

**Crow Wing County HRA Board Meeting**  
**5:00 p.m. Tuesday, February 9<sup>th</sup>, 2021**  
**Remote Meeting via Webex Video/Teleconference**

**Join from your browser:** <https://brainerdhra.my.webex.com/brainerdhra.my/j.php?MTID=m6797c59c8109e0c6a1762ea8336f0366>  
**Join by phone:** 415-655-0001  
**Meeting number (access code):** 182 101 9103  
**Meeting password:** 0209

*“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**

1. **CALL to ORDER**
2. **ROLL CALL**
3. **REVIEW and APPROVE MINUTES** (*Attachment 1*).....p. 3
4. **REVIEW and ACCEPT FINANCIAL STATEMENTS** (*Attachment 2*).....p. 7
5. **UNFINISHED BUSINESS**
  - a. Housing Trust Fund Update (*Attachment 3*).....p. 13
6. **NEW BUSINESS**
  - a. Review Committed Fund Balance (*Attachment 4*).....p. 17
  - b. Approve Purchase & Redevelopment Agreement Between CWC HRA and Level Contracting (*Attachment 5*).....p. 19
7. **REPORTS**
  - a. Executive Director (*Attachment 6*).....p. 43
  - b. Rehab Programs (*Attachment 7*).....p. 47
  - c. BLAEDC/CREDI (*Attachment 8*).....p. 49
  - d. CWC
8. **HRA COMMISSIONER COMMENTS**
9. **NEXT MEETING AGENDA TOPICS:** Tuesday, March 9<sup>th</sup>, 2021
10. **ADJOURNMENT**

**CWC HRA Commissioners**

Michael Aulie, Chair - District 5 (12-31-21)  
Zach Tabatt, Vice Chair - District 3 (12-31-24)  
Michael Morford, Secretary/Treasurer - District 2 (12-31-23)  
Richard (George) Burton, Commissioner - District 1 (12-31-22)  
Craig Nathan, Commissioner - District 4 (12-31-25)



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## Crow Wing County HRA Board Meeting Minutes from Tuesday, January 12<sup>th</sup>, 2021

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 via Webex video/teleconference at 5:00 p.m., Tuesday, January 12<sup>th</sup>, 2021.

1. **CALL TO ORDER:** Chair Craig Nathan called the meeting to order at 5:01 p.m.
2. **ROLL CALL:** Present: Commissioners Craig Nathan, Michael Aulie, Zach Tabatt, Richard (George) Burton, and Michael Morford.

Others present: Executive Director Eric Charpentier, Finance Director Karen Young, Rehab Coordinator John Schommer, Executive Assistant LeAnn Goltz, Tyler Glynn with BLAEDC, and Debbie Erickson with Crow Wing County.

3. **ANNUAL MEETING:** Chair Nathan opened the annual meeting at 5:02 p.m.
  - a. **Oath of Office:** At the November 10<sup>th</sup>, 2020, county board meeting, Craig Nathan was reappointed as the District 4 representative on the Crow Wing County Housing and Redevelopment Authority for a term expiring 12/31/25. An official oath of office was conducted for Commissioner Nathan.
  - b. **Election of Officers for 2021:** Nominations were taken for chair.

**Commissioner Tabatt nominated Commissioner Nathan for board chair, followed by a second from Commissioner Aulie. Commissioner Nathan declined and upon roll call, all commissioners voted “nay.”**

**Commissioner Nathan nominated Commissioner Aulie for board chair, followed by a second from Commissioner Morford. Upon roll call, all commissioners voted “yay” and Commissioner Aulie was elected as chair.**

Chair Aulie moved to the chair seat and called for nominations for vice chair.

**Commissioner Nathan nominated Commissioner Tabatt for vice chair with a second by Commissioner Burton. Upon roll call, Commissioner Tabatt abstained with all other commissioners voting in favor. Commissioner Tabatt was elected as vice chair.**

Chair Aulie called for nominations for secretary/treasurer.

**Commissioner Burton nominated Commissioner Morford for secretary/treasurer, seconded by Commissioner Nathan. Upon roll call, Commissioner Morford abstained with all other commissioners voting in favor. Commissioner Morford was elected as secretary/treasurer.**

Chair Aulie closed the annual meeting at 5:15 p.m.

- c. **Review Bylaws:** The Board reviewed the current bylaws and had no proposed changes.



**4. REVIEW and APPROVE MINUTES:**

Moved and seconded by Commissioners Burton and Tabatt to approve the minutes from December 8<sup>th</sup>, 2020. Through a roll call vote, all commissioners were in favor and none were opposed. The minutes were approved.

**5. REVIEW and ACCEPT FINANCIAL STATEMENTS:**

CWC HRA Tax Levy

Reflected in the December financial statements is the deposit of \$292,890.17 and accrual of \$1,472.15 in property tax and other tax revenue. The tax payments received/accrued to date for 2020 totaled \$697,996.59.

2020 Audit

The 2020 audit fieldwork is scheduled with CliftonLarsonAllen (CLA) during the first week of February. The December financial statements do not fully reflect all year-end entries and adjustments. The final year-end entries and adjustments will be recorded prior to the audit.

2020 BLAEDC/CREDI Funding

The funding payments to BLAEDC/CREDI have not been processed for 2020. Per guidance provided by Kennedy & Graven, 2020 funding amounts to BLAEDC will be authorized after they provide the required documentation.

Moved by Commissioner Nathan and seconded by Commissioner Tabatt to accept the December 2020 financial statements as presented. Through a roll call vote, all commissioners voted in favor and none were opposed. The motion passed.

**6. UNFINISHED BUSINESS:**

- a. **Housing Trust Fund (HTF) Update:** Staff continues to move forward with the trust fund guidelines. HRA staff and MN Housing Partnership have drafted Rental Rehab Procedures, which are expected to be finalized during the next meeting with MHP on January 28<sup>th</sup>. Charpentier also has a separate meeting with MHP on January 14<sup>th</sup> to discuss organizational development goals for the HTF.

Staff has been working through a marketing plan and branding for the HTF and is happy with the guidance that MHP has given. A new logo has been designed that will be shared with the board once it has been finalized.

Staff is receiving some interest in the rehab program from individuals within the county and Schommer received the first application for the program.

**7. NEW BUSINESS:**

- a. **Designation of Official Depository:** Pursuant to Minnesota Statute 118A.02, the Crow Wing County HRA Board shall designate as a depository of its funds, one or more financial institutions. At this time, the official depository is Bremer Bank.



Moved by Commissioner Burton and seconded by Commissioner Tabatt to approve the designation of Bremer Bank as the official depository. Through a roll call vote, all commissioners voted in favor and none were opposed. The motion passed.

## 8. REPORTS:

### a. Executive Director:

#### Downtown Housing Project

Charpentier and City Administrator Bergman had discussions with a developer regarding a proposed housing development in downtown Brainerd. The developer will be moving forward with a purchase agreement. They will continue to have conversations with the developer to provide assistance during the early stages of this project.

