



Housing & Redevelopment Authority

Crow Wing County HRA Board Meeting Agenda

5:00pm Tuesday October 8th, 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**

Join from browser:

<https://brainerdhra.my.webex.com/brainerdhra.my/j.php?MTID=md991dce46f27dcd2f32f000ec898a5d4>

Join by phone: 415-655-0001

Meeting number (access code): 2556 284 1335

Meeting password: xhUngUjy657

"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, September 10th, 2024 Meeting Minutes (*Attachment 1 - Pg. 3*)

5. REVIEW & ACCEPT FINANCIAL STATEMENTS (*Attachment 2 - Pg. 5*)

- a.** CWC HRA Combined Balance Sheet September 2024
- b.** CWC HRA Combined Operating Statement September 2024
- c.** CWC HRA September 2024 Payments

6. UNFINISHED BUSINESS

7. NEW BUSINESS

- a.** Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting (*Attachment 3 - Pg. 21*)

8. REPORTS/UPDATES:

- a.** Executive Director Report (*Attachment 4 - Pg. 45*)
- b.** Housing Trust Fund (*Attachment 5 - Pg. 51*)
- c.** Brainerd HRA/Rehab Programs (*Attachment 6 - Pg. 55*)
- d.** BLAEDC/CREDI (*Attachment 7 - Pg. 57*)
- e.** CWC

9. COMMISSIONER COMMENTS

10. NEXT MEETING Tuesday November 12th, 2024

11. ADJOURNMENT

CWC HRA Commissioners:

Zach Tabatt, Chair - District 3 (12-31-24)
Richard (George) Burton, Vice Chair - District 1 (12-31-27)
Tyler Gardner, Commissioner - 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
09/10/2024**

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, Meeting Room 1 and via Webex video/teleconference at 5:00 p.m., Tuesday, September 10th, 2024.

1. **CALL TO ORDER:** Chair Zachary Tabatt called the meeting to order at 5:00 p.m.
2. **ROLL CALL:** Present: Commissioners George Burton, Zach Tabatt, Tyler Gardner. Absent: Michael Aulie and Craig Nathan

Others present: Executive Director Eric Charpentier, Finance Director Karen Young, Rehab Director John Schommer, Crow Wing County Administrative Services Director Jory Danielson. Absent: BLAEDC Executive Director Tyler Glynn.

Guests: Michael Duval.

3. **APPROVE OF AGENDA:**

Commissioner Burton motioned to approve the agenda for September 10th, 2024 as presented. Seconded by Commissioner Gardner. Motion carried Unanimously.

4. **Oath of Office:**

a. Commissioner Gardner, Appointee
Eric Charpentier administered the Oath of Office to newly appointed Commissioner Tyler Gardner.

5. **APPROVE MINUTES:**

Commissioner Burton motioned to approve the Minutes of August 13th, 2024 as presented. Seconded by Commissioner Tabatt. Motion carried Unanimously.

6. **REVIEW AND ACCEPT FINANCIAL STATEMENTS:**

The CWC HRA Levy and Housing Trust Fund Loan Fund and the Financial Information, including payments made for August 2024 was presented by Karen Young.

Commissioner Burton motioned to approve and accept the Financial Statements as presented. Seconded by Commissioner Gardner. Motion carried Unanimously.

7. UNFINISHED BUSINESS: None

8. NEW BUSINESS: None

9. REPORTS:

a. Executive Director Report

The executive director's report was presented by Eric Charpentier highlighting the NAHRO Conference. He also noted that Pequot Lakes HRA had preliminary levy set for West Grove as presented to the Board at the August meeting.

b. Housing Trust Fund Report

The housing trust fund report was presented by Eric Charpentier

c. Brainerd HRA/Rehab Programs:

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

d. BLAEDC/CREDI:

Report included in the packet.

e. CWC:

Crow Wing County Administrative Services Director Danielson reported that the Budget Committee is to meet Thursday, September 12th and the County will set the preliminary levy on September 24th, 2024.

10. HRA Commissioner Comments:

Burton noted he would be attending the Crow Wing Township meeting. There will be discussions with the new owner of the Mills property to clarify use of the lots on the "south side" of the highway with the township.

11. NEXT MEETING: Tuesday, October 8th, 2024

12. ADJOURNMENT:

Commissioner Burton motioned to adjourn the meeting. Seconded by Commissioner Gardner. Motion carried Unanimously. Meeting adjourned at 5:28 pm.



Housing & Redevelopment Authority

To: CWC HRA Board Members

From: Karen Young, Finance Director

Date: October 2, 2024

Re: Review and Accept Financial Statements

Level Contracting Closing

Reflected in the September financial statements is the closing that took place for the purchase of the three lots in Brainerd Oaks for a total of \$15,678.15 as approved at the May meeting. Of this, \$6,900 went to the City for SAC/WAC/Park Fees, \$7,017.15 went to the City in lieu of assessments, and \$487.50 were for closing costs. We were reimbursed for direct costs of \$1,273.50. With this closing, 93% of the total lots have been purchased by the developer.

Action Requested: Accept the September financial statements as submitted.

