



Crow Wing County HRA Board Meeting Agenda

5:00pm Tuesday June 11th, 2024

Crow Wing County Land Services Building Pine/Maple Meeting Room

322 Laurel St. Brainerd, MN 56401

Commissioner Craig Nathan attending via WebEx at 8986 Sugarberry Creek,
Brainerd, MN 56401

Commissioner Michael Morford attending via WebEx at 7620 West MN-61,
Schroeder, MN 55613

Join from browser:

<https://brainerdhra.my.webex.com/brainerdhra.my/j.php?MTID=m9ffb82c1a9fbe14dfde3746626121928>

Join by phone: 415-655-0001

Meeting number (access code): 2555 490 0942

Meeting password: JmWZGnPu634

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

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF AGENDA**
4. **APPROVE MINUTES**
 - a. Approval of the Tuesday, May 14th, Meeting Minutes (*Attachment 1*) Pg. 3
5. **REVIEW & ACCEPT FINANCIAL STATEMENTS** (*Attachment 2*) Pg. 7
 - a. CWC HRA Combined Balance Sheet May 2024
 - b. CWC HRA Combined Operating Statement May 2024
 - c. CWC HRA May 2024 Payments

6. UNFINISHED BUSINESS

7. NEW BUSINESS

8. REPORTS/UPDATES:

- a. Executive Director Report (Attachment 3) Pg. 15*
- b. Housing Trust Fund (Attachment 4) Pg. 17*
- c. Brainerd HRA/Rehab Programs (Attachment 5) Pg. 21*
- d. BLAEDC/CREDI (Attachment 6) Pg. 23*
- e. CWC*

9. COMMISSIONER COMMENTS

10. NEXT MEETING Tuesday July 9th, 2024

11. ADJOURNMENT

CWC HRA Commissioners:

- Zach Tabatt, Chair - District 3 (12-31-24)
- Richard (George) Burton, Vice Chair - District 1 (12-31-27)
- Michael Morford, Secretary/Treasurer - District 2 (12-31-28)
- Michael Aulie, Commissioner - District 5 (12-31-26)
- Craig Nathan, Commissioner - District 4 (12-31-25)



Housing & Redevelopment Authority

Crow Wing County HRA BOARD MEETING MINUTES 05/14/2024

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 the Crow Wing County Land Services Building, Pine/Maple Meeting Room and via Webex video/teleconference at 5:00 p.m., Tuesday, May 14th, 2024.

1. **CALL TO ORDER:** Chair Zachary Tabatt called the meeting to order at 5:00 p.m.
2. **ROLL CALL:** Present: Commissioners, Michael Aulie, Richard (George) Burton, Zach Tabatt, & Craig Nathan (Webex). Absent: Michael Morford.

Others present: Executive Director Eric Charpentier, Finance Director Karen Young, Rehab Coordinator John Schommer, Rehab Administrative Specialist Kristin Miller.

Guests: Commissioner Jon Lubke (Webex), Steve Barrows, Mike Duval.

3. **APPROVE OF AGENDA:**

Moved and seconded by Commissioners Aulie and Burton to approve the agenda for May 14th, 2024. Upon roll call, all commissioners voted in favor of the motion, and none were opposed. The agenda was approved.

4. **APPROVE MINUTES:**

Moved and seconded by Commissioners Burton and Aulie to approve the minutes for the April 9th, 2024, board meeting. Upon roll call, commissioners Aulie, Burton, Tabatt voted in favor of the motion (Nathan abstained), and none were opposed. The minutes were approved.

5. **Review and Accept Financial Statements:**

The financial information for April 2024 was presented by Karen Young.

Commissioner Nathan moved to accept the April financial statements as submitted, followed by a second from Commissioner Burton. Upon roll call, all commissioners voted in favor of the motion, and none were opposed. The motion carried.