#### Housing Developer Update

Charpentier recently met with another local developer to discuss workforce housing needs and affordability. The developer is exploring additional housing projects in Brainerd.

### b. Brainerd HRA/Rehab Programs:

#### NE Brainerd SCDP

Address	Owner	Type of Rehab	Units	Status
707 Laurel St.	Knotty Pine Bakery	Commercial	1	Complete
707 Laurel St.	Sarah H.S.	Mixed-use	9	Substantially Complete
212 1 <sup>st</sup> Ave. NE	Andrea B.	Owner-occupied	1	Complete
612 2 <sup>nd</sup> Ave. NE	Kelly R.	Owner-occupied	1	Complete
201 & 203 B St.	Travis B.	Rental	2	In Construction
726 4 <sup>th</sup> Ave. NE	John G.	Rental	3	Bidding
215 Gillis Ave. NE	Cheri S.	Owner-occupied	1	In Construction
414 3 <sup>rd</sup> Ave. NE	Select Rental Properties	Rental	1	Contract Phase
206 Gillis Ave. NE	Herbert & Robin J.	Owner-occupied	1	In Construction
721 2 <sup>nd</sup> Ave. NE	Darin K.	Owner-occupied	1	In Construction

#### Emily SCDP

7 owner-occupied projects are complete  
1 project is in construction

#### MHFA

2 projects are in construction  
2 applications are in process



Brainerd Oaks/Serene Pines/Dalmar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	47	44	3	8
Serene Pines	23	14	12	0	2
Dalmar Estates	7	1	1	0	0

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

- c. **BLAEDC/CREDI:** Glynn reported that Crow Wing County received an additional \$1.2 million in COVID relief funds and BLAEDC is working on another round of grants for local businesses. The BLAEDC Unified Fund recently received a few new grant requests. Glynn announced that BLAEDC is going through rebranding and they hope to have a new look this summer.
- d. **CWC:** Erickson reported that the Crow Wing County was able to increase its fund balance by approximately \$3.6 million and is exploring ways to continue saving in the 2021 budget cycle. Property tax collection has been down for the second half of 2020. Reminder notices were not sent, which resulted in delinquent taxes, but those should be recouped early in 2021. The public health department has been working on getting vaccines rolled out. Currently, most health establishments have received them.
9. **HRA COMMISSIONER COMMENTS:** Commissioner Nathan thanked the board for the chance to lead as board chair for several years and looks forward to continuing to serve as commissioner for another term. Chair Aulie also expressed his appreciation for the board's trust in him and his excitement for the opportunities before them.
10. **NEXT MEETING AGENDA TOPICS:** February 9<sup>th</sup>, 2021 - HTF updates.
11. **ADJOURNMENT:**

Commissioner Nathan moved to adjourn the meeting. Commissioner Burton seconded the motion. Via roll call vote, all commissioners were in favor and none were opposed. The motion was approved at 6:00 p.m.





## Housing & Redevelopment Authority

To: CWC HRA Board Members  
From: Karen Young, Finance Director  
Date: February 3, 2021  
Re: Review & Accept Financial Statements

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Please find attached the financial information for January 2021.

### **2020 Audit**

The 2020 audit fieldwork was conducted by CliftonLarsonAllen (CLA) during the first week of February.

### **CWC HRA 2020 Tax Levy**

We reported last month that we had received/accrued \$697,996.59 in tax levy revenue for 2020 compared to the total levy amount of \$729,500. In January, we received an additional deposit of \$28,751.60, which puts us at a 99% collection rate.

**Action Requested: Accept the January financial statements as submitted.**



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Date/Time roberta

2/2/2021

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**Crow Wing County**  
**CWC HRA Combined Balance Sheet**  
**January, 2021**

**Cumulative**

**ASSETS**

556-000-1120.000 A/R Other - Dev	107.30
550-000-1129.210 Cash Gen Fund	229,629.98
550-001-1129.210 Cash CWC SCDP	68,281.57
551-002-1129.210 Cash RLF TIF	368,902.58
556-000-1129.210 Cash Development Fund	-107.30
557-000-1129.210 Cash Tax Forf Property	-5,446.27
558-000-1129.210 Cash HTF	496,985.24
551-002-1141.000 Loans Rec RLF TIF	50,343.55
556-000-1450.000 Land Held for Resale	442,419.88
<b>TOTAL ASSETS</b>	<b><u>1,651,116.53</u></b>

**LIABILITIES**

550-000-2112.000 A/P Other	-112,000.00
556-000-2600.000 Def Inflow of Res - Dev	-442,419.88
<b>TOTAL LIABILITIES</b>	<b><u>-554,419.88</u></b>

**SURPLUS**

550-000-2700-000 Net Income	-444,727.69
550-000-2806.000 Retained Earnings	-651,968.96
<b>TOTAL SURPLUS</b>	<b><u>-1,096,696.65</u></b>

**TOTAL LIABILITIES & SURPLUS**

**-1,651,116.53**

Proof

0.00

Date: 2/2/2021  
Time: 12:11:57 PM  
roberta

**Crow Wing County**  
**CWC HRA Combined Operating Stmt**  
**January, 2021**

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	Current Period	Current Year	Year To Date Budget	Variance
<b>INCOME</b>				
550-000-3610.000 Investment Earnings	-5.20	-5.20	-41.67	36.47
550-000-3690.000 Other Revenue	0.00	0.00	-2,250.00	2,250.00
551-002-3610.000 RLF TIF Interest Rev	-265.03	-265.03	-380.00	114.97
556-000-3696.000 Development Revenue	0.00	0.00	-15,933.33	15,933.33
<b>TOTAL INCOME</b>	<b>-270.23</b>	<b>-270.23</b>	<b>-18,605.00</b>	<b>18,334.77</b>
<b>EXPENSE</b>				
550-000-4110.000 Administrative Salaries	75.00	75.00	375.00	-300.00
550-000-4130.000 Legal	0.00	0.00	833.33	-833.33
550-000-4140.000 Staff Training	0.00	0.00	441.67	-441.67
550-000-4150.000 Travel	0.00	0.00	20.83	-20.83
550-000-4172.000 Management Fees	12,500.00	12,500.00	12,500.00	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	2,530.00	2,530.00	175.00	2,355.00
550-000-4540.000 Employer FICA	22.96	22.96	29.17	-6.21
550-000-4590.000 Other General Expense	0.00	0.00	11,500.00	-11,500.00
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
557-000-4600.000 TFP Expense	0.00	0.00	833.33	-833.33
<b>TOTAL EXPENSE</b>	<b>15,127.96</b>	<b>15,127.96</b>	<b>44,958.33</b>	<b>-29,830.37</b>
<b>NET INCOME(-) OR LOSS</b>	<b>14,857.73</b>	<b>14,857.73</b>	<b>26,353.33</b>	<b>-11,495.60</b>



**Crow Wing County HRA  
January 2021 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
23738	1/4/2021	MCIT	2021 Insurance	\$ 2,530.00
23776	1/28/2021	First Impression Printing	Eric C Business Cards	\$ 31.00
23778	1/28/2021	Kennedy & Graven, Chartered	BLADC & CREDI Work Review	\$ 160.00
<b>Total</b>				<b>\$ 2,721.00</b>



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## Housing & Redevelopment Authority

To: CWC HRA Board Members  
 From: Eric Charpentier, Executive Director  
 Date: February 9, 2021  
 Re: Housing Trust Fund Update

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We continue to move closer to a final draft of our internal procedures for our rehab program. Our two outstanding items that we are finalizing are our plans for loan servicing and feedback from our legal counsel on drafting our mortgage and note. We anticipate that our procedures for our down payment assistance and our development programs will move along at a quicker pace.