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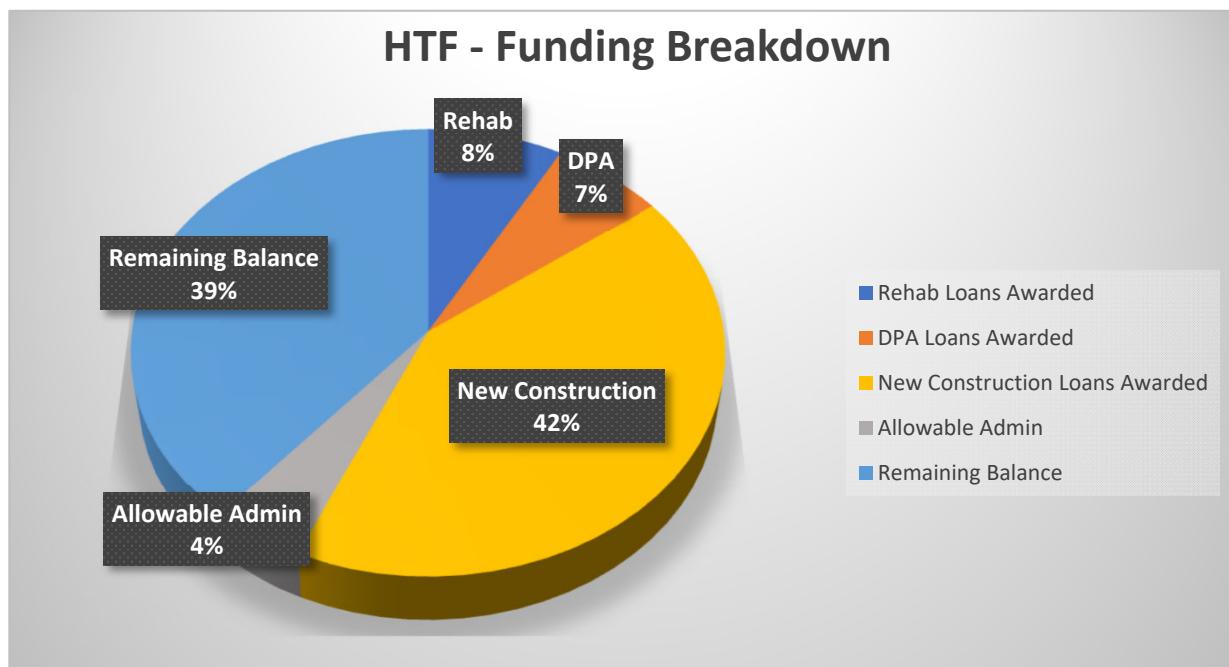
Housing Trust Fund Projection

HTF - Funding Breakdown	
Revenue Sources:	
Levy Approved Total	\$ 2,200,000.00
CWC Local Housing Aid	\$ 157,496.00
Interest Earned To Date	\$ 33,133.00
Total	\$ 2,390,629.00
Loans Awarded:	
Rehabilitation	\$ 193,335.00
Down Payment Assistance	\$ 160,000.00
New Construction	\$ 1,000,000.00
Total	\$ 1,353,335.00
5% Allowable Admin	\$ 110,000.00
Remaining Balance	\$ 927,294.00

Approved Applications:	
New Construction	\$ 1,300,000.00
Total	\$ 1,300,000.00
Balance	\$ (372,706.00)

Other Funding Sources:	
TIF - RLF	\$ 442,435.68
Non-TIF RLF	\$ 119,245.03
CWC Funding	\$ -
MH Funding	\$ -
Total	\$ 561,680.71
Balance	\$ 188,974.71

Applications:	
Pueringer	\$ 460,000.00
Creekside Comm.	\$ 500,000.00
McKay	\$ 120,000.00
Owner Occupied	
Rehab (7)	\$ 175,000.00
Total	\$ 1,255,000.00
Balance	\$ (1,066,025.29)



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Crow Wing County HRA**Balance Sheet****September 2024****Program: 850 - Crow Wing County HRA****Project: 1. General Fund**

	Period Amount	Balance
ASSETS		
1129.210 Cash - A/R General Fund	(13,452.89)	485,914.51
TOTAL ASSETS	(13,452.89)	485,914.51
LIABILITIES AND SURPLUS		
SURPLUS		
2700.000 Income & Expense Summary (Current Year)	(13,452.89)	291,919.00
2806.000 Retained Earnings	0.00	193,995.51
TOTAL SURPLUS	(13,452.89)	485,914.51
TOTAL LIABILITIES AND SURPLUS	(13,452.89)	485,914.51
PROOF	0.00	0.00

Crow Wing County HRA
Operating Statement
Nine Months Ending 09/30/2024
Program: 850 - Crow Wing County HRA Project: 1. General Fund

	Period Amount	Period Budget	Period Variance	YTD Amount	YTD Budget	YTD Variance	Annual Budget	Remaining Budget
INCOME								
3610.000 Interest Revenue	2,147.97	0.00	2,147.97	12,036.17	0.00	12,036.17	0.00	12,036.17
3690.000 Other Income	0.00	2,470.83	(2,470.83)	148,895.03	22,237.50	126,657.53	29,650.00	119,245.03
3691.000 Property Tax Revenue	0.00	29,026.67	(29,026.67)	348,320.00	261,240.00	87,080.00	348,320.00	0.00
TOTAL INCOME	2,147.97	31,497.50	(29,349.53)	509,251.20	283,477.50	225,773.70	377,970.00	131,281.20
EXPENSES								
4110.000 Admin Salaries	150.00	375.00	225.00	2,175.00	3,375.00	1,200.00	4,500.00	2,325.00
4130.000 Legal	0.00	833.33	833.33	4,916.50	7,500.00	2,583.50	10,000.00	5,083.50
4140.000 Staff Training	0.00	125.00	125.00	0.00	1,125.00	1,125.00	1,500.00	1,500.00
4150.000 Travel	9.38	33.33	23.95	127.18	300.00	172.82	400.00	272.82
4171.000 Auditing Fees	0.00	820.83	820.83	8,820.00	7,387.50	(1,432.50)	9,850.00	1,030.00
4172.000 Management Fee	15,430.00	15,430.00	0.00	138,870.00	138,870.00	0.00	185,160.00	46,290.00
4190.000 Other Admin Exp	0.00	16.67	16.67	20.00	150.00	130.00	200.00	180.00
4500.000 TIF Expense	0.00	50.00	50.00	69.13	450.00	380.87	600.00	530.87
4510.000 Insurance	0.00	241.67	241.67	2,763.00	2,175.00	(588.00)	2,900.00	137.00
4540.000 ER FICA	11.48	29.17	17.69	166.39	262.50	96.11	350.00	183.61
4590.000 Other General Exp	0.00	12,067.50	12,067.50	59,405.00	108,607.50	49,202.50	144,810.00	85,405.00
TOTAL EXPENSES	15,600.86	30,022.50	14,421.64	217,332.20	270,202.50	52,870.30	360,270.00	142,937.80
SURPLUS	(13,452.89)	1,475.00	(14,927.89)	291,919.00	13,275.00	278,644.00	17,700.00	274,219.00