6. UNFINISHED BUSINESS:

7. NEW BUSINESS:

a. Purchase and Redevelopment Agreement Between CWC and Level Contracting

On April 7th, 2024, Level Contracting LLC requested to purchase three lots located in Brainerd Oaks with a total purchase price of \$15,678.15. Kennedy & Graven has drafted the Purchase and Redevelopment Agreement and corresponding resolution.

Commissioner Aulie moved to approve Resolution #2024-04 approving the purchase and redevelopment agreement as presented, followed by a second from Commissioner Aulie. Upon roll call, all commissioners voted in favor of the motion, and none were opposed. The motion carried.

8. REPORTS:

a. Executive Director Report

The executive director report was presented by Eric Charpentier highlighting developer interest in tax forfeited properties and outlot F project updates.

b. Housing Trust Fund Report

The housing trust fund report was presented by Eric Charpentier highlighting the progress made at the Lofts and 805 Laurel Street.

c. Brainerd HRA/Rehab Programs:

The rehab report was presented by John Schommer highlighting the progress made with outlots E & F.

d. BLAEDC/CREDI:

April 2024 staff time billing reports were presented.

e. CWC:

Crow Wing County Commissioners Lubke and Barrows gave an update from Crow Wing County.

Discussion: Lubke attended the Lofts of Novotney walkthrough tour. He was delighted to hear all the positive conversation taking place about Crow Wing County and the HRA.

Barrows was excited to announce that Debbie Erickson was chosen as the next County Administrator. He also gave an overview of the county road construction and noted to be thinking about the budget and the election year ahead.

9. HRA Commissioner Comments:

10. NEXT MEETING: Tuesday, June 11th, 2024

11. ADJOURNMENT:

Commissioner Nathan made a motion to adjourn the meeting. Commissioner Aulie seconded the motion. Upon roll call, all commissioners voted in favor of the motion, and none were opposed. The motion was approved, and the meeting was adjourned at 5:23 p.m.

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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Finance Director
Date: June 4, 2024
Re: Review and Accept Financial Statements

2025 Budget Preparation

We are scheduled to present the 2025 budget to the CWC Commissioners at their August 8th Budget Committee Meeting. In previous years we have held a special budget-only board meeting to discuss our levy request and to specifically address the Housing Trust Fund portion of the levy. Staff would like guidance from the board regarding the upcoming budget process for this year.

Action Requested: Accept the May financial statements as submitted.

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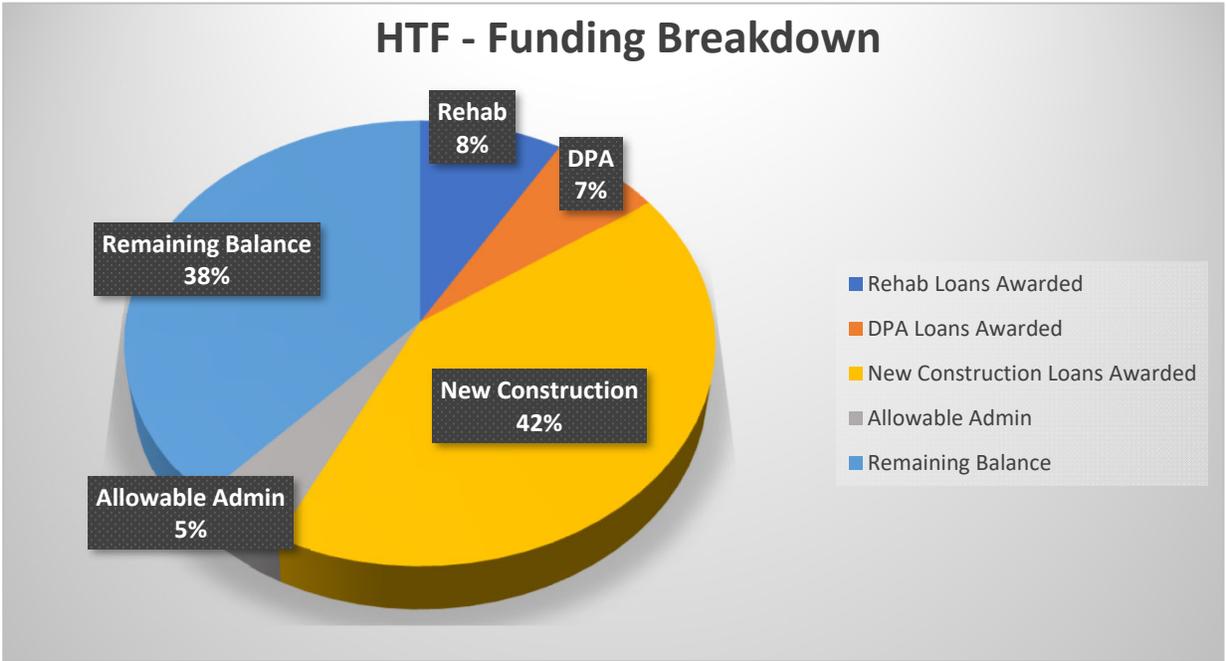
Housing Trust Fund Projection