In December, we finalized the logo for the Housing Trust Fund and have created a marketing piece that we will begin utilizing for the HTF. We will begin distributing this piece to our key partners as we present our programs to them. Please see Attachment 3a.

John and his team continue to work with our first applicant for the rehab program and ensure that we have the documentation needed from them before moving forward. I have spoken with one other potential applicant for this program as they had some questions while they were filling out the application. We are excited to have some interest in this program.

We have also recently received an inquiry on a number of tax forfeited properties in Baxter from a developer that is looking to place multi-family units on these lots if they are able to purchase them. We will be working with them through the tax forfeited purchase program in the coming weeks. The developer was attempting to work with the owner of a parcel that surrounded these tax forfeited parcels to attempt to secure all of them before moving forward.

**No Action Needed: For Informational Purposes Only**



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# Crow Wing County HRA HOUSING TRUST FUND

A source of funding to meet the housing needs of moderate- to low-income households within Crow Wing County.

Supporting people and projects.



## Improving housing availability & options.

Assistance in financing the production and preservation of affordable and mixed-income housing projects.

For more information, contact:

**JOHN SCHOMMER, Rehab Coordinator**  
(218) 824-3432 | [John@brainerdhra.org](mailto:John@brainerdhra.org)

The Crow Wing County HRA offers the following programs, which are funded by the Housing Trust Fund:



### WORKFORCE HOUSING ASSISTANCE

- HRA matches employer contributions toward down payment or closing costs for the purchase of a home (\$5,000 max)
- Low-interest, five-year installment loan



### REHABILITATION ASSISTANCE

- Owner-occupied and renter-occupied assistance available
- General repairs and improvements that increase the health, safety and energy efficiency of the home



### HOMEBUYER ASSISTANCE

- Up to \$20,000 for homebuyer assistance
- Acts as a soft second loan at zero percent interest



### NEW CONSTRUCTION/ DEVELOPMENT FINANCING

- Funding for pre-development costs, new construction, property acquisition, conversion of non-residential to residential use, conversion of rental units to relocation, and rehabilitation costs



324 East River Road, Brainerd, MN 56401 | 218-828-3705 | [www.brainerdhra.org](http://www.brainerdhra.org)



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## Housing & Redevelopment Authority

To: CWC HRA Board Members  
 From: Karen Young, Finance Director  
 Date: February 4, 2021  
 Re: Review Committed Fund Balance

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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/finance director. These funds are neither restricted nor committed. We currently have \$38,300 assigned for budgeted anticipated projects.
5. **Unassigned** – General Fund balance that is available for any purpose.

The Fund Balance Policy recommends maintaining unassigned fund balance in a range of 8 to 12 months of General Fund expenses. At the December meeting, the board committed funds for Redevelopment and Housing Projects with an amount to be set after year-end. The calculation of unassigned fund balance at 12/31/20 covers approximately 6 months of expenses. Given that this is below the minimum 8 months of fund balance that is recommended in the policy, staff is not recommending that the board commit an amount to fund balance for Redevelopment and Housing Projects.

**Action Requested:** Approve a motion to not commit fund balance for Redevelopment and Housing Projects.



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## Housing &amp; Redevelopment Authority

To: CWC HRA Board Members  
From: John Schommer, Rehab Coordinator  
Date: February 2, 2021  
Re: Approve Purchase & Redevelopment Agreement Between CWC HRA and Level Contracting

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Level Contracting, LLC, would like to purchase three lots—two in Brainerd Oaks and one in Serene Pines with a total purchase price of \$25,270.38. Attorney Martha Ingram from Kennedy & Graven drafted the Purchase and Redevelopment Agreement and corresponding resolution (see Attachments 5a & 5b).

**Action Requested: Approve Resolution No. 2021-01, Approving the Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Level Contracting LLC.**



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## PURCHASE AND REDEVELOPMENT AGREEMENT

Lot 9, Block 3, SERENE PINES, Crow Wing County, Minnesota  
 Lot 5, Block 2, BRAINERD OAKS, Crow Wing County, Minnesota  
 Lot 28, Block 5, BRAINERD OAKS, Crow Wing County, Minnesota

1. **Parties.** This Purchase and Redevelopment Agreement (the “Agreement”) is made as of February 9, 2021 between the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING, a public body corporate and politic under the laws of Minnesota having its office located at 324 East River Road, Brainerd MN 56401 (the “Seller”), and LEVEL CONTRACTING, LLC, a Minnesota limited liability company, having its principal office at 3495 Northdale Blvd. NW, Suite 200, Coon Rapids, MN 55448 (the “Buyer”).
  
2. **Offer/Acceptance.** Buyer offers to purchase and Seller agrees to sell real property in Crow Wing County, Minnesota, legally described as follows (the “Property”):  
  
 Lot 9, Block 3, SERENE PINES, Crow Wing County, Minnesota; Lot 5, Block 2, BRAINERD OAKS, Crow Wing County, Minnesota; and Lot 28, Block 5, BRAINERD OAKS, Crow Wing County, Minnesota.  
  
 Check here if part or all of the land is Registered (Torrens) ☐
  
3. **Acceptance Deadline.** This offer to purchase, unless accepted sooner, shall be null and void at 4:30 p.m. on February 10, 2021. *(1 day from date of this Agreement)*
  
4. **Price and Terms.** The price for the Property is \$25,270.38 (“Purchase Price”), allocated to each lot of the Property as shown on Exhibit A, which Buyer shall pay in full by certified check or wire transfer on the Date of Closing; provided, however, that Earnest Money (as defined in the Master Agreement described in paragraph 6), if available, shall first be applied to pay the Purchase Price. The “Date of Closing” shall be no later than March 5, 2021.
  
5. **Personal Property Included in Sale.** There are no items of personal property or fixtures owned by Seller and currently located on the Property for purposes of this sale.