Crow Wing County HRA
Balance Sheet
September 2024

Program: 850 - Crow Wing County HRA **Project: 2. SCDP**

	Period Amount	Balance
ASSETS		
1129.210 Cash - A/R General Fund	0.00	96,684.91
TOTAL ASSETS	0.00	96,684.91
LIABILITIES AND SURPLUS		
SURPLUS		
2806.000 Retained Earnings	0.00	96,684.91
TOTAL SURPLUS	0.00	96,684.91
TOTAL LIABILITIES AND SURPLUS	0.00	96,684.91
PROOF	0.00	0.00

Crow Wing County HRA
Operating Statement
Nine Months Ending 09/30/2024
Program: 850 - Crow Wing County HRA Project: 2. SCDP

	Period Amount	Period Budget	Period Variance	YTD Amount	YTD Budget	YTD Variance	Annual Budget	Remaining Budget
INCOME								
3690.000 Other Income	0.00	1,666.67	(1,666.67)	0.00	15,000.00	(15,000.00)	20,000.00	(20,000.00)
TOTAL INCOME	0.00	1,666.67	(1,666.67)	0.00	15,000.00	(15,000.00)	20,000.00	(20,000.00)
EXPENSES								
4600.001 SCDP Expense	0.00	1,666.67	1,666.67	0.00	15,000.00	15,000.00	20,000.00	20,000.00
TOTAL EXPENSES	0.00	1,666.67	1,666.67	0.00	15,000.00	15,000.00	20,000.00	20,000.00
SURPLUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Crow Wing County HRA**Balance Sheet****September 2024****Program: 850 - Crow Wing County HRA****Project: 3. Revolving Fund - TIF**

	Period Amount	Balance
ASSETS		
1129.210 Cash - A/R General Fund	1,591.85	442,435.68
TOTAL ASSETS	1,591.85	442,435.68
LIABILITIES AND SURPLUS		
SURPLUS		
2700.000 Income & Expense Summary (Current Year)	1,591.85	12,962.85
2806.000 Retained Earnings	0.00	429,472.83
TOTAL SURPLUS	1,591.85	442,435.68
TOTAL LIABILITIES AND SURPLUS	1,591.85	442,435.68
PROOF	0.00	0.00

Crow Wing County HRA
Operating Statement
Nine Months Ending 09/30/2024
Program: 850 - Crow Wing County HRA Project: 3. Revolving Fund - TIF

	Period Amount	Period Budget	Period Variance	YTD Amount	YTD Budget	YTD Variance	Annual Budget	Remaining Budget
INCOME								
3610.000 Interest Revenue	1,591.85	0.00	1,591.85	12,936.20	0.00	12,936.20	0.00	12,936.20
3610.001 Interest Rev Vctual	0.00	3.33	(3.33)	39.99	30.00	9.99	40.00	(0.01)
TOTAL INCOME	1,591.85	3.33	1,588.52	12,976.19	30.00	12,946.19	40.00	12,936.19
EXPENSES								
4500.001 TIF Expense Vctual	0.00	1.67	1.67	13.34	15.00	1.66	20.00	6.66
TOTAL EXPENSES	0.00	1.67	1.67	13.34	15.00	1.66	20.00	6.66
SURPLUS	1,591.85	1.66	1,590.19	12,962.85	15.00	12,947.85	20.00	12,942.85

Crow Wing County HRA**Balance Sheet****September 2024****Program: 850 - Crow Wing County HRA Project: 4. Development Fund**

	Period Amount	Balance
ASSETS		
1129.210 Cash - A/R General Fund	703.50	(493.00)
1450.000 Land Held for Resale	(15,678.15)	69,972.24
TOTAL ASSETS	(14,974.65)	69,479.24
LIABILITIES AND SURPLUS		
LIABILITIES		
2600.000 Def'd Inflow of Resources	(15,678.15)	69,972.24
TOTAL LIABILITIES	(15,678.15)	69,972.24
SURPLUS		
2700.000 Income & Expense Summary (Current Year)	703.50	(493.00)
TOTAL SURPLUS	703.50	(493.00)
TOTAL LIABILITIES AND SURPLUS	(14,974.65)	69,479.24
PROOF	0.00	0.00

Crow Wing County HRA
Operating Statement
Nine Months Ending 09/30/2024
Program: 850 - Crow Wing County HRA Project: 4. Development Fund

