Position**

Rod Osterloh, Jim Thoreen, and Jennifer Bergman met with Anna Gruber from the National Joint Powers Alliance (NJPA) to discuss the potential of securing funds to hire a Riverfront Coordinator. They discussed using Year 3 of the grant to allocate to this position instead of entering into another contract with SEH. NJPA was willing to hire a Riverfront Coordinator who would have a portion of their time dedicated to this project. The City of Brainerd would be required to pay for 50% of the hours allocated to this position. Thoreen and Osterloh will be presenting this concept to the City Council in July for their consideration of using the Year 3 Brainerd Lakes Area Community Foundation (BLACF) toward this position.

**Stakeholder Meeting**

The stakeholder meeting is scheduled for Tuesday, August 15<sup>th</sup> at Roundhouse Brewery. The purpose of the meeting is to showcase the Three Bridges Trail with our stakeholders and also invite the public to hear more about the project.

**Executive/Business Plan Committee**

The Executive/Business Plan Committee met on June 20<sup>th</sup> and discussed the possibility of having SEH come up with a plan for the plaza located at the parking lot just to the south of the North Star that was recommended by the Center for Rural Design.

The group suggested that they would like to see a project completed prior to the June 2021 date and thinks that the elevated trail may not happen before that—it may be a longer term plan. The plaza could be the start of that trail—a beginning place that could be constructed before funding is secured for the elevated trail.



This would be a standalone project in addition to the trail, but it could ultimately be connected to the Three Bridges Trail. The suggestion was to draw up plans for this plaza, identify and secure funding for the construction, assemble the property, and have the project completed prior to the June 2021 date. That way we could have a project to showcase for the sesquicentennial.

Bergman sent an email to SEH providing this information and they will be discussing this potential and providing a response.

Thoreen expressed his concern that the committee was “project hopping” and wondered where this idea came from.

The Board had a discussion about this and felt the coordinator hiring would be a good idea but they should stick with the Three Bridges Trail. They agreed on the following points:

- 1) They are not prepared to do anything beyond the current project;
- 2) They would support it if there is no additional spending or if funding comes from somewhere else; and
- 3) The Board will determine a date as to when the HRA’s services are complete.

## 6. UNFINISHED BUSINESS:

- a. **Discussion on Downtown Bond Refunding:** Paul Steinman with Springsted and Nick Skarich with Dougherty Markets were present for the discussion.

Steinman provided the Board with a memo that, in summary, provided three options from which to choose:

- 1) Do nothing. Currently the levy provides \$10,000–\$12,000/year to support the note.
- 2) Refund with the same term with an increase in levy pledge as security. (It is unclear if this is viable until it actually happens.)
- 3) Refund with an extended term with an increase in levy pledge as security.

The Board had a detailed discussion about their options and felt it would be most advantageous to the HRA to choose option 2.

**Commissioner Johnson moved to pursue the second option of refunding the TIF Note with the same term. Commissioner Larson seconded the motion. Five commissioners voted in favor of the motion and one was opposed. The motion passed with a 5:1 vote.**

- b. **Approval of Strategic Plan:** At the May Brainerd HRA Board meeting, the Board conducted a strategic planning session and created goals and action steps. A draft of the Strategic Plan was provided to the Board.

**Commissioner Larson made a motion to adopt the 2017-2018 Brainerd HRA Strategic Plan. Commissioner Brodal seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.**



**7. NEW BUSINESS:**

- a. Authorize Submission of EDA Planning & Technical Assistance Application:** A copy of the application to the Department of Commerce Economic Development Administration's Planning and Technical Assistance Program was provided to the Board. Its purpose is to apply for funds to explore the possibility of purchasing and rehabilitating the Downtown Mall located at 217 South 7<sup>th</sup> Street.

The Brainerd HRA, in partnership with Region 5 Development Commission and The Crossing Arts Alliance, will explore the potential of creating a business incubator for artists with the assistance of McClure Engineering and Widseth Smith Nolting.

The total project cost is \$100,000. The request to the EDA is for \$50,000. Region 5 has also submitted an application to the Bush Foundation for \$30,000. The balance of the project will be "in kind" cash of \$10,000 from the Brainerd HRA, \$5,000 from The Crossing Arts Alliance and \$5,000 from Region 5.

The funds would be used to secure the services of McClure Engineering to conduct community engagement and placemaking as well as bring in their expertise in developing the Social Club in Des Moines, Iowa. This will be used as a model to replicate at the Downtown Mall. WSN would be used to inspect the property, prepare renderings and plans, provide cost estimates to rehabilitate the building. The Brainerd HRA, TCAA and Region 5 will explore funding opportunities and prepare grant applications. We would secure the services of Kennedy & Graven to prepare any legal documents needed.

Funding decisions are made by the EDA sometime in September.

The Board asked for clarification about what "in-kind/cash services from the HRA" means. Bergman explained that it means in-kind services of staff, not cash or any given dollar amount.

Bergman also reported that since completing the application, there have been others interested in buying the building. The HRA may not be needed if the private sector could be successful.

The Board wondered if Bergman could change the application to also include the Iron Rail building, if time allowed.

**Commissioner Johnson made a motion to authorize the Executive Director to submit the Planning and Technical Assistance Grant for a Feasibility Study application to the Economic Development Administration, and if time allows, to add the Iron Rail property. Commissioner Fargo seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved**

- b. Consider Mortgage to CWC HRA:** Bergman reported that she received an update from Martha Ingram at Kennedy & Graven regarding the elimination of the CIC. Eighty percent of the mortgage holders must agree and it has been difficult getting responses from the many different banks of the mortgage holders. Kennedy & Graven suggested asking the Brainerd HRA to take out a mortgage on the 69 lots that the CWC HRA owns and then request they approve termination of the CIC.



**Commissioner Johnson made a motion to approve Resolution No. 2017-04, authorizing execution of documents for Common Interest Community No. 1061, Brainerd Oaks. Commissioner Brodal seconded the motion. A roll call vote was taken and all commissioners voted in favor of the motion. The motion passed.**

The mortgage will be recorded against the Property, after which the Brainerd HRA, as first mortgagee of 80 percent of the units in the CIC, will consent to termination of the CIC.

**8. NEXT MEETING:** Wednesday, July 26, 2017

**9. ADJOURN TO DESTINATION DOWNTOWN LAUNCH PARTY:**

**Commissioner Larson made a motion to adjourn the meeting to the Destination Downtown Launch Party to be held on Thursday, June 29<sup>th</sup>, 2017, at 711 Laurel St., Brainerd, Minnesota. Commissioner Charpentier seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 3:24 p.m.**

