

Crow Wing County HRA

AGENDA

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

Jinx Ferrari Room

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

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:**
 - a. Review Committed Fund Balance (*Attachment 3*)
- 6. STRATEGIC PLANNING SESSION** (*Attachment 4*)
- 7. MEETING AGENDA TOPICS for MARCH 12, 2019**
- 8. ADJOURN**

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 – David Kennedy/District 2 (12-31-18)
Commissioner – Michael Aulie/District 5 (12-31-21)

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Minutes from Tuesday, January 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, January 8th, 2019.

1. **CALL TO ORDER:** Chair Nathan called the meeting to order at 5:00 p.m.
2. **ROLL CALL:** Present at the meeting were Chair Craig Nathan, Commissioners Theresa Goble (via teleconference), Mike Aulie, David Kennedy (via teleconference) and Sharon Magnan; Executive Director Jennifer Bergman, Finance Director Karen Young, and Executive Assistant LeAnn Goltz. Also present: Tyler Glynn, Debby Erickson and Steve Barrows.
3. **ANNUAL MEETING**
 - a. **Oath of Office:** There are no new board members. David Kennedy's term was December 31, 2018, but nobody new has been appointed. Commissioner Kennedy will serve until reappointed or replaced.
 - b. **Election of Officers for 2019:** Bergman asked for nominations for chair for 2019. Commissioner Kennedy nominated Commissioner Nathan for board chair. Commissioner Aulie seconded the nomination. All commissioners voted in favor and none were opposed. The motion passed and Commissioner Nathan was elected as chair. Chair Nathan moved to the chair seat and called for nominations for vice chair. Commissioner Aulie nominated Commissioner Goble for vice chair and Commissioner Magnan for secretary/treasurer, seconded by Commissioner Kennedy. All commissioners voted in favor and none were opposed. The motion passed and Commissioner Goble was elected as vice chair and Commissioner Magnan as secretary/treasurer.
- c. **Review Bylaws:** The Board reviewed the current bylaws and had no proposed changes.
4. **REVIEW AND APPROVE MINUTES:**

Commissioner Aulie made a motion to approve the minutes from the board meeting held on December 19th, 2018. Commissioner Magnan seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.
5. **REVIEW AND APPROVE FINANCIAL STATEMENTS:** The 2018 audit is scheduled for the week of February 4th with CliftonLarsonAllen (CLA).

Commissioner Kennedy made a motion to accept the financial statements as presented. Commissioner Aulie seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.



6. UNFINISHED BUSINESS:

- a. **Consider Crow Wing County HRA TIF Revolving Loan Request:** PaulSquared Properties is requesting a loan from the TIF Revolving Loan Fund from the CWC HRA. The loan request is for \$75,000 at 6% interest for a five-year term for redevelopment. The loan proceeds will be used to finance a portion of the acquisition costs of certain structurally substandard property in the City of Crosby, which will be extensively renovated and redeveloped for the borrower's commercial facility.

PaulSquared Properties, LLC, was formed in 2018 to act as a REHC under parent company, PaulSquared Operations, LLC. PaulSquared Operations, LLC, is owned 50/50 by Paul Kirkman and Paul VanderWaal. The business was established to operate a boutique-style, gourmet food retail store that specializes in lactose free ice cream that is made in-house under the DBA of Victual. Based on a business plan provided by the borrower, after extensive market research, the decision to open the first Victual store in Crosby, MN, was made.

Bergman provided a legal opinion from attorney Martha Ingram from Kennedy & Graven, which states that this loan meets with requirements under the TIF Act, the TIF Revolving Loan Guidelines, and the BUF Guidelines. Also given to the Board was the loan agreement and a resolution authorizing the chair and executive director to execute the loan agreement.

Tyler Glynn with BLAEDC was present and spoke with the Board. He added that the properties to be purchased and improved include 122, 124, and 126 West Main Street of Crosby. He reminded the CWC HRA Board that the BUF Board previously approved this loan request in October contingent on HRA Board approval for the TIF loan.

Bergman explained the structure of the loan, which was established by attorneys. The Board had a discussion and had a number of questions. Commissioner Nathan noted that he would like a copy of the business plan for any future requests.

Commissioner Goble made a motion to adopt Resolution No. 2019-01 approving the use of the TIF Loan Program funds for a BLAEDC Unified Fund loan to PaulSquared Properties, LLC, and the execution of the loan agreement. Commissioner Magnan seconded the motion. Via roll call, commissioners Goble, Magnan, Aulie, Kennedy and Nathan voted in favor of the motion and none were opposed. The motion was approved.

7. NEW BUSINESS:

- a. **Authorization to Release RFP for Workforce Housing Study:** At the December Board meeting, the Board directed staff to create a Request for Proposal (RFP) to solicit proposals for a consultant to create a workforce housing study and needs analysis.