	Period Amount	Period Budget	Period Variance	YTD Amount	YTD Budget	YTD Variance	Annual Budget	Remaining Budget
INCOME								
3694.000 Development Revenue	15,678.15	7,226.67	8,451.48	75,508.07	65,040.00	10,468.07	86,720.00	(11,211.93)
TOTAL INCOME	15,678.15	7,226.67	8,451.48	75,508.07	65,040.00	10,468.07	86,720.00	(11,211.93)
EXPENSES								
4130.000 Legal	0.00	250.00	250.00	1,222.00	2,250.00	1,028.00	3,000.00	1,778.00
4430.000 Contracts Costs	570.00	133.33	(436.67)	1,339.38	1,200.00	(139.38)	1,600.00	260.62
4591.000 Closing Costs	487.50	83.33	(404.17)	975.00	750.00	(225.00)	1,000.00	25.00
4592.000 SAC/WAC/Park Fees	6,900.00	1,166.67	(5,733.33)	13,800.00	10,500.00	(3,300.00)	14,000.00	200.00
4600.006 Development Expense	7,017.15	5,593.33	(1,423.82)	58,664.69	50,340.00	(8,324.69)	67,120.00	8,455.31
TOTAL EXPENSES	14,974.65	7,226.66	(7,747.99)	76,001.07	65,040.00	(10,961.07)	86,720.00	10,718.93
SURPLUS	703.50	0.01	703.49	(493.00)	0.00	(493.00)	0.00	(493.00)

Crow Wing County HRA**Balance Sheet****September 2024****Program: 850 - Crow Wing County HRA****Project: 5. Housing Trust Fund**

	Period Amount	Balance
ASSETS		
1129.210 Cash - A/R General Fund	2,350.86	745,201.01
1141.000 HTF Loan Receivable	0.00	1,340,731.00
TOTAL ASSETS	2,350.86	2,085,932.01
LIABILITIES AND SURPLUS		
SURPLUS		
2700.000 Income & Expense Summary (Current Year)	2,350.86	295,601.67
2806.000 Retained Earnings	0.00	1,790,330.34
TOTAL SURPLUS	2,350.86	2,085,932.01
TOTAL LIABILITIES AND SURPLUS	2,350.86	2,085,932.01
PROOF	0.00	0.00

Crow Wing County HRA
Operating Statement
Nine Months Ending 09/30/2024
Program: 850 - Crow Wing County HRA Project: 5. Housing Trust Fund

	Period Amount	Period Budget	Period Variance	YTD Amount	YTD Budget	YTD Variance	Annual Budget	Remaining Budget
INCOME								
3610.000 Interest Revenue	2,682.36	166.67	2,515.69	18,271.49	1,500.00	16,771.49	2,000.00	16,271.49
3690.000 Other Income	0.00	0.00	0.00	157,496.00	0.00	157,496.00	0.00	157,496.00
3691.000 Property Tax Revenue	0.00	33,333.33	(33,333.33)	120,496.37	300,000.00	(179,503.63)	400,000.00	(279,503.63)
TOTAL INCOME	2,682.36	33,500.00	(30,817.64)	296,263.86	301,500.00	(5,236.14)	402,000.00	(105,736.14)
EXPENSES								
4130.000 Legal	331.50	81.25	(250.25)	657.50	731.25	73.75	975.00	317.50
4150.000 Travel	0.00	2.08	2.08	4.69	18.75	14.06	25.00	20.31
4600.008 HTF Expense	0.00	1,583.33	1,583.33	0.00	14,250.00	14,250.00	19,000.00	19,000.00
TOTAL EXPENSES	331.50	1,666.66	1,335.16	662.19	15,000.00	14,337.81	20,000.00	19,337.81
SURPLUS	2,350.86	31,833.34	(29,482.48)	295,601.67	286,500.00	9,101.67	382,000.00	(86,398.33)

Crow Wing County HRA
Payment Summary Report
September 2024

Payment Number	Payment Date	Vendor	Description	Check Amount
ACH	9/6/2024	John Schommer	Mileage	\$ 9.38
26621	9/19/2024	Kennedy & Graven	Legal - HTF Loan Payoff	\$ 331.50
26622	9/19/2024	Landwerx LLC	Brush Mowing - Brainerd Oaks	\$ 570.00
Total				\$ 910.88

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Housing & Redevelopment Authority

To: CWC HRA Board Members

From: John Schommer, Rehab & Maintenance Director

Date: October 1, 2024

Re: Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting

On September 3rd, 2024 Level Contracting LLC requested to purchase five lots located in Brainerd Oaks with a total purchase price of \$25,271.17 and would like to close on or before October 18th, 2024. Kennedy & Graven has drafted the Purchase and Redevelopment Agreement and corresponding resolution (see attached).

Action Requested: Approve Resolution No. 2024-05, Approving the Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Level Contracting LLC.

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PURCHASE AND REDEVELOPMENT AGREEMENT

Lots 10 and 11, Block 4, BRAINERD OAKS, Crow Wing County, Minnesota
Lots 12, 13 and 14, Block 5, BRAINERD OAKS, Crow Wing County, Minnesota

1. **Parties.** This Purchase and Redevelopment Agreement (the “Agreement”) is made as of October ___, 2024, between 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”):

Lots 10 and 11, Block 4, BRAINERD OAKS, Crow Wing County, Minnesota
Lots 12, 13 and 14, 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 October ___, 2024. (*1 day from date of this Agreement*)
4. **Price and Terms.** The price for the Property is \$25,271.17 (“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 October 18, 2024.
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 recorded in the office of the Crow Wing County Recorder on March 17, 2017 as Document No. A-886216, as further amended by a Second Amendment thereto, dated as of March 14, 2017, and recorded in the office of the Crow Wing County Recorder on March 17, 2017 as Document No. A-886217, as further amended by a Third Amendment thereto,

dated as of April 12, 2022, and recorded in the office of the Crow Wing Recorder on June 20, 2023 as Document No. 985256, and as assigned and assumed by the Buyer pursuant to an Assignment and Assumption of Master Purchase and Redevelopment Contract, dated as of October 8, 2019, and recorded in the office of the Crow Wing County Recorder on October 17, 2019 as Document No. A-924227 (hereafter collectively referred to as the “Master Agreement”).