6. **Deed.** Upon performance by Buyer, Seller shall deliver a quit claim deed conveying title to the Property to Buyer, in substantially the form attached as Exhibit B, subject to the conditions subsequent required by Sections 15, 16, and 17 of this Agreement (the “Deed”), and further subject to the terms and conditions of the Master Purchase and Redevelopment Contract between the Seller and Paxmar-Brainerd, LLC dated as of September 13, 2016, and recorded in the office of the Crow Wing County Recorder on March 17, 2017 as document no.A-886215, as amended by a First Amendment thereto dated November 8, 2016 and a Second Amendment thereto dated as of March 14, 2017, and Assignment of Master Purchase and Development Agreement dated October 8, 2019 (hereafter collectively referred to as the “Master Agreement”).
7. **Real Estate Taxes and Special Assessments.**
- A. Seller shall pay, at or before closing, all real estate taxes due and payable in 2020 and prior years. Real estate taxes for taxes payable year 2021 are exempt.
- B. Seller represents that there are no special assessments payable or pending as of the date of this Agreement. If a special assessment becomes pending after the date of this Agreement and before the Date of Closing, Buyer may, as Buyer’s option:
- (1) Assume payment of the pending special assessment without adjustment to the purchase agreement price of the property; or
- (2) Require Seller to pay the pending special assessment and Buyer shall pay a commensurate increase in the purchase price of the Property, which increase shall be the same as the estimated amount of the assessment; or
- (3) Declare this Agreement null and void by notice to Seller, and earnest money shall be refunded to Buyer.
8. **Closing Costs and Related Items.** The Buyer will pay: (a) one-half the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement; (b) fees for title evidence obtained by Buyer; (c) the recording fees for this Agreement and for the Deed transferring title to Buyer; and (d) any transfer taxes. Seller will pay all other fees normally paid by sellers, including (a) Well Disclosure fees required to enable Buyer to record its deed from Seller under this Agreement, (b) one-half the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement, and (c) fees and charges related to the filing of any instrument required to make title marketable. Each party shall pay its own attorney fees. The Purchase Price shall be allocated and disbursed as provided in Sections 3.2 (b) and (c) of the Master Agreement.
9. **Sewer and Water.** Seller warrants that city sewer is available at the Property line, and that city water is available in the right of way adjacent to the Property. Seller makes no

warranty regarding the conditions of any existing water stub from the main to the Property line. Seller advises Buyer to inspect the condition of the water stub.

10. **Condition of Property.** Buyer acknowledges that it has inspected or has had the opportunity to inspect the Property and agrees to accept the Property "AS IS." Buyer has the right, at its own expense to take soil samples for the purpose of determining if the soil is suitable for construction of the dwelling described in section 14 below. If the soil is determined to be unacceptable the Buyer may rescind this agreement by written notice to the Seller, in which case the agreement shall be null and void. Seller makes no warranties as to the condition of the Property.

11. **Marketability of Title.** As soon as reasonably possible after execution of this Agreement by both parties:

A. Seller shall surrender any abstract of title and a copy of any owner's title insurance policy for the property, if in Seller's possession or control, to Buyer or to Legacy Title, Buyer's designated title service provider; and

B. Buyer shall obtain the title evidence determined necessary or desirable by Buyer.

The Buyer shall have 20 days from the date it receives such title evidence to raise any objections to title it may have. Objections not made within such time will be deemed waived. The Seller shall have 30 days from the date of such objection to affect a cure; provided, however, that Seller shall have no obligation to cure any objections, and may inform Buyer of such. The Buyer may then elect to close notwithstanding the uncured objections or declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

12. **Title Clearance and Remedies.** If Seller shall fail to have title objections timely removed, the Buyer may, at its sole election: (a) terminate this Agreement without any liability on its part; or (b) take title to the Property subject to such objections.

If title is marketable, or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller may elect either of the following options, as permitted by law:

A. Cancel this contract as provided by statute and retain all payments made hereunder as liquidated damages. The parties acknowledge their intention that any note given pursuant to this contract is a down payment note, and may be presented for payment notwithstanding cancellation;

B. Seek specific performance within six months after such right of action arises, including costs and reasonable attorney's fees, as permitted by law.

If title is marketable, or is made marketable as provided herein, and Seller defaults in any of the agreements herein, Buyer may, as permitted by law:

- C. Seek damages from Seller including costs and reasonable attorney's fees;
- D. Seek specific performance within six months after such right of action arises.

**13. Well Disclosure.** Seller's knowledge of wells is as follows:

- ☒ The Seller certifies that the Seller does not know of any wells on the described real property.
- ☐ A well disclosure certificate accompanies this document.
- ☐ I am familiar with the property described in this instrument and I certify that the status and number of wells on the Property have not changed since the last previously filed well disclosure certificate.

**14. Individual Sewage Treatment System Disclosure and Methamphetamine Disclosure.** Seller certifies that there is no individual sewage treatment system on or serving the Property. To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

**15. Construction and Sale of Dwelling.** Buyer agrees that it will construct a new single family dwelling on each lot of the Property (each a "Lot"), intended for sale to a person or persons for residential occupancy (an "Owner Occupant"). This covenant shall survive the delivery of the Deed.

- A. Each single family dwelling described in this Section is referred to as the "Minimum Improvements."
- B. The Minimum Improvements shall consist of a new single family dwelling, and shall be constructed substantially in accordance with the Declaration of Covenants, Easements and Restrictions of record and applicable to each Lot, provided that approval of the building plans for such Minimum Improvements shall be evidenced by the issuance by the City of Brainerd of a building permit for the Minimum Improvements.
- C. Construction of the Minimum Improvements on each Lot must be substantially completed by one year from the Date of Closing. Construction of the Minimum Improvements on each Lot will be considered substantially complete when the final certificate of occupancy has been issued by the City of Brainerd building official.
- D. Promptly after substantial completion of the Minimum Improvements on each Lot in accordance with those provisions of this Agreement relating solely to the obligations of the Buyer to construct such Minimum Improvements (including the date for completion thereof), the Seller will furnish the Buyer with a Certificate of Completion, in the form attached hereto as Exhibit C, for the Minimum

Improvements on such Lot. Such certification by the Seller shall be (and it shall be so provided in the Deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Master Agreement, in this Agreement and in the Deed with respect to the obligations of the Buyer and its successors and assigns, to construct the Minimum Improvements on the applicable Lot and the dates for completion thereof.

The certificates provided for in this Section of this Agreement shall be in such form as will enable them to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Property. If the Seller shall refuse or fail to provide any certification in accordance with the provisions of this Section, the Seller shall, within thirty (30) days after written request by the Buyer, provide the Buyer with a written statement, indicating in adequate detail in what respects the Buyer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Seller for the Buyer to take or perform in order to obtain such certification.