HTF - Funding Breakdown	
Revenue Sources:	
Levy Approved Total	\$ 2,200,000.00
CWC Local Housing Aid	\$ 157,496.00
Interest Earned To Date	\$ 23,129.00
Total	\$ 2,380,625.00
Loans Awarded:	
Rehabilitation	\$ 204,591.00
Down Payment Assistance	\$ 160,000.00
New Construction	\$ 1,000,000.00
Total	\$ 1,364,591.00
5% Allowable Admin	\$ 110,000.00
Remaining Balance	\$ 906,034.00

Approved Applications:	
Rehab	\$ 25,000.00
New Construction	\$ 1,300,000.00
Total	\$ 1,325,000.00
Balance	\$ (418,966.00)

Other Funding Sources:	
TIF - RLF	\$ 435,870.00
Non-TIF RLF	\$ 119,245.00
CWC Funding	\$ -
MH Funding	\$ -
Total	\$ 555,115.00
Balance	\$ 136,149.00

Applications:	
Pueringer	\$ 460,000.00
Collins	\$ 25,000.00
Creekside Comm.	\$ 500,000.00
Klein	\$ 25,000.00
Wayne	\$ 25,000.00
Renee	\$ 25,000.00
Stumbo	\$ 25,000.00
Total	\$ 1,085,000.00
Balance	\$ (948,851.00)



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6/4/2024

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**Crow Wing County
CWC HRA Combined Balance Sheet
May, 2024**

	Cumulative
ASSETS	
550-000-1129.210 Cash Gen Fund	134,873.53
550-001-1129.210 Cash CWC SCDP	96,684.91
551-002-1129.210 Cash RLF TIF	435,872.36
556-000-1129.210 Cash Development Fund	-436.50
557-000-1129.210 Cash Tax Forf Property	-2,109.67
558-000-1129.210 Cash HTF	590,980.98
558-000-1141.000 Loan Rec HTF	1,364,591.00
556-000-1450.000 Land Held for Resale	85,650.39
TOTAL ASSETS	<u>2,706,107.00</u>
LIABILITIES	
556-000-2600.000 Def Inflow of Res - Dev	-85,650.39
TOTAL LIABILITIES	<u>-85,650.39</u>
SURPLUS	
550-000-2700-000 Net Income	-587,208.13
550-000-2806.000 Retained Earnings	-2,033,248.48
TOTAL SURPLUS	<u>-2,620,456.61</u>
TOTAL LIABILITIES & SURPLUS	<u>-2,706,107.00</u>
Proof	0.00

Date: 6/4/2024
 Time: 1:33:04 PM
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Crow Wing County
CWC HRA Combined Operating Stmt
May, 2024