7. Real Estate Taxes and Special Assessments.

- A. Seller shall pay, at or before closing, any and all real estate taxes due and payable in 2023 and prior years. Real estate taxes for taxes payable year 2024 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 revest 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: _____ By: _____
Its Chair Its Executive Director

STATE OF MINNESOTA
} ss.
COUNTY OF CROW WING

The foregoing was acknowledged before me this _____ day of October 2024, by Zach Tabatt and Eric Charpentier, the Chair and Executive Director, respectively, of the 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 _____

The foregoing was acknowledged before me this _____ day of October 2024, by Mary Traufler, 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 5th Street, Suite 700
Minneapolis, MN 55402

EXHIBIT A

ALLOCATION OF PURCHASE PRICE BY LOT

Legal Description	PID	Price
Lot 10, Block 4, BRAINERD OAKS	41290565	\$5,512.41
Lot 11, Block 4, BRAINERD OAKS	41290564	\$5,154.46
Lot 12, Block 5, BRAINERD OAKS	41290549	\$4,581.74
Lot 13, Block 5, BRAINERD OAKS	41290548	\$4,868.10
Lot 14, Block 5, BRAINERD OAKS	41290547	\$5,154.46
Total		\$25,271.17

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 \$25,271.17 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: (A) 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, dated as of September 13, 2016, identified as "Master Purchase and Redevelopment Contract," as amended by a First Amendment thereto, dated November 8, 2016, and recorded in the office of the Crow Wing County Recorder on March 17, 2017 as Document No. A-886216, as further amended by a Second Amendment thereto, dated as of March 14, 2017, and recorded in the office of the Crow Wing County Recorder on March 17, 2017 as Document No. A-886217, as further amended by a Third Amendment thereto, dated as of April 12, 2022, and recorded in the office of the Crow Wing Recorder on June 20, 2023 as Document No. 985256, and as assigned by an Assignment and Assumption of Master Purchase and Redevelopment Contract, dated October 8, 2019, and recorded in the office of the Crow Wing County Recorder on October 17, 2019 as Document No. A-924227 (hereafter collectively referred to as the "Master Agreement"), and (B) an agreement entered into between the Grantor and Grantee on the ____ of October, 2024, 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 revest 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 _____, 2024.

- 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 _____, 2024, before me, a notary public within and for Crow Wing County, personally appeared Zach Tabatt and Eric Charpentier 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 Zach Tabatt and Eric Charpentier 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 5th Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

Tax Statements should be sent to:

Level Contracting, LLC
3495 Northdale Blvd. NW, Suite 200
Coon Rapids, MN 55448

EXHIBIT C

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 _____;

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 5th 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. 2024-05

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, 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 recorded in the office of the Crow Wing County Recorder on March 17, 2017 as Document No. A-886216, as further amended by a Second Amendment thereto, dated as of March 14, 2017, and recorded in the office of the Crow Wing County Recorder on March 17, 2017 as Document No. A-886217, as further amended by a Third Amendment thereto, dated as of April 12, 2022, and recorded in the office of the Crow Wing Recorder on June 20, 2023 as Document No. 985256 (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, July 12, 2016, and May 8, 2022, 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, the “Buyer”) by an Assignment and Assumption of Master Purchase and Redevelopment Contract, dated October 8, 2019, and recorded in the office of the Crow Wing County Recorder on October 17, 2019 as Document No. A-924227, 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. On May 10, 2022, the Board conducted a duly noticed public hearing regarding the sale of an additional parcel, Lot 5, Block 3, Serene Pines (now included as part 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 "2024C Agreement") related to specific lots to be conveyed to the Buyer in 2024 and described on Exhibit A to this resolution (the "2024C Lots") and finds that conveyance of the 2024C Lots conforms to the provisions of the Master Contract and the 2024C 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 2024C Agreement as presented to the Board, including the sale of the 2024C 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 2024C 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 2024C Agreement.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the County of Crow Wing this _____ day of _____, 2024.

Chair

ATTEST:

Secretary

EXHIBIT A

2024C LOTS

Lots 10 and 11, Block 4, BRAINERD OAKS, Crow Wing County, Minnesota

Lots 12, 13 and 14, Block 5, BRAINERD OAKS, Crow Wing County, Minnesota



Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Eric Charpentier, Executive Director
Date: October 8th, 2024
Re: Executive Director Report

Preliminary Levy for Crow Wing County

The preliminary County levy was set at the regular County board meeting on September 24th. I have attached the formal request letter that was sent to the County requesting our levy. The preliminary levy for the HRA was adopted at the requested level of \$800,645. The final levy must be adopted by the end of December. We do not anticipate our levy decreasing between now and final approval in December.

CLC Foundation Student Housing Board

The CLC Student Housing board, the entity that owns the Parkway Apartments to the West of the CLC campus has reached out to me to ask me to join their board of directors. This board monitors and approves the budget for those housing units, looks at capital planning for the buildings as well as monitoring opportunities to add to the student housing in the community. With the Brainerd HRA board's blessing, I will be joining this board and I am looking forward to the opportunity to contribute to the community in this capacity.