Bergman explained that in the RFP that she provided to the Board, she also included some basic information that one would generally see in a housing study as well as information specifically related to workforce housing.

The Board had a discussion. They also suggested adding more emphasis on past experience.



Commissioner Aulie made a motion to authorize staff to release the Request for Proposal for a Workforce Housing Study and Needs Analysis to solicit proposals from consultants. Commissioner Magnan seconded the motion. All commissioners voted in favor and none were opposed. The motion was approved.

8. REPORTS:

- a. **Executive Director:** Bergman provided a copy of the 2017–2018 Strategic Plan Goals and Status Report. She explained that most of the goals set by the Board have been accomplished and asked to discuss a date to conduct another strategic planning session to determine goals and objectives for 2019–2020. The Board decided to use the February board meeting for strategic planning.

Bergman informed the Board that she's been attending educational sessions about Opportunity Zones. She is meeting with BLAEDC next week to discuss having its own Opportunity Zone fund.

- b. **Brainerd HRA:** Bergman continues to discuss the possibilities for the Thrifty White property with developers and potential buyers. There is an RD grant application due on February 1st. They are also looking at a potential TIF District.
- c. **BLAEDC:** Glynn shared that annual meeting is Feb. 25th, 2019, and Don Ness, former mayor of Duluth, will be the featured speaker. BLAEDC has been working on a new platform to bring available properties in the community to others. They are also planning information sessions that will be presented to the County and cities on a number of dates. Glynn invited the Board to attend.
- d. **CWC:** Erickson welcomed new CWC Commissioner Steve Barrows, who was present at the meeting. She reported that Barrows and Brekken began their roles as commissioners this week. Also, the Sheriff is being sworn in this week.

9. NEXT MEETING: February 12th, 2019, the meeting will be held in the Administrator's Conference Room rather than the Jinx Ferrari Room.

10. ADJOURNMENT:

Commissioner Kennedy made a motion to adjourn the meeting. Commissioner Magnan seconded the motion. All commissioners voted in favor and none were opposed. The motion was approved and the meeting was adjourned at 6:15 p.m.



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Housing & Redevelopment Authority

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

Please find attached the financial information for January 2019.

2018 Audit

The 2018 audit is scheduled with CliftonLarsonAllen (CLA) during the week of February 4th.

Action Requested: Accept the January financial statements as submitted.



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Date/Time roberta
2/6/2019 1:58:28 PM

**Crow Wing County
CWC HRA Combined Balance Sheet
January, 2019**

Cumulative

ASSETS

556-000-1120.000 A/R Other - Dev	18.39
550-000-1129.210 Cash Gen Fund	204,094.84
550-001-1129.210 Cash CWC SCDP	53,802.24
551-002-1129.210 Cash RLF TIF	357,880.86
556-000-1129.210 Cash Development Fund	-18.39
570-000-1129.210 Cash Tax Forf Property	358.42
551-002-1143.000 Loan Rec Grand Oaks	48,000.00
551-002-1153.000 Accrued Int Grand Oaks	7,423.04
550-000-1211.000 Prepaid Insurance	1,266.83
556-000-1450.000 Land Held for Resale	648,843.33
TOTAL ASSETS	<u>1,321,669.56</u>

LIABILITIES

550-000-2600.000 Def Inflow of Resources	-7,423.04
556-000-2600.000 Def Inflow of Res - Dev	-648,861.72
TOTAL LIABILITIES	<u>-656,284.76</u>

SURPLUS

550-000-2700-000 Net Income	-15,777.02
550-000-2806.000 Retained Earnings	-649,607.78
TOTAL SURPLUS	<u>-665,384.80</u>

TOTAL LIABILITIES & SURPLUS

Proof	0.00
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Date: 2/6/2019
Time: 1:58:33 PM
roberta

**Crow Wing County
CWC HRA Combined Operating Stmt
January, 2019**

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Rpt File: F:\HMS\REP

	Current Period	Current Year	Year To Date Budget	Variance
INCOME				
550-000-3690.000 Other Revenue	0.00	0.00	-2,250.00	2,250.00
556-000-3696.000 Development Revenue	0.00	0.00	-15,933.33	15,933.33
570-000-3696.000 TFP Revenue	0.00	0.00	-1,666.67	1,666.67
TOTAL INCOME	0.00	0.00	-19,850.00	19,850.00
EXPENSE				
550-000-4110.000 Administrative Salaries	375.00	375.00	375.00	0.00
550-000-4130.000 Legal	0.00	0.00	416.67	-416.67
550-000-4140.000 Staff Training	0.00	0.00	125.00	-125.00
550-000-4150.000 Travel	0.00	0.00	16.67	-16.67
550-000-4172.000 Management Fees	5,000.00	5,000.00	5,000.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	16.67	-16.67
550-000-4500.000 TIF Expense	0.00	0.00	50.00	-50.00
550-000-4510.000 Insurance	115.17	115.17	175.00	-59.83
550-000-4540.000 Employer FICA	28.70	28.70	29.17	-0.47
550-000-4590.000 Other General Expense	0.00	0.00	5,083.33	-5,083.33
550-001-4600.000 CWC SCDP Expense	0.00	0.00	2,250.00	-2,250.00
556-000-4600.000 Development Expense	0.00	0.00	15,933.33	-15,933.33
570-000-4600.000 TFP Expense	0.00	0.00	837.50	-837.50
TOTAL EXPENSE	5,518.87	5,518.87	30,308.34	-24,789.47
NET INCOME(-) OR LOSS	5,518.87	5,518.87	10,458.34	-4,939.47