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	Current Period	Current Year	Year To Date Budget	Variance
INCOME				
550-000-3610.000 Investment Earnings	-2,972.33	-12,527.42	-833.35	-11,694.07
550-000-3690.000 Other Revenue	0.00	-29,650.00	-20,687.50	-8,962.50
550-000-3691.000 Property Tax Revenue	0.00	0.00	-311,800.00	311,800.00
551-002-3610.000 RLF TIF Interest Rev	-1,544.44	-6,412.87	-1,154.15	-5,258.72
556-000-3696.000 Development Revenue	0.00	-59,829.92	-36,133.35	-23,696.57
557-000-3696.000 TFP Revenue	0.00	0.00	-4,166.65	4,166.65
558-000-3696.000 HTF Revenue	0.00	-157,496.00	0.00	-157,496.00
TOTAL INCOME	-4,516.77	-265,916.21	-374,775.00	108,858.79
EXPENSE				
550-000-4110.000 Administrative Salaries	225.00	1,275.00	1,875.00	-600.00
550-000-4130.000 Legal	2,739.00	4,916.50	4,166.65	749.85
550-000-4140.000 Staff Training	0.00	0.00	625.00	-625.00
550-000-4150.000 Travel	6.03	10.05	166.65	-156.60
550-000-4171.000 Auditing Fees	0.00	8,820.00	9,850.00	-1,030.00
550-000-4172.000 Management Fees	15,430.00	77,150.00	77,150.00	0.00
550-000-4190.000 Other Administrative	20.00	20.00	83.35	-63.35
550-000-4500.000 TIF Expense	0.00	30.00	250.00	-220.00
550-000-4510.000 Insurance	0.00	2,763.00	2,900.00	-137.00
550-000-4540.000 Employer FICA	17.22	97.54	145.85	-48.31
550-000-4590.000 Other General Expense	0.00	0.00	60,337.50	-60,337.50
550-001-4600.000 CWC SCDP Expense	0.00	0.00	8,333.35	-8,333.35
551-002-4600.000 RLF TIF Expense	6.67	13.34	20.00	-6.66
556-000-4600.000 Development Expense	436.50	60,266.42	36,133.35	24,133.07
557-000-4600.000 TFP Expense	0.00	0.00	4,166.65	-4,166.65
558-000-4600.000 HTF Expense	1.34	581.34	8,333.35	-7,752.01
TOTAL EXPENSE	18,881.76	155,943.19	214,536.70	-58,593.51
NET INCOME(-) OR LOSS	14,364.99	-109,973.02	-160,238.30	50,265.28

**Crow Wing County HRA
Payment Summary Report
May 2024**

Payment Number	Payment Date	Vendor	Description	Check Amount
1073	5/16/2024	John Schommer	HTF Mileage	\$ 1.34
26280	5/2/2024	Kennedy & Graven, Chartered	TIF Revolving Fund Legal	\$ 2,001.00
26298	5/16/2024	Brainerd Lakes Area Economic Development	Annual Meeting & Victual Loan Fees	\$ 26.67
26344	5/30/2024	Kennedy & Graven, Chartered	Outlot F & Brainerd Oaks Legal	\$ 1,174.50
26345	5/30/2024	Kristin Miller	Mileage	\$ 6.03
Total				\$ 3,209.54

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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Eric Charpentier, Executive Director
 Date: June 11th, 2024
 Re: Executive Director Report

Developer Interest in Tax Forfeited Properties

We met with the development group that is interested in a few Baxter lots and have spoken with the County about potentially conveying these lots to the HRA for potential resale for this project. We did learn that there were sizeable outstanding assessments on two of the lots. We are speaking with City staff to determine if there is any possibility of lowering the amount due to promote or incentivize the development of housing units on these parcels. Staff will continue to work with the development group and the City.

Pequot Lakes HRA

I attended the May Pequot Lakes HRA board meeting as their agency starts to gear up for their budget and levy discussion with the City. I was on hand at the meeting to answer any questions that their board had regarding the current budget and levy that supports the Westgrove townhomes. We will continue to work with their agency staff in anticipation of having their budget presented to our board in August.