Grow America (formerly NDC) Housing Development Training

I am on a waiting list for the first one-week class session for the housing development finance class put on by Grow America. This is the first in a four-part training series that when completed, will lead to a Housing Development Finance Professional Certification. This training goes into home ownership development, rental housing development, tax credits, TIF as well as much more. The first class is a remote classroom online from October 21st – October 25th. I am hopeful that a spot opens, and I can get this class work started. If not, I will get enrolled in the next available offering to get this process started.

Action Requested: No action requested, for informational purposes only

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September 26th, 2024

Crow Wing County Commissioners
Historic Court House
326 Laurel Street
Brainerd, MN 56401

Re: 2025 Crow Wing County HRA Levy Request

Dear Crow Wing County Commissioners:

The purpose of this letter is to request the 2025 Crow Wing County Housing and Redevelopment Authority (CWC HRA) operating levy. The CWC HRA levy will go into our General Fund which supports our housing and redevelopment initiatives.

The Mission Statement of the CWC HRA is to support the creation and preservation of affordable housing, economic development, and redevelopment projects towards a more vibrant Crow Wing County. The current goals of the CWC HRA are as follows:

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

We have several key initiatives in progress that are in support of our Mission Statement and current goals as referenced above:

Brainerd Oaks/Serene Pines/Dal Mar Estates

In 2016 the CWC HRA successfully negotiated a Purchase and Redevelopment Agreement with a developer to purchase 112 lots in three tax forfeited subdivisions (Brainerd Oaks, Serene Pines and Dal Mar Estates). These subdivisions had been tax forfeited for several years. The CWC HRA has continued to oversee this contract and to date, the developer has purchased 75 lots in Brainerd Oaks (70 homes completed and sold and 2 homes in construction), 22 lots in Serene Pines (20 homes completed and sold) and 6 lots in Dal Mar Estates (6 homes in completed and sold).

Tax Forfeited Property Policy (TFPP)

This program did not see as much movement as we have in the recent past due to changes within Minnesota law in response to a lawsuit filed against the state regarding tax forfeited properties. As we

have learned more about the updated restrictions on the sale of this type of land we will continue to look for opportunities to purchase and convey these parcels where it is feasible.

Small Cities Development Program (SCDP)

The CWC HRA is currently working on our SCDP grants in the City of Garrison and in the City of Jenkins. 6 owner-occupied projects have been completed and 2 commercial projects have also been completed. The local income that CWC HRA receives annually from CWC was used as leverage dollars to increase the competitiveness of the Garrison and Jenkins grant applications. In 2023 we applied for funding for owner-occupied and rental-occupied housing rehab in Southeast Brainerd and our rehab department continues to look for areas of the County in which this program can be utilized and would be competitive in submitting a grant application. We are currently getting bids for projects on the Southeast Brainerd grant projects and are in the preliminary stages of submitting a pre-application for the Washington street corridor to coincide with the reconstruction project with MNDOT in 2026.

Minnesota Housing Rehab Loan Program

In 2024 we have closed 6 loans and 3 projects are in process for the rehabilitation of single-family owner-occupied homes in CWC. These loans are limited to homeowners with income limits of 30% of the Area Median Income (AMI).

Crow Wing County Housing Trust Fund (HTF)

The primary purpose of the HTF is to assist in financing the production and preservation/stabilization of affordable and mixed-income housing projects in CWC. The HTF shall be a permanent source of funding and continually renewable source of revenue to meet, in part, the housing needs of Moderate, Low and Very Low Income households in the County. Program guidelines were approved by the CWC HRA Board in May 2020 and established the following programs:

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

Funding is available through the CWC HRA levy and we are in the process of marketing these programs to the community. Since 2022 we have closed and funded 8 down payment assistance loans, 9 owner-occupied rehabilitation loans and 1 new development for a total of \$1,365,105. 2024 also saw our first owner-occupied loan repaid in full which occurred in August. Our board has also approved funding for a large redevelopment project in downtown Brainerd that is contingent upon additional funding sources being approved. We are excited for the success of these programs and for the continued support from the County in allowing and authorizing a portion of our levy to be placed in the trust fund.

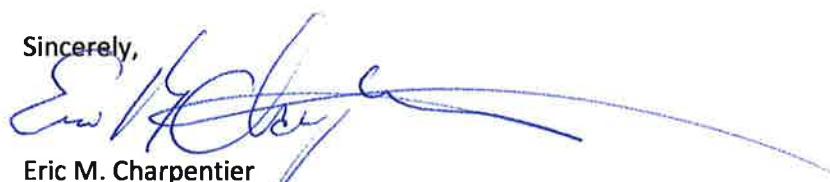
The initiatives referenced above are possible as a result of the CWC HRA levy. Per statute, the maximum CWC HRA levy for 2025 would be .0185% of the estimated market value, which would be approximately

\$3,189,702. The CWC HRA is requesting a levy amount of \$800,645 for 2025 which would equate to approximately 25.1% of the levy capacity for the agency. The funding will be budgeted for:

- \$400,000 Housing Trust Fund
- \$121,780 funding for BLAEDC/CREDI
- \$278,865 for operations

Thank you for your continued support of the CWC HRA and for considering our request for the 2025 levy.