E. The Buyer represents and agrees that until issuance of the Certificate of Completion for the Minimum Improvements on each Lot:

(1) Except for any agreement for sale to an Owner Occupant, the Buyer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity (collectively, a "Transfer"), without the prior written approval of the Seller's board of commissioners. Notwithstanding the foregoing, Developer may transfer or assign a Lot to a third-party builder for the purpose of construction of the Minimum Improvements on that Lot without the prior written consent of the Authority; provided that if Developer effects a such a Transfer to a third-party builder, Developer shall remain bound by all obligations with respect to the Property under this Agreement and the Master Agreement.

(2) If the Buyer seeks to effect a Transfer of any Lot with respect to this Agreement prior to issuance of the Certificate of Completion for that Lot, the Seller shall be entitled to require as conditions to such Transfer that:

(i) any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Seller, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Buyer as to the portion of the Property to be transferred; and

(ii) Any proposed transferee, by instrument in writing satisfactory to the Seller and in form recordable in the public land records of Crow Wing County, Minnesota, shall, for itself and its successors and assigns, and

expressly for the benefit of the Seller, have expressly assumed all of the obligations of the Buyer under this Agreement as to the portion of the Property to be transferred and agreed to be subject to all the conditions and restrictions to which the Buyer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the Seller) deprive the Seller of any rights or remedies or controls with respect to the Property, the Minimum Improvements or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally, or practically, to deprive or limit the Seller of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Property that the Seller would have had, had there been no such transfer or change. In the absence of specific written agreement by the Seller to the contrary, no such transfer or approval by the Seller thereof shall be deemed to relieve the Buyer, or any other party bound in any way by this Agreement or otherwise with respect to the Property, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Property governed by this subsection E. shall be in a form reasonably satisfactory to the Seller.

(3) If the conditions described in paragraph (2) above are satisfied then the Transfer will be approved and the Buyer shall be released from its obligation under this Agreement, as to the portion of the Property that is transferred, assigned, or otherwise conveyed. The provisions of this paragraph (3) apply to all subsequent transferors.

(4) Upon issuance of the Certificate of Completion for a Lot, the Buyer may Transfer such Lot and/or the Buyer's rights and obligations under this Agreement with respect to such Lot without the prior written consent of the Seller.

F. The Buyer, and its successors and assigns, agree that they (a) will use the Minimum Improvements only as a single family dwelling, and in the case of an Owner Occupant, will occupy the Property as a residence, (b) will not seek exemption from real estate taxes on the Property under State law, and (c) will not transfer or permit transfer of the Property to any entity whose ownership or operation of the Property

would result in the Property being exempt from real estate taxes under State law (other than any portion thereof dedicated or conveyed to the City of Brainerd or Seller in accordance with this Agreement). **The covenants in this paragraph run with the land, survive both delivery of the Deed and issuance of the Certificate of Completion for the Minimum Improvements on each Lot, and shall remain in effect for ten years after the Date of Closing.**

**16. Revesting Title in Seller upon Happening of Event Subsequent to Conveyance to Buyer.**

In the event that subsequent to conveyance of the Property or any part thereof to the Buyer and prior to receipt by the Buyer of the Certificate of Completion for the Minimum Improvements on any Lot, the Buyer, subject to Unavoidable Delays (as hereafter defined), fails to carry out its obligations with respect to the construction of the Minimum Improvements (including the nature and the date for the completion thereof), or abandons or substantially suspends construction work, and any such failure, abandonment, or suspension shall not be cured, ended, or remedied within thirty (30) days after written demand from the Seller to the Buyer to do so, then the Seller shall have the right to re-enter and take possession of the Property and to terminate (and re-vest in the Seller) the estate conveyed by the Deed to the Buyer, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Property to the Buyer shall be made upon, and that the Deed shall contain a condition subsequent to the effect that in the event of any default on the part of the Buyer and failure on the part of the Buyer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the Seller at its option may declare a termination in favor of the Seller of the title, and of all the rights and interests in and to the Property conveyed to the Buyer, and that such title and all rights and interests of the Buyer, and any assigns or successors in interest to and in the Property, shall revert to the Seller, but only if the events stated in this Section have not been cured within the time periods provided above.

Notwithstanding anything to the contrary contained in this Section, the Seller shall have no right to reenter or retake title to and possession of a portion of the Property for which a Certificate of Completion has been issued.

For the purposes of this Agreement, the term "Unavoidable Delays" means delays beyond the reasonable control of the Buyer as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the Seller in exercising its rights under this Agreement) which directly results in delays. Unavoidable Delays shall not include delays in the Buyer's obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under this section of this Agreement.

**17. Resale of Reacquired Property; Disposition of Proceeds.** Upon the revesting in the Seller of title to and/or possession of the Property or any part thereof as provided in Section 16, the

Seller shall apply the purchase price paid by the Buyer under Section 4 of this Agreement as follows:

- A. First, to reimburse the Seller for all costs and expenses incurred by the Seller, including but not limited to proportionate salaries of personnel, in connection with the recapture, management, and resale of the Property or part thereof (but less any income derived by the Seller from the Property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charge during the period of ownership thereof by the Seller, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the Seller assessing official) as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property or part thereof at the time of revesting of title thereto in the Seller or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Buyer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Minimum Improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing the Seller by the Buyer and its successor or transferee; and
- B. Second, to reimburse the Buyer for the balance of the purchase price remaining after the reimbursements specified in paragraph (a) above. Such reimbursement shall be paid to the Buyer upon delivery of an executed, recordable warranty deed to the Property by the Buyer to the Seller.

**18. Time is of the essence for all provisions of this Agreement.**

**19. Notices.** All notices required herein shall be in writing and delivered personally or mailed to the address shown at paragraph 1 above and, if mailed, are effective as of the date of mailing.

**20. Minnesota Law.** This Agreement shall be governed by the laws of the State of Minnesota.

**21. Specific Performance.** This Agreement may be specifically enforced by the parties, provided that an action is brought within one year of the date of alleged breach of this Agreement.

**22. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Seller or Buyer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

23. **No Merger of Representations, Warranties.** All representations and warranties contained in this Purchase Agreement shall not be merged into any instruments or conveyance delivered at closing, and the parties shall be bound accordingly.
24. **Recording.** This Agreement shall be filed of record with the Crow Wing County Registrar of Titles or Office of Recorder, as the case may be. Buyer shall pay all recording costs.
25. **No Broker Involved.** The Seller and represent and warrant to each other that there is no broker involved in this transaction with whom it has negotiated or to whom it has agreed to pay a broker commission. Buyer agrees to indemnify Seller for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Buyer, and Seller agrees to indemnify Buyer for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Seller.

In witness of the foregoing, the parties have executed this agreement on the year and date written above.

**SELLER: HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING**

By: \_\_\_\_\_  
Its Chair

By: \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA

} ss.

COUNTY OF CROW WING

The foregoing was acknowledged before me this \_\_\_\_\_ day of February 2021, by Michael Aulie and Eric Charpentier, the Chair and Executive Director of Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic under the laws of Minnesota, on behalf of the public body corporate and politic.