Action Requested: No action requested, for informational purposes only

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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Eric Charpentier, Executive Director
Date: June 11th, 2024
Re: Housing Trust Fund Report

There was a nice article written in the Brainerd Dispatch in the May 25th weekend edition about the Lofts on Novotny that did talk about the partnerships involved in getting those units built and the success they have had with the leasing of their new units. If any board members are interested, the link to the story is below. Photos of the property have also been included to this report.

<https://www.brainerddispatch.com/business/the-lofts-on-novotny-offer-upscale-apartment-homes>

Action Requested: No action needed, for informational purposes only.

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Lofts On Novotny Exterior



Lofts on Novotny Patio Deck



Lofts on Novotny Clubhouse



Lofts On Novotny Interior Unit





Housing & Redevelopment Authority

To: Crow Wing County HRA Board Members
 From: John Schommer, Rehab & Maintenance Director
 Date: June 5, 2024
 Re: Programs Report

Outlots E & F

Brainerd HRA is currently in the process of acquiring Outlot E to allow access to Outlot F to accommodate development of the parcel. Both parcels will be conveyed to Crow Wing County HRA and added to the master PDA through amendment.

Brainerd Oaks/Serene Pines/Dalmar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	72	66	0	5
Serene Pines	24**	22	19	0	1
Dalmar Estates	7	6	3	0	2

* Originally 83 lots, 2 have been merged/combined into a single parcel

**Originally 23 lots, 1 was added

Action Requested: None, discussion items.

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2024 CWC HRA BLAEDC/CREDI STAFF TIME- May



Date Range: 5/1/2024 - 5/30/2024

<i>Project</i>	<i>Task</i>	<i>Date</i>	<i>Comment</i>	<i>Hours</i>	<i>Amount</i>
Crow Wing County HRA					
CWC HRA-Redev Redevelopment Projects					
	<i>Dev</i>	<i>Development</i>		32.00	\$4,800.00
				32.00	\$4,800.00
		5/3/2024	BLAEDC staff touring properties in Cuyuna Lakes area with local staff, board members and others to determine housing needs as well as redevelopment needs for the area. Staff will present reports after tours to local community members to lay out a plan for redevelopment concepts as well as housing needs as determined by local staff and residents.	4.00	\$600.00
		5/6/2024	BLAEDC staff meeting with CWC staff regarding childcare grants and completion of needs for disbursement of funds. Local Brainerd project has completed its final steps with significant redevelopment of local property and has opened facility with 72 new slots of childcare available in Crow Wing County. Staff had final tour of facility and funds will be provided now that licensing has been secured.	3.50	\$525.00
		5/7/2024	BLAEDC staff tour of Brainerd unorganized territory to view land available for housing development with the landowner. Property owner would like to see single family and multi-family housing options on the 70 acres of land. Property is located just off of hwy 371 and already has some infrastructure available, such as roads through the property. Further discussions with county engineer need to occur.	3.50	\$525.00
		5/8/2024	BLAEDC staff in Crosslake to tour new business redevelopment project with owner and lead lender. BLAEDC providing some gap financing to project that is a full redevelopment of a property in Crosslake.	3.00	\$450.00
		5/10/2024	BLAEDC staff meetings with Crosby business and tour of newly redeveloped property. BLAEDC board along with CREDi board had impact on project. IRRRB funding was also awarded and used to assist with demolition.	2.00	\$300.00
		5/13/2024	Meeting with CWC HRA staff and local developer regarding Baxer tax forfeited lots and the purchase of the land for development of townhomes. BLAEDC staff toured the recently completed Lofts on Novotny, a 64 unit multi-family housing project in Baxter.	5.00	\$750.00