Sincerely,



Eric M. Charpentier
CWC HRA Executive Director

Crow Wing County HRA 2025 Budget Option 1

	2025 Budget	2024 Budget	Difference
Revenues			
Property Tax Levy - Operations	278,865	229,510	49,355
Property Tax Levy - BLAEDC	94,595	92,288	2,307
Property Tax Levy - CREDI	27,185	26,522	663
Property Tax Levy - Housing Trust Fund	400,000	400,000	0
Total Property Tax Levy	800,645	748,320	52,325
CWC Appropriation	0	29,650	(29,650)
Total CWC Funding	800,645	777,970	22,675
Interest Revenue	5,000	2,000	3,000
Tax Forfeit Property Fund	10,000	10,000	0
Development Fund	71,000	86,720	(15,720)
CWC Local Income Fund	9,000	20,000	(11,000)
Total Revenues	895,645	896,690	(1,045)
General Fund Expenditures			
Administrative Salaries	4,500	4,500	0
Employer FICA	350	350	0
Legal	10,000	10,000	0
Travel	400	400	0
Training	1,500	1,500	0
Sundry-Admin	200	200	0
Auditing Fees	9,500	9,850	(350)
Management Fee	194,340	185,160	9,180
TIF Expense	600	600	0
Insurance	3,500	2,900	600
Housing and Redevelopment Initiatives	26,000	26,000	0
	250,890	241,460	9,430
Fund Expenditures			
Tax Forfeit Property Fund	10,000	10,000	0
Development Fund	71,000	86,720	(15,720)
CWC Local Income Fund	9,000	20,000	(11,000)
Housing Trust Fund	400,000	400,000	0
BLAEDC/CREDI Funding	121,780	118,810	2,970
	611,780	635,530	(23,750)
Total Expenditures	862,670	876,990	(14,320)
Net Operating Income to Fund Reserves	32,975	19,700	13,275



To: CWC HRA Board Members
From: Eric Charpentier, Executive Director
Date: October 8th, 2024
Re: Housing Trust Fund Report

Brainerd Lakes Area Housing Summit - Putting the Puzzle Pieces Together

I have been invited to participate in a housing summit through Minnesota Housing on October 23rd at The Lodge at Brainerd Lakes. I will be joining a panel discussion on housing trust funds and new housing resources for local governments. The tentative agenda for the housing summit is attached to my report. If any board members are interested in attending, we have supplied the link via email for those that wanted to register. Registration is open until October 13th.

Workforce Housing Development Grant

We have received word that the workforce development grant request for the 805 Laurel St. redevelopment project did not receive any funding. This was a surprise to both the developer and to staff as we thought this project had a good opportunity for funding. I had a follow up meeting with DW Jones on October 2nd to discuss the next steps and where and how to decrease the funding gap that this has created. We had a positive brainstorming session, and we are going to be meeting again on October 10th to keep working on finding a solution. This is a priority project for the Brainerd HRA as well as the City of Brainerd and a high priority for this board as well. The developer is still very much interested in getting units built on this site. We will continue to work together and I will keep the board updated as updates come in on next steps. The developer would still be counting on the funding that was approved through a mix of the housing trust fund and our TIF revolving loan fund for this project.

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

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Brainerd Lakes Area Housing Summit – Putting the Puzzle Pieces Together

Agenda

October 23rd 9 a.m. to 4 p.m.

The Lodge at Brainerd Lakes, 6967 Lake Forest Rd, Baxter, MN 56425

9:00 - 9:30 a.m.	Check In and Refreshments
9:30 - 9:45 a.m.	Welcome
9:45 - 10:30 a.m.	Moving In, Moving Out, and Moving Over: The Future of the Rural Housing Supply
10:30 - 10:40 a.m.	Table Discussion and Reflection
10:40 - 11:10 a.m.	Getting Started: Pre-Development & Technical Assistance Resources
11:10 - 11:40 a.m.	Developer Roundtable
11:40 a.m. - 12:30 p.m.	LUNCH - Informal Networking
12:30 - 12:40 p.m.	Minnesota Housing Overview and Updates
12:40 - 1:20 p.m.	Local Housing Trust Funds & New Housing Resources for Local Governments
1:20 - 2:20 p.m.	Housing Stability & Supportive Housing
2:20 - 2:30 p.m.	BREAK
2:30 - 3:10 p.m.	Case Study 1: Single Family (Owner-Occupied) Housing Development
3:10 - 3:50 p.m.	Case Study 2: Multifamily (Rental) Housing Development

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To: Crow Wing County HRA Board Members
 From: John Schommer, Rehab & Maintenance Director
 Date: October 1, 2024
 Re: Programs Report

Outlots E & F

Staff learned that Level Contracting did not receive the infrastructure grant for Outlots E and F from MN Housing. I did talk with the developer and he is planning on pursuing another infrastructure grant opportunity through MN Housing this fall when it becomes available although that is most likely going to be through the city. He is continuing to work with his contractors to get more accurate costs for installing the infrastructure while we work to try to find additional dollars to bring the project to completion.