\_\_\_\_\_  
Notary Public

**BUYER:      LEVEL CONTRACTING, LLC**

By: \_\_\_\_\_  
Its \_\_\_\_\_

STATE OF MINNESOTA

} ss.

COUNTY OF Crow Wing

The foregoing was acknowledged before me this \_\_\_\_\_ day of February 2021, by Monty Jensen, the \_\_\_\_\_ of Level Contracting, LLC, a Minnesota limited liability company, on behalf of the company.

\_\_\_\_\_  
Notary Public

This document drafted by:

Kennedy & Graven, Chartered  
150 South 5<sup>th</sup> Street, Suite 700  
Minneapolis, MN 55402

## EXHIBIT A

### ALLOCATION OF PURCHASE PRICE BY LOT

Legal Description	PID	Price
<b>Lot 9, Block 3, SERENE PINES</b>	41280503	\$16,679.62
<b>Lot 5, Block 2, BRAINERD OAKS</b>	41290590	\$3,865.84
<b>Lot 28, Block 5, BRAINERD OAKS</b>	41290533	\$4,724.92
<b>Total</b>		\$25,270.38

## EXHIBIT B

### FORM OF QUIT CLAIM DEED

Deed Tax Due: \$ \_\_\_\_\_

ECRV: \_\_\_\_\_

THIS INDENTURE, between the Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic (the “Grantor”), and Level Contracting, LLC, a Minnesota limited liability company (the “Grantee”).

WITNESSETH, that Grantor, in consideration of the sum of \$25,270.38 and other good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, quitclaim and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Crow Wing and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the “Property”):

*Check here if part or all of the land is Registered (Torrens) ☐*

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

#### SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded with the Crow Wing County Recorder on March 17, 2017 as Document No. A-886215, entered into between the Grantor and Paxmar-Brainerd, LLC, on the 13th of September, 2016, identified as “Master Purchase and Redevelopment Agreement” as amended by a First Amendment thereto dated November 8, 2016, and a Second Amendment thereto dated as of March 14, 2017, and an Assignment and Assumption of Master Purchase and Development Agreement, dated October 8, 2019 (hereafter collectively referred to as the “Master Agreement”) and of an agreement entered into between the Grantor and Grantee on the 9th of February, 2021, recorded herewith and identified as “Purchase and Redevelopment Agreement” (herein referred to as the “Agreement”) and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the redevelopment of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, or Registrar of Titles, Crow Wing County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

## SECTION 2.

The Grantee's rights and interest in the Property are subject to the terms and conditions of Sections 15, 16 and 17 of the Agreement relating to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.

## SECTION 3.

**The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with Section 15F of the Agreement for a period of ten years after the date hereof.**

**It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land for the respective terms herein provided, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.**

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose

benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall not have any right to re-enter the Property or re-vest in the Grantor the estate conveyed by this Deed, or any part thereof, on grounds of Grantee's failure to comply with its obligations under this Section 3.

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its Chair and Executive Director, this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

- ☒ The Seller certifies that the Seller does not know of any wells on the described real property.
- ☐ A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: \_\_\_\_\_).
- ☐ I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE COUNTY OF  
CROW WING

By \_\_\_\_\_

Its Chair

By \_\_\_\_\_

Its Executive Director

STATE OF MINNESOTA    )  
  ) ss  
COUNTY OF CROW WING)

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before me, a notary public within and for \_\_\_\_\_ County, personally appeared \_\_\_\_\_ and \_\_\_\_\_ to me personally known who by me duly sworn, did say that they are the Chair and Executive Director of the Housing and Redevelopment Authority in and for the County of Crow Wing (the “Authority”) named in the foregoing instrument; that said instrument was signed on behalf of said Authority pursuant to a resolution of its governing body; and said \_\_\_\_\_ and \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said Authority.

\_\_\_\_\_  
Notary Public

This instrument was drafted by:

Kennedy & Graven, Chartered  
150 South 5<sup>th</sup> Street, Suite 700  
Minneapolis, MN 55402  
(612) 337-9300

Tax Statements should be sent to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

EXHIBIT C  
**TO**

**PURCHASE AND REDEVELOPMENT AGREEMENT**  
**FORM OF CERTIFICATE OF COMPLETION**

WHEREAS, the Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic (the "Grantor"), conveyed land in Crow Wing County, Minnesota to Level Contracting, LLC, a Minnesota limited liability company (the "Grantee"), by a Deed recorded in the Office of the County Recorder in and for the County of Crow Wing and State of Minnesota, as Document Number \_\_\_\_\_;  
and

WHEREAS, said Deed contained certain covenants and restrictions set forth in Sections 1 and 2 of said Deed; and

WHEREAS, said Grantee has performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification;

NOW, THEREFORE, this is to certify that all building construction and other physical improvements specified to be done and made by the Grantee have been completed and the above covenants and conditions in said Deed and the agreements and covenants in Sections 15A and 15B of the Agreement (as described in said Deed) have been performed by the Grantee therein, and the County Recorder [and the Registrar of Titles] in and for the County of Crow Wing and State of Minnesota are hereby authorized to accept for recording and to record, the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of Sections 15A and 15B of the Agreement and the covenants and restrictions set forth in Sections 1 and 2 of said Deed; provided that the covenants set forth in Sections 15F of the Agreement, and in Section 3 of the Deed, remain in full force and effect through the period stated thereon.

Dated: \_\_\_\_\_, 20\_\_.

HOUSING        AND        REDEVELOPMENT  
AUTHORITY IN AND FOR THE COUNTY OF  
CROW WING

By \_\_\_\_\_  
Its Chair

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA                    )  
  ) ss  
COUNTY OF CROW WING                )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_ and \_\_\_\_\_, the Chair and Executive Director, respectively, of the Housing and Redevelopment Authority in and for the County of Crow Wing, on behalf of the authority.

\_\_\_\_\_  
Notary Public

This document drafted by:  
KENNEDY & GRAVEN, CHARTERED  
150 South 5<sup>th</sup> Street, Suite 700  
Minneapolis, MN 55402  
(612) 337-9300

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HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE COUNTY OF CROW WING

RESOLUTION NO. 2021-01

RESOLUTION APPROVING A PURCHASE AND REDEVELOPMENT  
CONTRACT BETWEEN THE HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE COUNTY OF CROW WING AND LEVEL  
CONTRACTING, LLC.

BE IT RESOLVED By the Board of Commissioners ("Board") of the Housing and Redevelopment Authority in and for the County of Crow Wing ("Authority") as follows:

Section 1. Recitals.

1.01. The Authority has determined a need to exercise the powers of a housing and redevelopment authority, pursuant to Minnesota Statutes, Sections 469.001 to 469.047 ("HRA Act"), and has established its Redevelopment Project No. 1 (the "Project") within Crow Wing County (the "County"), and has developed a Redevelopment Plan governing certain of its anticipated activities in the City of Brainerd (the "City") located within the Project, which was approved by the City on September 6, 2016 after a duly noticed public hearing, pursuant to Section 469.028 of the HRA Act.