Crow Wing County HRA

January 2019 Payments

Payment Number	Payment Date	Vendor	Description	Check Amount
22236	1/3/2019	MCIT	Insurance	\$ 1,382.00
Total				\$ 1,382.00



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Finance Director
Date: February 7, 2019
Re: Review Committed Fund Balance

The intent of the Fund Balance Policy is to define the classifications of fund balance based on the constraints placed on the use of the current fund balance. Per GASB Statement No. 54, the following classifications are established for governmental funds.

1. Nonspendable - fund balance not expected to be converted to cash such as inventory or prepaid expenses.
2. Restricted - fund balance with constraints from an external source such as TIF Revolving Loan Funds and CWC Local Income (SCDP).
3. Committed – fund balance constrained for a specific purpose by the HRA board prior to year-end.
4. Assigned – fund balance that is intended for a specific purpose by the board or executive director or finance director. These funds are neither restricted nor committed.
5. Unassigned – General Fund balance that is available for any purpose.

The Fund Balance Policy recommends eight to 12 months of expenses. The Board approved the 2019 General Fund budget with \$33,650 assigned as Designated from Prior Year to utilize current fund balance to offset the 2019 budget shortfall. The Board also has funds committed for Redevelopment and Housing Projects. To reach a targeted unassigned fund balance of approximately 12 months, the Board would have to set the committed fund balance for Redevelopment and Housing Projects in an amount of \$38,650.

Action Requested: Approve a motion to set the committed fund balance amount for Redevelopment and Housing Projects to \$38,650.



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Jennifer Bergman, Executive Director
Date: February 6, 2019
Re: 2019-2020 Strategic Planning

At the February board meeting, staff would like to conduct a strategic planning session. I have attached a few documents for you to complete prior to the board meeting.

Review Mission Statement

The first thing we will do is review the CWC HRA mission statement – see Attachment 4a. Please review the mission statement and answer the questions below. If you believe the mission statement still accurately reflects the CWC HRA, great. If not, there are lines below that provide you space to modify the mission statement.

Review Goals

Attachment 4b provides a list of your current goals. You may want to continue with those same goals or you may want to consider additional goals for 2019-2020. If so, there is space to list out your suggested goals.

Review Objectives

Attachment 4c provides a list of the current goals followed by the current objectives. Again, you may want to continue with the current goals but create new objectives. Or, if you have added goals, there is space provided to put your new goal and objectives to accomplish that goal.

No Action Requested; Discussion Item



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Crow Wing County HRA

Strategic Planning

Review Mission Statement

Review the current mission statement and determine if it needs to be reaffirmed or revised

Support the creation of affordable housing, economic development and redevelopment projects towards a more vibrant Crow Wing County.

- Does this statement still clearly reflect the mission of the Crow Wing County HRA?
- Does it clearly and accurately describe what we do, for whom and how we do it?
- Does it describe what is unique or distinct about us?
- Does it reflect our values?
- Is it realistic and attainable? Can it be achieved with current or potential resources?
- Does it remain relevant to those we serve?
- Do our current programs and services fit within the description of the mission?
- Does it allow for growth and innovation?

Suggested Revisions



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Crow Wing County HRA

Strategic Planning

Review Goals

Current Goals

1. Create awareness and visibility of the Crow Wing County HRA through education and collaboration with partners
2. Explore funding or facilitate redevelopment projects
3. Improve housing quality and availability in Crow Wing County

2019-2020 Goals

1. _____

2. _____

3. _____



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Crow Wing County HRA

Strategic Planning

Review Objectives

1. Create awareness and visibility of the Crow Wing County HRA through education and collaboration with partners

Current Objectives:

- Conduct monthly education on HRA programs and potential programs
- Educate our cities and townships on the CWC HRA

2019–2020 Objectives

2. Explore funding or facilitate redevelopment projects

Current Objectives:

- Continue working on the Veterans/Service Member project and secure developer

2019–2020 Objectives



3. Improve housing quality and availability in Crow Wing County

Current Objectives:

- **Explore potential rehabilitation and other programs to improve the County's housing stock**
- **Determine workforce housing needs and create programs to address the need**

2019–2020 Objectives

4. Suggested Goal

2019–2020 Objectives

5. Suggested Goal

2019–2020 Objectives