5/14/2024	BLAEDC staff time to complete and prepare monthly reports for the CWC board meeting. Reports outline monthly activities for the staff.	3.50	\$525.00
5/15/2024	Tour of Pequot Lakes property with developers from Florida to discuss new project. Also toured property in Baxter for discussions about 2nd multi-family project in the city. Toured both properties with staff and owners.	4.00	\$600.00
5/17/2024	Meeting and tour of the housing development in Brainerd, located in Crow Wing County near the Cragun's resort. Property is located near East Gull Lake, but inside of CWC. Homes on the property will consist of single-family homes. 5 new homes are currently being completed with 2 fully completed at this point. Additional units will be built to suit and will add to local housing stock.	3.50	\$525.00
<i>E-mail</i>	<i>E-mail Correspondence</i>	12.00	\$1,800.00
		12.00	\$1,800.00
5/2/2024	email communication with national developer regarding property located in Baxter and Pequot Lakes for development of additional multi-family housing projects. Properties in both communities is currently in the review process and developer is looking for purchase agreement language to move forward.	1.50	\$225.00
5/7/2024	email and voice call with Pequot Lakes city administrator and Mayor regarding property in Pequot Lakes that needs infrastructure assistance.	1.50	\$225.00
5/9/2024	phone and email correspondence with local property owner regarding housing development project and discussions with county staff regarding roads in and out of property.	1.50	\$225.00
5/20/2024	video conference and phone conference with city of Nisswa staff regarding new housing project along with needed funding for infrastructure throughout the city to add to housing lots that would be made available for development. City is in need of single family and multi-family options.	1.50	\$225.00
5/21/2024	Conference call with developer for housing project in Crosby that is trying to bring multi-family housing project to the area. Developer already owns the land, discussions around funding opportunities through the housing trust fund and blaedc.	1.00	\$150.00
5/23/2024	reviewed plans for redevelopment project via virtual call with developer out of twin cities for Baxter project. New business owner is moving to the area. Provided contact information for city staff.	1.50	\$225.00
5/24/2024	call with national developer and state of mn representatives discussing use of infrastructure funds that are available at the state to assist economic development projects and housing projects. State has allocated funds for greater MN.	2.00	\$300.00
5/28/2024	email and phone correspondence with city of Breezy Point mayor and staff regarding housing project in the city. Project needs infrastructure assistance to move forward while keeping lot prices down. State grant assistance programs are available.	1.50	\$225.00

		17.00	\$2,550.00
		17.00	\$2,550.00
5/20/2024	Emily business tour and review of business plan for new childcare facility in the city of Emily. Previous business plan called for the redevelopment of an owned building, but now the city is considering leasing out a city owned building that would need redevelopment to accommodate childcare facility.	3.50	\$525.00
5/21/2024	BLAEDC staff preparing reports, attending and presenting at the Pequot Lakes EDC meeting. Discussions regarding housing development in town for new single-family homes. Total lots available will be 18-20. Additional EDC discussion regarding new multi-family housing project that has purchase agreement being worked through.	4.00	\$600.00
5/23/2024	BLAEDC staff meeting and tour of Brainerd location for new business startup. Walked through 2 buildings in downtown Brainerd that would need redevelopment to fit the needs of the business. Additional properties will be toured if lease terms cannot be met, with redevelopment. Financial package also reviewed for possible assistance.	3.50	\$525.00
5/29/2024	Meeting with developer regarding loan package and financing assistance with new project in Pequot Lakes. Project will consist of 84 units of multi-family housing. Developer would like to utilize local financing and would also like to tap into the housing trust fund for additional assistance as they would like to keep the rents affordable for these units and this community. Developers are also looking at additional land to continue build out of property once this project is completed.	3.50	\$525.00
5/30/2024	BLAEDC staff attended and toured newly redeveloped property in Brainerd. Staff assisted with business plan, site location and financing for project. New business opened and had to redevelop building to fit needs of owner.	2.50	\$375.00
		61.00	\$9,150.00
		61.00	\$9,150.00
		61.00	\$9,150.00

Staff time and notes listed above have been reviewed and approved by BLAEDC Executive Director, Tyler Glynn, upon submittal of this report.



Tyler Glynn
BLAEDC Executive Director

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