1.02. The Authority and Paxmar-Brainerd, LLC ( "Paxmar") entered into a Master Purchase and Redevelopment Contract, recorded in the office of the Crow Wing County Recorder as Document No. A886215, as amended by a First Amendment thereto dated as of November 16, 2016 and recorded as Document No. A886216 and a Second Amendment thereto dated as of March 14, 2017, recorded as Document No. A886217 (as so amended, the "Master Contract"), setting forth the terms and conditions of sale and redevelopment of certain property within the City and Project, currently owned by the County, located in the subdivisions known as Brainerd Oaks, Serene Pines, and Dal Mar Estates (the "Property"). By resolutions adopted on July 7, 2016 and July 12, 2016, the County approved the conveyance of the Property to the Authority, and the Authority accepted acquisition of the Property from the County.

1.03 Paxmar's interest in the Master Contract was assigned to Level Contracting, LLC, a Minnesota limited liability company (hereinafter "Buyer") by an Assignment and Assumption of Master Purchase and Development Agreement, dated October 8, 2019, and the Authority ratified its consent to the Assignment on October 8, 2019.

1.04. Pursuant to the Master Contract, the Buyer will acquire the Property in phases, pursuant to separate purchase and redevelopment agreements conforming to the Master Contract, and will construct single-family homes intended for owner occupancy, subject further to the Redevelopment Plan and to the City's zoning and building codes and policies.

1.05. The Planning Commission of the City reviewed the Redevelopment Plan and the general terms of the Master Contract on August 17, 2016 and found that the Redevelopment Plan and the conveyance of the Property are consistent with the City's comprehensive plan, in that the

sale of the Property and construction of the single-family homes will further the City's housing goals for this area of the City.

1.06. On August 29, 2016, the Board conducted a duly noticed public hearing regarding the sale of the Property to the Buyer, at which all interested persons were given an opportunity to be heard.

1.07. On September 13, 2016, the Board reviewed the Master Contract and found that the execution thereof and performance of the Authority's obligations thereunder are in the public interest and will further the objectives of its general plan of economic development and redevelopment, because it will further the above-stated housing goals of the City and County and will be consistent with the Redevelopment Plan for the Project.

1.08. The Board has reviewed a new proposed Purchase and Redevelopment Agreement (the "2021A Agreement") related to specific lots to be conveyed to the Buyer in 2021 and described on Exhibit A to this resolution (the "2021A Lots") and finds that conveyance of the 2021A Lots conform to the provisions of the Master Contract and 2021A Agreement and is in the best interest of the City and County, for the reasons stated above.

Section 2. Authority Approval; Further Proceedings.

2.01. The 2021A Agreement as presented to the Board, including the sale of the 2021A Lots described therein, is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by the Chair and Executive Director, provided that execution of the documents by such officials shall be conclusive evidence of approval.

2.02. The Chair and Executive Director are hereby authorized to execute on behalf of the Authority the 2021A Agreement and any documents referenced therein requiring execution by the Authority, including without limitation any deeds, and to carry out, on behalf of the Authority, its obligations thereunder.

2.03. Authority and City staff are authorized and directed to take all actions to implement the 2021A Agreement.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the County of Crow Wing this 9th day of February 2021.

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Chair

ATTEST:

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Secretary

## EXHIBIT A

### 2021A LOTS

Lot 9, Block 3, SERENE PINES, Crow Wing County, Minnesota  
Lot 5, Block 2, BRAINERD OAKS, Crow Wing County, Minnesota  
Lot 28, Block 5, BRAINERD OAKS, Crow Wing County, Minnesota

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## Housing &amp; Redevelopment Authority

To: CWC HRA Board Members  
From: Eric Charpentier, Executive Director  
Date: February 4, 2021  
Re: Executive Director Report

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**Annual Report to Crow Wing County**

Per our Housing Trust Fund ordinance, we are required to submit an annual report to the County on the activities undertaken with funds from the trust fund within 30 days following the close of the fiscal year. This annual report was submitted to County Administrator Houle on January 28<sup>th</sup>, 2021. A copy of that report is included as Attachment 6a.



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Housing & Redevelopment Authority

January 28, 2021

Tim Houle, Crow Wing County Administrator  
Historic Court House  
326 Laurel Street  
Brainerd, MN 56401

Re: Crow Wing County Housing Trust Fund Annual Report

Dear Mr. Houle:

Per the Ordinance Establishing a Housing Trust Fund in Crow Wing County (Ordinance No. 2001), adopted by the Board of Crow Wing County Commissioners, "The HRA shall within thirty (30) days following the close of each fiscal year prepare and submit an annual report to the County on the activities undertaken with funds from the Trust Fund." Following is a summary of the Crow Wing County HRA's work with the housing trust fund in 2020.

**Housing Trust Fund (HTF) Ordinance**—Based on the recently completed Workforce Housing Study that describes the critical need to create opportunities for affordable workforce housing, the Crow Wing County HRA worked to establish the Crow Wing County HTF. As presented to the Committee of the Whole in January 2020 for their consideration, M.S. 462.16 gives county boards the authority to establish a local housing trust fund through adoption of an ordinance. A public hearing was held in February 2020 and the Crow Wing County Board of Commissioners approved and adopted the ordinance, effective March 4, 2020.

**HTF Guidelines**—To determine what was needed and what would make the most impact, HRA staff did research on existing housing/homebuyer assistance programs in the county. Based on our findings, we established the Crow Wing County HTF guidelines, which were approved by the Crow Wing County HRA Board in May 2020. The guidelines summarize the policies and requirements of the following programs:

1. Workforce Housing Assistance Program
2. Homebuyer Assistance Program
3. Rehabilitation Assistance Program
4. New Construction/Development Financing Program

324 East River Road | Brainerd, MN 56401 | 218.828.3705 ph. | 218.828.8817 fax



**Technical Assistance: Strengthening Rural Communities Program**—To assist us in our initiatives to address the affordable housing shortage in the county and the HTF, the Crow Wing County HRA applied for and was awarded a grant through Minnesota Housing Partnership's (MHP) Strengthening Rural Communities Program. This program provides technical assistance to rural communities to overcome impediments to successful planning and implementation of affordable housing and community development projects. The HRA entered into an agreement with MHP for technical assistance in September 2020, which is anticipated to last approximately 1.5 to 2 years. With goals established and a working timeline in place, MHP's assistance will help ensure a successful housing trust fund.

**Program Procedures**—While we meet monthly with MHP, internally, our staff has been meeting weekly to keep the momentum going and move the programs forward. We began with drafting documentation and internal procedures for the Rehabilitation Assistance Program and will continue the process for each of the programs. We are receiving some interest in the HTF from individuals within the county and we just received our first application for the Rehabilitation Assistance Program!