Brainerd Oaks/Serene Pines/Dalmar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	75	70	0	2
Serene Pines	24**	22	20	0	0
Dalmar Estates	7	6	3	0	1

* 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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BLAEDC/CREDI STAFF TIME

September



Date Range: 9/1/2024 - 9/30/2024

Project	Date	Comment	Hours	Billing Amount
Crow Wing County HRA				
CWC HRA - Redev	Redevelopment Projects			
	9/3/2024	Phone conference with Pequot Lakes city staff regarding new multi-family housing development and status of land purchase.	1.00	\$150.00
	9/3/2024	BLAED staff meeting w/local business who is interested in data to support their review housing information that could further their investment with land they currently own. Board discussion surrounding a build out of both single-family housing units and multi-family housing units. Company may work with developers on site plans.	3.00	\$450.00
	9/4/2024	BLAEDC staff and BLAEDC Executive Director presented at Crosslake EDA regional workshop regarding activities of the organization. Primary discussion included redevelopment of local communities as well as deep discussion of housing needs in Crow Wing County. Discussion was joined by HRA ED as well as community leaders and county leadership. Program discussions occurred as well.	4.00	\$600.00
	9/5/2024	email communications and phone calls with 2 local companies regarding building availability in the Brainerd Industrial park. Companies are willing to redevelop property to fit their needs if there is availability. Cost of new construction is too high, they would rather redevelop.	2.00	\$300.00
	9/5/2024	BLAEDC staff meeting with client to discuss business locations in Brainerd for store opening. Client is looking for leased space that would allow for redevelopment. Client has toured 3 open properties at this point.	1.50	\$225.00
	9/6/2024	email correspondence with city of Nisswa staff regarding new housing development and how we can market property as their Economic Development partner. Housing development homes starting in the low \$500's.	1.00	\$150.00
	9/9/2024	BLAEDC staff presenting and working with CREDI board and community leaders in the Cuyuna Lakes area regarding housing needs through the area as well as business redevelopment in each community and the involvement of government and local partners to assist this advancement of housing and quality redevelopment in the area. This region has access to state partners that are not otherwise available in the county.	5.00	\$750.00
	9/10/2024	BLAEDC staff provided reports for Crow Wing County HRA monthly meeting.	2.50	\$375.00
	9/11/2024	email communication with U of M staff to provide updates for upcoming meeting regarding possible partnership.	1.00	\$150.00
	9/11/2024	BLAEDC staff presenting in Nisswa to new business owners regarding how to access resources and tools that will allow for growth and expansion of businesses in Crow Wing County. Local business owners needing to understand resources so they can locate new properties and redevelop to fit expansion needs.	3.50	\$525.00

9/12/2024	Meeting w/University of Minnesota extension office and BLAEDC staff to discuss partnerships in Crow Wing County to utilize data to access new business opportunities in each community throughout the county and to market open buildings for purchase, redevelopment and possible housing opportunities. Staff to work through process with U of M to develop structure.	3.00	\$450.00
9/13/2024	BLAEDC staff attending Central Lakes College foundation to discuss new housing options for students and community members. Foundation is looking for partners to develop land that is already owned by college and would like to move towards options to build new multi-family housing.	2.00	\$300.00
9/16/2024	BLAEDC staff attending meeting with college leadership to understand options and opportunities for housing expansion on campus. Foundation has presented initial plans to staff.	2.00	\$300.00
9/17/2024	virtual conference call with state officials regarding new programs that will allow for infrastructure to be deployed to greater minnesota for projects that related directly to affordable housing.	1.50	\$225.00
9/17/2024	BLAEDC staff providing reports and presenting at Pequot Lakes EDC meeting regarding redevelopment opportunities in the city as well as providing housing updates on multi-family housing project and new commercial development projects. Received update from city regarding sale of housing development to local developer.	3.50	\$525.00
9/18/2024	Meeting w/development team for Pequot Lakes housing project. National developer team members were in town and wanted to tour property as well as other property in Baxter for further development of multi-family housing projects.	4.50	\$675.00
9/19/2024	BLAEDC staff meeting w/local developer who was interested in learning about local assistance to aid with potential housing projects. Developer has purchased unfinished development in Pequot Lakes but needs some financial assistance to get project moving forward. His plan is to build much more affordable housing than currently is on the market.	2.50	\$375.00
9/24/2024	email correspondence and phone call with IRRRB representative to discuss opportunities in Crosby for new housing project and need for assistance with infrastructure costs. Further communications will occur as project moves forward.	1.50	\$225.00
9/24/2024	Multiple meetings for BLAEDC staff regarding both housing and redevelopment. Pequot Lakes special meeting to discuss and review multi-family housing project that will bring needed affordable housing to the area. Meeting was with developer staff, EDC staff and city staff. BLAEDC staff meeting with possible developer regarding Baxter building project.	5.00	\$750.00
9/25/2024	Meeting w/local company to discuss housing projects for both Baxter and Crosby. Local company owns land in both communities and is looking at state assistance for infrastructure projects that would assist in housing projects. Crosby project could benefit from IRRRB funding assistance that would allow for small housing build. Baxter project needs some infrastructure assistance. Continue to work with company and state programs.	4.00	\$600.00
9/26/2024	Meeting w/local business owner and local SBDC staff and SBA staff to discuss expansion of business in Crow Wing County, SBA staff were in attendance to discuss state funding opportunities that would be available for business owner to expand. Funds are needed to find new property for redevelopment as owner needs new space to manufacture product.	3.00	\$450.00

9/27/2024	BLAEDC staff in 2 new business meetings with local business owners who are starting and expanding new businesses and need new space for expansion and growth. New businesses are looking for properties to redevelop. Staff are working with local realtors to identify properties for new business expansion and growth. BLAEDC staff will help with financing assistance as well as property review.	3.50	\$525.00
9/30/2024	BLAEDC staff meeting with Crosslake city staff and real estate developer to discuss potential sites for single family housing. City wants to discuss opportunities to entice development in the city. Discussed programs like housing trust fund and MN Housing Partnership for funding assistance to developers. City would like to work through a plan to assist development.	3.50	\$525.00
<hr/>			
	CWC HRA - Redev	Redevelopment Projects Total:	64.00
		Crow Wing County HRA Total:	64.00
		Grand Total	64.00
			\$9,600.00
			\$9,600.00
			\$9,600.00

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