**HTF Branding**—We have also been working through a marketing plan and branding for the HTF and are happy with the guidance that MHP has given. We have a new logo that we have begun utilizing it in our marketing material.

2020 did have challenges as we worked through the pandemic as well as a change in leadership when I was hired at the end of August. I am proud of the progress we have made to create the fund, draft the ordinance, and draft the guidelines for the programs to ultimately utilize the fund for our community. The goal is to address the workforce housing needs within Crow Wing County and help leverage these dollars with those in the private sector to increase our available housing stock. We are looking forward to 2021 and we are eagerly anticipating being able to get these funds out and working in the community.

Thank you for your continued support of the Crow Wing County HRA.

Sincerely,



Eric Charpentier  
Executive Director

Enclosures:

- Ordinance 2001
- Crow Wing County HTF Guidelines
- HTF Overview



## Housing & Redevelopment Authority

To: CWC HRA Board Members  
 From: John Schommer, Rehab Coordinator  
 Date: February 2, 2021  
 Re: Rehab Programs Report

### NE Brainerd SCDP

Address	Owner	Type of Rehab	Units	Status
707 Laurel St.	Knotty Pine Bakery	Commercial	1	Complete
707 Laurel St.	Sarah H.S.	Mixed-use	9	Substantially Complete
212 1 <sup>st</sup> Ave. NE	Andrea B.	Owner-occupied	1	Complete
612 2 <sup>nd</sup> Ave. NE	Kelly R.	Owner-occupied	1	Complete
201 & 203 B St.	Travis B.	Rental	2	In Construction
726 4 <sup>th</sup> Ave. NE	John G.	Rental	3	Bidding
215 Gillis Ave. NE	Cheri S.	Owner-occupied	1	In Construction
414 3 <sup>rd</sup> Ave. NE	Select Rental Properties	Rental	1	In Construction
206 Gillis Ave. NE	Herbert & Robin J.	Owner-occupied	1	In Construction
721 2 <sup>nd</sup> Ave. NE	Darin K.	Owner-occupied	1	In Construction

### Emily SCDP

- » 7 owner-occupied projects are complete
- » 1 project is in construction

### MHFA

- » 1 project is in construction
- » 2 applications are in process

### FHLB

We were notified that we did not get funded for the FHLB Affordable Housing Program. They received 162 applications for a total request of over \$90 million and they funded 63 projects for a total of \$41.7 million. Our application scored 59.34 points and they funded down to 62.1 points this round.

### Brainerd Oaks/Serene Pines/Dalmar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	47	44	3	8
Serene Pines	23	14	12	0	3
Dalmar Estates	7	1	1	0	0

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



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## 2021 CWC HRA - BLAEDC Staff Time - January



Date Range: 1/1/2021 - 1/31/2021

Project Group	Project	Date	Comment	Hours	Billing Amount
Crow Wing County HRA					
	CWC HRA - Redevelopment Projects				
		1/4/2021	email and phone calls w/grant applicants and staff working w/cwc economic assistance grant program as well as working w/cwc staff to obtain necessary documentation for grant	2.00	\$300.00
		1/5/2021	email and phone correspondence regarding property in Deerwood for purchase and redevelopment	2.00	\$300.00
		1/6/2021	staff working w/cwc economic assistance grant program	2.00	\$300.00
		1/6/2021	Crosslake EDA meeting and meeting with building owner regarding sale and redevelopment of property	3.00	\$450.00
		1/7/2021	Brainerd EDA meeting, prepare reports and prep time with staff to discuss open projects for blighted and redevelopment options	2.00	\$300.00
		1/8/2021	staff working w/cwc economic assistance grant program communication w/local business owners to assist w/applications for grant funds	3.00	\$450.00
		1/11/2021	email and phone calls w/grant applicants and staff working w/cwc economic assistance grant program	2.00	\$300.00
		1/12/2021	CWC HRA board meeting attendance and reporting, staff time to create reports	2.50	\$375.00
		1/12/2021	email and phone calls w/grant applicants and staff working w/cwc economic assistance grant program	3.00	\$450.00
		1/13/2021	virtual meeting w/crosby city admin regarding property for redevelopment and tif options if available	2.00	\$300.00
		1/14/2021	staff working w/cwc staff and commissioners regarding eligibility for business owners applying for economic assistance grant program	5.00	\$750.00
		1/15/2021	email and phone calls w/grant applicants and staff working w/cwc economic assistance grant program	2.00	\$300.00
		1/18/2021	email and phone calls w/grant applicants and staff working w/cwc economic assistance grant program as well as working w/cwc staff to obtain necessary documentation for grant	3.00	\$450.00
		1/19/2021	Pequot Lakes EDC meeting presentation and discussion of housing options and plans for city leaders to address housing needs with use of HRA housing trust fund options, cwc board meeting to approve economic assistance grant approvals	5.00	\$750.00
		1/20/2021	CREDI board meeting and preparation of reports for board meeting to discuss redevelopment projects as well as updates on impact of grant program in cuyuna range	3.00	\$450.00
		1/20/2021	email and phone calls w/grant applicants and staff working w/cwc economic assistance grant program as well as working w/cwc staff to obtain necessary documentation for grant	3.00	\$450.00
		1/21/2021	Pequot Lakes planning and zoning meeting w/industrial park projects and available land for redevelopment	2.00	\$300.00
		1/21/2021	email and phone calls w/grant applicants and staff working w/cwc economic assistance grant program as well as working w/cwc staff to obtain necessary documentation for grant	2.00	\$300.00
		1/22/2021	email and phone calls w/grant applicants and staff working w/cwc economic assistance grant program as well as working w/cwc staff to obtain necessary documentation for grant approval	1.50	\$225.00
		1/25/2021	email and phone calls w/grant applicants and staff working w/cwc economic assistance grant program as well as working w/cwc staff to obtain necessary documentation for grant approval	2.00	\$300.00
		1/27/2021	meetings w/local real estate agents regarding multiple properties in BLA for sale and possible redevelopment	3.00	\$450.00
		1/27/2021	email and phone calls w/grant applicants and staff working w/cwc economic assistance grant program as well as working w/cwc staff to obtain necessary documentation for grant approval	2.00	\$300.00
		1/28/2021	phone meeting w/Crosslake building owner and review of property listing along w/discussions around redevelopment and sale of property	1.50	\$225.00
		1/29/2021	meeting w/potential commercial business buyers looking at Brainerd building for purchase and major redevelopment, met w/buyers and realtors, meeting w/brainerd city admin to discuss project as well as other redevelopment projects slated for the city	4.00	\$600.00
CWC HRA - Redevelopment Projects Total:				62.50	\$9,375.00
Crow Wing County HRA Total:				62.50	\$9,375.00
Grand Total				62.50	\$9,375.00



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